U. S. Congress

Congressional Record

PROCEEDINGS AND DEBATES

OF THE

SECOND SESSION OF THE SEVENTY-FOURTH CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 80—PART 8

MAY 28, 1936, TO JUNE 6, 1936

(Pages 8147 to 9188)

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1936

DEPOSITED BY THE
UNITED STATES OF AMERICA
OCT 17 '36

Congressional Record

SEVENTY-FOURTH CONGRESS, SECOND SESSION

SENATE

THURSDAY, MAY 28, 1936

(Legislative day of Tuesday, May 12, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, May 27, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Pope
Ashurst	Connally	King	Radcliffe
Austin	Coolidge	La Follette	Reynolds
Bachman	Copeland	Lewis	Robinson
Bailey	Couzens	Loftin	Russell
Barbour	Davis	Lonergan	Schwellenbach
Barkley	Dieterich	Long	Sheppard
Benson	Donahey	McAdoo	Shipstead
Bilbo	Duffy	McGill	Steiwer
Black	Fletcher	McKellar	Thomas, Okla.
Bone	Frazier	McNary	Thomas, Utah
Borah	George	Maloney	Townsend
Brown	Gerry	Metcalf	Truman
Bulkley	Gibson	Minton	Tydings
Bulow	Glass	Murphy	Vandenberg
Burke	Guffey	Murray	Van Nuys
Byrd	Hale	Neely	Wagner
Byrnes	Hastings	Norris	Walsh
Capper	Hatch	Nye	Wheeler
Caraway	Hayden	O'Mahoney	White
Carey	Holt	Overton	
Chavez	Johnson	Pittman	

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], the Senator from Mississippi [Mr. HARRISON], and the Senator from South Carolina [Mr. SMITH] are absent because of illness, and that the Senator from Oklahoma [Mr. GORE], the Senator from Kentucky [Mr. LOGAN], and the Senator from New Jersey [Mr. MOORE] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

THE LATE SENATOR TRAMMELL

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by the United States Naval Reserve Officers' Association, and transmitted to the Naval Affairs Committee of the Senate, sympathizing with the Senate and the country upon the death of the late Senator TRAMMELL.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolution unanimously adopted by the executive committee of the association at a meeting held in Baltimore, Md., May 11, 1936

Whereas the members of this association have received the sad tidings of the passing of the Honorable PARK TRAMMELL, United States Senator from the State of Florida, on May 8, 1936, and having many recollections of his friendly attitude toward this association and his fine public service in promoting the well-being of the United States Navy and its Reserve forces: Be it therefore

Resolved, That the officers and members of the United States Naval Reserve Officers' Association hereby record their profound sorrow and deep regret on the loss sustained by them and by the Nation in the unfortunate death of the Honorable PARK TRAMMELL, United States Senator from the State of Florida; and be it further

Resolved, That the secretary of this association is hereby directed to transmit a copy of this resolution to the family of the late Senator TRAMMELL, with expressions of the deep sympathy which is extended to them by the members of this association, and to also transmit a copy of these resolutions to the Naval Affairs Committee of the United States Senate, the body in which Senator TRAMMELL served so long and honorably.

Certified a true copy:

GEO. W. AKERS,
National Secretary,
United States Naval Reserve Officers' Association.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 11555. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the arrival of Marcus and Narcissa Whitman in the Walla Walla Valley, Wash., and the founding of the Waiilatpu Mission; and

H. R. 12397. An act to authorize the coinage of 50-cent pieces in commemoration of the completion of the bridges in the San Francisco Bay area.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H. R. 11108. An act to advance a program of national safety and accident prevention; and

S. J. Res. 209. Joint resolution authorizing the presentation of silver medals to the personnel of the Second Byrd Antarctic Expedition.

SUPPLEMENTAL ESTIMATE, NAVY DEPARTMENT (S. DOC. NO. 254)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Navy Department, fiscal year 1936, in the amount of $150,000, to replace a shop building and facilities at the naval air station, Norfolk, Va., that were destroyed by fire, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

APPROPRIATION TO PAY CLAIMS AND SUITS, DISTRICT OF COLUMBIA (S. DOC. NO. 252)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation submitted by

the Commissioners of the District of Columbia, to pay claims and suits which had been settled by them under the provisions of law, amounting to $1,708.77, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Louisiana, which was referred to the Committee on Banking and Currency:

House Concurrent Resolution 4

Whereas the Federal land bank has persistently pursued a course in the foreclosure of mortgages against the citizens of this State adverse to the wishes of the President and the intent and purpose of the Congress; and

Whereas this practice has been most noticeable to parishes, localities, and neighborhoods where there are apparent possibilities of potential gas and oil development, this latter fact being so apparent as to cause universal criticism of the motions of this said Federal land bank; and

Whereas these unjust acts have not only been committed against old resident citizens who, together with their forbears, have been for generations the backbone and sinew of this country, but against many representatives of a new and fine citizenry who have moved into this State, invested their all in good faith, and yet have met with the same ruthless treatment; and

Whereas the purpose of our great President and the Congress of the United States in recommending and making appropriations to the said Federal land bank for the protection of these citizens in the security of their property rights and to aid them and tide them over these terrible years of depression, thereby giving them the help so badly needed to recoup from their misfortunes, and to enable them to become a substantial people who could and would contribute to their country's good; and most certainly not for the purpose of the said Federal land bank to make more money with, to create more high-salaried jobs, and create more moneyed potentates, but, instead, was for the stricken farmer and other sufferers who, due to no fault of their own, were engulfed by storms, droughts, excessive rainfall, innumerable pests—in short, by the cataclysms of nature—and who are rendered powerless to help themselves in their struggle for their very existence, let alone pay interest to said Federal land bank and taxes to the State government; and

Whereas we believe in the honesty and integrity of the American people as a whole and believe their inability to pay interest to this said Federal land bank and taxes to the State is due to a combination of the above-named causes and not to dishonesty and a desire to defraud, as evidenced by the fact that these same people or their forbears paid enormous sums and interest to English and Scotch loan companies in the '80's and '90's, as the parish records in Louisiana will show; and

Whereas we believe that moneys appropriated by Congress should be for the benefit of the common people and not for corporate interests: Therefore be it

Resolved, That the Legislature of the State of Louisiana go on record as approving every word of this resolution, and that this legislature memorialize the Congress of the United States to immediately take proper steps to have this abuse of Federal funds corrected; and further be it

Resolved, That the Louisiana delegation in Congress use every means within their power to bring pressure upon the Congress to correct the evils as set forth in this resolution and to have all properties unjustly taken from their rightful owners restored to them; and still further be it

Resolved, That the Congress pass all necessary moratoriums and a mandatory act to govern said Federal land bank with proper restrictions as to use of Government funds and proper safeguards for the sovereign people; also be it

Resolved, That a copy of this resolution be sent to the Vice President of the United States, to the Speaker of the House of Representatives, to the Secretary of the Senate, and the Clerk of the House, and also to each member of the Louisiana delegation in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate a resolution of the Common Council of the City of Buffalo, N. Y., favoring the enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which was referred to the Committee on Education and Labor.

He also laid before the Senate resolutions adopted by the Central Labor Council of San Joaquin County, Calif., protesting against the alleged action of the Bureau of Reclamation in not observing the California law as to drilling in silica in rock tunnels located near Kenneth, Calif., which were referred to the Committee on Education and Labor.

Mr. COPELAND presented resolutions adopted by Branch 4, Workmen's Sick and Death Benefit Fund, of Brooklyn, and the League of the Physically Handicapped, of New York City, both in the State of New York, favoring the enactment of the so-called workers' social-insurance bill, which were referred to the Committee on Finance.

He also presented a resolution of the New York Board of Trade, protesting against the enactment of Senate bill 2134, to prohibit employers from influencing the vote of their employees in national elections, which was ordered to lie on the table.

Mr. WALSH presented a resolution of the Board of Aldermen of the City of Chelsea, Mass., protesting against the admission into the United States of former President Calles, of the Republic of Mexico, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Roosevelt Council, No. 45, Sons and Daughters of Liberty, of Lowell, Mass., favoring the enactment of Senate bill 4011, restricting immigration and providing for the deportation of undesirable aliens, and protesting against the enactment of Senate bill 2969, to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, etc., which was referred to the Committee on Immigration.

He also presented a petition of sundry citizens of Springfield, Mass., and vicinity, praying for the enactment of the so-called Frazier-Lemke farm refinancing bill, which was ordered to lie on the table.

LOW-COST HOUSING

Mr. WAGNER presented resolutions adopted by the annual meeting of the Unitarian Ministerial Union at Boston, Mass., which were referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

AMERICAN UNITARIAN ASSOCIATION,
Boston, Mass., May 25, 1936.

Hon. ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.

DEAR SENATOR WAGNER: As secretary of the Unitarian Ministerial Union, which held its annual meeting on Thursday, May 21, 1936, in Boston, I am very glad to transmit to you the following resolution in support of your housing bill:

Whereas the Unitarian Ministerial Union is vitally concerned in a national program of slum removal and the provision of better housing for people of small incomes; and

Whereas we believe that the passage of Senate bill 4424, setting up a Federal Housing Authority, will help toward this end: Be it

Resolved, That the Unitarian Ministerial Union go on record as favoring the passage of Senate bill 4424; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States and to Senator ROBERT F. WAGNER, the sponsor of the bill.

With every good wish for your success in this endeavor, I am,
Sincerely yours,

ARTHUR W. OLSEN,
Secretary, Unitarian Ministerial Union.

THE MEXICAN LIBRARY OF CONGRESS—EXCHANGE OF PUBLICATIONS

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Secretary of State, transmitting a translation of a letter from the Library Commission of the Republic of Mexico, which papers were noted in the RECORD and referred to the Committee on Foreign Relations on the 25th instant.

There being no objection, the letter from the Secretary of State and the translation of the letter from the Library Commission of the Republic of Mexico were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, May 21, 1936.

The VICE PRESIDENT,
United States Senate.

SIR: I take pleasure in transmitting herewith a translation of a letter dated March 20, 1936, addressed to "The Honorable Congress of the United States of North America" by the Commission of the Mexican Library of Congress in which the commission requests the cooperation of the Congress of the United States. A copy of the Commission's letter was transmitted to the Department of State by the American Ambassador at Mexico, D. F.

A translation of the Commission's letter is also being transmitted to the Speaker of the House of Representatives. As the Librarian of Congress is charged with certain duties pertaining to the international exchange of official publications, I have taken the liberty of referring to him a copy of the letter from the Commission of the Mexican Library of Congress.

If it is desired that the Commission's letter be acknowledged on behalf of the Senate, I shall be glad to instruct the American

Ambassador at Mexico, D. F., to make an appropriate acknowledgment.

I have the honor to be, sir,
Your obedient servant,

CORDELL HULL.

Enclosure: From Mexican Library of Congress, March 20, 1936 (translation).

[Translation]

MEXICO, D. F., *March 20, 1936.*

The Honorable Congress of the United States of North America, Washington, United States of America:

For 26 years Mexico has been agitated by an intense social upheaval which has attracted to this country, in the process of formation, the curiosity of all the world, principally because it was supposed that it was affected by a destructive tendency, since the intellectuals were few who had evaluated in a spirit of justice and historical recognition the true depth of our struggles which, in reality, date from very far back.

For the past few years the ends of our social agitation have been more clearly apparent to sociologists, politicians, and historians, and it is beginning to be understood that Mexico is making a colossal attempt to equilibrate its economic system and the peculiar racial differences in the Spanish-speaking countries.

This understanding has caused a friendly hand to be extended to us from everywhere, and we are taking advantage of this fact in order to deserve that those more advanced than ourselves look on us as a country that is anxious to attain the culture of the more advanced.

The intense work which the Government is carrying on in the educational field, creating annually thousands of schools, in accordance with the 6-year plan accepted in solemn promise of fulfillment by the President of the Republic has brought about, as a consequence, a keen interest in the establishment of libraries and the development and modernization of those already in existence.

The Congress of the Union, desirous of contributing to so noble a desire, resolved taking as a basis the libraries of the Chamber of Deputies, Senate, and of the Chief Accounting Office of Hacienda, a dependency of the first, libraries which were destined exclusively for the service of the representatives of the people to create a public library, with services and organization which may influence all those which exist and those which are being established in the vast extent of the Republic and, in order to carry out this work, a national library board has been constituted which will function even in the most modest villages.

For the adequate installation of the large library of the Congress of the Union, a spacious site, granted by the President of the Republic who is an enthusiastic collaborator in our work, and which is centrally located quite near the colegislative chambers, has been duly adapted.

Desirous that the intellectual manifestations of all the civilized countries be duly represented in the library in formation, we request that honorable Congress to patronize the new library in order that its name may be placed on an inscription which will appear on the walls of the central reading room, as well as the presentation of a collection of works of that nation, a collection which will have a special place.

Likewise, we beg that our request be transmitted, when it is convenient, to official departments, scientific, and literary societies, labor and cultural organizations of all kinds in your country in order that they may donate to us, through the undersigned commission, any publication, book, pamphlet, newspaper, or magazine of a scientific, historical, sociological, or legal character, which it may be possible to furnish us, dedicated to the library of the Congress of the Union, opened to the people by recent decree, and which our Congress is attempting to make a national center of study for all the social classes of our country.

The Congress of the Union of the United Mexican States, through us, and with the assurance that this petition which we make in its name will be heeded, presents in advance to Your Excellency and to the Members of that honorable Congress its appreciation and a greeting to you and best wishes for the prosperity and peace of your fatherland.

THE LIBRARY COMMISSION.

Deputies:

(Signed) LUIS MORA TOVAR.
CARLOS A. CALDERON.
DEMETRIO BOLAÑOS, E.

REPORTS OF COMMITTEES

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 4673) to authorize the Attorney General to provide instruction and information on the subject of crime control, reported it with an amendment and submitted a report (No. 2111) thereon.

Mr. BURKE, from the Committee on the Judiciary, to which was referred the bill (S. 4530) to amend the Subsistence Expense Act of 1926 by adding a new section to provide that section 259 of the Judicial Code, providing for traveling expenses of circuit justices, circuit and district judges actually incurred, and maintenance expenses in an amount not to exceed $10 per day, shall not be construed to be modified or repealed in any respect by any section of the Subsistence Expense Act of 1926, reported it with amendments and submitted a report (No. 2121) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 7688) to provide for the appointment and promotion of substitute postal employees, and for other purposes, reported it with amendments and submitted a report (No. 2112) thereon.

He also, from the same committee, to which was referred the bill (S. 4483) to authorize the issuance of a special series of postage stamps commemorative of the three hundredth anniversary of the founding of Harvard University, reported it without amendment and submitted a report (No. 2120) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 240) to authorize the execution of plans for a permanent memorial to Thomas Jefferson, reported it without amendment and submitted a report (No. 2113) thereon.

Mr. FRAZIER, from the Committee on Civil Service, to which was referred the bill (S. 3723) granting an annuity to Theresa E. Thoreson, reported it without amendment and submitted a report (No. 2114) thereon.

Mr. NEELY, from the Committee on Civil Service, to which was referred the bill (S. 565) for the relief of James L. Barnett, reported it without amendment and submitted a report (No. 2117) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 4488. A bill authorizing the Chesapeake Bay Authority to construct, maintain, and operate a toll bridge across the Chesapeake Bay from a point in Baltimore County, Md., over Hart Island and Millers Island, to a point near Tolchester, Kent County, Md. (Rept. No. 2124); and

S. 4622. A bill to amend section 2 of the act entitled "An act granting the consent of Congress to the Alabama State Bridge Corporation to construct, maintain, and operate bridges across the Tennessee, Tombigbee, Warrior, Alabama, and Coosa Rivers within the State of Alabama", approved May 26, 1928 (Rept. No. 2115).

Mr. SHEPPARD also, from the Committee on Commerce, to which was referred the bill (S. 4658) to aid the several States in making certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes, reported it with amendments and submitted a report (No. 2116) thereon.

He also, from the Committee on Military Affairs, to which was referred the bill (S. 4699) to provide a commissioned strength for the Corps of Engineers, United States Army, for the efficient performance of military and other statutory duties assigned to that corps, reported it with an amendment and submitted a report (No. 2118) thereon.

Mr. HATCH, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3866) to further extend the period of time during which final proof may be offered by homestead and desert-land entrymen, reported it without amendment.

Mr. STEIWER, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 9485) to convey certain lands to Clackamas County, Oreg., for public-park purposes, reported it with an amendment and submitted a report (No. 2122) thereon.

He also, from the same committee, to which was referred the bill (H. R. 9654) to authorize the purchase by the city of Scappoose, Oreg., of a certain tract of public land revested in the United States under the act of June 9, 1916 (39 Stat. 218), reported it with amendments and submitted a report (No. 2123) thereon.

Mr. WALSH, from the Committee on Education and Labor, to which was referred the bill (S. 3238) to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works, reported it with amendments and submitted a report (No. 2119) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LONERGAN:

A bill (S. 4705) for the relief of Henrietta Jacobs; to the Committee on Claims.

By Mr. DUFFY:

A bill (S. 4706) for the relief of Joseph W. Bollenbeck; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 4707) for the relief of certain purchasers of lots in Harding town site, Fla., and for the relief of the heirs of Lewis G. Norton; to the Committee on Public Lands and Surveys.

By Mr. SCHWELLENBACH:

A bill (S. 4708) relating to payments, under the World War Adjusted Compensation Act, to dependents of certain veterans; to the Committee on Finance.

By Mr. COPELAND:

A bill (S. 4709) authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the Delaware River between points in the village of Barryville, Sullivan County, N. Y., and the village of Shohola, Pike County, Pa.; and

A bill (S. 4710) authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the West Branch of the Delaware River between a point in the vicinity of the village of Hancock, Delaware County, N. Y., and a point in the town of Buckingham, Wayne County, Pa.; to the Committee on Commerce.

A bill (S. 4711) authorizing an appropriation for the purpose of completing a building to honor the detail which captured Major André, the British spy, at Tarrytown; to the Committee on the Library.

By Mr. COOLIDGE:

A bill (S. 4712) for the relief of F. P. Delahanty; to the Committee on Naval Affairs.

By Mr. POPE:

A bill (S. 4713) validating a town-lot certificate and authorizing and directing issuance of a patent for the same to Ernest F. Brass; to the Committee on Public Lands and Surveys.

By Mr. BENSON:

A joint resolution (S. J. Res. 276) to investigate un-American activities of secret orders seeking to establish dictatorship or rule by force and terror in the United States; to the Committee on the Judiciary.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Banking and Currency:

H. R. 11555. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the arrival of Marcus and Narcissa Whitman in the Walla Walla Valley, Wash., and the founding of the Waiilatpu Mission; and

H. R. 12397. An act to authorize the coinage of 50-cent pieces in commemoration of the completion of the bridges in the San Francisco Bay area.

CHANGE OF REFERENCE

Mr. SHEPPARD. Mr. President, the bill (H. R. 10641) to provide for the protection and conservation of equities of rights of the Government resulting from railroad land grants was referred to the Committee on Public Lands and Surveys. A similar bill has been referred to the Committee on the Judiciary. I have talked with the chairman of the Committee on Public Lands and Surveys, the Senator from New York [Mr. WAGNER], and he has told me that he has no objection to the request which I am about to submit. I ask that the Committee on Public Lands and Surveys be discharged from the further consideration of the bill and that it be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENTS TO FIRST DEFICIENCY APPROPRIATION BILL, 1936

Mr. ROBINSON submitted an amendment providing for the appointment of boards to study and report upon the Atlantic-Gulf Ship Canal project, Florida, and the Passamaquoddy tidal-power project, Maine, and so forth, intended to be proposed by him to House bill 12624, the first deficiency appropriation bill, which was ordered to lie on the table and to be printed.

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to House bill 12624, the first deficiency appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 10, line 9, add the following proviso: "*Provided*, That nothing herein shall be construed to affect the status under the civil-service laws of any positions created under and by virtue of the act of April 27, 1935, or brought under the civil-service laws by Executive order heretofore or hereafter issued."

Mr. LA FOLLETTE submitted an amendment intended to be proposed by him to House bill 12624, the first deficiency appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 60, after line 14, to insert a new paragraph reading as follows:

"Support of Indians and administration of Indian property (tribal funds): Appropriations from tribal funds of the Menominee Indians of Wisconsin, fiscal years 1935, 1936, and 1937, for general support of Indians and administration of Indian property (Keshena Agency), are hereby made available for hospitalization of Indians under contracts for such service for such fiscal years, and the Comptroller General of the United States is hereby authorized and directed to allow credit in the accounts of disbursing agents of the United States for payments heretofore made on this account."

AMERICAN MERCHANT MARINE—AMENDMENTS

Mr. WALSH. Mr. President, I submit an amendment intended to be proposed by me to House bill 8555, the merchant marine bill, and ask that it be printed and lie on the table; also that there be printed in the RECORD an explanation of the amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

Amendment intended to be proposed by Mr. WALSH to the bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, is as follows:

On page 48, line 8, after the name "United States", to strike out "(2) in the Panama Canal Zone."

The explanation of the amendment submitted by Mr. WALSH is as follows:

The reason for the inclusion of these words is not clear. The effect of their inclusion is to render the section ambiguous. The section prohibits the granting of an operating subsidy for any vessel engaged in the coastwise or intercoastal trade. This is eminently fair, because the coastwise or intercoastal trade is reserved under our laws for American ships, and foreign-flag ships cannot engage in this trade. The American-flag ship in the coastwise trade has no foreign-flag competitors, and hence there is no occasion for the payment of an operating differential. The section makes an exception in favor of vessels engaged in "round the world" voyages which include intercoastal ports of the United States; but since the intercoastal part of such voyages is protected against foreign-flag competition, then it is provided that the operating subsidy should be reduced proportionately to the gross revenue received from such protected part of the voyage. This is entirely fair.

The section also authorizes a vessel on a voyage in foreign trade to receive a subsidy, even though it stops at an island possession or island territory of the United States, but upon the condition that there will be a similar reduction in the operating subsidy. This also seems fair, because in effect there is no subsidy for the protected part of the voyage. This section permits our American vessels to stop at Puerto Rico or Hawaii on their voyages in foreign commerce and yet receive a subsidy for the foreign and unprotected part of the voyage.

The section then seems to indicate an intention to place the Panama Canal Zone in the same status as an island possession or island territory. Apparently the author has a complete misapprehension as to the legal status of the Panama Canal Zone or has some rather vague notion that voyages with stops at the Panama Canal Zone should be treated differently from voyages with stops at foreign ports; or it is intended by these words to indirectly extend the coastwise laws to the Canal Zone? In the first place, the coastwise laws do not extend to the Canal Zone. Under existing law there is no restriction upon foreign-flag ships engaging in trade between the ports of the United States and the ports of the Canal Zone. As a matter of fact, there are dozens of very powerful steamship lines with ports of the United States and ports of the Canal Zone as ports of call. Trade between the United States and Puerto Rico and Hawaii is restricted to American ships and is

covered by our coastwise laws. Such is not the case with the Canal Zone. The decision of the Supreme Court of the United States in the case of *Luckenback S. S. Co.* v. *United States* (286 U. S. 180) clearly points this out. Since this is not within the protected trade, why should it be treated as such? In the second place, the foreign-flag competition in the trade between the United States and the Canal Zone is very intense and is probably more pronounced than on any other foreign trade route. No substantial reason can be advanced for penalizing those American ships engaged in foreign trade which make stops at the Canal Zone.

The adoption of the proposed amendment will prevent an obvious injustice to American ships stopping at Canal Zone ports, but will afford ample protection to those American ships engaged exclusively in coastwise trade against the competition of American ships engaged in the joint round-the-world and intercoastal trade and in the joint foreign and island possession or island territory trade. If an American shipowner engaged in foreign trade cannot make stops at the Canal Zone on a basis of competitive equality with a foreign-flag vessel, why would he build or operate American-flag ships when very obviously this bill does not create any advantages in favor of the American ship over a foreign-flag ship?

Let me illustrate the effect of this section unless it is amended as I have proposed. Any American ship sailing from any port of the Atlantic, Gulf, or Pacific to a port of Central or South America by way of the Canal Zone could not take cargo for the Canal Zone without losing a part of its operating subsidy, and the foreign-flag ships would carry the cargo. Certainly it is not the policy of this bill to do anything to discourage or prevent American ships from carrying cargo to the Canal Zone. The following foreign-flag ships are operating between Pacific coast ports and ports of the Canal Zone:

Outbound from United States	Flag	Inbound to west coast	Flag
Barber Line	British.	Barber Steamship Line	British.
Royal Mail	Do.	Donaldson Line	Do.
		Furness Line	Do.
French Line	French.	Riordan-Smith	Do.
		Royal Mail Steamship Line.	Do.
Hamburg-American Line	German.		
North German Lloyd	Do.	East Asiatic Steamship Co.	Danish.
Libra Line	Italian.	French Line	French.
N. Y. K	Japanese.	Hamburg-American Line	German.
O. S. K	Do.	North German Lloyd	Do.
Holland-American Line	Dutch.	Libra Line	Italian.
		Holland-American Line	Dutch.
		Fruit Express	Norwegian.
		Interocean Line	Do.
		Fred Olsen	Do.
		Johnson Line	Swedish.

And the following foreign lines are in active competition with American ships on voyages between the Atlantic and Gulf coasts of the United States and the Canal Zone:

NORTH ATLANTIC

Outbound from United States	Flag	Inbound Panama to United States	Flag
Chile and North American Line.	Chile.	Blue Funnel Line	British.
West Coast Line	Do.	Canadian National steamers.	British (Canada).
Spanish Trans-Atlantic Line.	Spanish.	Osaka Shosen Kaisha	Japanese.

GULF

Outbound from United States	Flag	Inbound to Gulf	Flag
Vaccaro and Standard Fruit	Honduran-Nicaraguan.	N. Y. K	Japanese.
J. S. Webster & Son	British.	Standard	Honduran-Nicaraguan.
		Vaccaro	

Cargo for the Canal Zone as distinguished from the Republic of Panama is carried very largely by the Panama Railroad Steamship Co., which is owned by the United States. The ports of Cristobal and Balboa, in the Canal Zone, are the ports of entry for all cargo destined to the Republic of Panama, and for transshipment all over Latin America. It is of vital importance that this bill should encourage, in every possible way, the use of American ships in developing our water-borne commerce with our southern neighbors. If any restriction is placed on American ships so that they do not receive the full subsidy when calling at Canal Zone ports, then the cargo will move in foreign bottoms, or American companies desiring to engage in the Latin American trade will build and operate foreign-flag ships. Moreover, anything hampering the use of American ships in this trade would also result in a greater sale of European goods in the Latin American trade—to the great detriment of United States trade.

The purpose of the operating subsidy is to encourage the use and operation of American ships, and to place the operator of an American ship on a parity with his foreign-flag competitor. If the operating subsidy to an American ship calling at the Canal Zone is reduced and is less than the amount necessary to place the American on an equal footing with the foreigner, then this bill fails in its purpose.

Trade between the Canal Zone and the United States is foreign trade and not coastwise trade, and this section, if amended, fully protects unsubsidized ships from the competition of subsidized ships which engage in the joint coastwise and foreign trade.

Mr. WALSH also submitted amendments intended to be proposed by him to the bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, which were ordered to lie on the table and to be printed.

WITHDRAWAL OF PAPERS—DELLA ANDERSON

On motion by Mr. BONE, it was

Ordered, That the papers filed with the bill (S. 2102) granting a pension to Della Anderson be withdrawn from the files of the Senate, no adverse report having been made thereon.

COMMITTEE SERVICE

Mr. ROBINSON. Mr. President, I ask that the Senator from Wisconsin [Mr. DUFFY] be assigned to service on the Committee on Patents, on behalf of the majority, to fill an existing vacancy.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

SENATOR M'KELLAR'S ADDRESS BEFORE TENNESSEE DEMOCRATIC CONVENTION

Mr. BACHMAN. Mr. President, I ask unanimous consent to have printed in the RECORD the able and interesting address delivered by my colleague the senior Senator from Tennessee [Mr. MCKELLAR] before the State Democratic convention of Tennessee at Nashville, Tenn., on May 21, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the convention, it is a refreshing and invigorating experience to drink at the fountainhead of Tennessee Democracy, and I deeply appreciate the honor you have paid me in the privilege of addressing this great representative convention. I do not believe there has ever been a period in Tennessee history when our party has had more occasion for pride and enthusiasm. I was never prouder to be a Democrat.

We are assembled in convention today primarily for two most important purposes. First, to give our earnest, hearty, and grateful thanks to a very great man—a man who at the psychological moment in our history in 1933, when despair, collapse, and ruin were staring us in the face, took over the affairs of our people, rescued us from the awful depression that then beset us, and restored us to recovery, prosperity, and happiness.

Our second most important purpose is officially to give Tennessee's pledge to that same man for renomination and reelection which he has so justly earned and which he so richly deserves. Of course I refer to Franklin D. Roosevelt.

TENNESSEE AT LAST TREATED AS AN EQUAL

For the first time in more than 75 years Tennessee has been and is being treated by the President of the United States as an equal in the sisterhood of States. She has been particularly blessed under the administration of this great President. He has made no discrimination against Tennessee in any sense. Her representatives are always welcome at the White House. He has treated her people fairly and justly. For the first time since I have been in public life at Washington it has been no handicap to come from Tennessee. Our President keeps up with our problems. If those problems are meritorious, he is ever ready to lend a listening ear to them. If he cannot see them in the way you do, he tells you so, frankly. It is remarkable, indeed, how he keeps up not only with our problems but with the problems of each State in the Union, even to the smallest detail. He is not a sectional President. He is not the president of any group, nor of any interest, nor of any division of our people, nor of any section of our country, but he is the active, industrious, vigilant, able, intelligent, and helpful President of all the people whose social and economic interests and welfare are close to his heart, and after all that he has done for our State and our Nation, I feel honored to have been chosen by you as a spokesman for him at this convention, and my most earnest hope is that this great democracy of Tennessee will unanimously endorse him for another renomination and reelection.

HELPS ALL

My friends, Mr. Roosevelt has been a wonderful benefactor to our State. There is not a city nor a county nor an institution nor a corporation nor an individual, white or colored, that has not been directly or indirectly tremendously benefited by Mr. Roosevelt's wise leadership, by his wonderful planning ability, and by his fair and just treatment of all the people of our State. He has

indeed bestowed rich blessings upon us and upon all of us, and we should go to the polls on election day, and in the language of our own patron saint of democracy, Andrew Jackson, say by the eternal we are going to give him 4 more years in the White House.

APPOINTED TENNESSEEANS TO OFFICE

Nor has our President been inconsiderate of Tennessee in his appointments to office. He came to Tennessee for the highest minister in his official family. He came here for Secretary of State, and he made one of our most distinguished citizens, one of our ablest and best citizens, one of the strongest and best men in the country, the Honorable Cordell Hull, as his Secretary of State, and no man could have guided the foreign relations of this Government during the last 3 years better than Cordell Hull has done.

And there is Congressman JOSEPH W. BYRNS made Speaker by the House, and he is the President's leader in that body. It is the concensus of opinion in Washington that JOE BYRNS is one of the most capable and effective Speakers that the House of Representatives ever had.

Again, he appointed former Congressman Ewin L. Davis Federal Trade Commissioner, and a splendid Commissioner he is making in that important office.

He appointed George L. Berry to a high executive place in the labor relations in our country, and Major Berry is making good in the great trust assigned to him.

He appointed Mrs. Benton McMillin Civil Service Commissioner, and she is likewise making a great record in Washington.

He appointed Ed. Albright as Minister to Finland, where he is making a most enviable record.

He appointed Dwight Webb a member of the Home Loan Bank, that bank which has done more than any other for the home owners of the entire country.

And there is Ernest Rice, of Dyersburg, president of the farm land bank, who has done as much for the farmers as any other institution ever established.

There is Ashley Sowell, of Columbia, Tenn., appointed to a high position in the Department of Commerce, where he has made good all along the line and stands high in the estimation of his Department.

There is T. J. Murray, appointed Assistant Solicitor of the Post Office Department and making a great record.

Grover C. Sherrod, Solicitor in the State Department and making a most creditable record.

Jimmy Joe Murray, of Lewisburg, high in the councils of the Agricultural Department and making good.

Samuel E. Whittaker, of Chattanooga, Assistant Attorney General, and making good.

Mrs. Phoebe Omlie, high in the Department of Air Commerce.

Robert M. Gates, public-relations man in the Department of Justice and high in the councils of the Government.

Jack W. Gates, Postmaster of the Senate of the United States.

Mrs. Nancy Harfield, in the Rural Electrification Department, and stands as high as any woman in the Federal service.

And there is Paul Luton, of Waverley, who is an Assistant Solicitor in the Department of Justice; John W. Hilldrop, Assistant Solicitor in the Department of Justice; Neil Brooks, Assistant Solicitor in the R. F. C.; and many other Tennesseans representing practically every county in the State, appointed in almost all of the departments.

Mr. Roosevelt's appointments in the State of Tennessee of prominent Democrats, beginning with Judge John D. Martin, the first Democrat that ever was a Federal judge in Memphis and as honest and as fine a judge as ever sat on a district-court bench, and going along the splendid list of Federal officials in Tennessee too numerous to mention, but all of whom show the President's fine sense of discrimination in the selection of men and women to hold public office in the Federal Government.

POLICIES HELPFUL TO EVERYONE

Naturally, my friends, I have kept in close touch with all of Mr. Roosevelt's dealings with Tennessee and Tennesseeans, with the effect of his policies in Tennessee, and with his genuine interest in Tennessee and her problems, and I can truthfully say that these policies have benefited every person in our State, whether he be manufacturer, banker, capitalist, lawyer, doctor, laborer, merchant, businessman, railroad man—whether president or laborer, minister of the Gospel, farmer, Republican, Democrat, man without work or man with work, white or colored. His policies have helped every one of them, and the same is true of every State and Territory in this Nation.

REPUBLICANS ONE-TERMERS

I stop here long enough to recall to your minds a peculiar fact about our political history. Since the Civil War the Republicans have had 12 Presidents and only one of them has ever served two whole terms. While in that same period the Democrats have had three Presidents and two of them were reelected to succeed themselves and served two whole terms and the other one, Franklin Roosevelt, who is perhaps the greatest of them all, has already served one term and is going to be reelected to serve another.

What is the reason for this? There must be some underlying reason. To my mind it is perfectly plain. The Democrats when they nominate they select the best man they can for the nomination, while the Republicans when they select they select a man not because he will make a good President but because they think he will be a good candidate and that he will best serve the special interests. So far as the record shows, Ulysses S. Grant, and he was a war hero, was the only one of the 12 Republican Presidents that ever served two whole terms. McKinley was reelected but served only a few months of his second term. All the others served only one term, or a part of two terms.

There never was a better illustration of this policy of our Republican friends than their present attempt to nominate a President. Everybody knows that their outstanding candidate is Borah. He is able. He is eloquent. He is a learned man, a man of the highest character, a servant of all the people, and he would undoubtedly make a great President, but such a man does not please the Republican Party. They wish to have a man who primarily will serve the great selfish interests of the country. That is the reason they are thinking about nominating a man like Landon. They care less for the Presidency than they do about his qualifications to serve the Republican Party and the special interests. It may even take a Senate investigating committee to find out what his qualifications are. They certainly believe that Mr. Landon will serve the great special interests of the country, the oil people, the steel people, and the other vested interests.

TWO REPUBLICAN RECRUITS AND LIBERTY LEAGUE DINNER

But the Republican ranks have certainly been increased by two. How many they have lost in the last 4 years no man can tell. However that may be, they have added at least two converts who did not vote for Hoover 4 years ago. Perhaps I should tell you who they are. The first is William Randolph Hearst, capitalist and publisher of many papers. The other is Jouett Shouse, of Liberty League fame. When William Randolph Hearst announced that he was going to oppose Roosevelt, it probably added a million votes to the Roosevelt column. There are probably more than that many people in the country who would vote against any man who has the Hearst blessing, and Landon has already found that the Hearst support is a millstone around his neck. When Shouse announced that the Liberty League was going to oppose Mr. Roosevelt, that probably subtracted one vote and added another million votes to Roosevelt; but when the facts came out through the Liberty League Belshazzar feast in Washington that the 12 Du Ponts were furnishing the money for the Liberty League, it probably added more votes to Mr. Roosevelt. In fact, that Liberty League dinner virtually assured Mr. Roosevelt's election.

They call it the Liberty League, but that is a misnomer. It ought to be called the billion-dollar league for the 12 Du Ponts who have a corner on war munitions in this country, and the others who attended the dinner represented over a billion dollars, so the newspapers carried the day after the dinner occurred. The gaudy display of wealth at that banquet as represented by the Du Pont millions, as well as the fortunes of other nabobs of the Republican Party, was one of the most pitiful spectacles of ill-breeding and political assininity that I have ever known in the history of this country.

It is really astonishing to note the extent to which these lords of finance have concentrated the fear that their vested interests might be disturbed and they pour out all their venom upon Mr. Roosevelt. Fortunately this fanatical hatred which has taken hold of some of these people is more than compensated by the grateful love and admiration by millions of Americans who realize that Franklin Roosevelt is the leader of the plain people and has opened to them new gates of hope by restoring the Government to the people. The people will no longer be led to slaughter at the hands of the ancient vested oligarchy. Mr. Roosevelt and the Democratic Party are not for sale.

I am going to make a suggestion to my Republican friends, whether they like it or not. It is that they save their time and money and try to recuperate in time to make a future fight. Republicans are claimed to be opposed to waste, but if they spend their campaign millions in this year's contest it is going to be the greatest object lesson in waste ever pulled off in this country.

Their plight reminds me of the situation of an Arkansas farmer living near Wapanaca Duck Club, near Memphis, found himself in a few years ago. He had a dog by the name of Bee, and he was very fond of Bee and proud of his accomplishments. The alert Bee, with canine sense and intuition, discovered rich pickings in the vicinity of the clubhouse and his regular visits were proving profitable. Sometimes he would steal a hen, sometimes a chicken, then a beef, and for awhile he lived sumptuously on the very fat of the club's larder. Bee actually outsmarted the clubhouse cook, whose efforts to catch the invader were unavailing.

In desperation the cook resorted to heroic measures. He loaded a piece of beef with dynamite, inserted a fuse, and placed the infernal bait at a tempting spot. The dog greedily swallowed beef, dynamite, and all, and half a minute later the dynamite exploded and scattered dog all over the yard. The farmer, a short distance away, hearing the explosion and apprehensive that his dog had been shot, ran to inquire of the cook, whereupon the cook replied, "There he is lying out there all over the back yard." The farmer picked up a leg here, some hair there, a bone in another place, and despairingly said, "That sho' must be Bee; it looks like Bee and must be Bee; but if it is Bee, it is the damnedest busted Bee I ever saw in my life."

So when I look at the Republican Party and see dissensions here, discord there, and disputes going on between rival candidates, their lack of policy, their foolish issues, and pile them all in a heap, I am sure any Republican would say, "That is the Republican Party; but if it is the Republican Party, it is the damnedest busted Republican Party that I ever saw." In truth, the Republican Party is split into smithereens.

REPUBLICAN CANDIDATES

Our Republican friends are certainly in a quandry. If they nominate BORAH, their best man, the East will not support him and not much of the West, because the West is going for Roosevelt anyway. It is true that BORAH is the ablest man they have, but he has voted just as much with the Democrats as with the Republicans, and the Republicans are not going to accept him as nominee.

If they nominate Mr. Hearst's Landon, he won't know what it is all about, and his lack of ability would not be discovered until it was too late.

If they nominate the Michigan wolverine, Mr. VANDENBERG, though a very able man, they stand a chance at the single State of Michigan.

If they nominate Mr. DICKINSON their chances would be worse. Senator DICKINSON is a fine man but he has no show.

If they nominate JIMMY WADSWORTH, a splendid man but a violent reactionary, it would just be too bad, even as able and as accomplished as he is.

The truth is they have not got outstanding Presidential timber this time, and what they have got, the most of them are on record for having approved some or the most of the Roosevelt policies. Even their keynoter, Mr. STEIWER, will find himself in an embarrassing predicament when he rises in the Cleveland convention to view with alarm and point with pride because time and again he has both voted for and spoken for the Roosevelt policies.

Finally, there is poor, neglected and angry Hoover, who was never able to entice prosperity around the corner. He was one of those one-termers, but stands vigorously for three principles of the Republican Party, which are: Promise anything to get in, do nothing, and say nothing after you get in. The Republicans have not offered a Presidential possibility for whom they would not have to apologize in some way.

SPECIAL INTERESTS

Of course, Mr. Roosevelt has benefited everybody, but some people assert that they think there are certain special interests that President Roosevelt has not benefited, namely, the power companies, the capitalists, the railroads, and the bankers. Those who thus affirm are not advised. In 1933 power stocks all over the country, in Tennessee as well as elsewhere, were of little value. Their bonds were a long way below par. The values of these bonds and stocks under the President's wise administration have continued to rise, and the profits of these companies are more than they have ever been.

Those who assert that capitalists have not been benefited are contradicted in indisputable terms when you look at the individual tax returns of this State and of the country. The large increase in the individual income-tax returns shows the wide benefits they have received under Mr. Roosevelt's policies, and yet they are supposed to be against him.

As for the banks, my personal knowledge of the facts and the truth compels me to say that, in my judgment, Franklin Roosevelt has done as much for the banks of Tennessee and of this entire Union as any man who ever sat in the Presidential chair. To my certain knowledge if it had not been for the wise policies of Mr. Roosevelt, of which all sensible men ought to have knowledge, there are literally thousands of banks in this country prosperous today that long since would have failed.

But some say that he has not benefited the railroads as he should. In 1933 when Mr. Roosevelt came in the railroads were staring bankruptcy in the face. They have been the recipient of the Government's richest bounty. Their stocks had decreased almost to nothing, and they were facing ruin.

This administration has upheld them, looked after their business interests, and the large increase in the value of both their stocks and their bonds, and their increased earnings afford indisputable proof that this administration has helped them tremendously.

If there is a capitalist, if there is a railroad official, if there is a banker, if there is a representative of a power company in this country today, I challenge him to say that he and the organization which he represents is not better off today than he was on the 4th of March 1933.

When I see the constant and reiterated publication today of the violent criticism of Mr. Roosevelt by representatives of these four classes of our people, I am reminded of a story that a county trustee, which is the tax collector of that county in Tennessee, told me not long ago. He said that just after the war a young friend of his returned and had no money, that he, the trustee, was well to do and the young man came to him and told him he wanted to get married and wanted to borrow $100 to marry with, and he lent him the money. Later on, the young man came and told him he wanted to rent a farm and make a crop but they had no money and he wanted to borrow $1,000, and the trustee lent him $1,000. He did well and repaid the money. Later on, the young man concluded to buy a farm and he did not have the money, and he borrowed it from the trustee, and paid it back on the installment plan, and soon had a farm. He then wanted to go into the merchandising business and he got his trustee friend to stake him to $5,000 more to go into a general-merchandising business in the neighborhood. Later, he wanted to go into the cattle business, and again the trustee staked him and he continued to prosper. There was hardly a month or a year that passed that the young man did not borrow from his old friend the trustee.

And there arose a time when the trustee found that he had opposition for reelection, and he was talking to his manager and counting noses. The trustee said he knew that the now rich young man whom he had so often befriended and done things for was going to support him and be his friend. The manager told him he had better look into that. He went to see the young man and he said, "You know I cannot support you." The trustee said, "Didn't I stake you to get married, stake you to rent a farm, stake you to buy a farm, stake you to the merchandising business, and stake you to the cattle business?" He said, "Oh, yes; all that is true, but you have not done anything for me lately, and I have quit you."

And when Mr. Roosevelt fails to do the slightest thing that they think he ought to do they are against him.

FARMERS AND LABORING MEN

The farmers compose in round numbers about one-third of our entire population. The laboring men of the country, in round numbers, compose about one-half. The secret of Mr. Roosevelt's success in overcoming the depression lies in his fundamental idea that if these two groups of our people are made prosperous, then the entire country will be prosperous. I want you to note this carefully. I repeat that Mr. Roosevelt's economic policies of reasonable prices for all the products of the farm and a reasonable wage for all those who work with their hands constitute the basis of all wealth and all prosperity in this Nation. These two policies have brought about the present recovery. These two policies tell the whole story of the country's rehabilitation. Let me repeat again, it is a decent return for the products of the farm and a decent wage for industrial workers. For whenever the farmer gets a reasonable return for the products of his toil and the workman in industry gets a reasonable return for his labor, the country must of necessity be prosperous. Buying power is restored. Manufacturing is increased. Commerce, business, and banking are more necessary, and when these two classes of our citizens, those who work with their hands and their brains, are prosperous, the whole country is prosperous. In my judgment, this is the secret of Mr. Roosevelt's success. He has made the farmer wonderfully prosperous and the laboring man get a reasonable return for his toil.

THE UNEMPLOYED

But there are many who criticize the President's policies by saying that these policies have not yet put all men and women back to work. This is, of course, true. There are still unemployed in our country and probably always have been and always will be, but certainly these policies have restored, to the knowledge of every one of us, millions to work. There is not an intelligent man or woman in our country that does not know that never in history have our unemployed been so well looked after as in Mr. Roosevelt's administration, and the unemployed situation is getting better every day.

RELIEF

And then comes the criticism that Mr. Roosevelt has spent too much money for relief. Well, Mr. Roosevelt was not responsible for bringing on the depression. It was at its worst when he came in. He did not shirk his obligation. He took it as he found it. He immediately stated that he was not going to let men and women starve in the midst of plenty. There is not an individual who possesses a heart and a soul who can conscientiously condone starvation of people underprivileged and in a depression no fault of their own. Many of our Republican friends voted for relief. Indeed, I believe that most of them favored it. They voted in large numbers for the big relief bill last year, and many of them will vote for the big relief bill this year. Most of the Republicans in the House of Representatives, in substance, voted for the relief bill, and the Republican Senators are favoring the same amount of relief this year that the Democrats are favoring. The only difference between the two parties on the subject of relief is that the Republicans want it spent by the States, while the Democrats want the Federal money spent by the Nation.

Mr. Landon has probably stated that he is in favor of relief, and in addition to that he has accepted $44,000,000 from the Government for the relief of his own people in Kansas. His position on relief and on the Budget balancing was exactly the same as the President's before he became a candidate. He balanced his budget, not counting the $44,000,000 he received from the Federal Government. The President balanced his Budget, not counting relief.

Mr. BORAH voted for the relief bill, as did the Republican leader, Mr. MCNARY. In fact, the Republicans in Congress and the Governors of Republican States have put themselves in such a position that they cannot justly criticize relief or failure to balance our Budget.

TRIVIAL CRITICISMS

But, while they vote for relief measures, they are full of trivial criticism in the manner in which relief laws have been administered. There has always been a good crop of carping critics. I do not remember much about the old C. W. A. There may have been some ground for criticism in that activity, but surely there is no ground for criticism of the splendid work done by the P. W. A. and the W. P. A. in Tennessee or in the Nation as a whole.

In Tennessee the P. W. A. has built and is building three slum clearances, one in Nashville and two in Memphis, to the great benefit of those cities. The P. W. A. has built public buildings and waterworks and sewers and many other useful projects in almost every county in the State. It has done a wonderful work under Mr. Kenneth Markwell.

The P. W. A., under Col. Harry S. Berry, has done a simply marvelous work in this State. They have already built 2,882 miles of farm-to-market roads, and they have 3,000 additional miles under contemplation. They have built hundreds of new school buildings. Grade crossings have been eliminated and are being eliminated. The building of streets, sewers, courthouses, and other public buildings has been carried on.

In addition to that we have C. C. C. camps all over the State, to the tremendous benefit of the young men not only of our State but of other States. The results of the President's planning along these lines have been fine indeed, and we would be an ungrateful people if we were not grateful for it.

PUBLIC DEBT

My friends, others have criticized the President, saying that he has needlessly piled up our public debt. I do not think this criticism is fair. The facts are that in the last 2 years and 2 months of the Hoover administration that President increased the public debt by more than $5,000,000,000, and no one has ever heard of any benefits arising from that expenditure of money. However, in the 3 years of Mr. Roosevelt's administration, ending March 1, 1936, it is true that Mr. Roosevelt increased the national debt $11,000,000,000—but what a difference between the value of this increase of the debt and the value of Mr. Hoover's increase in the debt. Under the wise and beneficial policies of Mr. Roosevelt the national income of the American people has risen from $35,000,000,000 in 1932 to $65,000,000,000 in 1935.

Who are some of these beneficiaries? The income of the railroads has increased from $325,000,000 in 1932 to $500,000,000 in 1935. Manufacturing interests from $5,600,000,000 in 1932 to $9,800,000,000 in 1935, almost double. Agricultural income from $5,000,000,000 to $8,000,000,000 in round numbers, and yet these carping critics talk about the Roosevelt policies not benefiting the country. The increase of the wealth in the United States alone has more than compensated for the increase in the public debt of $11,000,000,000 under Mr. Roosevelt, and it has proven that his expenditures were fully justified. His increase in the debt has not been lost or dissipated. It was a successful investment in prosperity which has gone into the pockets of the American people.

REPUBLICAN EXPENDITURES

To show the difference between the benefits of the Roosevelt expenditures and the way the Republicans have handled their finances, I call your attention to the fact that during the World War and soon after its close we loaned the Allies a like sum of $11,000,000,000. The Republican Party came into power and it became their duty to collect that loan, but they did not collect it, and that $11,000,000,000 went abroad with nothing in return for it. Substantially, as the case now stands every dollar of it has been lost by the inefficiency and neglect of the Republican Party. Mr. Hoover, himself, declared a moratorium on those debts. He not only did not attempt to collect them, but he helped our debtors to evade them.

And while I am talking about this waste of American money under the Republican administration, another $1,500,000,000 of good American investment money has been eternally lost through the instrumentality of the last Republican administration in permitting investments in foreign governments and foreign corporations. All these expenditures under the Republican administration, $12,500,000,000 in all, went into foreign pockets. The $11,000,000,000 increase in the national debt under Mr. Roosevelt, however, has gone into American business and into American farms and to American labor and into American factories. President Roosevelt recommended and the Congress passed a law which prohibits the purchase of worthless foreign and domestic securities.

Again, under the Hoover administration bank depositors lost more than $4,000,000,000 in lost or tied-up funds. Under Mr. Roosevelt's administration the guaranty of bank deposits makes the people's money secure and the banks are prosperous.

Under the Hoover administration the income of farmers dropped below the cost of production. The Roosevelt administration created the A. A. A., and, to my mind, it was the best act ever passed on behalf of the farmers. It is true a divided Supreme Court, by a vote of 5 to 4, held the act unconstitutional, but, in my judgment, the invalidation of this act was a great misfortune, not only to the farmers, but to the entire country.

Under the new Soil Conservation Act I believe the farmer will continue, at least under this administration and under the next, if it is headed by Mr. Roosevelt, to realize his share of the national income as he most assuredly should.

ROOSEVELT'S ACCOMPLISHMENTS

My friends, when Mr. Roosevelt came in in 1933 he immediately began planning to restore the country to prosperity. We all remember his closing the banks which were facing destruction until it was determined just which ones should be permitted to go on, and this was a wonderful step in the restoration of confidence. It is remarkable to me that so many of our banker friends have forgotten it. It saved their banks.

The next step was the Federal guaranty of bank deposits law. The banks, for the most part, were against it, but the law has worked splendidly and everybody realizes what a wonderful step in advance that was. There have been substantially no bank failures, since the depositors have lost no money under the Roosevelt administration.

Farms were being sold under mortgage because the mortgagee could not pay. Steps were immediately taken and legislation passed authorizing the Government to lend money on farms to save these farms from foreclosure under mortgage. This not only relieved the farmers but it relieved the banks and made their assets more liquid.

In like manner, homes were being foreclosed and legislation was passed to save these homes from foreclosure, and more than $3,000,000,000 of the Government's money was used for this purpose and none of it has been lost.

The Agricultural Adjustment Act was passed and, to my mind, that did more good in restoring farm prices and restoring the farmers to prosperity than any other act that has ever been passed, and while by a divided court it was declared unconstitutional, the Soil Erosion Act was passed to take its place, as I stated a little while ago.

The N. R. A. was passed and did great good, but unfortunately it was declared unconstitutional, but it helped both business and labor, and was a vast benefit to the country while it was on the statute books.

The Social Security Act was passed, which in some measure takes care of the forgotten man and woman, and it is destined to do greater good as the years go by.

The Securities Exchange Act was passed, and by that act the American investing public have been saved hundreds of millions and perhaps billions of dollars. There were some critics of that at first, but I believe no sane man would now dare ask for its repeal.

The Gold Act was passed by which we went off of the gold standard, and by which we have recovered much of our foreign trade which is so essential to our prosperity. Talk about our currency not being stable. Why, of course, it is the most stable currency in all the world, because it is supported by more than two-thirds of all the gold in the world. The Nation's credit was never stronger, nor its securities more in demand.

The Soldiers' Compensation Act is a belated testimonial of the recognition due to soldiers of the World War, and while that act did not receive the President's approval, I am happy that that bill became a law in common justice to our soldiers.

Last but not least was the T. V. A. Act, one of the greatest blessings that has ever come to Tennessee or to the South. Under its provisions the waters of the Tennessee River are being harnessed for the benefit of the people as an inherent right rather than as a means of exploitation by New York speculators who would have used these great projects for their selfish purposes at enormous cost to the taxpayers of the entire Tennessee Valley. Already the price of electrical current has been more than cut in two, and as soon as this great project is in full operation the price of ordinary lighting will be from 1 to 3 cents per kilowatt. It will result in a saving of millions of dollars to the people of Tennessee and surrounding States every year for time to come. Moreover, it will put electricity within reach of every farm and hamlet of the State and enhance the happiness, convenience and welfare to all the people to whom this great national resource belongs. This great benefit for which some of us have been fighting for nearly a quarter of a century could not have been brought about except for the active and enthusiastic support of our great President, proving his progressive spirit and devotion to the interests of the people.

THE CONSTITUTION

In their desperate plight for a campaign issue, Republicans and Liberty Leaguers have made a studious effort to indict the administration for alleged disrespect of the Constitution. The Democratic Party has always been a party of the Constitution. It is today and it ever will be. I want to say that there is no conflict between the democracy of our constitutional fathers and the Roosevelt democracy. Neither closes its eyes to the requirements of the present nor the dangers of the future. Both will continue to be as progressive as the problems of the times impose and just as the founders intended. Jefferson himself realized that social requirements and knowledge change so rapidly as to require a revision of policies and laws from generation to generation.

I think my record will bear me out that no one is more devoted to that wonderful governmental instrument than I am. It has my most profound respect and admiration. I would not deliberately violate any of its provisions and I am confident that President Roosevelt has substantially the same view.

It so happens that some acts sponsored by the administration have been held unconstitutional. That does not imply that they were wrongfully conceived, nor is it the first time that unconstitutional measures have been passed. Four acts were declared invalid during the Hoover administration. In most of the decisions on acts of the Roosevelt administration the Court was about evenly divided, so that it became simply a question of the opinion of one man as to whether or not the Constitution in fact had been violated. There is no movement on foot either to violate or amend the Constitution, and most of the comment about violating the Constitution centers in a group who are not familiar with the terms of the organic law and who have either political or financial axes to grind. Our Constitution will remain the foundation stone upon which all our labors rest.

PLATFORM PLEDGES

But they say that we have violated our platform pledges. The answer to this is that they are evidently not familiar with the platform of 1932. There were 40 pledges given in that platform. Thirty-five of them have been carried out. Three of them have not been carried out, and two of them have not been carried out entirely. At worst, seven-eighths of the promises in our platform have been carried out literally, and I want to say in my judgment that no political party, either Democratic or Republican, or any

other party, in this country has ever carried out so much of its platform.

The two planks that are most commonly referred to as not having been carried out are that we did not balance the Budget, and that we did not reduce expenditures, and that is true. We could not balance the Budget because of the depression that the Republicans brought on the country. We could not reduce expenditures because we were confronted with another promise in our platform that we would not let American citizens starve. In that dilemma we would do one or the other, and this administration chose not to let Americans starve, and that plank was violated, and I say we did the only honorable, honest, and proper thing when we violated that platform and expended this money to prevent human want and suffering.

TAXES

Perhaps our Republican friends become most vociferous over the Budget and taxes. They find themselves in a peculiar position. Ever since they started preparations for the 1936 campaign they have been fussing and fuming, orating and publishing that the Nation was headed for ruin because the President did not balance the Budget. Continuously they charge that the Government should either quit spending so much or levy more taxes and balance the Budget. Then, just as we were headed for Budget balancing the Supreme Court by a margin of one vote held the A. A. A. Act unconstitutional and invalidated about $500,000,000 a year of processing taxes. Of course, it was inevitable that this money had to come from some other source, and it was necessary to enact laws to take the place of the processing taxes. In order to better balance the Budget, the President recommended some $300,000,000 additional, making about $800,000,000 in all, and he also recommended placing a levy on the undivided earnings of corporations or on money that was being withheld from stockholders.

Immediately the Republicans turned about face and opposed the levying of these taxes, and of course the only result of their position is that they are opposed to Budget balancing themselves because the most of them have voted for all the expenditures of this administration.

The truth is, we are going to balance the Budget at the earliest possible moment, and I see no reason why it cannot be done in the financial year following this one.

PRESIDENT ROOSEVELT

My friends, in all honesty I do not believe there is a well-informed person in the United States who seriously doubts the reelection of Franklin Roosevelt next November. I will go further than that; I do not believe there is an individual who conscientiously thinks it is best for the country for him to be defeated. There is one thing certain in politics—you cannot defeat somebody with nobody, and up to date the Republicans have nobody with whom to defeat President Roosevelt.

On a basis of merit and in consideration of what is best for the country, as well as in gratitude for what he has already accomplished, there should not be any opposition to Mr. Roosevelt. I believe we should emulate the example of history and give him a unanimous election, as Mr. Monroe received more than a hundred years ago. His vision, his lofty patriotism, and his love of humanity enable him to plan ahead. He is a courageous leader and he takes people into his confidence. He is not afraid to fight for the things he believes to be right, and he is not ashamed to acknowledge his mistakes. He is affable, lovable, even-tempered, and sympathetic. He does not waste energy in anger, but concentrates his great mental and physical resources on thought and deed. He keeps his eye on the goal and that goal is the public welfare. The rank and file of the people of this country are supporting him, and while I do not claim the gift of prophecy, as the situation appears at this hour, and having faith as I do, the sense of fairness and justice of the American people, I am convinced that he has a fair chance to carry every State in the Union. I know he will carry the great majority of them. Speaking confidently of Tennessee, I know you will be emphatic with the largest vote ever given a Presidential candidate in the history of this Commonwealth, not excepting his own majority in 1932, and possibly not excepting the majority of James Monroe in 1820, which majority was 231 electoral votes to 1 for John Quincy Adams.

Before I close, I must mention two other matters.

JOHN N. GARNER

Of course, the Democratic Party will renominate John N. Garner for Vice President, and I hope you will instruct your delegates to vote for Mr. Garner for renomination and reelection. Mr. Garner is another man who has earned his renomination and reelection. I have served in the Senate under many presiding officers, and I say to you that we have never had a finer, an abler, and a more gifted one than John N. Garner. He is fair, he is quick, he is able, and fearless in the enforcement of the rules. The Senate could not have a better presiding officer than Mr. Garner. He has had long experience. He is one of the President's advisers, and he has a record that every Democrat in the Nation should be proud of. All honor to him. John N. Garner is a great leader and a great man.

THE STATE ADMINISTRATION

I want you not only to endorse the national administration today, but I want you to endorse the State administration and Governor McAlister. Governor McAlister became Governor 4 years ago, under the most trying circumstances. The State was overwhelmingly in debt, and its affairs were topsy-turvy. He had a hard job, but by his honesty, his determination to do right, and by his skillful management of the State's finances, we are far better off in the State than we have been for years. There never was a finer man than Hill McAlister. He has made mistakes, as all of us have made mistakes, of course, but he is a fair and upright public servant, and has earned an endorsement. This is a year for all Democrats to stay together.

ADDRESS BY HON. JAMES A. FARLEY AT RHODE ISLAND DEMOCRATIC CONVENTION

Mr. GERRY. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by Postmaster General Farley at the Democratic State convention in Providence, R. I., on May 19, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Up to date the campaign against the reelection of President Roosevelt pretty closely parallels the Republican effort of 1932, and I think you will agree with me that the prospects are that the results of the 1936 election will not be very different from that of 4 years ago.

Do you remember when Mr. Ogden Mills, Secretary of the Treasury at that time, was telling of the terrible things that would happen to our fiscal system if Mr. Hoover was defeated? You perhaps will also recall how Mr. Mills was flattened out by Senator CARTER GLASS on this particular subject. That campaign of doleful prophecy culminated in the declaration that grass would grow in the streets of our great cities and ruin would spread everywhere if the Republican policies of that day and that administration were departed from.

Change the date, and we hear the same moans of prospective disaster reverberating over the air and cluttering up the pages of the antiadministration press. Once again we are warned that unless President Roosevelt is taken out of the White House the country is doomed to socialism, communism, dictatorship, and that our economic system will dissolve into chaos.

Well, where is this country today after the dire happening so mournfully presented as a hideous possibility by the anti-Roosevelt orators of 1932?

I will never forget how stanchly your State of Rhode Island stood by the Democratic Party in that campaign and how valiantly it figured in the election returns. You were part and parcel of the popular uprising which eliminated Herbert Hoover and the things for which he stood and substituted a President who had the heart and the brain to tackle the problems before which the Republican administration had fallen down. Now, I ask you, is there anyone in this State who voted for Franklin D. Roosevelt in 1932 who has any cause to regret that vote? On the contrary, the lot of the citizens of Rhode Island is much better than it was when your banks were crumbling, your mills were closing, and a pall of gloom and apprehension hung over you all. And what is true of Rhode Island is true of every State in our great Nation.

Instead of grass growing in the streets of Providence, those streets are busier today than they have been in 7 years. Instead of the chaos with which you were threatened should Roosevelt be elected, your mills are going, your farmers are getting along, and the shops of your merchants are full of customers. Instead of the break-down of the national finances, our dollar today is the standard currency of the world, our Government bonds are at a premium, despite the circumstance that the charge of carrying them has in many cases been cut in half.

Let me put the question to you, Is there any sanity, any sense, any logic, in the face of our growing prosperity, to this stale repetition by the President's enemies of their old stories of disaster to come if you do not get rid of the administration that has brought about this magnificent change in our economic position?

The phantom of disaster raised in the campaign of 1932 has been laid. There is no more substance to that specter today than there was then. It is the general appreciation of this fact that is responsible for the surge of sentiment shown by every registration figure from the Atlantic to the Pacific; echoed in every sample balloting, or other method by which the American voters have been able to reveal where they stand as between the President and any as yet unnamed candidate who will bear the burden of a valueless nomination by the convention soon to assemble at Cleveland, Ohio.

I have been going over the files of some of your local newspapers, and I find in them published the story of our depression distress and the almost magical recovery from that period of hopelessness. It is a perfectly easy thing for our opponents to cry extravagance, waste, usurpation, and all that sort of thing. It is so easy that it is probable that there never has been a campaign when the same cries were not raised. George Washington heard them, and Andrew Jackson, Abraham Lincoln, and Thomas Jefferson, and every other President whose memory is enshrined in the hearts of our people. Our first President was accused of wasting the public money in the planning of the White House and the Capitol. He was accused of violating the Constitution. He was accused of having carried his designs against liberty so far as to have put in jeopardy its very existence. It was a Philadelphia paper that made that charge. The same paper, by the way, which accused Washington of being perfidious, treacherous, and pretty much everything that he wasn't and never could have been. And you will find similar charges if you will dig into the musty files of our political history applied to one President after another.

Now they are saying the same thing about our present Chief Executive.

Does this sound familiar: "Why does the President seek to make the President of the United States the absolute lord over industrial life and death? * * * Thus to constitute * * * a despotism of which a Russian czar never dreamed."

That happens to be a quotation from a Chicago newspaper's arraignment of another Roosevelt. It was printed in 1908. At that same time a Baltimore newspaper was clamoring that "In addition to persistently bullying Congress, he has gone to the extreme of browbeating the courts until it is evident he would have but one power in the land, and that power Theodore Roosevelt."

I could go on indefinitely illustrating the triteness, as well as the baselessness of all the crimes of commission and omission that are now being attributed to the President of the United States by his political opponents.

As I said before, these things are so easy to say that in every campaign, where they have no valid or tangible cause of complaint, they resurrect the same old skeletons and tell you that you are threatened with dictatorship and all the rest of it.

It is not so easy to controvert the facts. I mean the simple record that tells where we were and where we are. I have to leave it to your own imagination to define where we would be if the people of the United States had heeded the Jeremiahs of 4 years ago.

I would like to call your attention to a few headlines in one of your own home papers, the Providence Journal. Just after the New Year of 1933 this paper printed—and this is the headline: "Grains, livestock decline severely—Year disastrous to farmers as prices slump while debt burden is unchanged."

A week later they told you: "Building activity off 57.9 percent, and General Electric orders drop 52 percent in 1932"; and on the 1st of February 1933 they presented: "United States Steel orders cut to 50 cents on its preferred—Thirty-one-million-dollar deficit shown."

Now let us jump to the new year of 3 years later. I am still quoting from the Providence Journal. "Steel production higher; eleventh consecutive increase carries operating rate to 39.2 percent." And "Auto sales 45 percent above a year ago." And "Real-estate issues reach best level in 3 years."

And yet on the second anniversary of Franklin D. Roosevelt's advent to the White House—that is, on March 4, 1935—the same newspaper dolefully recorded that "Concentration of authority in the Executive branch of Government and the building up of an egregious bureaucracy have exposed us as a people to difficulties and dangers that were never dreamed of when Franklin D. Roosevelt entered the White House."

During 1935 and 1936, despite this newspaper's mournful reflections on the perils that came with our President, its business pages—those unhysterical, sober-sided, matter-of-fact recitals of what was really happening—continued to record in their headlines "Increase in Rhode Island machinery"; "General business in Rhode Island registers gain during year"; "Textile mills report largest increase." And I might go on to report the cheerful headlines announcing improvement in practically every industry of this State.

Incidentally, a flock of orators and bales of editorials all over the country solemnly assure you that the business increases are not because of the Roosevelt policies but in spite of them. Now something caused the ledger figures of business throughout our land to turn from red to black, and while our opponents deny that they are due to the New Deal, I have yet to find any recital anywhere that tells what, in the opinion of democracy's critics, did cause the change.

Now, let's just suppose for a moment that the figures of business were down and not up, that the banks were again shaky, that business failures were happening all over the country, that the farm prices were at a point where they again took the farmers out of the purchasing class. Do any of my hearers think for a moment that his political enemies would not have charged President Roosevelt with full responsibility for such a doleful situation?

Do any of you imagine that if business were bad the Republican orators and the Du Pont Liberty League spellbinders would be talking about a natural commercial reaction, or a world trend, or any other of the generalities to which they try to attribute our progress toward recovery? Not a bit of it. The whole philosophy of the attacks on the administration is based on the theory that anything good that happens while that administration is in power is in spite of it, but that everything bad that might happen lies on the doorstep of President Roosevelt.

Of course, that does not make sense, any more than does the reiteration of the shrill cries that a continuation of the administration under which we have attained a measurable approach to prosperity means that the country is going to the dogs; that business, unable to stand all the things that they stupidly say the President is minded to inflict, would just fold up and die.

Ever since those people who begged the new administration to help them in their extremity have found their heads again above water they have been clamoring for a change back to the old conditions under which numbers of them piled up great fortunes and multitudes of us were made practically bankrupt.

In vain have these critics of the Roosevelt regime been asked to outline the policy they would pursue if they could succeed in supplanting this administration with a Republican regime. Their only answer has been more generalities, more vituperation, more vague promises that nobody can either analyze or define. They have no program, and their plea comes down simply to this: "Put us back in power and we will do the things the Democratic administration is doing, but because we are Republicans we will do them better." How many Americans are there, I wonder, who would be willing to take such a chance?

Our adversaries complain that the Roosevelt administration has been experimenting. Perhaps it has been doing that. What alternative was there in a situation that had no precedents? Does anybody think it would have been better to let things drift as they drifted prior to the advent of the present direction of national affairs?

Talking of experiments suggests another thought. The Republican Convention—if the political weather indications are correct—meditates the nomination for the presidency of a doubtless estimable gentleman, who, however, was unheard of in a national sense until the minority party began to beat the bushes for a candidate. Nothing anyone of the mentioned possibilities for the nomination has been able to say yet gives even the slightest clue of what he would do, or try to do, in relation to the continuing problems that beset us.

Can the hazard of anything the New Deal tried, or suggests trying, compare with the risk the country would run if the conduct of our Federal affairs was suddenly given into the hands of a man, with no experience in such matters; totally unversed in the larger processes of Government, and obviously with no clear idea of what can be done, should be done—or what has been done? That would be a perilous experiment.

And how has your State fared under the Roosevelt administration? I do not mean to imply by this that you have fared either better or worse than your sister States, because all of the States have been treated alike, with only the variation that their individual necessities or emergencies have compelled. So the same question might as well be propounded to each individual Commonwealth.

Has Rhode Island benefited or suffered since March 4, 1933? Has the cooperation with the Roosevelt policies of Governor Theodore P. Green, of Senator Peter G. Gerry, of Representative John M. O'Connell, who came in with the present administration, been of benefit to your State?

Rhode Island has participated in the use of Federal funds in excess of $72,000,000. A considerable portion of this was in the form of loans. The Reconstruction Finance Corporation loaned your banks, trust companies, etc., approximately $1,800,000, and another $90,000 in subscriptions for preferred stock of banks and trust companies. All but $500,000 of this has been repaid. Don't you believe that that helped your State? A similar amount was authorized for industrial or commercial businesses. This money was extended to your manufacturers and merchants at a time when no other credit was available, regardless of the securities that guaranteed the loans. You know perfectly well how much this credit did toward getting the wheels of industry turning and its effect is told in the headlines of your newspapers to which I have already referred. The total of loans extended was approximately $5,500,000, one-quarter of which has already been discharged and the balance of which is paying interest and will be paid as the amounts fall due.

The Department of Agriculture has spent up here upwards of $2,000,000, and the other departments of the Government another $500,000, not counting the emergency-relief expenditures.

The Farm Credit Administration advanced more than a million and a half to your farmers, and the Home Owners' Loan Corporation has lent $24,660,000 on the domiciles of your cities. As the property itself in every case is security for the loan, that will of course be paid back and meanwhile your people were saved from foreclosure proceedings in innumerable cases.

None of this money, or that expended on emergency-relief jobs or given directly in the form of doles, was handed out because it was Rhode Island or because the Government desired to enter into an orgy of almsgiving, or anything of the kind. It was just a part of a program to which the Government was compelled, because of an emergency which the Government alone was competent to meet.

Perhaps the most tangible evidence of dividends in this connection is not these payments of relief loans, considerable as that is. What really tells the story is the report of the income-tax division of the Treasury, which shows that your people paid $3,000,000 more on their incomes for 1935 than on their incomes for 1933. A rough estimate shows that this means that the incomes of your aggregate population amounted to $100,000,000 more last year than they netted 2 years before.

The administration has been scolded by its critics because there was still a considerable amount of unemployment. Just the same, the statisticians tell us that there has been an increase in the number of jobs filled in this State of 19 percent since the New Deal began to function. Your farmers, on the same authority, have realized 26 percent more for their products than they did in 1933.

Those who have sought to stir up resentment among you against the Federal administration suggest that the western farmers have profited at your expense. I hate to burden you with more figures, but just to point out how the increase in western prosperity has come back to you, I may tell you that the increased output of your mills and factories is a direct reflection of the restoration of purchasing power to the agricultural part of the country. For example, your greater gains enabled the people to buy 4,500 more automobiles this year than

they were able to buy 2 years ago. And for a further indication there is the fact that your people now have on deposit in the Rhode Island banks $5,000,000 more than they had then.

Best of all, the bank depositors can sleep nights now, where they used to lie awake wondering whether the banks in which their money was resting would open next morning.

I have talked so much about the evidence of prosperity for the simple reason that that is the only real issue of the coming election. The loud voices that talk of dictatorships, socialism, and extravagance, and waste, and coming chaos, comprise merely the smoke-screen thrown up to obscure the only question that concerns our citizens. It is vapor in its most negligible form. The figures of business tell the real story and it is because of what they tell that I assure you here tonight that President Roosevelt will be triumphantly, and enthusiastically, and emphatically reelected as definitely as he was elected 4 years ago, and I feel very happy at the assurance that Rhode Island will again play its part in bringing about that result.

THE AMERICAN MERCHANT MARINE—ADDRESS BY JAMES C. PEACOCK

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the American merchant marine, entitled "Criticism Versus Accomplishment", delivered by James Craig Peacock, Director of the Shipping Board Bureau, Department of Commerce, before the Propeller Club of Baltimore, Md., on National Maritime Day, May 22, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The past several years have been a period of great distress for world shipping. Subnormal cargo offering, low freight rates, and severe competition for such business as still moves in international trade have caused shipowners everywhere to concentrate their efforts on the desperate struggle for survival. Not all of them have succeeded in weathering the economic storm. There have been failures and receiverships, an unprecedented laying up of tonnage, consolidation of services, restricted or staggered sailings, and a general cutting down of overhead. High tariff walls, import quotas, and other trade barriers, coupled with subsidies for domestic production and fluctuations of foreign exchange—all, I take it, manifestations of the post-war trend to economic nationalism—lie at the root of the shipowner's troubles. To add to his perplexities, there has been a marked, relentless, and heartbreaking rise in operating costs.

Faced with dwindling revenues and steadily mounting costs, shipowners the world over have appealed more and more to their governments for financial support. That they have not appealed in vain is shown by the fact that Government aid to shipping is now the rule rather than the exception. If the Great War accentuated the value of merchant shipping, post-war developments have convinced the maritime nations that their merchant marine must be maintained by whatever means possible—if not by private initiative, then by the taxpayers, through the medium of government aid. Our own Admiral Gleaves, chief of convoy operations during the World War, put the case tersely when he said, "The outstanding lesson which the war has driven home to us is the value both in peace and in war of a prosperous deep-sea merchant marine."

At no time in the world's history has competition on the oceans been more intense than during the past 15 years. In this period all of the countries of our principal maritime competitors have adopted a strong national shipping policy. They have assisted their private shipping industry to survive the terrific slump in world trade, with its disstrous effect on shipping, by the liberal extension of Government credit or by private credit guaranteed by the Government; the renewal and extension of contract services in their essential trade routes; construction loans at low rates of interest; construction bounties; navigation bounties and other forms of aid. The adherence to such a policy by these countries has enabled foreign shipowners to scrap millions of tons of obsolete ships and to build new ones. It has not only enabled our competitors to maintain their relative competitive status in the trade routes of the world but has greatly enhanced and strengthened their position by the introduction of high-speed passenger ships, combination ships, and fast cargo liners. It would have been impossible for private capital to finance, without liberal Government assistance, such ships in the important North Atlantic passenger service as the *Rex*, the *Normandie*, and the *Queen Mary*.

Under these circumstances, how can American shipping meet foreign competition successfully without adequate Government assistance when the capital and operating costs of American ships are far greater than those of any of our foreign competitors?

During the depression American shipping has experienced all the vicissitudes which have beset the merchant marine of other nations. In addition it has had to face, continuously for the past 3 years, a heavy barrage of high-powered criticism, orginating, strangely enough, not in the countries of its competitors, but among our own people. From every direction the pitiless spotlight of publicity has been turned upon its every weakness and shortcoming, leaving its virtues obscured in the shadows.

Such a steady stream of adverse criticism has poured forth from congressional and departmental investigations and hearings and debates, from news and editorial writers and columnists of influential papers, from after-dinner speakers, and even from radio commentators, that the man in the street can scarcely be blamed if he has come to believe that our shipping situation constitutes a veritable public scandal and nothing more.

It would be a waste of your time and mine if I should attempt to analyze in detail the many charges which have been made against the operators of American ships. These charges have been given wide circulation and have gained wide credence. Many of them are one-sided and carry their own refutation, as, for example, the sweeping charge in a recent report that instead of an adequate American merchant marine, the Merchant Marine Act of 1928 has produced unconscionable exploiters, intent upon wringing every possible penny from the public purse, while giving an absolute minimum of service in return.

Admittedly the act of 1928 has failed to produce an adequate merchant marine since it has not brought about the building of much-needed cargo liners. But when we say this we should at the same time present the other side of the picture and add that the 33 vessels built under the act's provisions, at a cost of approximately $144,500,000, are, for the size and type, as modern and efficient as any in the world, and that they represent the finest merchant fleet ever assembled under the American flag since the advent of steam.

Much the same objection may be taken to a reference in the same report to what is called the myth of private ownership, and to the repeated attempts made to show that the Government's mortgage liens and equities are so great that our merchant marine is in effect owned by the Government, rather than by private American interests. Here again only a part of the picture is revealed by the floodlight of unfavorable publicity which has been thrown upon the merchant marine. I shall take the opportunity in a moment or so to refer more fully to the status of debtor shipowners.

I hold no brief for the individual American shipowner, but as Director of the Shipping Board Bureau I do hold a brief for the American merchant marine. You will understand that in saying this I in nowise condone the abuses and improper practices which have been indulged in by some members of the industry. I offer neither apologies nor excuses for those who have overstepped the proprieties, or who for personal or corporate gain have been guilty of breach of faith, if not of contract, with the American people. The point I wish to make is that there has been enough criticism of the abuses of the past. Surely the American merchant marine finds its natural economic handicaps burdensome enough, without this added handicap. What it sorely needs—though in some quarters it is not the fashion to say so—is sympathetic and constructive help. We cannot permit the recent flood of adverse criticism to make us waiver in our allegiance to one of the country's most essential industries. We cannot proceed on the false assumption that its greatness has forever vanished; that its former virtues have degenerated into vices; that no hope remains of perpetuating its glorious traditions.

Believing that it is high time we shifted the spotlight so as also to show other and more favorable parts of the picture, I propose in my remarks tonight to point out that one can find real achievement and substantial progress even in this supposedly dark age of the merchant marine. I shall try to show that the history of the past few years, if rightly interpreted, gives ample assurance that we still have the foundation upon which to build an era of maritime achievement surpassing in glory even the golden era of a century ago.

The outstanding accomplishment which must be placed to the credit of the American merchant marine in recent years is the maintenance, on every one of the country's essential trade routes, of regular and dependable service during this entire period of unparalleled stress in shipping and foreign trade. Here is a record that will bear favorable comparison with the showing made by any other merchant marine in the world, a record which is all the more remarkable when we consider the obsolete types of cargo ships which comprise the greater part of our fleet. Not only have these services been maintained but the percentage of American waterborne foreign commerce carried in American bottoms has held constant, even during the worst years of the depression. What better testimony could be offered to prove the zeal and enterprise displayed by American operators in the face of conditions which have driven many of their foreign competitors out of business?

Although I am reluctant to bring statistics into a speech of this sort, a few figures are necessary if I am to avoid the charge of dealing only in glittering generalities. Let me state, then, that for the past 14 years American ships have carried an average of approximately 34.3 percent of the total value of our foreign waterborne commerce, ranging between a low of 32.2 percent in 1926 and a high of 36.5 percent in 1933. Now, in analyzing these figures, the interesting fact develops that during the past 7 years—the period of the great depression—the yearly average is found to be somewhat higher than for the 7 years preceding the depression. Does anyone suppose that this just happened by chance or accident? I for one give credit to the business acumen, the ingenuity, and the dogged determination of the American shipowner, who, refusing to take the depression lying down, rolled up his sleeves, improved and intensified his methods of freight solicitation, and more than maintained his relative position while the rest of the business world was in the doldrums praying for a favorable breeze.

There can be no doubt that the new ships constructed under the much-criticized Merchant Marine Act of 1928 have helped American operators to hold their own during the trying years of the depression.

The two splendid passenger vessels built for operation in the North Atlantic have proved so popular that they have revolutionized the entire passenger rate and classification structure in the

world's outstanding ocean passenger route. During the travel season accommodations on these vessels have been taxed to capacity. For some months negotiations have been under way looking to the construction of a third vessel of the same type and size, though with still more modern equipment, with a view to rounding out this service on a weekly basis and securing a still greater share of the rich passenger traffic of the North Atlantic.

Four new vessels built for service from North Atlantic ports to ports on the Mediterranean Sea have also given an excellent account of themselves, as have the five outstanding passenger ships built under the provisions of the 1928 act for service on the Pacific. The all-round efficiency of these vessels, coupled with their excellent service and moderately priced fares, accounts for the high place they have won in the estimation of discerning patrons. If the Merchant Marine Act of 1928 had done nothing else, it would still deserve our gratitude for the way it has demonstrated that whenever the American shipowner is in a position to offer service comparable with, or superior to, the service furnished by foreign shipowners, the patronage of American shippers and travelers will gravitate to the ship flying the American flag.

The four new combination cargo and passenger vessels built for service to the west coast of Central and South America tell the same story. For their type and size they are as attractive and efficient as any ships ever built, and like other vessels constructed under the provisions of the Merchant Marine Act of 1928 they have won great favor with the shipping and traveling public. In view of recent criticism of American ships from the standpoint of safety, I think it well to point out that all the passenger-carrying ships built with Government aid since 1928 have exceeded the requirements laid down by the London Convention for Safety of Life at Sea, notwithstanding that this important treaty has not yet been ratified by the United States.

All told, as I have pointed out, 33 new and splendid ships, costing approximately $144,500,000, have been built under the 1928 act. The conversion or reconditioning of 42 old vessels, with a view to increasing their speed, installing refrigerator space, or making other betterments, has involved an additional expenditure of $17,700,000, making a total outlay of approximately $162,200,000 for modernizing the fleet during the depression years. The result is that our immediate needs in our principal passenger-carrying trades are, with a few notable exceptions, reasonably well taken care of. Our need for new cargo liners remains, however, a matter of very real concern.

A fair appraisal of the figures I have just quoted will show the unfairness of the highly critical views so frequently expressed as to the progress made in building up American shipping since the passage of the Merchant Marine Act of 1928. When we consider the employment benefits accruing to American labor through the expenditure of $162,200,000 for building or reconditioning these 75 ships, the added millions paid to American seamen employed to run the newly built vessels, and the increased prestige enjoyed by the American-flag services in which the ships have been operated, it is decidedly unfair to imply that the Merchant Marine Act of 1928 was barren of worth-while results. The chief defects of the act were that it disguised the nature of the subsidy; that it did not make mandatory the replacement of obsolete tonnage, and that the method prescribed for determining the amount of Government aid was loose and open to abuses if not properly administered. More than counterbalancing these admittedly serious defects, however, the fact stands out—and I believe that it will be given full recognition when the maritime history of the post-war era is finally written—that but for the subsidy provisions of the act of 1928, few American lines, other than the so-called industrial carriers, would ever have survived the depression.

As pointed out a moment ago, the critics charge that while American shipowners have taken advantage of the liberal provisions of the 1928 act to build or recondition a number of ships, and have also purchased Government tonnage at market prices or less, they have been so slow in meeting their financial obligations to the Government that, in effect if not in law, the ships are owned by the mortgagee—in other words, by the Government. Here again the spotlight of adverse criticism reveals only part of the picture. I would like to show you the other part—made up of facts which I think speak for themselves.

On August 9, 1933, when the Presidential order abolishing the Shipping Board and transferring its activities to the Department of Commerce became effective, outstanding ship sales and construction-loan mortgages amounted to $154,742,561.80. Today that total has been reduced to $105,728,539.77. In other words, in less than 3 years $49,014,022.03, or almost one-third of the total, has been paid back to the Government, notwithstanding that by the terms of the loans most of them were to run for 15 or 20 years.

On the same date—August 9, 1933—13 active companies were in arrears on such mortgages. Since then only 2 small companies have been added to the list, while on the other hand 6 of the original 13 have completely paid up all arrearages. A seventh has for more than 2 years been making regular payments on a schedule which has already reduced its arrearages from $853,800 to $169,600, with every indication that it will be completely caught up on its payments by November of this year. Two of the six other companies still in default are in appreciably sounder financial condition than they were a year ago, and only two of them have had occasion to resort to receivership.

I submit that in all fairness to the American shipowner these facts deserve as widespread publicity as that which has been accorded the pessimistic reports of recent years. I do not believe that the American people want Government ownership and operation of industry, even though the industry be one which is so highly specialized, so difficult to manage, and so hazardous from the standpoint of financial returns as the American merchant marine. Our former maritime glory, wrested from our competitors in those far-off days of "wooden ships and iron men", was achieved under private American ownership. On the other hand our post-war experience with Government ownership and operation was marked by so much waste and inefficiency that I, for one, hope that it will never be repeated.

DEPORTATION OF ALIENS—ADDRESS BY DANIEL W. MAC CORMACK

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD an address entitled "What Would Happen if All Aliens Were Deported?" delivered in Atlantic City, N. J., on May 26, 1936, by Col. Daniel W. MacCormack, United States Commissioner of Immigration and Naturalization, upon the occasion of the National Conference on Social Work.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WHAT WOULD HAPPEN IF ALL ALIENS WERE DEPORTED?

It has been proposed as a simple cure for the depression that all aliens living in the United States should be summarily deported. The advocates of this measure usually argue that there are ten or twelve million aliens holding jobs in this country and an equal number of American citizens out of work. If the aliens are expelled, the idle citizens will step into their shoes, and, presto, the unemployment problem is solved.

Well, that may sound plausible enough in a stump speech or a rabble-rousing editorial, but it will not stand analysis. Let us examine this economic cure-all.

In the first place, those people who find the alien so convenient a scapegoat are careless about statistics. They invariably exaggerate the number of aliens in the United States. If the alien is a menace, as they claim, then the more aliens the greater the menace. It is easier to make our flesh creep when they multiply the figures by two or three. The number of aliens who are really living here today can be estimated with approximate accuracy. We know how many there were in 1930, at the time of the last census, for then they were carefully counted. We know that the recorded departures since 1930 have exceeded the recorded admissions by nearly 200,000. We know how many aliens have been naturalized since then, and we can estimate how many have died. On the basis of these figures the statisticians of the Immigration and Naturalization Service computed that the number of aliens in the United States today is 4,500,000.

We do not know how many of these 4,500,000 aliens are employed, but we do know that 4.5 percent of them are under 21 years of age, and that 43.7 percent are over 50 years of age. Included in these two groups there must be children too young and men and women too old to work. Slightly more than half of the 4,500,000 are females, and it is safe to assume that many of these are housewives and dependents. Just over a million aliens in this country are males between 20 and 50 years of age.

So the number of jobs which theoretically would remain to be filled by Americans after the expulsion of the aliens shrinks considerably.

Of course, it is by no means certain that the jobs vacated by aliens would be immediately or even eventually filled by Americans. Some of these jobs Americans would not readily accept, and for others they would not be qualified. I need not elaborate this point, but as a single example may I cite the agricultural labor performed by itinerant Mexicans in the Southwest. Perhaps southwestern agriculture would be organized ultimately on a different and possibly a better basis and Americans might be induced to enter into domestic and other personal services they now refuse as menial, but I merely wish to suggest that in many instances the immediate result of wholesale deportations would be not more jobs for Americans but the ruin of enterprises now dependent on alien labor or alien patronage.

I have said that there are something less than 4,500,000 aliens in the United States, and I have pointed out that by no means all of these are gainfully employed or competing in the labor market with American citizens. However, every one of these aliens is a consumer. The elimination of 4,500,000 consumers from the American market would be felt by every farmer and every manufacturer in the country. In certain localities the results would be disastrous. When the census of 1930 was taken there were 1,128,217 aliens in New York City. I suppose that there are nearly as many there today. I leave to your imagination what would be the effect on New York real estate, retail trade, and every business activity if 1,000,000 people were suddenly and permanently removed from the city. The results of mass deportation would be almost equally catastrophic in Boston, Philadelphia, Chicago, Detroit, Cleveland, Los Angeles, and San Francisco, and many other cities and towns with a relatively large alien population.

It seems to me that if we want to start another depression on the heels of the last one, this would be an excellent way to go about it.

Socially the alien is not an isolated unit. He has varied contacts and affiliations. Frequently he has an American wife and American-born children. Preliminary reports of a test survey of alien families by a social agency indicate that the average alien here has two American-citizen members of his family. These

dependents cannot be deported. Even if they elect to go into voluntary exile with the expelled husband and father, they may find that his native country will refuse to admit them. If we deport four and a half million aliens we will impose a quasi divorce and permanent separation on hundreds of thousands of American wives encumbered with children rendered fatherless by the same governmental act and deprived of their natural expectation of a normal and happy life. In other cases it may be the alien mother who is expelled, leaving husband and children behind.

Perhaps a truly patriotic economist and statesman can regard this wholesale destruction of families and wrecking of human lives with equanimity if only the goal is attained—more jobs for citizens. I fear that not many of us can take this detached and philosophic view. The whole procedure smacks too much of cannibalism. It recalls the shipwrecked mariners who, when they grew hungry, converted the cabin boy into steaks and chops. It may have been a sound idea but repugnant to one of a squeamish disposition.

But this idea of wholesale deportations is not even sound. The mere physical difficulties incident to the deportation of four and one-half million aliens deserve some consideration. More than half of them certainly would be destined to Europe. In 1917 and 1918 we sent approximately 2,000,000 men to France. It took all of our own shipping and all we could beg or borrow from our Allies. We were dealing then with men only, and with young men in sound health, who could endure a reasonable amount of discomfort and hardship. They slept in hammocks slung in cargo holds and in triple-deck bunks. To transport the same number of aliens of both sexes and all ages, including the sick and the infirm, would require a vastly greater tonnage. It could be done if it had to be done, but it would be a complicated and difficult undertaking and would take years to complete.

There remains a more serious obstacle which, as far as I know, the advocates of mass deportation have never taken into account. This is the probable reaction of the other nations of the world. Deportation, after all, is a transaction in which the country to which the alien is destined is no less concerned than the country from which he is expelled. We already find that in many cases in which deportation is mandatory under our law we cannot proceed because the alien's native land regards him as an expatriate and refuses to permit him to return.

If we undertake to deport all aliens, I think we may anticipate that the nations of the whole world will protest most vigorously, not only because of the hardship imposed on their citizens who came here in good faith and were legally admitted for permanent residence, but also because of the complication of their own domestic problems which would follow the enforced return of hundreds of thousands of their citizens who had severed all ties with the homeland and could not be easily reabsorbed in the national framework. This protest almost certainly would go to the length of a categorical refusal to admit these returning citizens. At any rate, international relations would be seriously strained to the detriment of our national prestige, accompanied on a material plane, if that alone must be considered, by a serious loss of the goodwill which makes for foreign trade.

To sum up, if we deported all the aliens in the United States it might indeed result in the employment of some citizens who cannot now find jobs, but not nearly so many as the advocates of this measure suppose. This would be offset by a serious dislocation of business due to the loss of four and one-half million consumers. The effects would be felt over the whole country, including those sections which have little or no alien population but must find an outlet for their products in the national market. In cities and towns with a large alien population the results would be no less than catastrophic.

Certain branches of agriculture, industry, and trade which employ alien labor or depend on alien patronage would face difficult readjustments. The sum total of these economic losses would far outweigh any gains that might reasonably be expected, and in the end for every citizen who found a job by stepping into an alien's shoes another somewhere would be thrown out of work.

In any case the whole scheme is impracticable for the one reason that it could not be carried to conclusion without the consent and the cooperation of the principal nations of the world, which would certainly refuse, both on grounds of equity and from motives of self-interest.

I will not stress the moral objections, except to say that these aliens came here with our consent if not on our invitation, usually burning their bridges behind them. Hence we would seem to be under some obligation to consider their interests as well as our own. With the inevitable byproduct of wrecked homes, women widowed, and children made orphans by administrative decree I have already dealt.

There is one final point which I wish that I could impress on those nervous citizens to whom the alien is an alarming bugaboo. Just this: To all intents, immigration has ceased. During the past 5 years more aliens left the United States than were admitted. In April 1930 the census enumerators found 6,234,613 aliens here. Many of these have since died. Others have been naturalized. We now have an alien population of about 4,500,000. Of these, approximately 1,500,000 have taken the first step toward naturalization. They are aliens today but they will be citizens tomorrow.

If the present policy of restrictive immigration is maintained, and it undoubtedly will be for years to come, the alien population of the United States will, in 10 years, be reduced almost to the vanishing point. Even foreign-born citizens will not be numerous, for most of them are in the higher age groups and rapidly dying off, and the new immigration from which they derive is reduced to a minimum. By 1946 it may be as hard to find an alien in the United States as a wild buffalo. Then even the professional patriots can sleep in peace.

DEBTS DUE THE UNITED STATES BY FOREIGN GOVERNMENTS

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Dallas Journal of the 18th instant, entitled "France Remembers", having relation to the debts due the United States by foreign governments.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Dallas (Tex.) Journal of May 18, 1936]

FRANCE REMEMBERS

Leon Blum says that France is interested in coming to a debt settlement with the United States. England is mumbling something about the idea also. But America ought to be clear-eyed in greeting such approaches. As realists, we can afford to reflect that Europe has come to understand two things: (1) Another world war is threatened. (2) Another world war without another Uncle Sam to furnish the war materials on credit will be the end of Europe. Also, as realists, we must face the fact that the only way Europe can pay us the war debts is in goods or services. If Europe pays us in goods, the defaults alone would require three-quarters of a billion dollars worth of European goods dumped into the United States to make the defaulters square with the books.

What, then, shall we do? Strange as it may seem, idealism has an answer to realism's problem. France, for example, owes us about $40,000,000 in defaulted payments. Suppose the United States should propose to France that this $40,000,000 should be laid out not in goods but in education? At $4,000 per student, that would provide for 10,000 students, half of them French and half of them American—the Frenchmen to come to American colleges and universities of their choice and the Americans to go to French schools and art centers of their choice.

A like application of this scheme to the war indemnities due from Germany to France and the interallied obligations would mean that thousands of young men and women would learn the language and customs and viewpoint of countries abroad and would form personal friendships there. No greater international bonds for peace could possibly be forged by treaty or agreement. It affords to American politicians who have said there shall be no repudiation an "out" which will not glut American markets with foreign goods and will not drain Europe of desperately needed food and clothing. It will stimulate travel abroad, both now and in the future, and save the "face" of foreign statesmen who have contended that their poverty-ridden constituents should not pay tribute to America.

Why not?

COTTON

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD an article which was published in the Daily Times of Wilson, N. C., under date of Thursday, May 14, 1936, pertaining to the cotton situation in this country.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wilson (N. C.) Times of May 14, 1936]

TAR HEEL IMPRESSIONS IN WASHINGTON

By Hubert Holloway

From the standpoint of North Carolina—in fact the whole South—the Senate investigation of the decline of cotton prices is of sweeping importance. It undoubtedly affects—directly and indirectly—the livelihood of every single son and daughter of the Old North State. And it is, perhaps, the most comprehensive survey of marketing conditions ever undertaken under congressional sanction.

Digging, and digging deeply, the Senate Committee on Agriculture and Forestry has uncovered the story of cotton from the time it is planted, through the mills, and to the shoulders of the wearers of goods made from cotton manufacturers.

Yet, strange to say, this inquiry has received scant attention: It has not been due to any lack of sensations, because the market manipulations disclosed would cause the noted pirate Captain Kidd to blush with shame; it has not been due to lack of importance, because everyone concerned realizes that the fate of the South hangs largely on cotton. Possibly it has been because the trade lingo—such as "badges", "straddles", "call cotton", "spots", and what not—is just too dry in this day of sensation-giving headlines.

Guiding the inquiry has been Senator E. D. SMITH, of South Carolina, who has been wrapped up in cotton since the days when he had to stretch his arms upward to touch a fluffy boll. Thirty-one years ago he helped to organize the American Cotton Association. Some say he has grown weary. Well, it is impossible to

serve 27 years in the United States as King Cotton's prime minister and be as chipper as a young man just selected as class orator.

The investigation has disclosed some startling things. Of chief interest is the fact that the Government holdings of around 6,000,000 bales of cotton hangs over the whole industry like a sword of Damocles; that the cotton market is as the promises of last year's candidate for office; that mills are unable to buy cotton from the overstocked Government warehouses because of trade conditions that make it necessary for them to deal through cotton merchants, and that manipulation of the market through speculation is the rule rather than the exception.

All these things vitally affect the price the grower receives for cotton, the wages of mill workers, and dividends from mill stocks. In other words, a great cross-section of North Carolina people and interests.

"Inside sources" say that congressional experts are burning midnight oil drafting a measure for the regulation of the cotton industry. It may pop up on the floor of the Senate most any day. And it now seems certain that drastic steps will be taken to control "straddle" operations (speculation in cotton) and probably elimination entirely of "call" cotton, the present method of selling for future delivery. Approximately 90 percent of the cotton now sold to mills is "call" cotton.

In this latter connection, Alfred S. Wyllie and Levi H. David, attorneys for the committee, have been extremely busy "watching the record." It is interesting to note that numerous mill operators—including many from North Carolina—were invited to appear before the Senate committee. Only one came. He was H. B. Richardson, of Union, S. C. The transcript of the hearings—including Mr. Richardson's testimony—is now in the hands of the printers. It is, to say the least, astonishing.

On April 27, the following testimony appears:

"Mr. WYLLIE. What is your opinion regarding the selling of cotton by merchants to mills on call? Do you favor the practice?

"Mr. RICHARDSON. I do, provided no straddles are effected or manipulation of the base month."

However, on the following day, and after he had been shown committee reports indicating the intricate methods used by cotton merchants to build up a speculative interest in cotton sold on call—and the manipulative practices involved, Mr. Richardson expressed the view that the only relief for mills would be elimination of call sales. The committee may seek to do just that. Anyway, it was one of the high spots of the inquiry.

With reference to the Government holdings of cotton, the testimony is equally as astonishing. This for example—

"The CHAIRMAN. During the time that the Government was holding it (cotton) at 12 cents couldn't your mills buy cotton from the Government at around 12 cents?

"Mr. RICHARDSON. No, sir.

"The CHAIRMAN. You couldn't buy it at that?

"Mr. RICHARDSON. No, sir; we didn't want to buy it.

"The CHAIRMAN. Why?

"Mr. RICHARDSON. Because the terms made it impossible for the mills to go directly to the Government. We were absolutely dependent upon going to merchants for our supply, due to the fact that we buy specified grade and staple, for which we pay a premium."

What may finally happen in the way of regulation is problematic; executive and legislative branches of the Government often differ as to what is best. But there is one thing evident. Growing in the field, with white bolls flashing in the sun, cotton is beautiful. But from then on it is a nightmare. And it is a particularly big nightmare to those trying to solve the industry problems through Federal legislation.

CHILD-LABOR AMENDMENT TO CONSTITUTION

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an article which appeared in the New York Herald Tribune of last Sunday in relation to a national poll taken on the pending child-labor amendment to the Constitution, which showed that the country stood 6 to 4 in favor of the adoption of the amendment.

Mr. GLASS. Mr. President, in connection with that request, may I ask the Senator from New York if he knows how many of the 48 States have child-labor laws of their own?

Mr. WAGNER. I do not. I think the article points that out, too, so that the Senator may be informed. A number of States have such laws. New York State has, but there are a number of States that have not.

Mr. GLASS. I should like to ascertain how many States have not such laws. I doubt if many States have not child-labor laws of their own. I know Virginia has a very complete, and some persons think a very severe, prohibition against child labor; and I shall be glad if the Senator can ascertain and put in the RECORD the number of States and the particular States that have child-labor laws of their own.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of May 24, 1936]

NATIONAL POLL IS 6 TO 4 FOR CHILD-LABOR REGULATION BY CONGRESS—VOTERS IN 45 STATES BACK AMENDMENT'S PRINCIPLE—"AMERICA SPEAKS", INSTITUTE OF PUBLIC OPINION POLL, NOTES NEW YORK SENTIMENT 63 PERCENT IN FAVOR OF ACT; DEMOCRATS 72 PERCENT IN SUPPORT, WITH REPUBLICANS 54 PERCENT AGAINST PROPOSAL

(By Dr. George Gallup, director, American Institute of Public Opinion)

By a vote of approximately 6 to 4 in a Nation-wide poll, the American people have declared in favor of giving Congress the power to limit, regulate, and prohibit the labor of persons under 18 years of age.

This is tantamount to approval of the much-mooted child-labor amendment, around which fights have been waged ever since it was submitted to the States for ratification in 1924. Although 24 States have ratified the amendment through their legislatures, and 22 have rejected it, the poll reported today is the first Nation-wide referendum of the actual voting populace on the child-labor issue.

It reveals dramatic clashes between the will of the people and the action of State legislatures in rejecting the amendment, between Republicans and Democrats, farmers and city folk, young people and the elderly.

The question asked on poll ballots which went to 130,951 voters, representing a cross-section of American opinion, was based on the wording of the child-labor amendment. It read: "Do you favor an amendment to the Constitution giving Congress the power to limit, regulate, and prohibit the labor of persons under 18?"

Replies for the Nation as a whole were: "Yes", 61 percent. "No", 39 percent.

THREE STATES VOTE "NO"

If the child-labor amendments were officially submitted to the people for ratification, 45 States would probably vote "yes", only 3 "no", according to the results of the poll. The three States that voted "no" in the poll were South Dakota, Kansas, and Maryland, indicating that the people in these States see eye to eye with their legislators, who have never ratified the amendment. Elsewhere, however, there is a clash of will between people and legislators.

In 19 States which have rejected the amendment in one or both houses of the legislature in past years, the voting public is today in favor of adopting it, the poll indicates. Connecticut's legislature, for example, has voted against ratification but, the results of the poll in Connecticut show 61 percent today in favor of Federal child-labor control. A scientifically selected cross section of voters in North Carolina, important southern textile State, are 56 percent in favor of the child-labor amendment now, although the State legislature has previously opposed it. New York, whose legislature killed the amendment in committee, a few weeks ago, votes 63 percent in favor of adopting it.

HOW PARTIES LINE UP

The divergences among the political parties in the poll are shown in the following figures:

	Percent	
	Yes	No
Democrats	72	28
Republicans	46	54
Socialists	81	19

Small towns voted 57 percent in favor of the amendment, and 43 percent against, and the large cities 66 percent for and 34 percent against.

Cross sections of varying groups of the population show similar disparities of viewpoint. A break-down on these figures follows:

	Percent	
	Yes	No
Farmers	46	54
Women	61	39
Reliefers	67	33
Young persons	72	28

The lively public interest in the child-labor question, which led the institute to take its poll, was largely brought about by depression. As unemployment grew adult laborers found themselves unable to get jobs, while children were being put to work. This condition speeded up the movement for ratification of the child-labor amendment. In the 2 years from 1933 to 1935 three times

as many States ratified as in the 9 years from 1924 to 1933. No time limit for ratification is specified in the amendment.

Although today's poll shows that the Nation agrees on the fundamental principle of child-labor regulation, it is interesting to note that public enthusiasm chills considerably as soon as the age of the children is defined. For example:

QUESTION REWORDED

The Institute of Public Opinion conducted a preliminary poll on child labor in which it used the general question, "Do you favor an amendment to the Constitution prohibiting child labor?"

Voters, apparently having visions of 6-year-old urchins chained all day to factory machines, replied with an overwhelming affirmative. The actual vote was—yes, 82 percent; no, 18 percent.

This was clearly a vote on a principle.

Next the institute experimented with another, more specific question, "Do you favor an amendment to the Constitution giving Congress power to regulate labor of persons under 18?" Even though the word "regulate" was used instead of "prohibit" as in the earlier question, the affirmative vote cascaded sharply. Only 86 percent of the voters replied "yes" to this question, against 82 percent on the first question.

When, in the third and final question, the words "limit" and "prohibit" were added to "regulate," thus conforming to the reading of the child-labor amendment, the "yes" vote dropped some more, to 61 percent.

Many sincere opponents of the child-labor amendment pitch their argument on the point illustrated in the foregoing figures, i. e., that a person of 18 is not a child. Others, notably Dr. Nicholas Murray Butler, president of Columbia University, maintain that the words "limit, regulate, and prohibit" give Congress too sweeping power over the lives of the 45,000,000 persons under 18. Fearing that Congress could forbid children to sew, to help with the dishes or to sweep out the kitchen, these opponents favor a rewording of the amendment.

The answer that proponents of the amendment make is that Congress would do no such thing. They quote the late Thomas J. Walsh, of Montana, who said, apropos of the amendment, "If we are going to hesitate to repose power of any body because that power may be abused we shall have to stop legislation altogether."

In general, today's poll would seem to indicate that public approval of Federal child-labor legislation would be greater if the age limit specified in the amendment were lowered.

Several thousand voters in the poll wrote across their ballots that the 18-year minimum was too high, but that they would favor the amendment if the limit were reduced to 16 years.

HOW STATES AND OTHER DIVISIONS VOTED

In the national poll on an amendment to the Constitution giving Congress the power to limit, regulate, and prohibit the labor of persons under 18, 61 percent voted "Yes", and 39 percent "No." The following tables show the poll percentages by State and other subdivisions:

	Percent	
	Yes	No
States:		
South Dakota	46	54
Kansas	46	54
Maryland	48	52
Rhode Island	51	49
Vermont	52	48
Missouri	52	48
Nebraska	52	48
Maine	53	47
Kentucky	53	47
Alabama	54	46
Mississippi	55	45
Idaho	55	45
Massachusetts	56	44
North Carolina	56	44
West Virginia	57	43
Arkansas	57	43
Virginia	58	42
Florida	58	42
Tennessee	58	42
Indiana	60	40
Iowa	60	40
Georgia	60	40
Oklahoma	60	40
Connecticut	61	39
New Jersey	61	39
Illinois	61	39
South Carolina	61	39
Louisiana	61	39
Utah	61	39
New York	63	37
Montana	63	37
Wyoming	63	37
New Mexico	63	37
New Hampshire	64	36
Pennsylvania	64	36
Ohio	64	36
Minnesota	64	36
Texas	64	36
Oregon	67	33
Delaware	68	32
North Dakota	69	31
Colorado	69	31
Nevada	69	31
California	70	30
States—Continued.		
Washington	70	30
Michigan	71	29
Wisconsin	71	29
Arizona	75	25
Parties:		
Democratic	72	28
Republican	46	54
Socialist	81	19
Groups:		
Farmers	46	54
Women	61	39
Reliefers	67	33
Young people	72	28
Places:		
Small towns	57	43
Big cities	66	34

CHILD LABOR NOW CITY-FARM AND POLITICAL ISSUE—CENTRALIZED POWER OVER LIVES OF YOUTH CHIEF OBJECTION OF OPPOSITION—FARMERS 54 PERCENT AGAINST BAN BY LAW; CITIES 66 PERCENT FOR IT, YOUTH 70 PERCENT IN FAVOR

The child-labor amendment was originally a nonpartisan issue. Endorsed in principle by Calvin Coolidge, it was passed by a Republican Congress with the aid of Democratic votes, and its ratification is now being urged by President Roosevelt. But today it is one of the most bitterly partisan of all issues.

Whereas in today's poll 72 percent of Democrats approve the child-labor amendment, 54 percent of Republicans oppose it.

Moreover, the amendment not only sets the parties at war against each other, but divides classes and age groups. Farmers are squared off against city folk, young people against their elders.

Farmers are, on the average, opposed to the amendment by a vote of 54 percent in the poll, whereas inhabitants of the 10 biggest cities are 66 percent in favor of it.

Enthusiasm for the amendment among young persons is marked by an affirmative vote of more than 70 percent. Older people, less willing to see child labor regulated by the Federal Government, are only 58 percent in favor of the amendment.

And so it goes, with class voting against class.

What made child labor a partisan issue? Why are many Republicans, whose party first sponsored the amendment in Congress, now lined up against it?

There may be several explanations. Probably the most important is simply the fact that the Roosevelt administration has come out strongly in favor of Federal child-labor regulation. Other polls of the institute have shown that whenever one party heartily espouses an issue, the other tends to take the opposite side, on principle, even though it may mean reversing a historic position.

Many of the N. R. A. codes abolished or regulated child labor, particularly in the textile manufacturing business. But even before N. R. A. was killed by the Supreme Court, President Roosevelt was urging uniform Federal control through the child-labor amendment. In November 1934 he said: "In the child-labor field the obvious method of maintaining the present gains is through ratification of the child-labor amendment. I hope this may be achieved." Political opposition to the amendment probably dates from this time, on the basis that it would centralize governmental power over private lives of young persons, as some critics contend.

FARMERS OPPOSE AMENDMENT

Next to Republicans the largest single group opposed to a child-labor amendment are the farmers. The explanation of this is probably that farmers look to their children for help during harvesting and planting. Undoubtedly they fear that Congress, in attempting to wipe out abuses of child labor in berry fields, onion fields, beet fields, etc., might jeopardize a farmer's right to ask his son to milk cows in the morning, or help with the spring plowing. Part of the farm opposition may also be due to the age limit of 18 years specified in the amendment. The average farmer looks upon a boy of 18 as an adult, not a child.

The poll vote of persons in big cities is in striking contrast to the farm vote. With an average of 66 percent in the affirmative, all of the 10 biggest cities favor the amendment.

	Percent	
	For	Against
Cook County (Chicago)	73	27
Allegheny County (Pittsburgh)	72	28
Los Angeles County	71	29
New York	68	32
Philadelphia	67	33
Detroit	64	36
Boston	61	39
Baltimore	60	40
Cleveland	59	41
St. Louis	58	42
Average	66	34

CROSS SECTION OF OPINION

There are four principal reasons why a majority of voters favor a constitutional amendment granting Congress power to deal with child labor. As given by the voters themselves, the first and most typical reason is:

"Children under 18 should all be in school, not out working. There's plenty of time for that later."

The next most typical reason mentioned by voters is an economic reason:

"It will help solve unemployment by providing more jobs for older people who need work most."

This same point was touched upon last month by President Roosevelt in his speech at Baltimore where he went on record in favor of limiting work to persons more than 18 and less than 65.

The other two reasons given by voters who favor Federal regulation of child labor are:

1. We must protect our children. They can't stand shop work. It ruins their health.

2. Child labor is a national problem, and Congress is most capable of handling it.

VIEWS OF THOSE AGAINST IT

As for the other side of the question, a half dozen reasons are given by voters who believe that the child-labor amendment should not be approved.

1. Many children under 18 have to help support their families. Look at farm youngsters and children of poor city families.

2. Many boys and girls under 18 have to work to keep from starving.

3. There's too much interference in private life already. Congress should be kept out of it.

4. Child labor is a problem for each State to handle.

5. A minimum age limit of 16 years would be acceptable. Eighteen is too old.

6. Anyone who can get a job should work. I did before 18, and it never hurt me.

JAPANESE ACTIVITIES IN THE PHILIPPINE ISLANDS

Mr. GIBSON. Mr. President, a little more than a year ago I presented to the Senate a report of my investigation of conditions in the Philippines. This report called attention, among other things, to the efforts of the Japanese to secure a foothold in the islands through infiltration.

In the same connection I ask unanimous consent to insert in the RECORD an article by Robert Aura Smith, special correspondent for the New York Times, entitled "Japanese Forge Ahead in Philippines."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JAPANESE FORGE AHEAD IN PHILIPPINES—THE QUESTION RAISED BY THE SPREAD OF THEIR INFLUENCE IS BROUGHT TO THE FORE BY THE LAND-LEASE ISSUE

By Robert Aura Smith

MANILA.—The question of Japanese penetration, brought sharply to a head by President Quezon's personal investigation of Japanese landholdings in the Province of Davao, now looms as the possibly deciding factor in the economic and political future of the Philippines.

Japanese penetration has been a growing problem. As early as 1931 a plea was made in the Philippine Legislature for the rescue of the Philippine fishing industry from the Japanese. The situation in the Province of Davao had come to notice from time to time.

In 1935, under the direction of the then Governor General, Frank Murphy, a comprehensive examination of Japanese landholdings in Davao was conducted by the Secretary of Agriculture and Commerce, Eulogio Rodriguez, and it is upon the basis of these findings that an attempt is now being made to enforce Philippine law and safeguard Philippine land from alien penetration.

JAPANESE IN DAVAO

The Province of Davao is situated in the southeastern part of the island of Mindanao. Of its total area of about 4,500,000 acres only about 250,000 acres in the valley and coastal plain of the Davao River are arable. Of this arable land, the Japanese are in control, legally or illegally, of almost exactly one-half. The findings of the Rodriguez committee were that about 55,000 acres are held by the Japanese in direct violation of Philippine law.

It was during the World War that the Japanese, in the form of 31 corporations, went into Davao for the purpose of getting control of the rich timber land in the upper part of the Davao Valley. With the connivance of a Filipino official, Vicente Ceballos, Japanese companies received forestry permits for the cutting of timber.

In 1919 the Bureau of Forestry discovered the malfeasance of Ceballos and he was dismissed. Charges were preferred against him, but he fled the country. The Bureau discovered that Japanese penetration existed not only for the purpose of getting lumber out of Davao, but also for the purpose of clearing the land, by burning, if necessary, to prepare the way for agricultural crops. The Bureau estimated that commercial lumber destroyed by burning alone amounted to 200,000,000 pesos ($100,000,000).

Charges were filed against the 31 corporations, of which 20 were known to be Japanese. The corporations were found guilty, but the Governor General remitted their fines, holding that they had acted in good faith, and assessed against them only the ordinary charges for forestry service.

While it was expected that this would result in a wholesale cancelation of Japanese concessions and leaseholds in Davao, exactly the reverse was the case. Japanese attention was deflected from forestry and illegal forest operation to agriculture and particularly to the cultivation of hemp.

Some land was acquired by outright purchase from private individuals. Some was legally leased under permit from the Philippine government. The passage of an alien land law made further legal leases impossible and the practice arose of obtaining leases in connivance with Filipinos.

A Filipino would lease from the Government an area of hemp land. He would then employ a Japanese to develop and cultivate that land for him. The Japanese, however, instead of receiving wages would take the produce of the soil and pay an insignificant sum to the Filipino for the use of his name in securing the title.

DEVELOPMENT COMPANIES

Credit for these operations was abundant. Several large development companies were formed, financed either in Manila or in Japan, and it was easy for the pioneers to market their product. Davao was a port of entry and was put on the regular steamship runs between Japan and Australia.

The Japanese settlers were hard-working and progressive. They supplanted the painfully slow hand stripping of hemp by decortication with up-to-date machinery. Their exports jumped amazingly and by 1930 this one province was in control of 40 percent of the hemp exports from the Philippines. The Japanese were able to set the standards and to set the price.

The colony meanwhile was growing steadily. The official figures of the Japanese consulate at the present time for Japanese in Davao show 12,742 residents. The estimate of the Rodriguez committee is 14,000. The total population of the province is 145,000, including the wild tribes in the mountains and 98,000 Christian Filipinos.

This group of 14,000 Japanese has gained a control of economic and social life in Davao out of all proportion to its numbers. The city of Davao is almost completely Japanese. Signs on the shops are in Japanese. There are excellent schools conducted in the Japanese language and the bulk of the trade is with Japan. In 1934 Japanese ships carried more than twice as much cargo in and out of Davao as the ships of all other nationalities combined.

QUESTION OF LEASES

The crux of the matter today is the illegal land leases held by the Japanese. The violation of the land law is clear and there exists, moreover, a direct violation of the Philippine constitutional provision that the agricultural land of the country may not be alienated.

When cancelation of the illegal leases was suggested the Japanese in Manila and Tokyo made strong protest, stating that many of the leases were acquired in good faith, and that the Japanese have an equity in the Province because of their work in its development.

The problem is now under consideration by President Quezon. If an attempt is made to enforce the provisions of the Philippine land law, it is apparent that a Japanese protest will be made and that in consequence the entire matter will be referred to the United States High Commissioner in the Philippines and eventually to the American State Department.

CONTROL OF FISHING

The "Davao question" is not the only one raised by Japanese penetration. Coordinately with the development of Davao, the Japanese have systematically taken over the power fishing in the Philippines. This they have done through the organization of companies nominally Filipino but actually Japanese in ownership and operation. In addition to the legal and quasi-legal Japanese fishing operations there is large-scale illegal Japanese fishing which the government, with its three inadequate coast-guard cutters, has been unable to stop.

The most spectacular case of Japanese penetration, however, has been in the field of retail trade. Prior to 1930 Japanese retail merchandising in the Philippines was negligible; most of it was done through Chinese stores. But when the Chinese boycott of Japanese goods in 1930–31 extended to the Philippines the Japanese found themselves without a retail outlet, and they set about systematically to create one.

In the city of Manila they matched the Chinese stores with bazaars on one street after another. In 3 years they jumped from controlling 7 percent of the retail merchandising in Manila to a control of 28 percent. The figure is still rising.

IMPORTS FROM JAPAN RISE

It was natural that this entrance into retail trade should be reflected in the entire field of imports. Japanese goods coming into the Philippines increased in 5 years by 300 percent. In the case of textiles the situation rapidly became so acute that the American State Department stepped in and consummated a gentlemen's agreement dividing equally between the United States and Japan the market previously controlled by the United States. Since then transshipments of textiles, particularly from Hong Kong, have already knocked this agreement into a cocked hat, and Japanese textiles are rapidly driving the American goods out of the Philippine market.

When a tariff proposal is made in the Philippine legislative body, which might possibly conflict with Japanese interests, it faces a powerful lobby called the Merchants Protective Association, which is directly traceable to Japanese sources. In 1934 the Japanese

consul in Manila, in a public address, openly urged that the legislature turn down the tariff recommendations of the then American Governor General and the Filipino party leaders.

This was an open and frontal attack. What has gone on behind the scenes no one knows. The suggestion has been made that economic penetration, which is already an accomplished fact, is only the forerunner to political and policy penetration. Filipino newspapers, which 2 years ago were unwilling to say that Japan presented the one great menace of external aggression to the projected Philippine State, are now putting it in headlines.

FEDERAL UNEMPLOYMENT RELIEF PROGRAM—ADDRESS BY HOWARD BRUCE

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by Mr. Howard Bruce, a prominent businessman of Baltimore city, at the Town Meeting of the Air, May 7, 1936, on the subject of relief.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In beginning, I wish to say that I have a warm personal regard for Mr. Hopkins and all of his associates with whom I have come in contact. I have the greatest respect for their sincerity and their singleness of purpose. Mr. Hopkins has had the most difficult administrative job that ever existed in this country. I may differ with him on policies, but that is all.

The greatest problem facing this country today is that of finding permanent and gainful employment for those out of work.

Estimates of the unemployed vary from less than 10,000,000 to over 12,000,000. Similar estimates of the employables in this country usually place the figure at somewhere in the neighborhood of 50,000,000. On this basis, the unemployed today are in the neighborhood of 20 percent of the total employables. Just what part of this 20 percent are normally unemployed, due to seasonal occupations, shifting of jobs, and other causes, no one really knows. Personally, I have the feeling that our problems will be over long before we absorb anywhere near 10,000,000 workers.

The destitute must be supported. There can be no difference of opinion between responsible people on that.

When a local community cannot take care of its own it becomes the responsibility of the State. When the States cannot bear this responsibility, it becomes the duty of the National Government. Should we falter in meeting this obligation fully, fairly, and in a humane way, we lose our self-respect.

There is no question that Federal aid for the needy and unemployed was essential. The burden was too great for the States and their political subdivisions. They were breaking under the load that they had up to 1933 been carrying. Their credit in many instances had been impaired and it was impossible for them to borrow. A great many States were prevented by constitutional restrictions from taking necessary steps, and plans for handling the situation had to be made by the Federal powers under great pressure; and a discussion of whether these were wise or unwise serves no good purpose at the present time.

In 1933 the country faced a tragic situation. People had lost hope of a restoration in our Government, and had lost hope of a restoration of prosperity. It was an emergency if such a thing ever existed. Emergency measures were justified and emergency measures were adopted. I am no critic of the measures that were adopted.

We have come a long way on the road toward complete recovery. Some of our problems have solved themselves; others have been solved by the Government; we still have many left; there is an outstanding one that up to the present time has not responded to treatment and that is our unemployment relief.

This is so clear that the time for treating unemployment as a temporary emergency has passed. It has been with us for years, and it is the part of wisdom to approach it on the assumption that in some form or in some degree it is going to be with us at least for a while longer.

This problem of unemployment relief is so complex and so enormous that I approach its discussion with a distinct sense of modesty. If I can accomplish anything by talking to you it will be by arousing discussion and interest among those who are interested in its solution.

My conclusions are as follows:

Such measures for the relief of the unemployed as were undertaken by the old C. W. A. and the present activities of the W. P. A. will not meet the situation; they do not supply even temporarily a satisfactory solution of the problem. Employment and relief for the destitute follow different lines and must be governed by different laws. Relief to be effective must be given to each case according to the needs of that particular case. Relief employment, on the other hand, is given at a specified wage without regard to the necessities of the individual. This means that a single man, or a married man receiving supplementary relief, which may be $10, $15, $20, or $30 a month, receives the same security wage as is paid to the head of a family of 10 or 12 children, receiving $80, $90, or $100 per month on relief. The one is being unnecessarily overpaid and the other is being underpaid.

In spite of the increased expenditures, it is my observation that there was more suffering immediately following the inauguration of the W. P. A. than was experienced under the system existing prior to W. P. A. made work.

Public work will and should form a part of any relief program, but the work project should first be selected for its intrinsic value and the unemployed should be fitted to the project, so that when completed the project approximates in value to the community the expenditure made upon it. If I agreed with Colonel Westbrook that the value of the project was 70 percent of the cost, I wouldn't argue so much. Work relief, where work under great pressure is devised to absorb millions of unemployed, which has this immediate absorption as its main motive, defeats its very object.

I maintain that made work under unorthodox regulations does not add to the self-respect of the individual. He knows he is on relief, and his effort will be to obtain the meager security wage with a minimum of effort. This results in actually detracting from the dignity of labor, and if employment on made work under artificial conditions is continued long enough, it is inevitable that it will make the worker less efficient and less effective should he secure employment where productivity has a bearing on wages and continuity of employment.

The further the source of relief money and the seat of authority are removed from the individual taxpayer, the less efficient will be the administration of relief, both from a humanitarian and a financial standpoint. No central authority can possibly appraise the needs of each city and county in this vast country. The fact that money comes from some far-removed national source creates the impression that it comes from an inexhaustible supply and destroys any feeling of personal or community responsibility for its proper and efficient expenditure. Instead of this sense of responsibility, there is created an urge for each community to get for itself as much as possible of this "easy money."

If I were to undertake to write a formula for unemployment relief during the next 12 months, I should say that the Federal Government should put up from 50 percent to 60 percent of the money required, the States and their subdivisions supplying the remainder; that the States and their subdivisions should be permitted to administer relief; that work relief as now handled would not play its present major part, and the part it would play would be at the selection of and under the control of semiautonomous subdivisions of the States.

From the funds supplied by the Federal Government there should be held back an equalization fund and the balance should be prorated among the States on a fixed basis. The moneys in the hands of the States should be similarly prorated among the political subdivisions after withholding an emergency or equalization fund.

Whatever the percentage of the Federal Government's expenditure may be, the policy should be to reduce this proportion until eventually the States and their subdivisions assume the major part of the load that they formerly carried and that really belongs to them.

I know the arguments against this policy, but I believe the citizens of counties and incorporated towns will have just as much human sympathy as either the States or Federal authorities, and they will have something that neither the States nor the Federal Government can possibly have, and that is a complete knowledge of their own neighborhood problems. [Applause.]

So long as the Federal Government makes grants in aid to States the Federal Government must retain a certain veto power and set up certain minimum requirements. The States, by the same rule, should retain the same control over their subdivisions. The influence of both Federal and State Governments should be to bring about the greatest amount of decentralization and the greatest administrative freedom in the hands of small political subdivisions.

In laying down rules for relief administration there should be established a balance of power between the social workers, on one hand, and the regular governmental powers on the other; complete domination by either is unfortunate. I don't know which is worse.

The objective of the Government, of business interests, and of the Nation as a whole is to reduce and demolish the citadel of unemployment. So far the strategy dictated by our Government has been in the main to accomplish this objective by frontal attacks—by storm. If we had succeeded at our first try, or even at our second, we would have nothing but acclaim for our strategy; but, after being repulsed twice—once in 1933–34 and once in 1935–36—isn't it time to count our losses? Maybe the strategy of direct action, of frontal attacks, entails too great losses with too small results, and possibly the indirect attack may yield greater success. I call the C. W. A., the W. P. A., and kindred projects frontal attacks; and I say that after the expenditure of billions we have accelerated recovery of consumption industries, but we still have the unemployment load undiminished.

Now, the indirect attack really has nothing indirect about it; it is just plain common sense. The American people must solve this problem by increasing employment and thereby gradually absorbing the army of employables now without work.

Agriculture and many lines of industry have already recovered from their depressed state; some industries have established new high records. The worst laggards are those enterprises that require the investment of money in capital or in durable goods. Money is notoriously timid and does not come out in time of uncertainty.

There is tremendous demand for the investment of money. Obsolescence and need for repairs have been piling up since 1930; buildings have continued to depreciate throughout the depression, possibly at a faster rate than the normal. Generally speaking, the needs for expenditure of this character are cumulative—what you don't do this year you must do some day.

This brings me to the question, Why are the American people not fully launched in this campaign of expenditure? The answer is in two parts:

The people of this country want to see a descending line of Government expenditures, with an ascending line of Government income. [Applause.] Then the average man can predict with some assurance the time when the two lines cross and the Budget is balanced.

No individual, no business, can go on indefinitely spending more than is collected as income without eventually landing in bankruptcy. The same is true of any government; its credit is measured by what the people think of it. If government extravagance is carried too far, there will be a collapse of credit, or inflation, or both, with all their tragic effect upon the citizens.

I don't think it is the size of our debt that worries people. It doesn't worry me. This is a big, rich country, and if we get the wheels turning, we can absorb the debt. The disturbing thing is not where we are but where are we going—when will we be in normal balance? [Applause.]

The other part of the answer is—and really it is the whole answer—we must create in the minds of those controlling expenditures, and through their faith transmit to the Nation, the belief that we are approaching a period of stability and security; that money can be invested with a reasonable prospect of return; that the rules of the game are not to be constantly changed; that we are not to have too large a dose of reform. When the average man recovers his sense of security, we will have restored to the American people the daring, aggressive, constructive characteristics that have made this Nation, and in my opinion, we will have a period of the greatest business, industrial, construction, and employment activity that this country has ever known. [Applause.]

Chairman DENNY. Thank you Mr. Bruce and Colonel Westbrook. I am sure you all agree that you have heard two sincere, honest, and capable expressions of opinions, however different they may be, on this important question. Now, these gentlemen will be very happy to undertake to answer your questions.

Question. Mr. Bruce, how would your plan of local autonomy work in New Jersey? [Applause.]

Mr. BRUCE. I am not as familiar with New Jersey as I am with Maryland. I will tell you how we would do it in Maryland. We would take care of our own people, and we wouldn't throw away any money; and by the same rule, I think it will work in New Jersey.

Question. Mr. Bruce made the remark that the unemployed on the W. P. A. relief jobs should be fitted for the work they do. That will leave a certain balance. Wouldn't they be included among the group called boondoggiers?

Mr. BRUCE. I would leave them on direct relief. [Applause.] When I say "men fitted", I mean putting people on work relief who could be put on it without injustice to them or their communities; I mean putting them on work projects that have a value when they are finished approximating the cost of the project. [Applause.]

Question. Mr. Bruce, would you admit that the final and total cost of work relief would be less if the wages paid on works programs were prosperity wages rather than security wages, based on the proposition that higher wages would return purchasing power and make it possible for the average citizen to purchase the necessary commodities and thereby restore business?

Mr. BRUCE. I think the security wage is neither a wage nor is it relief. That is one of its greatest difficulties. I think it is too small as a wage and in many cases it is too high as relief. Does that answer you?

Question. Absolutely.

Chairman DENNY. Here is a written question to Colonel Westbrook: The city of New York receives $300,000,000 less from the Federal Government than it pays in taxes. In view of such large expenditures for such projects as C. C. C. in other parts of the country, ought not New York to have a larger W. P. A. program?

Colonel WESTBROOK. Because the people, the businessmen, the brokers, and others who constitute the city of New York are able to operate under the industrial mechanism that is set up under the protection of this Government, and because through the operation of that industrial mechanism they levy in effect what amounts to tribute all over the rest of the country, the city of New York is able to pay these taxes and it should pay them. New York is able to pay for the relief that is extended here. If in the city of New York people are not getting an adequate amount of relief, then that should be remedied on the merits of that case, not on the question of how much income the people who live in the city of New York get, and the corresponding amount of taxes they pay. They couldn't live without the hinterland—New York City couldn't.

Chairman DENNY. Mr. Bruce, here is a written question for you: Do you think that business is doing its utmost to end unemployment?

Mr. BRUCE. I will start by saying "No." [Applause.] When we started down the slide, and when we were in the darkest days of the depression, I think the performance of business was magnificent in maintaining themselves alive and taking care of their people way beyond cold-blooded business requirements. Now that we have turned the corner, the first impulse, and it is a natural one, is for business to extend the hours of those of its employees that were on short time. But I believe that is passing. I think business can do more than it is doing [applause] to put more people to work. I believe there is a tendency among business people to lay this too often on a Washington doorstep and let it go at that. [Applause.]

Question. Mr. Bruce, do you think we can rise from the depths of the business cycle and at the same time increase purchasing power without work relief?

Mr. BRUCE. I think you have got to have work relief. I have said so. But I say, let's get approximately 100 cents value for the dollar we spend on work relief. Let's cut out the boondoggling. [Applause.]

Chairman DENNY. A written question to Colonel Westbrook: When you say "industry", do you mean the manufacturer or do you mean all business of city and country, including the retailer?

Colonel WESTBROOK. Well, when I say "industrial mechanism", I mean that in a very general way; I mean all business entities, including agriculture, which produce goods or which perform valuable services. I mean the grocers, and I mean the lawyers, and I mean all of the people who have the privilege of carrying out their trades and professions under the protection of this Government. That is what I mean by "industrial mechanism."

Question. Mr. Bruce, are you aware that the 100 mayors of the 100 largest cities of the country in asking for specific appropriations larger than the President has asked for relief have stated that in all their cities they agree that all the projects have, as you said, intrinsic value; and also that they were of a character that would be of a permanent benefit to the public in the time to come? Are you aware of that?

Mr. BRUCE. I am aware of it, and it has made no impression on me whatsoever. [Laughter and applause.] I had an active, personal part in working out the program for Baltimore and for Maryland. I cooperated with public officials, and I know the projects that we in the main brought out were worthy projects. I have looked at men tickling the ground with shovels when it ought to have been done by trenching machines. I have looked at 271 people making an atlas of Baltimore. I don't believe they need one anyhow [laughter], and it doesn't make sense. We are not getting 100 cents for our money. [Applause.]

Question. Both speakers seem to agree that the main interest is to eliminate relief and eliminate expense, and we all agree that the main burden of taxes is falling on the so-called forgotten man. Why not divide the working hours so we will not have the relief question? Why is the industrialist, who carries the burden, so much against dividing the working hours? If they were not, they would not have the problem at all. [Applause.]

Colonel WESTBROOK. I think that might be a pretty good emergency measure if we could put it into effect. I don't believe we could put it into effect. I would like to see it tried.

Chairman DENNY. Mr. Bruce, will you take that same question? Does the 30-hour week come under your question?

QUESTIONER. Yes, shortening the hours of labor. They are trying to raise them at the present time, now that we have no N. R. A.

Mr. BRUCE. I will answer the 30-hour week in two ways. I will say, "yes", and then I will say, "no." [Laughter.] I will say, "yes", if it is brought about in an orderly way over a period of time, and the production per man-hour is increased simultaneously so that in the final analysis we haven't had a great increase of price. If it has got to be done suddenly by edict, I say, "no", because you are going to raise the cost of consumption products directly in proportion to the cost of labor, and you are not going to correspondingly increase the purchasing power; you are going to decrease consumption; you are going to destroy your export trade; you are going to put a tremendous premium on labor-saving devices. When you get through, I think you will be worse off than you are today. [Applause.]

Question. Mr. Bruce, in view of the fact that you say unemployment up to the present time has not responded to treatment, do you not think that the W. P. A. lay-offs that are going on at the present time will aggravate the problem of unemployment rather than solve it? [Applause.]

Mr. BRUCE. You better ask Colonel Westbrook about that. He knows more about those policies than I do.

QUESTIONER. I asked that question paticularly of Mr. Bruce, because he is in favor of discontinuing the W. P. A.

Chairman DENNY. Let's have both of them answer, the colonel, and then Mr. Bruce.

Colonel WESTBROOK. Well, if I understand the question, the gentleman wanted to know whether the discontinuance of W. P. A. would operate to increase unemployment. I believe that if these people who are now receiving W. P. A. checks should cease to receive W. P. A. checks all over the country, we would have the beginning of another pretty sizable depression. [Applause.]

Chairman DENNY. Now, Mr. Bruce, will you speak to that question now?

Mr. BRUCE. I don't advocate abolishing W. P. A. I advocate transferring the control to the local communities and getting 100-cents value for the money we spend. [Applause.]

Question. Colonel Westbrook, do you think that relief is being administered for the benefit of the needy, or for the benefit of the Democratic Party? [Applause and boos.]

Colonel WESTBROOK. Well, I think, in the first place, that is a frivolous question. In the second place, I think the people who have received relief are better qualified to answer that than I am. I think that the administration of relief, as far as the policy of the Federal Government is concerned, is honest and sincere, and I don't think that it can be successfully challenged by anybody who knows anything about it. [Applause.]

Question. Mr. Westbrook, would not the technological reforms advocated by Mr. Bruce increase the cost in the form of investigation and research, and would there be any benefit in that increase of cost?

Colonel WESTBROOK. I didn't gather that Mr. Bruce had advocated any technological reforms. My understanding of the principal thing he advocated was that we turn relief over to local communities. We tried that out during the F. E. R. A. and pretty well under the C. W. A.—principally under the F. E. R. A. While we had very excellent cases of administration, we had some very bad. It was not uniform. If the Federal Government agrees that it is the Federal Government's responsibility to provide the funds for relief, I don't think that it can avoid the responsibility for administering it.

Question. To both speakers: Being agreed, as we all are, that the best way to end unemployment relief is simply to end it, and the problem of ending unemployment being as it is, a man-made problem and not an adversity of nature like a famine or drought, but a problem arising out of our economic system of private property, shouldn't the solution be man-made? [Applause.]

Chairman DENNY. I am sorry, but I am not going to ask either speaker to answer that. That is a question for another meeting. Our subject is: "Should the present Federal unemployment relief program be continued?"

Question. Mr. Bruce, you made a statement that you thought that the power of distributing relief should go back to the States, instead of remaining with the Federal Government, because you thought that relief would be better administered. What would happen to people in the State of Kansas?

Mr. BRUCE. This transfer to the community, accompanied by placing directly upon the community a part of the money load, will change the situation from spending somebody else's money to spending in part your own. This will stimulate the effort to find employment; next, work relief will yield greater value, and finally shake off those receiving relief that are not entitled to it. There are in every community, and there always have been, people with invisible, illegal sources of income. You can name them as well as I can, and they are all on relief. When the local people are putting up a part of the money, they will go off relief. I have no quarrel with the standards of relief or the wages of relief work. Every vote I have ever had on that subject has been on the side of raising them. My only quarrel is with the abuses of people that are not entitled to relief, and of spending money under the guise of work that is a fraud; it is not work. [Applause.]

Question. I want to ask this question of both speakers. They both seem to want to get to normalcy as far as employment is concerned. One says keep it in the Federal Government; the other says put it among the States and the localities. There is a difference of opinion there. Neither one is talking to the subject, which is how to end and when to end Federal relief, which is the real question, it seems to me. I would ask both of them to answer it. What is your remedy for unemployment in this the richest country in the world, and why don't you tell us? [Applause.] We want to know what is their solution for this anomalous condition of the richest country, with the greatest amount of science and machinery, and still people ready, able to work, unable to find it? Why not tell us about free trade, taxing industry——

Chairman DENNY. I am sorry, but the question is, "Should the present Federal unemployment relief program be continued?" That is our subject. Next question.

Question. Mr. Bruce said we could have prosperity and the wheels of recovery going around. I can't understand how we can have them if we are going to bear down on relief, when purchasing power will be trimmed and the economic state will only fall. I can't see your point there. It sounds very completely flat. [Laughter.]

Mr. BRUCE. I have not undertaken to bear down on anything. All I have undertaken to say is, let's put this back where it belongs; let's bring the Federal expenditures down in range with the income, and let's get a hundred cents' worth for the dollar we spend on work relief. That is all I have said. [Applause.]

Chairman DENNY. Mr. Bruce, here is another written question. How would you establish nonpolitical control of relief? [Laughter.]

Mr. BRUCE. I will give you an illustration in the State of Maryland. There we have a State board. It is called the board of State aids and charities, and by long custom its membership is made up of people that are primarily interested in social welfare. They are not politically minded. I would have this board name for each local community a list of 15 names and allow in each county the county commissioners to pick 5 names out of the 15, and that board would be the county welfare board. I would have the finances come through the ordinary channels. I would have the spending in the hands of that welfare board, and when a disagreement occurs, public opinion would referee it.

I don't know which is worse; to turn it all over to professional social workers or turn it all over to politicians; one is as bad as the other, I think. [Applause.]

Chairman DENNY. Colonel Westbrook, here is a written question for you. Should any work of the W. P. A. be carried out by private contractors?

Colonel WESTBROOK. I think a plan could be worked out whereby the private contractors would give employment to the people who are destitute and who are eligible for it. Under those conditions, I think, yes. [Applause.]

Question. Mr. Bruce, I mean nothing unfriendly in this question. I hope it will be taken seriously. Your greatest indictment against the W. P. A. is that the public doesn't get 100 cents for its dollar. Your implication is, therefore, that it should be liquidated. Do you believe that that vocational group known as the bankers give the public 100 cents for its dollar? [Applause.]

Chairman DENNY. Just a minute. We are discussing one problem at a time. We can't discuss the banking problem now. Let's stick to the subject.

Question. In view of what you said, Mr. Bruce, regarding industrial cooperation and the lack of it today, and also in view of the present surplus of corporations, don't you think that there is something in this issue for more industrial cooperation rather than abolishment of relief?

Mr. BRUCE. I have stated that there ought to be more industrial cooperation. Sometimes I think that now that industry is in black ink that maybe by the reduction of prices and a present diminishing of profits, they might profit in the long run and the country be better off. Does that answer you?

QUESTIONER. Fine.

Question. Mr. Bruce, you stated that you were not opposed to W. P. A. As a W. P. A. worker, I would like to ask you whether you are opposed to the present lay-off of 700,000 workers all over the United States on W. P. A.

Mr. BRUCE. Having adopted a policy of supporting by work the employables on relief, I am not in favor of throwing them off until some other policy is established that takes them on. [Applause.]

FIRST DEFICIENCY APPROPRIATIONS

Mr. ROBINSON. Mr. President, yesterday, as appears from page 8090 of the RECORD, I stated to the Senate that after a conference with the Senator from South Carolina [Mr. SMITH] I was "satisfied that the bill now under consideration can be and will be promptly disposed of tomorrow." For that reason the bill was not proceeded with further yesterday afternoon.

The Senator from South Carolina is not present; I am informed that he is ill. I therefore ask that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 12624, being the first deficiency appropriation bill.

I realize, Mr. President, that the friends of the commodity-exchange bill are anxious to have that measure disposed of, and it is my purpose to contribute to that end; but, in view of the absence of the Senator from South Carolina, who, I am informed by his secretary, will be present tomorrow, I make the request that is now being submitted to the Senate.

Mr. MCNARY. Mr. President, I realize the situation as outlined by the Senator from Arkansas [Mr. ROBINSON]. I think I may accept the assurance that we will go forward with the commodity-exchange bill tomorrow. I would not want the bill delayed over an extended period of time, even though the chairman might be ill. It is a committee bill, and the members of the committee are quite capable of handling it during the illness of the Senator from South Carolina. I think it is due to him, within the rules of propriety, that we may set aside the bill today, awaiting the return of the Senator from South Carolina tomorrow; but I should not want the consideration of the bill to be postponed for several days. With the understanding that the bill will be taken up tomorrow, I have no objection today, temporarily, to laying it aside and considering the deficiency appropriation bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none; the unfinished business is temporarily laid aside, and the Chair lays before the Senate House bill 12624.

The Senate proceeded to consider the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. ADAMS. Mr. President, I ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the first amendment of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Title I—General appropriations—Legislative", on page 2, after line 2, to insert:

SENATE

To pay to Beatrice Trammell, widow of Hon. Park Trammell, late a Senator from the State of Florida, $10,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 6, to insert:

For additional amount for the assistant clerk of the Committee on Appropriations to make the salary $4,800 per annum, fiscal year 1937, $600.

The amendment was agreed to.

The next amendment was, on page 2, after line 9, to insert:

For miscellaneous items, exclusive of labor, fiscal year 1936, $50,000: *Provided*, That no motor-propelled passenger-carrying vehicles shall be purchased from this or any other appropriation for this purpose.

Mr. HALE. Mr. President, in his testimony before the appropriations subcommittee on the deficiency bill, Mr. Hopkins stated that at the peak of employment on work relief 3,800,000 were employed. This included 3,000,000 employed by the Works Progress Administration, 455,000 by the Civilian Conservation Corps, and the balance by the other agencies of the Government, including Public Works, Public Roads, and other Government agencies.

Mr. Hopkins plans, between March 1 and July 1 of the current year, to reduce the number employed by the W. P. A. by 700,000 and expects the number employed by the other agencies of the Government to increase by 400,000, leaving on the first of the coming month about 3,400,000 persons on relief work. To take care of these people on work relief, out of the $4,800,000,000 appropriation in 1935 the Government will have unexpended about a billion dollars; out of other balances unexpended under former appropriations since 1933, amounting to about $900,000,000, about $400,000,000, which will be available from the appropriations made for general public works; about $308,000,000 for the Civilian Conservation Corps up to March 31 next, when that agency expires; and the $1,425,000,000 for works progress included in the present bill; or a total, including general public works, for work relief for the next fiscal year of substantially $4,050,000,000.

Much of the money included in the unexpended balances referred to is already allocated or obligated, but its actual expenditure and the work which it will enable the Government to carry on will be made during the coming fiscal year, provided the balances are not carried on into the following fiscal year, which Mr. Bell, the Director of the Budget, estimates may be done to the extent of some six or seven hundred million dollars. The whole amount of $4,055,000,000, however, is available for expenditure during the coming fiscal year should the program for its expenditure be speeded up to meet the immediate need of relief work.

Out of the available funds for relief during the present fiscal year up to the first of the coming July it is estimated that $3,618,000,000 will have been spent for relief work, including general public works, so that if this bill in its present form secures passage there will be available for relief work over $400,000,000 more than was expended during the current year.

To get the expenditures in the current year for work relief, out of the total expenditures for relief of $3,618,000,000 must be deducted the amount spent on the unemployables for the first 6 months of the year. On the first of last January or immediately prior thereto these unemployables were turned over to the State authorities. On the basis of $33 per month expended by the Federal Government for each unemployable case, which figure was given us by Mr. Hopkins in the relief hearings, and estimating the unemployables at 1,500,000—the President's figures—we must deduct $300,000,000 from the $3,618,000,000 spent to get the amount spent on work relief, or $3,318,000,000, which is $69,000,000 less than the expenditures estimated for the coming year and $737,000,000 less than is available if all of the unexpended balances are to be spent in the next fiscal year.

To sum up, we are to spend for work relief during the coming year as much as, if not more than, during the current year, and the one saving that the Government is making is a saving of $600,000,000 through turning the unemployables over to the State and local authorities.

On the other hand, Mr. Hopkins' testimony indicates that the average number on work relief for the coming year will be 2,875,000 in all. This represents a falling off, from the peak figures given us by the President for work-relief employment of nearly a million persons and a falling off of 409,000 from the lowest figures for work-relief employment given us by Mr. Hopkins covering the month of November 1935.

The additional cost per case comes partly from the fact that Works Progress is to employ less people and Public Works and other agencies more, but the actual increase for next year, through putting all Works Progress employees on the prevailing-wage scales, will involve a certain increase per person employed.

The relief appropriations since the present administration came into office in March 1933 aggregate $11,054,675,000. Substantially all of this money has been either expended, obligated, or allocated. If we add to this the $1,425,000,000 in the present bill for work relief and the $308,000,000 for the Civilian Conservation Corps, and also the $400,000,000 appropriated for the next fiscal year for general public works, we find that the total relief appropriations up to the end of the next fiscal year will be $13,187,675,000. Even allowing for a certain carry-over of balances to the fiscal year 1938, this will leave an expenditure per year under the present administration of well over $3,000,000,000 a year for relief.

In March 1933 the unemployed in the country estimated by the American Federation of Labor numbered 15,652,000. Its estimate for March 1936 was 12,184,000. The figures of the National Industrial Conference Board for the same dates were: March 1933, 13,496,000, and March 1936, 9,649,000. Both sets of figures indicate a reduction in the unemployed of slightly over three and a half million persons. If the figures given us by the American Federation of Labor and the National Industrial Conference Board are either of them in any way accurate, it would appear that the priming of the pump to bring back prosperity has been a good deal of a failure. Manifestly the Government cannot operate perpetually under a program where its receipts are lower than its expenditures every year by more than $3,000,000,000.

Having tried out the expensive system of work relief on the theory that at the same time we were priming the pump to bring back prosperity, and having failed to do any such thing, is it not about time that we cut out this expensive experiment of Federal work relief and turn to some much more economical plan for taking care of our unemployed; that we then bend our every effort to encourage the speeding up of the business of the country and allow it to go ahead without being constantly harassed by the Government, and with some prospect of being allowed to realize on its investment? If this be done, we can get back that prosperity which the whole country is ready and hoping for, and the unemployment situation will largely, I believe, take care of itself.

Personally I have never been very enthusiastic over work relief. I have never taken a great deal of stock in the theory that by creating work which in times of prosperity the Government would not think of undertaking and putting men and women at work on these unnecessary jobs we were saving their morale and their self-respect. If I am right and this be true of the more valuable type of public-works projects, how much more is it true of many of the strange and inconceivable boondoggling projects of the Works Progress Administration which from time to time we hear of in the newspapers of the country.

I should like to be able to furnish the Senate with a list and a description of some of these projects. At my request, and with the consent of the chairman of the committee, the clerk of the committee asked for a list of the so-called "white collar" projects and the women's projects of the W. P. A., with a brief description of the purposes of the projects, the number of persons employed, and the money allocated. My request drew forth the reply that it would take weeks, and probably months, to furnish any such data. Some general information was furnished, but nothing in the way of the

specific information that I requested; and yet in this very bill we are asked to appropriate $171,000,000 for these very projects that are so difficult to define. I regret exceedingly that I cannot give the Senate the information that it really ought to have about the appropriation for these projects that it is called upon to make.

I say that I have never been very enthusiastic over work relief. I do believe that it is the duty of the Government to see that its people shall not starve or suffer from exposure; and, no matter in what straits the Government finds itself, that primarily important duty must first be attended to before any lesser obligations shall be placed on the Treasury. Human life may not be trifled with. That the Government, however, owes a job to every man and woman in the country who is without work is to my mind an entirely false and dangerous theory and must lead to economic collapse. At a time when men and women are out of work on account of business depression the Government should not be called upon in its own hour of stress, which must come with every depression, to spend one dollar more than is absolutely essential to take care of the bodily welfare of its citizens.

I am firmly of the belief, especially since we have tried out the work-relief program, that the unemployed and the employables of the country should be taken care of through direct and not through work relief. Until the latter part of last year the Government did provide both direct and work relief for the unemployed. At that time direct relief on the part of the Federal Government ceased, and the unemployables were turned over to the State and local authorities. According to Mr. Hopkins' figures, as worked out when the Government was administering direct relief, these people were paid in the neighborhood of $400 a year per case; and the estimate is that that is substantially what the States will have to pay for taking care of them. The cost per case for work relief under the Works Progress Administration, which furnishes the cheapest form of work relief, is $972. This includes the cost of material for the work relief and the average contribution of substantially 18.6 percent paid by the sponsors on all projects. Other work relief provided under public works costs very much more, running up as high as an average of $2,470 per case, depending on the extent and cost of the material used.

It is fair to say in this connection that Secretary Ickes explained to the committee that the employment of every man on public works meant the indirect employment of several others on the material used in the project on which he was working.

I cannot persuade myself that in times of stress the Government of this country is warranted in running itself into debt, and mortgaging the future of its citizens, to provide funds to take care of its unemployed at a cost of $972 per case, much less $2,470 per case, when it could take care of the actual physical wants of its unemployed for $400 per case; and when I give the figure of $400 per case as the low figure, I am not by any means sure that under economical local management the $400 per case could not be materially lowered. However, be that as it may, work relief is the plan that we have adopted to take care of our unemployed employables; and if the deficiency bill goes through in the form that it came over to us from the House, or as amended in the Appropriations Committee of the Senate, work relief is the program that will be followed during the next fiscal year.

One argument for work relief that has always been advanced is that it would not only take care of the unemployed but would prime the pump to bring back business prosperity, by creating a demand among the workers both directly and indirectly employed for commodities. To a certain extent, among the class of commodities that these work-relief employees are able to purchase, the turning loose on the country of several billion dollars a year for work relief has probably had that effect. Also, the demand for material used has helped the heavy-goods industries. This probably largely accounts for what we are told are signs of returning business prosperity; but when we balance against that the effect on the business fabric of the country of the enormous borrowings by the Government, the enormous spending of the Government, and its consequent inability to balance its Budget, I am afraid the outlook for business as a whole will not be found to be entirely favorable.

As I have said, we are likely to go along for a while, at least, with work relief; and if we are to have work relief, it seems to me there are a few cardinal points in its administration that everyone will admit ought to be observed. In the first place, it should be administered with the utmost economy if it is to deserve the support of the people of the country. It is not enough that the higher administration in Washington should be conducted on a low percentage basis of cost; the same principle should apply to the field and local administration costs, including the costs of the foremen on the projects; and the usefulness of the projects should be so demonstrable as to make the advisability of their initiative unquestionable.

I have already said that I have been unable to get the information I asked for about the "white collar" and the women's projects. Whether or not all or the bulk of these projects are useful or reasonable projects I cannot inform the Senate. I have my own doubts. It seems to me that full publicity on such matters should be had. That the projects are being economically run some of the testimony we have had before the committee and the recent exposures in the newspapers about conditions in Westchester County, N. Y., would seem to refute.

In estimating his administration expenses at the low figure of 3.6 percent, Mr. Hopkins has not included the expenses of his foremen; and the large percentage of foremen on the jobs is particularly noticeable. In view of the fact that all the people of the country must eventually bear the costs of the country's relief work, it certainly is fair that no political influence, prejudice, or discrimination should have anything to do with the administration of work relief; but if the reports from West Virginia, New York, Missouri, and various other States are in any way reliable, political discrimination seems to be exceedingly rampant.

Politics ought to be and must be cut out of work relief if the people of the country are to have any confidence in its administration.

Last year we had a very considerable fight in the Senate over the question of whether relief work should be paid the prevailing-wage scale or the lower rate that would not subject business to competition with work relief for employment. The labor unions fought strenuously for the use of the prevailing-wage scale, but the President's recommendation for a lower relief scale prevailed. Mr. Hopkins last year was very much in favor of the lower wage scale, but this year he tells us that in nearly all cases the prevailing-wage scale has been adopted. This inevitably will have the effect of creating an unwillingness on the part of the workers to go back to private work, and will tend to prolong the maintenance of work relief.

As a matter of fact, in a great and rich country like ours I cannot subscribe to the claim we hear on many sides that we must always in the future keep up a work-relief program by the Federal Government. Federal buildings, river and harbor improvements, Federal highways, and other legitimate Federal projects will every year undoubtedly be undertaken; but, in my belief, such projects will be undertaken because we need the projects, and not because we need to take care of unemployment.

Work relief or direct relief should not be made attractive to those who are unfortunate enough to be on its rolls. All men and women on the relief rolls ought to realize that the employment they are getting on the rolls is but temporary and but a makeshift until they can get back to normal work.

The Senator from Michigan [Mr. VANDENBERG] has proposed an amendment to the present bill turning back to the States the appropriation in the bill for the Works Progress Administration, and providing a minimum contribution by

the States to the relief fund, to be administered by a bipartisan board in each State.

Already the care of the unemployables has been turned back to the State and local authorities. I am firmly of the opinion that with the States themselves contributing one-third toward their local relief program, and with the administration of the program entirely in their hands, a real economy in relief can be brought about. The people of each State know their own problems and know their own people. There will be little soldiering on relief when the local bipartisan boards realize that one-third of any waste incurred in relief work must be locally paid for.

I know that many people do not have the views that I have about relief work. It may well be that the States themselves will set up some form of work relief. That they are privileged to do under the amendment of the Senator from Michigan. At the very least, if they do set up such work relief, we know that in the interests of the localities such work relief will be as economically administered as its local committees can make it.

I very much hope that when this amendment is offered in the Senate it will be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee, on page 2, beginning in line 10.

The amendment was agreed to.

The next amendment was, on page 2, after line 13, to insert:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, fiscal year 1936, $75,000: *Provided*, That no part of this appropriation shall be expended for services, personal, professional, or otherwise, in excess of the rate of $3,600 per annum: *Provided further*, That no part of this appropriation shall be expended for per-diem and subsistence expenses except in accordance with the Subsistence Expense Act of 1926, approved June 3, 1926, as amended.

The amendment was agreed to.

The next amendment was, at the top of page 3, to insert:

The unobligated balance of the appropriation for expenses of inquiries and investigations ordered by the Senate, contingent fund of the Senate, for the fiscal year 1936, is reappropriated and made available for the fiscal year 1937.

The amendment was agreed to.

The next amendment was, under the subhead "House of Representatives", on page 3, after line 9, to insert:

For payment to the widow of Randolph Perkins, late a Representative from the State of New Jersey, $10,000.

The amendment was agreed to.

The next amendment was, on page 3, after line 11, to insert the following:

For payment to the widow of William D. Thomas, late a Representative from the State of New York, $10,000.

The amendment was agreed to.

The next amendment was, on page 3, after line 23, to insert:

For payment to Lincoln Loy McCandless, contestant, for expenses incurred in the contested-election case of McCandless against King, as audited and recommended by the Committee on Elections No. 2, $2,000.

The amendment was agreed to.

The next amendment was, on page 4, line 3, before the word "foregoing", to strike out "two" and insert "three", so as to read:

The three foregoing sums to be disbursed by the Clerk of the House.

The amendment was agreed to.

The next amendment was, on page 4, after line 7, to insert:

Expenses of special and select committees: For an additional amount for special and select committees authorized by the House, fiscal year 1937, $20,000 to be immediately available: *Provided*, That such sum, or so much thereof as may be necessary, shall be available for each and every expense of the select committee of the House of Representatives acting pursuant to House Resolution 460, adopted April 29, 1936, including the employment of personal services, the traveling and incidental expenses of such committee or any subcommittee or member or employee thereof, and the pay and travel of witnesses; all such expenses to be paid on vouchers authorized by the committee, signed by the chairman thereof, and approved by the Committee on Accounts: *Provided further*, That no person shall be employed under such appropriation at a rate of compensation in excess of $3,600 per annum: *Provided further*, That the committee is authorized to procure information and assistance from any Federal executive agency, including the services of personnel therein, and any such agency is hereby authorized to render such assistance, furnish such information, and detail such personnel as the committee may request: *Provided further*, That the official committee stenographers of the House of Representatives may be used at all hearings held in the District of Columbia if not otherwise officially engaged.

The amendment was agreed to.

The next amendment was, on page 5, after line 19, to insert:

JOINT COMMITTEE ON INAUGURAL CEREMONIES OF 1937

To enable the Secretary of the Senate and the Clerk of the House of Representatives to pay the necessary expenses of the inaugural ceremonies of the President of the United States, January 20, 1937, in accordance with such program as may be adopted by the joint committee of the Senate and House of Representatives, appointed under a concurrent resolution of the two Houses, including the pay for extra police, fiscal year 1937, $35,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Architect of the Capitol", on page 6, after line 17, to insert:

Senate Office Building: For rewiring electrical circuits and new panel boards, $5,000; for parts for air-conditioning plant electrical equipment, $500; for electric-light bulbs, $1,500; in all, $7,000, to remain available during the fiscal year 1937.

Mr. COPELAND. Mr. President, may I ask the Senator in charge of the bill about the appropriation for the Senate Office Building? Did the officials in charge of the Senate Office Building ask for more money?

Mr. ADAMS. They did. They asked for a substantial amount in addition to that allowed. We took the matter up with the Architect of the Capitol, and this item is approved.

Mr. COPELAND. The matter I have in mind relates to the painting. As I understand, an air-conditioning system is to be installed in the Senate Office Building this summer. Of necessity, there will be marring of the walls, and I wondered whether or not any request had been made for an increase in the appropriation for painting in connection with that improvement.

Mr. ADAMS. As I recall, the request was for money to paint the new wing. Some of us who have offices in the new wing have felt that it was not necessary, because the air conditioning is already in that wing.

Mr. COPELAND. The Senator will forgive me for speaking about the matter. As former chairman of the Committee on Rules it was my duty to look into the needs of the Senate Office Building, and so I wondered whether the committee had given the officials in charge of that building all they thought they needed.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 6, beginning in line 18.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, was the amendment on page 2, line 14, passed over?

Mr. BYRNES. Mr. President, I may say that the senior Senator from Kentucky asked me to request that that amendment be passed over if I was present when it was reached. I was not present when it was acted on.

Mr. BARKLEY. Mr. President, I wanted to have the amendment appropriating the money for the Committee to Audit and Control the Contingent Expenses passed over. There are some matters I desire to look into in connection with the amendment. I ask unanimous consent that the vote by which the amendment was agreed to be reconsidered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. BARKLEY. I ask that the amendment be passed over for the present.

The PRESIDENT pro tempore. Without objection, the amendment will be passed over for the present. The clerk will state the next amendment of the committee.

The next amendment was, on page 7, after line 5, to insert:

LIBRARY OF CONGRESS

For the printing and binding of a compilation containing the provisions of Federal laws held unconstitutional by the Supreme Court of the United States, to remain available during the fiscal year 1937, $1,200.

Mr. POPE. Mr. President, may I inquire of the Senator from Colorado whether the amendment on page 7, relating to the compilation of laws, includes all laws from the beginning of our Government which have been held to be unconstitutional?

Mr. ADAMS. I may say that the compilation has already been made and is available. The amendment is merely for the purpose of having it printed so that it may be distributed.

Mr. COPELAND. Mr. President, is sufficient money provided so that those acts which will be invalidated in the future may be included in the compilation?

Mr. ADAMS. I think the Senator knows the answer to the inquiry.

The PRESIDENT pro tempore. The question is on agreeing to the amendment on page 8, line 6.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment of the committee.

The next amendment was, under the heading "Executive independent offices—Executive Office", at the top of page 8, to insert:

National Emergency Council: The President of the United States is hereby authorized to allocate to the National Emergency Council, out of funds appropriated to him by the Emergency Relief Appropriation Act of 1935 (49 Stat. 115), not to exceed $100,000 for the expenses of the committee designated by him, as an adjunct of the National Emergency Council, to make a study of the emergency and regular agencies of the executive branch of the Government for the purpose of making recommendations to secure the most efficient organization and management of that branch of the public service.

The amendment was agreed to.

The next amendment was, on page 8, after line 18, to insert:

DISTRICT OF COLUMBIA ALLEY DWELLING AUTHORITY

The unexpended balance of the "Conversion of inhabited alleys fund" of $500,000 established pursuant to the provisions of the District of Columbia Alley Dwelling act, approved June 12, 1934, is hereby continued available for the purposes of said act until June 30, 1937, together with all receipts derived from sales, leases, or other sources, prior to June 30, 1937, as authorized in section 3 (b) of said act.

The amendment was agreed to.

The next amendment was, under the subhead "Emergency conservation work", on page 9, line 7, after the word "regulations", to strike out "and the Classification Act of 1923, as amended", so as to read:

For the purpose of carrying into effect the provisions of the act entitled "An act for the relief of unemployment through the performance of useful public work, and for other purposes", approved March 31, 1933, as amended, including personal services, without regard to civil-service laws and regulations, supplies and equipment, purchase and exchange of lawbooks, books of reference, periodicals and newspapers, printing and binding, travel expenses, rents in the District of Columbia and elsewhere, purchase, exchange, maintenance, repair, and operation of motor-propelled, passenger-carrying vehicles, also the purchase (including exchange) of one at not to exceed $1,500, and other necessary expenses, fiscal year 1937, $308,000,000, to be expended under the direction of the President and to remain available until March 31, 1937, of which sum $10,000,000 shall be immediately available.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, this amendment was considered in the committee and tentatively adopted as it has just been approved by the Senate, and as a result of conferences which have been held since that time I desire to offer an amendment to be added at the end of the paragraph.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 10, line 9, to add the following proviso:

Provided, That nothing herein shall be construed to affect the status under the civil-service laws of any positions created under and by virtue of the act of April 27, 1935, or brought under the civil-service laws by Executive order heretofore or hereafter issued.

The PRESIDENT pro tempore. The amendment is not now in order, except by unanimous consent. It is an amendment to the House text. Does the Senator in charge of the bill object to the consideration of the amendment at the present time?

Mr. ADAMS. Mr. President, I do not object, but I should like to make an inquiry of the Senator from Wyoming as to the inclusion of the word "hereafter." It seems to me the amendment is rather broad when he attempts to have it apply to things which may happen in the future.

Mr. O'MAHONEY. The thought was that the power of the President to make an Executive order should not be restricted by an appropriation.

Mr. McNARY. Mr. President, this is an individual amendment, is it not?

Mr. O'MAHONEY. It is in the nature of an amendment to the committee amendment, inasmuch as it is part of the general subject which was under discussion at the time the amendment just agreed to was adopted.

Mr. McNARY. I am not interposing objection to the amendment but only to the procedure. We have an agreement to consider first committee amendments. Does not this impinge on that agreement?

Mr. O'MAHONEY. I am frank to say that probably it does.

Mr. McNARY. If it does, I shall insist that the unanimous-consent agreement be adhered to.

The PRESIDENT pro tempore. The holding of the Chair is that it is an amendment to the House text and is not an amendment to the committee amendment.

Mr. O'MAHONEY. I withdraw the amendment for the time being and will offer it after the committee amendments shall have been acted on.

Mr. McNARY. I hope the Senator will follow that course. There is always confusion when we deviate from a general agreement.

Mr. O'MAHONEY. I quite understand that.

The PRESIDENT pro tempore. The Senator from Wyoming withdraws his amendment, and the clerk will state the next amendment of the committee.

The next amendment was, on page 16, after line 5, to insert:

RURAL ELECTRIFICATION ADMINISTRATION

Salaries and expenses: For administrative expenses and expenses of studies, investigations, publications, and reports necessary to carry out the provisions of the Rural Electrification Act of 1936, approved May 20, 1936, including the salary of the Administrator and other personal services in the District of Columbia and elsewhere; traveling expenses, including expenses of attendance of officers and employees at meetings when determined by the Administrator to be necessary in furthering the work of the Administration; contract stenographic reporting services; special counsel fees, consulting engineering fees, and expert witness fees; materials, supplies, equipment, and services; rentals, including buildings and parts of buildings and garages, in the District of Columbia and elsewhere; purchase and exchange of books, law books, books of reference, directories, and periodicals; financial and credit reports; purchase, rental, exchange, operation, maintenance, and repair of typewriters, calculating machines, and other office appliances; purchase (not to exceed two), rental, exchange, operation, maintenance, and repair of motor-propelled, passenger-carrying vehicles to be used only for official purposes; printing and binding; and all other expenses necessary to administer said act, fiscal year 1937, $1,000,000: *Provided*, That section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall not be construed to apply to any purchase or service rendered for the Rural Electrification Administration when the aggregate amount involved does not exceed $100.

Mr. NORRIS. Mr. President, I should like to say to the Senator in charge of the bill and to the other Senators present that I did not anticipate that we would take up the deficiency bill this morning. On my way to the Senate from the office building I was shown a memorandum from Mr. Cook, which I did not have time even to read, and I should like to consider it before the Senate passes on this amendment. I do not

know that I shall desire to offer any amendment to the committee amendment, but I may wish to do so when I have time to consider the memorandum. I should like to have the amendment temporarily passed over.

The PRESIDENT pro tempore. Without objection, the amendment will be passed over. The clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Smithsonian Institution", on page 17, after line 9, to insert:

Astrophysical Observatory: For the establishment and maintenance of solar observing stations, under the direction of the Smithsonian Institution, including assistance, subsistence, purchase of books, periodicals, and apparatus, making necessary observations in high altitudes, construction, rental, repairs, and alteration of buildings, preparation of manuscripts, drawings, and illustrations, traveling expenses, and other necessary expenses, fiscal year 1936, $200,000, to remain available until June 30, 1937.

The amendment was agreed to.

The next amendment was, under the subhead "Social Security Board", on page 23, line 14, after the word "elsewhere" and the semicolon, to strike out "employment of persons or organizations by contract or otherwise in the District of Columbia and elsewhere for special accounting, statistical, and mechanical services determined necessary by the Board, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) and the provisions of laws applicable to the employment and compensation of officers and employees of the United States", so as to read:

Wage records, Social Security Board: For all expenditures necessary to enable the Social Security Board to collect and record initial basic data concerning employers and employees, which, together with current individual wage records subsequently to be maintained, will thereafter constitute current total individual wage records and a basis for the identification of employees incidental to, and necessary for, benefit payments under title II of the Social Security Act, approved August 14, 1935, including furnishing identification cards and emblems to employers and employees; personal services in the District of Columbia and elsewhere; travel expenses, including expenses of attendance at meetings concerned with the work of the Board; supplies; reproducing, photographing, and all other equipment, office appliances, and labor-saving devices; services; advertising, postage, telephone and telegraph; printing and binding; rentals, including garages, in the District of Columbia or elsewhere; and miscellaneous items, including those for public instruction and information deemed necessary by the Board, $12,400,000, to remain available until June 30, 1937.

The amendment was agreed to.

The next amendment was, on page 24, after line 3, to insert:

TARIFF COMMISSION

Printing and binding: For an additional amount for all printing and binding of the Tariff Commission, fiscal year 1936, including the same objects specified under this head in the Independent Offices Appropriation Act, 1936, $4,000.

The amendment was agreed to.

The next amendment was, under the subhead "Tennessee Valley Authority", on page 24, line 16, after the word "Dam", where it occurs the second time, to strike out "(hereafter to be known as 'McReynolds Dam')"; in line 19, after the name "Fowler Bend" and the comma, to strike out "and the continuation of preliminary investigations as to the appropriate location and type of a dam on the lower Tennessee River" and insert "a dam at or near Gilbertsville, Ky., and a dam at or near Watts Bar, Tenn."; and on page 25, line 9, after the figures "1937" and the comma, to strike out "$39,900,000" and insert "$41,100,000", so as to read:

For the purpose of carrying out the provisions of the act entitled "The Tennessee Valley Authority Act of 1933", approved May 18, 1933 (U. S. C., title 16, ch. 12a), as amended by the act approved August 31, 1935 (49 Stat. 1075–1081), including the continued construction of Norris Dam, Wheeler Dam, Pickwick Landing Dam, Guntersville Dam, and Chickamauga Dam and the beginning of construction on a dam on the Hiwassee River, a tributary of the Tennessee River, at or near Fowler Bend, a dam at or near Gilbertsville, Ky., and a dam at or near Watts Bar, Tenn., and the acquisition of necessary land, the clearing of such land, relocation of highways, and the construction or purchase of transmission lines and other facilities, and all other necessary works authorized by such acts, and for printing and binding, law books, books of reference, newspapers, periodicals, purchase, maintenance, and operation of passenger-carrying vehicles, rents in the District of Columbia and elsewhere, and all necessary salaries and expenses connected with the organization, operation, and investigations of the Tennessee Valley Authority, fiscal year 1937, $41,100,000.

Mr. ADAMS. Mr. President, I wish to make a statement in connection with the amendment on page 24, line 16. The House designated one of the dams under the Tennessee Valley Authority the "McReynolds Dam." The Committee on Appropriations received a letter from Representative McREYNOLDS in which he asked us, as an accommodation to him, to strike out the provision naming one of the dams "McReynolds Dam", as he preferred not to have a dam named after him. So that the change is made at the instance of the man who was sought to be honored by the designation of the name.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment of the committee.

The next amendment was, at the top of page 27, to insert:

UNITED STATES HARVARD UNIVERSITY TERCENTENARY COMMISSION

For the expenses of carrying out the provisions of Public Resolution No. 88, approved May 7, 1936, authorizing the recognition of the three-hundredth anniversary of the founding of Harvard College and the beginning of higher education in the United States and providing for the representation of the Government and people of the United States in the observance of the anniversary, including personal services in the District of Columbia or elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); traveling expenses; rent; printing and binding; official cards; entertainment; and such other expenses as may be authorized by the President, fiscal year 1937, $3,000.

The amendment was agreed to.

The next amendment was, on page 27, after line 17, to insert the heading:

TITLE II—RELIEF AND WORK RELIEF

Mr. ADAMS. Mr. President, I suggest that perhaps it would be well to pass over title II, dealing with the relief matters, until we conclude the miscellaneous amendments, because if there is to be any discussion probably it will be in connection with this subject.

The PRESIDENT pro tempore. The amendments in title II will be passed over, and the clerk will state the next amendment of the committee.

The next amendment was, on page 36, in line 9, to insert "Title III", so as to make the heading read:

TITLE III—DISTRICT OF COLUMBIA

The amendment was agreed to.

The next amendment was, under the subhead "Supreme Court, District of Columbia", on page 40, after line 12, to insert:

Pay of bailiffs, etc.: For an additional amount for pay of bailiffs, etc., Supreme Court, District of Columbia, including the same objects specified under this head in the District of Columbia Appropriation Act, fiscal year 1936, $2,240.

The amendment was agreed to.

The next amendment was, under the subhead "Water service", at the top of page 47, to insert:

The appropriation of $123,000 contained in the District of Columbia Appropriation Act for the fiscal year 1936, approved June 14, 1935, for the purchase and installation of two 25,000,000-gallon-daily electrical motor-driven centrifugal pumping units at the Bryant Street pumping station, including all necessary appurtenances and alterations and removal of one 12,000,000-gallon and one 20,000,000-gallon obsolete steam pumping unit, is continued available in the fiscal year 1937.

The amendment was agreed to.

The next amendment was, on page 48, line 6, after the numerals "475" and the comma, to insert "and Senate Document No. 211", and in line 8, before the word "together", to strike out "$9,011.35" and insert "$10,161.35", so as to read:

JUDGMENTS

For the payment of final judgments, including costs, rendered against the District of Columbia, as set forth in House Documents

Nos. 442 and 475 and Senate Document No. 211, Seventy-fourth Congress, $10,161.35, together with the further sum to pay the interest at not exceeding 4 percent per annum on such judgments, as provided by law, from the date the same became due until the date of payment.

The amendment was agreed to.

The next amendment was, on page 49, after line 20, to insert:

Audited claims, District of Columbia: For the payment of the following claims, certified to be due by the accounting officers of the District of Columbia in Senate Document No. 211, under appropriations the balances of which have been exhausted or carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713, p. 1022), being for the service of the fiscal year 1933 and prior fiscal years: Refund taxes, District of Columbia, $747.99.

The amendment was agreed to.

The next amendment was, on page 50, after line 12, to insert:

WEATHER BUREAU

Salaries and expenses: For an additional amount for the same objects specified under this head in the Agriculture Appropriation Act for the fiscal year 1937, for the reestablishment, maintenance, and operation of the Weather Bureau station at Lynchburg, Va., $12,000.

The amendment was agreed to.

The next amendment was, on page 51, after line 10, to insert:

BUREAU OF CHEMISTRY AND SOILS

Soil survey of the Hawaiian Islands: Not to exceed $15,000 of the funds appropriated by section 12 (a) of the Agricultural Adjustment Act, as amended, is hereby made available, to remain available until June 30, 1937, to meet all necessary expenses of the Bureau of Chemistry and Soils, Department of Agriculture, for the completion of a soil survey of the Hawaiian Islands, including personal services for map-drafting work in the District of Columbia and elsewhere.

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce—Bureau of Air Commerce", on page 52, after line 17, to insert:

For an additional amount for the establishment and maintenance of aids to air navigation, including the same objects specified under this head in the Department of Commerce Appropriation Act, 1937, $247,000.

Mr. McNARY. Mr. President, I recall that a goodly appropriation for aids to air navigation is carried in the Agricultural appropriation bill which is now in conference. I have no objection to the item, but I do not know why it should appear in the bill under consideration when a similar item or one very much like it, touching the same subject matter, is contained in the Agricultural appropriation bill which is now in conference.

Mr. COPELAND. Mr. President, if I may answer the question asked by the Senator from Oregon, let me say that an effort was made to increase by a very considerable amount the appropriation for air navigational aids. As a result of the investigation into the Cutting disaster and safety in the air it has been made very apparent to our committee that not enough money is being spent for such navigational aids. Some additional money was appropriated in the Agricultural Department bill for weather reporting, but the item now under consideration has to do with radio beams and the other aids to navigation. The reason the sum is fixed at $247,000 is because there is an unappropriated balance of that amount already authorized by the Bureau of the Budget, and there was apparently no disposition on the part of the Bureau of the Budget to make further recommendations at this time. Therefore the $247,000 was added to the pending bill in order that at least that much might be available for the protection of those who navigate the air.

Mr. McNARY. Mr. President, I have simply one observation to make. I observe that the two preceding amendments, which were agreed to, deal with matters also touched upon in the Department of Agriculture bill. Why should those items be carried in two appropriation bills—the one now being considered and in the other which is in conference?

Mr. COPELAND. One of the other items had to do with weather reporting. That was contained in the Department of Agriculture bill. The item under consideration in the bill we are now discussing has to do with the Bureau of Air Commerce in connection with ground aids to navigation. I hope I have made it clear.

Mr. McNARY. The Senator has made it clear.

Mr. COPELAND. I urged both the appropriation referred to by the Senator from Oregon, contained in the Department of Agriculture appropriation bill, and the one contained in the bill under consideration. As I previously said, the item contained in the Department of Agriculture bill had to do with weather reporting and the Weather Bureau.

Mr. McNARY. I am speaking now more of the practice than I am of the result which may be accomplished. I observe on page 51 an item for the Bureau of Chemistry and Soils and on page 50 an item for the Weather Bureau. All the items referred to are associated with the activities of the Department of Agriculture and carried in the Department of Agriculture appropriation bill. The able Senator from Georgia [Mr. RUSSELL], now on the floor, is chairman of the conference dealing with that bill. When the bill making appropriation for the Department of Agriculture contains items similar to those in the present bill, and when the first bill is still in conference, it seems strange to me that similar items should be contained in the bill now under consideration dealing with the same subject matter.

Mr. RUSSELL. Mr. President, I made inquiry concerning that matter, and I have to say in answer to the inquiry of the Senator from Oregon that the bill now under discussion reached the Congress after the Department of Agriculture appropriation bill had been considered by both the Senate and the House. The matters referred to by the Senator from Oregon were not touched upon in the hearings on the Department of Agriculture appropriation bill. They were contained in the supplemental estimates, and therefore could not be submitted in the original appropriation bill. In that view I think they are proper items to be contained in the bill now under consideration.

Mr. McNARY. I think that observation covers the amendment referred to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 52, after line 17.

The amendment was agreed to.

The next amendment was, on page 53, after line 2, to insert:

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

District and cooperative office service: For an additional amount for salaries and expenses, including the same objects specified under this head in the Department of Commerce Appropriation Act, 1937, $15,000.

Domestic commerce and raw materials investigations: For an additional amount for salaries and expenses, including the same objects specified under this head in the Department of Commerce Appropriation Act, 1937, $15,000.

Lists of foreign buyers: For an additional amount for salaries and expenses, including the same objects specified under this head in the Department of Commerce Appropriation Act, 1937, $2,860.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Lighthouses", on page 53, after line 20, to insert:

Repairs, etc., due to flood damages: For rebuilding, repairing, and reestablishing such aids to navigation and structures connected therewith as were damaged or destroyed by flood conditions in March 1936 on the Atlantic coast and tributary rivers, and in the Mississippi River Basin, $91,500, to be immediately available and to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Interior Department—Office of the Secretary", at the top of page 56, to insert:

War Minerals Relief Commission: For payment of awards made by the Secretary of the Interior in accordance with the act of Congress approved May 18, 1936 (Public, No. 602, 74th Cong.), amending section 5 of the War Minerals Relief Act of March 2, 1919, as amended, March 13, 1929, fiscal year 1936, to remain available during the fiscal year 1937, $900,000: *Provided*, That all

awards made by the Secretary of the Interior for payment under this appropriation shall be certified to the General Accounting Office for settlement through that office.

Mr. ADAMS. Mr. President, in connection with the amendment appearing at the top of page 56 dealing with the War Minerals Relief Commission, in order to correct an error I ask that the word "March" in line 6 be stricken out and that the word "February" be substituted in lieu thereof.

The PRESIDENT pro tempore. Without objection, the amendment to the committee amendment is agreed to.

Mr. McNARY. Mr. President, I observe that the committee amendment carries an appropriation of nearly $1,000,000. What is the function of the War Minerals Relief Commission? What is the money appropriated for?

Mr. ADAMS. It is to carry out the provisions of an act passed during the present session, which is now a law, which carries out the provisions of the law previously enacted, which really requires the appropriation of a million and a quarter dollars. That amount was reduced to $900,000. It is a matter in which the senior Senator from Georgia [Mr. GEORGE] is very much interested, and it was justified by reason of making payments of awards which have been made to certain claimants under the War Minerals Act. Perhaps that is not a very clear explanation, and I shall ask the junior Senator from Georgia to make a further explanation.

Mr. RUSSELL. Mr. President, I hesitate to undertake the explanation of this item because various bills for the purpose of compensating those who engaged in the production of minerals during the war have been passed from time to time, and the matter has become somewhat complicated. As I understand, the act undertakes to compensate those who at the solicitation of the Government entered upon the production of various minerals during the war. An act was passed and approved providing for the payment of the principal of the amount, but due to the fact that some time elapsed before the payment of the principal could be made, those who responded to the call of the Government during the war suffered considerable loss of interest on the amount they had borrowed at the instigation and solicitation of the Government to start producing various minerals. The amount provided in the act which was approved only the other day, May 18, this current month, as I understand, will wipe out the entire question of claims under the War Minerals Relief Commission for all time in the future. It will provide a final liquidation of all claims against the Government growing out of the War Minerals Relief Act. The Senator from Maryland knows a great deal more about the matter than I do and will perhaps make an explanation thereof.

Mr. TYDINGS. As the Senator in charge of the bill already knows, this is about the sixth appropriation requested under the War Minerals Relief Commission. I do not doubt that many of the claims are meritorious, but it seems to me to be rather peculiar that there should be carried provisions for relief of the war minerals claimants in the last six deficiency bills. I should like to understand why the matter cannot be terminated in one bill. I should like to know why it is deemed necessary to provide an appropriation of a million dollars to four or five million dollars for war minerals relief in the various appropriation bills. Such items have been contained in the last six bills. I wonder whether similar items will not be found in other bills which shall come up for consideration.

Mr. RUSSELL. Mr. President, the objection raised by the Senator from Maryland might be well taken. Frankly I do not know all the details of the various claims. I know, however, that some of the claimants have presented their cases to me, and if their representations are correct their claims are meritorious. I may say to the Senator from Maryland, however, that I understand the pending bill finally liquidates the matter, and I do not think any claims for this purpose will appear hereafter.

Mr. McNARY. Mr. President, may I make the request that the amendment at the top of page 56 be passed over until the return of the Senator from Georgia [Mr. GEORGE]?

Mr. RUSSELL. I think it would be wise, Mr. President, to take that course. My colleague fully understands the matter.

The PRESIDENT pro tempore. The amendment at the top of page 56 dealing with the War Minerals Relief Commission will be passed over. The clerk will state the next amendment.

The next amendment was, under the subhead "General Land Office", on page 57, after line 6, to insert:

Payments to States of 5 percent of proceeds from sales of public lands: For an additional amount for payment to the several States of 5 percent of the net proceeds of sales of public lands lying within their limits, for the purpose of education, or of making public roads and improvements, fiscal year 1936, $1,291.39: *Provided*, That expenditures hereunder shall not exceed the aggregate receipts covered into the Treasury in accordance with section 4 of the Permanent Appropriation Repeal Act, 1934.

The amendment was agreed to.

The next amendment was, under the subhead "National Park Service", on page 61, after line 22, to insert:

Homestead National Monument of America, Nebr.: For the acquisition of land, and development and improvement of the Homestead National Monument of America, in Nebraska, in accordance with the act of Congress approved March 19, 1936 (Public, No. 480, 74th Cong.), fiscal year 1936, $24,000, to remain available until June 30, 1937.

The amendment was agreed to.

Mr. NORRIS. Mr. President, for the benefit of the conferees after this bill shall go to conference I desire to make a brief explanation of the amendment which has just been agreed to. I think when it is understood there will be no question whatever in regard to it.

By the act of March 19, 1936, Congress provided for the purchase as a national homestead monument of the first homestead claim that was ever taken up under the Homestead Act of 1862, which went into effect on the 1st day of January 1863. I supposed that an appropriation would be inserted in the deficiency bill, as a matter of course, but the House committee rejected it, and the matter was not further considered on the floor of that body. I was greatly surprised at the action of the House committee, and I read a copy of the hearings, from which it clearly appears that the members of the House committee did not understand just what the act provided.

The measure to which I have referred, having been passed by Congress, I thought, as a matter of course, that the Appropriations Committee would carry it out by recommending the proper appropriation for the purpose. So I appeared before the Senate Committee on Appropriations, submitted this amendment, and asked that it be incorporated in the bill, which was done, and the Senate has agreed to it.

Mr. President, Abraham Lincoln signed the first homestead act. It was introduced by then Representative Grow, of Pennsylvania, one of the great Members of the House of Representatives, as all Senators know. The act provided by its terms that it should go into effect on the 1st day of January 1863. Under that law a vast empire has been redeemed from a desert and a great portion of it has been made the most fertile region of our country.

Mr. McKELLAR. Mr. President——

Mr. NORRIS. I will yield to the Senator from Tennessee in just a moment.

Millions of acres of land, where at one time buffaloes roamed and the inhabitants were chiefly Indians, have been converted into the great American bread basket. Included in that area are a large portion of the States of the great Mississippi Valley and other States outside that valley, some of them, States in the South. Under the beneficent homestead law, that imperial domain has been as highly developed as is any portion of our country. The homestead law is still on the statute books, but is practically inoperative because there are no more homesteads available, and the idea is, since it belongs practically to history, that there ought to be preserved as a national monument for future generations some place, somewhere that would commemorate the gradual transition of a vast region from the conditions of frontier life to a high state of civilization.

The House committee thought it was merely a Nebraska project. It is located in Nebraska because it happens that the first homestead entry made under the law was in the State of Nebraska, and so the act which was passed last March specifically described this tract of land and provided that it should become a national monument, so as to commemorate throughout all time the trials and tribulations of frontier life and exemplify for the benefit, enlightenment, and education of future generations the marvelous changes and progress which have followed the enactment of the homestead law.

Now I yield to the Senator from Tennessee.

Mr. McKELLAR. I desire to interrupt the Senator from Nebraska merely to make an observation. As the Senator will recall from history, and as I recall from history, former President Andrew Johnson, who served both as Representative and as Senator before he became President, made the homestead law his political life work while he was a Member of the two Houses and urged in season and out of season its passage. I merely wanted to make that reference to a former distinguished President from the State of Tennessee.

He offered his first homestead bill in March 1846, when a Member of the House.

In 1853, when he was elected Governor of Tennessee, "he brought his homestead hobby from Washington to Nashville." He urged the Tennessee Legislature "to instruct our Senators in Congress and to request our Representatives to use all reasonable exertion to procure the passage of a bill granting to every head of a family who is a citizen of the United States a homestead of a hundred and sixty acres of land, upon condition of settlement and cultivation for a number of years." While in the Senate in 1858, Johnson brought up his favorite bill and it was passed by a vote of 44 to 8. The House also passed it, but President Buchanan vetoed it. Though the act was not finally passed and approved until 1863, the homestead law was the result of Mr. Johnson's farsighted and humanitarian efforts. But for him it doubtless never would have been passed. It was a wonderful piece of legislation.

I took great pleasure in voting for the amendment of the Senator from Nebraska in the committee and shall be glad to support it here. I only wish to add this bit of history to the proposal.

Mr. NORRIS. I thank the Senator from Tennessee for his observation. All he has stated is, of course, historically true.

Mr. President, the implements of agriculture have been gradually changing and developing since the homestead law was enacted, and it is the theory of those who believed in and advocated the project of making the first homestead ever taken under that law a national monument that there should be there preserved all the things that go to show the development and improvement of agriculture and at the same time the advance of the section in which this homestead is located from a buffalo country, an Indian country, to its present high state of civilization.

In the hearings that I read it was apparent from some of the questions the members of the committee asked that they were of the opinion that this was still an unsettled region. In Gage County, Nebr., is found one of the most fertile areas under the sun. Some members of the committee at least were of the opinion that it was still a frontier. It is within 5 miles of Beatrice, county seat of Gage County, which has a population of between ten and fifteen thousand, and is as enterprising a city as exists anywhere in the United States. It is 40 or 50 miles from Lincoln, which is located in the adjoining county of Lancaster, and is the capital of the State.

Mr. President, this is a national project, not a State project. The site only happens to be in the State of Nebraska, because there is where the first homestead that was taken under the law was located.

Mr. GLASS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. NORRIS. I yield to the Senator.

Mr. GLASS. Does the Senator understand that anyone is objecting to this appropriation?

Mr. NORRIS. Yes, though not in the Senate; but, as I have said, I want the RECORD to show the explanation of this matter in order that the conferees, when they go into conference on this bill, may have the record before them.

Mr. GLASS. Well, the Senators who probably will be members of the conference committee had the benefit of the Senator's statement to them, and I think they understand this proposition.

Mr. NORRIS. I do not think all those who will be conferees were present, although, perhaps, they were. However, I want the RECORD to show the facts, in order that the conferees on the part of the House and any probable conferee on the part of the Senate who was not present and did not hear the explanation, may understand what they are.

The objection was raised that probably the next thing we would have to do would be to build a road into this particular section of country. The road that formerly, in the days of the frontier, in the pioneer life of that section, went from the Missouri River west passed right through this tract of land. It is a well-graded gravel road today. It is 5 miles from Beatrice, where there is a paved road that will take one to the capitol at Lincoln, and, in fact, connects with paved roads which reach every part of the United States.

A question was asked about the cost of this project. My information is that the heirs of Daniel Freeman, who still own this land, have agreed to take $150 an acre for it. I have been there; I have seen the land. I lived for some time in the city of Beatrice, and practiced law there whenever I got anything to do. I have been over every foot of this land. It was selected by Daniel Freeman. There is no better land anywhere under the sun than this 160 acres. I think that $150 an acre for this land would be a fair price. Land in the vicinity can be bought for $125 an acre, but it does not have the traditions and other associations connected with it that are attached to this particular homestead. There is no desire to profit privately on the part of anyone in the purchase of this homestead. Occupying a central location in an area that has been settled and developed and civilized by the operations of the homestead law, it will eventually become a rendezvous for those who are interested from historical and other standpoints.

Daniel Freeman was a soldier in the Civil War; he was in that section in Nebraska for some time, serving his country under the direction of his superior officers.

I think he was a lieutenant or, at any rate, an officer of a lower grade. He was making some investigations and was ordered back to his regiment. He did not have time to wait until the land office opened the 1st day of January 1863 to make a filing if he was to obey the orders of his commander and return to his post.

There were a great many other prospective settlers who came to Brownville, where the land office was located, ready to file on homesteads the next day, the 1st of January. There was a dance that evening, attended by many of the prospective homesteaders who were going to file the next day. The officer who was going to open the land office the next morning was at that dance. Daniel Freeman knew if he stayed to file his homestead and waited until office hours began he would be unable to get back to his command. So he hunted up the official, told him his dilemma, and asked, "Will you not open the land office, so that I may file on this land right after 12 o'clock midnight?" The land-office official finally agreed; that is what happened; and before 1 o'clock in the morning Daniel Freeman had made his filing and was on his way to St. Louis. He served the remainder of his time in the Army and then went back to the homestead and acquired title under patent.

Mr. President, I understand that when Representative Grow retired from public office and went back to Pennsylvania

there was a celebration. Daniel Freeman was there and made a short address, and I want to read from what was said:

When Congressman Grow retired in 1903 and returned to his home he was surprised to find waiting at the station Freeman, the first homesteader. At the community celebration a little later Freeman told his story.

Now I quote from what Freeman said:

I was stationed at Brownville, Nebr., as a young soldier, to do some secret-service work. The town was the seat of a Government land office, and the place was filled with prospective settlers, who were waiting for the 1st of January, when the Grow homestead law was to become operative. I had in several details—

I presume he means military details of service—

I had in several details seen a good deal of Nebraska. I liked the soil of Gage County, so I staked my claim near Beatrice and waited anxiously for the time when I could make my filing at the Government office.

The fates seemed against me. I was ordered to St. Louis, and I had to leave early January 1, the day the homestead law went into effect. On the night of December 31 the prospective settlers had a dance. I sought out the assistant register of the land office, who was in the ballroom, and urged him to let me file on my claim at midnight so I could leave for St. Louis early next morning. He agreed to do this, and we went to the land office, where the preliminary papers were made out. Before 1 o'clock homestead entry no. 1 was signed, and I went on my way to St. Louis a happy lad.

At the expiration of my service in 1865 I returned to Nebraska, built a log cabin, married the young woman who owned the adjoining claim, and we lived happily on this property for 50 years.

That is the story of homestead no. 1. Little Creek runs through one part of this land. It was from the timber which grew on this land that the first log house was built in which Daniel Freeman and his bride made their home and raised a family. They became leading citizens in the development and growth of Gage County, Nebr.

It is that land which it is proposed shall be bought and maintained by the Government in commemoration of the homesteaders of America. This is the appropriation intended for the purchase of that land. We are erecting monuments, setting aside parks, and building roads to commemorate various events in our history. It is, I think, eminently fit and proper that the first homestead ever entered under the homestead law should be purchased and set aside and become a monument whereon may be recorded in a manner which can be evident to tourists the story of the different trials and tribulations which were suffered in order to make out of a desert, once roamed by the buffalo and inhabited by the Indians, one of the most fertile tracts in our entire country.

Mr. President, I thought this much of an explanation should be made to insure that the item will be retained in the bill when it is finally enacted into law.

The PRESIDENT pro tempore. The next committee amendment will be stated.

The next amendment of the Committee on Appropriations was, on page 62, after line 5, to insert:

Marker at Columbus, Ga.: For the erection in Columbus, Ga., of a suitable marker or markers, marking the site of the Engagement of Columbus fought in that city on April 16, 1865, in accordance with the provisions of the act approved April 10, 1936 (Public, No. 499, 74th Cong.), fiscal year 1936, to remain available until June 30, 1937, $1,000: *Provided*, That no part of this appropriation shall be available for expenditure until title to the land upon which the marker is to be erected is acquired by the United States.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, earlier in the day I asked that the amendment on page 2, line 13, be passed over in order that I might look into it. I have examined the amendment and now have no objection to its adoption.

The PRESIDENT pro tempore. The amendment will be stated.

The amendment was, on page 2, line 13, to insert the following:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, fiscal year 1936, $75,000: *Provided*, That no part of this appropriation shall be expended for services, personal, professional, or otherwise, in excess of the rate of $3,600 per annum: *Provided further*, That no part of this appropriation shall be expended for per-diem and subsistence expenses except in accordance with the Subsistence Expense Act of 1926, approved June 3, 1926, as amended.

The amendment was agreed to.

The next amendment was, on page 62, after line 15, to insert:

Ackia National Memorial Commission and Battleground National Monument: The unexpended balance of the appropriation to carry out the provisions of the act entitled "An act to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes", approved August 27, 1935, contained in the Supplemental Appropriation Act, fiscal year 1936, is continued available for the fiscal year 1937 in order to provide for the commemoration during that year of the two hundredth anniversary of the Battle of Ackia.

The amendment was agreed to.

The next amendment was, on page 63, after line 2, to insert:

Colonial National Monument, Virginia: For the acquisition of lands in accordance with the provisions of the act entitled "An act to provide for the creation of the Colonial National Monument in the State of Virginia, and for other purposes", approved July 3, 1930 (46 Stat., p. 855), as amended, the evidence of title to such lands to be satisfactory to the Secretary of the Interior, to remain available during the fiscal year 1937, $187,500.

The amendment was agreed to.

The next amendment was, on page 63, after line 10, to insert:

Andrew Johnson Homestead National Monument: For carrying out the provisions of the act entitled "An act to provide for the Andrew Johnson Homestead National Monument", approved August 29, 1935, fiscal year 1936, to remain available during the fiscal year 1937, $50,000.

The amendment was agreed to.

The next amendment was, under the subhead "Government in the Territories", on page 64, after line 11, to insert:

Insane of Alaska: For an additional amount for care and custody of persons legally adjudged insane in Alaska, including the same objects and for the same services specified in the Interior Department Appropriation Act for the fiscal year 1936, $1,250.

The amendment was agreed to.

The next amendment was, under the heading "Department of Justice, office of the Attorney General, Bureau of Investigation", on page 67, line 2, after the numerals "455", to insert "and Senate Document No. 218"; and in line 3, after the word "Congress", to strike out "$30.25" and insert "$34.27", so as to read:

Claims for damages: For the payment of claims for damages to any person or damages to or loss of privately owned property caused by employees of the Federal Bureau of Investigation, acting within the scope of their employment, considered, adjusted, and determined by the Attorney General, under the provisions of the act entitled "An act to provide for the adjustment and settlement of certain claims arising out of the activities of the Federal Bureau of Investigation", approved March 20, 1936 (Public, No. 481, 74th Cong.), as fully set forth in House Document No. 455 and Senate Document No. 218 of the Seventy-fourth Congress, $34.27.

The amendment was agreed to.

The next amendment was, under the subhead "Marshals, district attorneys, clerks, and other expenses of United States courts", on page 72, line 5, after the numerals "1936", to strike out "$36,500" and insert "$36,500"; and after line 5, to insert:

For 1937, $87,500.

So as to read:

Miscellaneous expenses: For an additional amount for miscellaneous expenses, United States courts, including the same objects specified under this head in the Department of Justice Appropriation Acts for the fiscal years that follow, respectively:

For 1930, $360.
For 1936, $36,500.
For 1937, $87,500.

The amendment was agreed to.

The next amendment was, under the heading "Navy Department—Bureau of Navigation", on page 75, after line 17, to insert:

Acceptance of bequest of Henry H. Rogers: For crating, packing, transportation, and other necessary expenses in connection with the acceptance by the Secretary of the Navy, on behalf of the United States, of the collection of ship models bequeathed the United States Naval Academy by the late Henry H. Rogers, as authorized by the act approved April 25, 1936 (Public, No. 533), to remain available until June 30, 1937, $5,000.

The amendment was agreed to.

The next amendment was, under the subhead "Department of State—Foreign intercourse", on page 83, after line 5, to insert:

Payment to Gladys Hinckley Werlich: For payment to Gladys Hinckley Werlich, widow of McCeney Werlich, late a Foreign Service officer of the United States at Paris, France, of 1 year's salary of her deceased husband who died while in the Foreign Service, as authorized by the act approved May 18, 1936 (Private Act No. 567, 74th Cong.), $4,100.

The amendment was agreed to.

The next amendment was, under the subhead "International congresses, commissions, bureaus, etc.", on page 89, after line 9, to insert:

Conference to Revise the Convention for the Protection of Literary and Artistic Works, Brussels, Belgium: For the expenses of participation by the United States in the conference to convene at Brussels, Belgium, for the purpose of revising the Convention for the Protection of Literary and Artistic Works, concluded at Bern, September 9, 1886, and revised at Rome, June 2, 1928, including personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, periodicals, maps, stationery, and official cards; entertainment; printing and binding; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified; to be expended under the direction of the Secretary of State, fiscal year 1936, $6,500, to remain available until June 30, 1937.

The amendment was agreed to.

The next amendment was, on page 90, after line 5, to insert:

Ninth International Congress of Military Medicine and Pharmacy: For the expenses of participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy to be held in Rumania in 1937, including personal services in the District of Columbia or elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, periodicals, maps, stationery, and official cards; entertainment; printing and binding, including the payment of not to exceed $500 to the Association of Military Surgeons of the United States toward the cost of printing the report of the American delegation to the Ninth Congress; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified; to be expended under the direction of the Secretary of State, fiscal year 1937, $11,500, to remain available until June 30, 1938.

The amendment was agreed to.

Mr. McNARY. Mr. President, may I ask if representatives of these various groups came before the committee and made a showing with reference to the payment of their expenses? In other words, are the items which are now being considered similar to those which have appeared in this bill each year?

Mr. ADAMS. Mr. President, these items seem to be cumulative. They came to the committee on the recommendation of the Budget Bureau, and, of course, with the customary letter from the President. There was no testimony before the committee and no statement other than that of the Director of the Budget, who made the statement that the items are based on acts passed by Congress, so apparently it was not optional with us whether or not they should be included.

Mr. McNARY. They are all supported by Budget estimates?

Mr. ADAMS. Yes.

The next amendment of the Committee on Appropriations was, on page 91, after line 2, to insert:

International Council of Scientific Unions: For the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions, as authorized by the act approved June 16, 1934, as follows: International Council of Scientific Unions, $19.30; International Astronomical Union, $617.60; International Union of Chemistry, $675; International Union of Geodesy and Geophysics, $2,316; International Scientific Radio Union, $154.40; International Union of Physics, $62.72; and International Geographical Union, $194.66; in all, fiscal year 1935, $4,039.68, together with such additional sums, due to increases in rates of exchange, as may be necessary to pay in foreign currencies the contributions required by the statutes of each union.

The amendment was agreed to.

The next amendment was, on page 91, after line 17, to insert:

International Hydrographic Bureau: For the contribution of the United States to the International Hydrographic Bureau, together with such additional sums, due to increases in rates of exchange, as may be necessary to pay in foreign currencies the contribution required by the statutes of the Bureau, fiscal year 1936, $308.80.

The amendment was agreed to.

The next amendment was, on page 91, after line 23, to insert:

International Telegraph Consulting Committee: For the expenses of participation by the United States in the meeting of the International Telegraph Consulting Committee to be held at Warsaw, Poland, in 1936, including personal services in the District of Columbia and elsewhere without regard to the Classification Act of 1923, as amended; stenographic reporting and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; local transportation; printing and binding; official cards; purchase of necessary books, documents, newspapers, and periodicals; stationery, entertainment; and such other expenses as the Secretary of State may authorize, including the reimbursement of other appropriations from which payments have been made for any purposes herein specified, fiscal year 1937, $2,500.

The amendment was agreed to.

The next amendment was, on page 92, after line 14, to insert:

Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union: To aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union, to be held in the United States in June 1937, including personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; local transportation; hire of motor-propelled passenger-carrying vehicles; purchase of necessary books, documents, newspapers, periodicals, and maps; stationery; membership badges; official cards; entertainment; printing and binding; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified, to be expended under the direction of the Secretary of State, fiscal year 1937, $10,000, to remain available until June 30, 1938.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department, Bureau of Customs", on page 96, after line 8, to insert:

Refund to Edgar M. Barber: For refund to Edgar M. Barber of the amount of an unavailable item in his accounts as former special disbursing agent, Paris, France, paid by him, which unavailable item the Comptroller General of the United States was subsequently directed to allow in his accounts by Private Law No. 548, Seventy-fourth Congress, approved May 7, 1936, $51.25.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Internal Revenue", on page 97, line 7, after the numerals "1937" and the comma, to strike out "$6,000,000" and insert "$5,801,550", and in line 8, after the word "exceed", to strike out "$1,500,000" and insert "$1,421,100", so as to read:

Salaries and expenses: For an additional amount for expenses of assessing and collecting the internal-revenue taxes, including the same objects specified under this head in the act making appropriations for the Treasury Department, fiscal year 1937, $5,801,550, of which amount not to exceed $1,421,100 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 97, after line 10, to insert:

Payment of judgments against internal-revenue collectors: For payment of judgments rendered against Rufus W. Pontenot, individually and as acting collector of internal revenue, in each of 11 separate equity suits in the District Court of the United States for the Eastern District of Louisiana, New Orleans Division, covering injunction proceedings for the prevention of collection of processing taxes under and pursuant to the Agricultural Adjustment Act of May 12, 1933 (48 Stat. 31), as amended August 24, 1934 (49 Stat. 750), $2,782.45.

The amendment was agreed to.

The next amendment was, under the subhead "Procurement Division—Public Buildings Branch", on page 101, line 9, after the word "thereto", to insert "including post office and courthouse at Shawnee, Okla.", so as to read:

Public buildings outside the District of Columbia: For emergency construction of public-building projects outside of the District of Columbia (including the acquisition, where necessary, by purchase, condemnation, exchange, or otherwise of sites and additional land for such buildings; the demolition of old buildings where necessary and construction, remodeling, or extension of buildings; rental of temporary quarters during construction, including moving expenses; purchase of necessary equipment for buildings and such additional administrative expenses and salaries as may be required solely for the purpose of carrying out the provisions of this paragraph, including reimbursement to the appropriation "Emergency construction of public buildings, act August 12, 1935", for expenditures made for advance planning of public buildings), $60,000,000; such projects, including the sites therefor, to be selected by the Secretary of the Treasury and the Postmaster General, acting jointly, from the public-building projects specified in statement no. 1 contained in House Report No. 1879, Seventy-third Congress, second session, as revised February 29, 1936, and statement no. 2 attached thereto, including post office and courthouse at Shawnee, Okla., and the projects so selected shall be carried out within the respective estimates of proposed limits of cost specified in such statement no. 1 and those hereafter fixed by the Secretary of the Treasury and the Postmaster General for projects selected from statement no. 2 and otherwise, except that the unobligated balance of the $2,500,000 fund established by the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1061), is hereby increased in an amount not to exceed $500,000 from the funds heretofore appropriated for emergency construction of public buildings, and such fund shall be available for the augmentation of limits of cost of projects heretofore or hereafter selected under the provisions of the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1061) and under the provisions of the Second Deficiency Appropriation Act, fiscal year 1935, approved August 12, 1935 (49 Stat. 571), in an amount not exceeding 15 percent for any project; and shall be available also for the augmentation of limits of cost of projects selected under the provisions of this act in an amount not exceeding 10 percent of any project.

The amendment was agreed to.

The next amendment was, on page 102, line 21, after the word "paragraph", to strike out the comma and "and he is hereby authorized, when deemed by him desirable and advantageous, to employ, by contract or otherwise, temporary professional, technical, or nontechnical employees, firms, or corporations, to such extent as may be required to carry out the purposes of this paragraph, without reference to civil-service laws, rules, regulations, or to the Classification Act of 1923, as amended, or to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5)", so as to make the further proviso read:

Provided further, That the Secretary of the Treasury is authorized to direct the preparation of all sketches, estimates, plans, and specifications (including supervision and inspection thereof), and to enter into all contracts necessary for carrying out the purposes of this paragraph.

Mr. McNARY. Mr. President, I have not had an opportunity to read and to gather from the reading the purport of the language stricken out. I should like to have some explanation of it. What reason does the able chairman of the subcommittee assign for the removal of this language?

Mr. O'MAHONEY. Mr. President, if the Senator will note line 3, of page 103, he will observe a reference to section 3709 of the Revised Statutes. That is the section which requires all contracts for services and for materials to be advertised before they are let. The language which was stricken out apparently would have had the effect of permitting all contracts for services of the kinds mentioned to be let without reference to that statute; and the committee felt that the statute should not be waived.

Mr. ADAMS. Mr. President, I think I should add that as the language was drafted it apparently would have allowed public-building contracts to be let without competitive bids.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 104, after line 9, to insert:

Memorial to persons killed in the wreck of Navy dirigible *Shenandoah*: For the erection near Ava, Ohio, on the spot where the Navy dirigible *Shenandoah* fell, of a suitable tablet or marker to commemorate the heroic services rendered by Commander Zachary Landsdowne and other members of the crew who died when the *Shenandoah* was destroyed, in accordance with the provisions of the act approved May 22, 1936 (Public, No. 614, 74th Cong.), fiscal year 1936, to remain available until June 30, 1937, $2,500: *Provided*, That no part of this appropriation shall be available for expenditure until title to the land upon which the tablet or marker is to be erected is acquired by the United States.

The amendment was agreed to.

The next amendment was, under the heading "War Department", on page 109, after line 3, to insert:

NATIONAL BOARD FOR PROMOTION OF RIFLE PRACTICE

Promotion of rifle practice: For construction, equipment, and maintenance of rifle ranges, etc., including the same objects specified under this head in the War Department Appropriation Act for the fiscal year 1937, $100,000.

The amendment was agreed to.

The next amendment was, under the subhead "Nonmilitary activities", on page 109, after line 10, to insert:

QUARTERMASTER CORPS

Cemeterial expenses: For maintaining and improving national cemeteries, including the same objects specified under this heading in the War Department Appropriation Act for the fiscal year 1936, and including also the acquisition by purchase, condemnation, or otherwise, at a cost not to exceed $250,000, of suitable lands for enlargement of existing national cemetery facilities as authorized by the act entitled "An act to authorize the acquisition of land for cemeterial purposes in the vicinity of New York City, N. Y.", approved May 18, 1936, $250,000, to remain available until June 30, 1937.

The amendment was agreed to.

The next amendment was, on page 110, line 14, after the word "title", to strike out "II" and insert "IV", so as to make the heading read:

Title IV—Judgments and authorized claims.

The amendment was agreed to.

The next amendment was, under the subhead "Property damage claims", on page 110, line 17, before the word "For", to insert "(a)", so as to read:

SECTION 1. (a) For the payment of claims for damages to or losses of privately owned property, etc.

The amendment was agreed to.

The next amendment was, on page 111, after line 14, to insert:

(b) For the payment of claims for damages to or losses of privately owned property, adjusted and determined by the following respective departments and independent offices, under the provisions of the act entitled "An act to provide a method for the settlement of claims arising against the Government of the United States in the sums not exceeding $1,000 in any one case", approved December 28, 1922 (U. S. C., title 31, secs. 215–217), as fully set forth in Senate Documents Nos. 219 and 240 of the Seventy-fourth Congress, as follows:

Veterans' Administration, $100.24;
Works Progress Administration, $1,867.35;
Department of Agriculture, $992.64;
Department of the Interior, $1,565.49;
Department of Labor, $102.80;
Navy Department, $499.35;
Post Office Department (payable from postal revenues), $102.85;
Treasury Department, $307.37;
War Department, $3,777.56;
In all, $9,315.65.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, United States Courts", on page 112 line 21, after "456", to insert "and Senate Document No. 220", so as to read:

SEC. 2. (a) For payment of the final judgments and decrees, including costs of suits, which have been rendered under the provisions of the act of March 3, 1887, entitled "An act to provide for the bringing of suits against the Government of the United

States", as amended by the Judicial Code, approved March 3, 1911 (U. S. C., title 28, sec. 41, par. 20; sec. 258; secs. 761–765), certified to the Seventy-fourth Congress in House Document No. 456, and Senate Document No. 220, under the following departments and establishments, namely.

The amendment was agreed to.

The next amendment was, on page 112, at the end of line 24, to strike out "$371.46" and insert "$747.46", so as to read:

Veterans' Administration, $746.46.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, United States courts", on page 113, line 3, after the words "In all", to strike out "$10,868.46" and insert "$11,243.46", so as to read:

In all, $11,243.46, together with such additional sum as may be necessary to pay interest as specified in such judgments or as provided by law.

The amendment was agreed to.

The next amendment was, on page 113, line 14, after the numerals "456", to insert "and Senate Document No. 220"; on page 113, after line 16, to insert "Navy Department, $14,356.31"; at the end of line 18, to strike out "$400" and insert "$7,654"; and after line 18, to insert "In all, $22,010.31", so as to read:

(b) For the payment of judgments, including costs of suits, rendered against the Government of the United States by United States District Courts under the provisions of an act entitled "An act authorizing suits against the United States in admiralty for damages caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes", approved March 3, 1925 (U. S. C., title 46, secs. 781–789), certified to the Seventy-fourth Congress in House Document No. 456, and Senate Document No. 220, under the following departments, namely:

Navy Department, $14,356.31;
Treasury Department, $7,654;
In all, $22,010.31.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, Court of Claims", on page 114, line 8, after the numerals "458", to insert "and Senate Document No. 221,"; after line 10, to insert "National Recovery Administration, $297.30"; at the end of line 14, to strike out "$11,658.67" and insert "$30,815.04"; at the end of line 16, to strike out "$339,535.22" and insert "$622,576.62"; and in line 17, after the words "In all", to strike out "$368,224.87" and insert "$670,719.94", so as to read:

SEC. 3. (a) For payment of the judgments rendered by the Court of Claims and reported to the Seventy-fourth Congress in House Document No. 458, and Senate Document No. 221, under the following departments and establishments, namely:

National Recovery Administration, $297.30;
Veterans' Administration, $95.37;
Department of Labor, $903.50;
Navy Department, $30,815.04;
Treasury Department, $16,032.11;
War Department, $622,576.62;
In all, $670,719.94, together with such additional sum as may be necessary to pay interest as and where specified in such judgments.

The amendment was agreed to.

The next amendment was, under the subhead "Audited claims", on page 115, after "Sec. 4", to insert "(a)", so as to read:

SEC. 4. (a) For the payment of the following claims certified to be due by the General Accounting Office, etc.

The amendment was agreed to.

The next amendment was, on page 117, line 24, after the word "Prohibition", to strike out "$56.04" and insert "$66.04 (in lieu of $56.04 as certified in such document)", so as to read:

Department of Justice: For salaries and expenses, Bureau of Prohibition, $66.04 (in lieu of $56.04 as certified in such document).

The amendment was agreed to.

The next amendment was, on page 118, line 2, after the word "courts", to strike out "$556.23" and insert "$546.23 (in lieu of $556.23 as certified in such document)", so as to read:

For salaries, fees, and expenses of marshals, United States courts, $546.23 (in lieu of $556.23 as certified in such document).

The amendment was agreed to.

The next amendment was, on page 122, line 6, after the word and numeral "section 4", to insert "(a)", so as to read:

Total, audited claims, section 4 (a), $206,735.82, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

The amendment was agreed to.

The next amendment was, on page 122, after line 10, to insert:

(b) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1933 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), as fully set forth in Senate Document No. 222, Seventy-fourth Congress, there is appropriated as follows:

Independent offices: For investigation of enforcement of prohibition and other laws, $33.33.
For Interstate Commerce Commission, $5.35.
For Federal Trade Commission, $70.27.
For Army pensions, $13.33.
For Navy pensions, $80.
For medical and hospital services, Veterans' Bureau, $415.12.
For salaries and expenses, Veterans' Administration, $529.03.
For national home for disabled volunteer soldiers, Mountain Branch, $2.72.
Department of Agriculture: For salaries and expenses, Plant Quarantine and Control Administration, $72.84.
For salaries and expenses, Bureau of Animal Industry, $30.41.
Department of Commerce: For air-navigation facilities, $310.
Department of the Interior: For purchase and transportation of Indian supplies, $5.40.
For suppressing liquor traffic among Indians, $146.46.
For reclaiming lands, Lummi Reservation, Wash. (reimbursable), $15.72.
Department of Justice: For printing and binding, Department of Justice and courts, $9.
For salaries, fees, and expenses of marshals, United States courts, $1,805.13.
For salaries and expenses, Bureau of Prohibition, $517.44.
For fees of jurors and witnesses, United States courts, $7.50.
For fees of commissioners, United States courts, $160.75.
For probation system, United States courts, $3.88.
For support of United States prisoners, $51.30.
Navy Department: For aviation, Navy, $2,612.92.
For organizing the Naval Reserve, $119.20.
For maintenance, Bureau of Supplies and Accounts, $25.80.
For pay, subsistence, and transportation, Navy, $2,746.59.
For pay of the Navy, $56.70.
For pay, Marine Corps, $116.85.
Department of State: For transportation of Foreign Service officers, $9.29.
Treasury Department: For Coast Guard, $22.50.
For fuel and water, Coast Guard, $140.
For pay and allowances, Coast Guard, $641.63.
For collecting the internal revenue, $1.80.
For preventing the spread of epidemic diseases, $1.50.
For enforcement of Narcotic and National Prohibition Acts, $59.07.
For salaries and expenses, Bureau of Narcotics, $2.
For general expenses of public buildings, $2.85.
For operating supplies for public buildings, $11.60.
War Department: For pay, and so forth, of the Army, $3,653.67.
For pay of the Army, $1,202.06.
For general appropriations, Quartermaster Corps, $435.43.
For Army transportation, $394.22.
For barracks and quarters, $33.53.
For mileage to officers and contract surgeons, $14.
For mileage of the Army, $15.
For clothing and equipage, $184.91.
For ordnance service and supplies, Army, $1.70.
For replacing ordnance and ordnance stores, $1.43.
For arming, equipping, and training the National Guard, $5.38.
For National Guard, $882.30.
For pay of National Guard for armory drills, $568.
For Reserve Officers' Training Corps, $108.50.
For cemeterial expenses, War Department, $2.05.
Post Office Department—Postal Service (out of the postal revenues): For city-delivery carriers, $662.64.
For compensation to postmasters, $705.89.
For mail messenger service, $24.
For miscellaneous items, first- and second-class post offices, $2.50.
For post-office equipment and supplies, $5.25.
For railroad transportation and mail messenger service, $35.62.

For rent, light, and fuel, $467.80.
For rural delivery service, $74.08.
For separating mail, $90.75.
For vehicle service, $376.15.
For indemnities, domestic mail, $42.09.
For indemnities, international mail, $9.65.
Total, audited claims, section 4 (b), $20,854.42, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

The amendment was agreed to.

The next amendment was, on page 126, line 22, after the numerals "459" and the comma, to insert "and Senate Document No. 223", and in line 23, after the name "Department of Labor" and the comma, to strike out "$23,945.39" and insert "$42,951.29", so as to read:

SEC. 5. Judgments against collectors of customs: For the payment of claims allowed by the General Accounting Office covering judgments rendered by United States district courts against collectors of customs, where certificates of probable cause have been issued as provided for under section 989, Revised Statutes (U. S. C., title 28, sec. 842), and certified to the Seventy-fourth Congress in House Document No. 459, and Senate Document No. 223, under the Department of Labor, $42,951.29.

The amendment was agreed to.

The next amendment was, on page 127, after line 4, to strike out:

SEC. 7. (a) Notwithstanding any other provision of law, none of the establishments or agencies named in subsection (b) of this section, shall after June 30, 1937, incur any obligations for administrative expenses, except pursuant to an annual appropriation specifically therefor by Congress.

And in lieu thereof to insert the following:

SEC. 7. (a) Notwithstanding any other provision of law, none of the establishments or agencies named in subsection (b) of this section shall, after June 30, 1937, incur any obligations for administrative expenses, except pursuant to an annual appropriation specifically therefor, nor shall any such establishment or agency continue to function after said date unless its creation shall have been specifically authorized by Congress: *Provided*, That nothing contained herein shall be construed to extend the period during which any such establishment or agency heretofore has been authorized by law to function.

So as to make the section read:

SEC. 7. (a) Notwithstanding any other provision of law, none of the establishments or agencies named in subsection (b) of this section shall, after June 30, 1937, incur any obligations for administrative expenses, except pursuant to an annual appropriation specifically therefor, nor shall any such establishment or agency continue to function after said date unless its creation shall have been specifically authorized by Congress: *Provided*, That nothing contained herein shall be construed to extend the period during which any such establishment or agency heretofore has been authorized by law to function.

(b) 1. Federal Home Loan Bank Board;
2. Home Owners' Loan Corporation;
3. Federal Housing Administration;
4. Federal Farm Mortgage Corporation;
5. Federal Surplus Commodities Corporation;
6. Export-Import Bank of Washington;
7. Second Export-Import Bank of Washington, D. C.;
8. Reconstruction Finance Corporation;
9. Electric Home and Farm Authority;
10. Commodity Credit Corporation;
11. Federal Emergency Administration of Public Works;
12. Federal Savings and Loan Insurance Corporation;
13. Reconstruction Finance Mortgage Co.

The amendment was agreed to.

The next amendment was, on page 128, line 14, after the numerals "1933", to insert "shall be accomplished by transfer appropriation warrant and", so as to read:

SEC. 8. After June 30, 1936, advance payments under the provisions of title VI, part II, of the Legislative Appropriation Act for the fiscal year 1933, shall be accomplished by transfer appropriation warrant and shall have no longer period of availability for obligation than the appropriation from which such advance payments are made.

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments, with the exception of those passed over.

Mr. McNARY. Mr. President, I requested that the amendment on page 56, with reference to the War Minerals Relief Commission, be passed over until the return to the Chamber of the senior Senator from Georgia [Mr. GEORGE]. That request was granted.

The PRESIDENT pro tempore. The Senator from Georgia has not as yet returned. There is an amendment on page 16, relative to the Rural Electrification Administration, which was passed over at the request of the Senator from Nebraska [Mr. NORRIS]. Title II also has been passed over.

Mr. FLETCHER. Mr. President, I think we had better have a quorum present.

Mr. McNARY. Yes; in view of that situation, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Pope
Ashurst	Connally	King	Radcliffe
Austin	Coolidge	La Follette	Reynolds
Bachman	Copeland	Lewis	Robinson
Bailey	Couzens	Loftin	Russell
Barbour	Davis	Lonergan	Schwellenbach
Barkley	Dieterich	Long	Sheppard
Benson	Donahey	McAdoo	Shipstead
Bilbo	Duffy	McGill	Steiwer
Black	Fletcher	McKellar	Thomas, Okla.
Bone	Frazier	McNary	Thomas, Utah
Borah	George	Maloney	Townsend
Brown	Gerry	Metcalf	Truman
Bulkley	Gibson	Minton	Tydings
Bulow	Glass	Murphy	Vandenberg
Burke	Guffey	Murray	Van Nuys
Byrd	Hale	Neely	Wagner
Byrnes	Hastings	Norris	Walsh
Capper	Hatch	Nye	Wheeler
Caraway	Hayden	O'Mahoney	White
Carey	Holt	Overton	
Chavez	Johnson	Pittman	

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present. The clerk will state the first amendment passed over.

Mr. VANDENBERG. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. VANDENBERG. It is my understanding that the adoption of amendments to title II will not subsequently preclude the presentation of a complete substitute for title II, as amended.

The PRESIDENT pro tempore. That is correct.

Mr. ADAMS. Mr. President, I call attention to the fact that the Senator from Georgia [Mr. GEORGE] is now present.

The PRESIDENT pro tempore. The amendment on page 56 was passed over during the absence of the Senator from Georgia. The amendment will be stated.

The CHIEF CLERK. At the top of page 56 it is proposed to insert a new paragraph, as follows:

War Minerals Relief Commission: For payment of awards made by the Secretary of the Interior in accordance with the act of Congress approved May 18, 1936 (Public, No. 602, 74th Cong.) amending section 5 of the War Minerals Relief Act of March 2, 1919, as amended, March 13, 1929, fiscal year 1936, to remain available during the fiscal year 1937, $900,000: *Provided*, That all awards made by the Secretary of the Interior for payment under this appropriation shall be certified to the General Accounting Office for settlement through that office.

Mr. GEORGE. Mr. President, it will be recalled that an appropriation of a very large sum of money—I believe about $50,000,000—was authorized in an act passed during the war period, the purpose of the act being to stimulate the production of certain necessary minerals for war purposes. After the end of the war the War Minerals Relief Act, approved March 2, 1919, provided for the adjustment of certain claims by those who had been induced to enter the field of production for the purpose of increasing the supply of certain necessary war materials. The act provided that losses sustained should be paid to the claimants, and the War Minerals Relief Commission, of course, followed as the agency through which the adjustments were to be made.

Controversies early arose, and for several Congresses the matter in one form or another has been before the Congress. Cases have been brought in the District of Columbia courts, and those cases have gone to the Supreme Court. The Supreme Court itself more than once has passed upon one question in controversy. As a result of the decision of the Su-

preme Court, it finally was held that interest accrued up to the date of the passage of the act of March 13, 1929, was a proper item to be included in an award where all the other elements were present, but that no interest after the date of the act could be added. Courts in the District of Columbia took a view contrary to that, but the Supreme Court finally made that ruling. Several acts have been passed for the purpose of adjusting these claims where they had gone through the courts, and where a court itself had made an adjudication, or where the claims were filed by the date specified in the original War Minerals Act.

Finally a bill was passed at this session by both houses of the Congress, appropriating $1,250,000 in final settlement of all these war mineral claims. The $1,250,000 is not carried in the pending bill because it is still required that the several claimants shall have an adjudication of the amounts due them, and the only claimants who are now prepared to claim their pro-rata part of the appropriation have claims amounting to some $900,000, and it will be after the next Congress meets before the other claimants can have an adjudication of their claims. That will be the end of it.

I may say that this is one appropriation out of an original appropriation of $50,000,000, $40,000,000 of which was returned to the Treasury, and this is the end of the war minerals cases. Nine hundred thousand dollars is ample to cover all of the claims which are adjudicated, and I may say that there are several hundred of them. The claimants reside in various States, from the Atlantic to the Pacific. Most of the claimants are in the western mining areas of the country.

Mr. McNARY. Mr. President, may I inquire of the Senator whether the $900,000 carried in the bill covers all adjudicated claims?

Mr. GEORGE. It covers all adjudicated claims, or all the claims which probably could be adjudicated prior to the meeting of the next Congress. At that time it will be necessary to appropriate the balance provided in the bill, to wit, the difference between $900,000 and $1,250,000. It is not necessary that the appropriation be made in the pending bill, and therefore this estimate is sent to us. I make this statement by way of explanation of this particular item.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The question is on agreeing to the amendment at the top of page 56.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee passed over.

The CHIEF CLERK. It is proposed, on page 16, after line 5, to insert the following:

RURAL ELECTRIFICATION ADMINISTRATION

Salaries and expenses: For administrative expenses and expenses of studies, investigations, publications, and reports necessary to carry out the provisions of the Rural Electrification Act of 1936, approved May 20, 1936, including the salary of the Administrator and other personal services in the District of Columbia and elsewhere; traveling expenses, including expenses of attendance of officers and employees at meetings when determined by the Administrator to be necessary in furthering the work of the Administration; contract stenographic reporting services; special counsel fees, consulting engineering fees, and expert witness fees; materials, supplies, equipment, and services; rentals, including buildings and parts of buildings and garages, in the District of Columbia and elsewhere; purchase and exchange of books, law books, books of reference, directories, and periodicals; financial and credit reports; purchase, rental, exchange, operation, maintenance, and repair of typewriters, calculating machines, and other office appliances; purchase (not to exceed two), rental, exchange, operation, maintenance, and repair of motor-propelled, passenger-carrying vehicles to be used only for official purposes; printing and binding; and all other expenses necessary to administer said act, fiscal year 1937, $1,000,000: *Provided*, That section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall not be construed to apply to any purchase or service rendered for the Rural Electrification Administration when the aggregate amount involved does not exceed $100.

Mr. NORRIS. Mr. President, I have not had opportunity to communicate with anyone connected with the Rural Electrification Administration, but I have conferred with several members of the Committee on Appropriations of the Senate, and I should like to have the Senator in charge of the bill tell me whether the information I have received is correct.

I understand that the Budget estimate was about $400,000 or $450,000 greater than the amount carried in the bill for this item; that the committee cut the estimate because this is a new activity, which has recently been provided, and no one can tell with certainty just what the administrative expenses will be; that the committee was of the opinion that, since it was a new activity and no one could tell definitely just what the amount should be, since Congress would meet again in January, there would be sufficient time so that we could have a pretty good idea as to just how much money for administrative purposes may be necessary.

Mr. ADAMS. Mr. President, the Senator has made a correct statement of the views of the committee.

Mr. NORRIS. With that understanding I have no further objection, because I think that if more money should be needed, as demonstrated by experience, we could readily get it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WHEELER. Mr. President, if that concludes the committee amendments, I have an amendment which I send to the desk, and which I should like to offer at this time.

Mr. McNARY. Mr. President, this does not conclude the committee amendments. We passed over the amendments in title II.

Mr. WHEELER. Very well.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee passed over.

The CHIEF CLERK. It is proposed on page 27, line 18, to insert the following:

Title II—Relief and work relief.

Mr. McNARY. Mr. President, I thought another amendment of the committee had been passed over.

Mr. FLETCHER. The whole title was passed over.

Mr. McNARY. I appreciate that, but there were three committee amendments passed over, and two of them have been considered within the last few minutes.

The PRESIDING OFFICER. The clerk informs the Chair that all the amendments passed over have been agreed to except those in title II.

Mr. O'MAHONEY. Mr. President, I understand inquiry is now being made by the Senator from Oregon as to what the parliamentary status is with respect to a substitute for the committee amendment.

Mr. McNARY. No, Mr. President; I desire to know whether the committee amendments, save those in title II, had been considered by the Senate. I am advised that they have been.

Mr. ADAMS. There are a number of miscellaneous committee amendments, in different sections other than title II, which have not been presented; but I had rather assumed that in the regular order perhaps we would now take up title II.

Mr. McNARY. Of course, under the unanimous-consent agreement we could consider individual amendments as to parts of the bill, excepting title II, and consider the amendments in that part of the bill separately from the other divisions of the bill.

Mr. ADAMS. There is no objection, if the Senator would prefer that we take up the other items. There are some miscellaneous committee amendments to be offered. We will go ahead with them, if the Senator prefers.

Mr. McNARY. I think it would be quite orderly and practicable to clean up the individual amendments to the text, excepting as to title II, and let that stand by itself.

Mr. ADAMS. I am entirely willing to follow the suggestion of the Senator.

I have an amendment to offer on page 4, line 3, and I ask that the vote by which the committee amendment at that point was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote by which the committee amendment was agreed to is reconsidered.

Mr. ADAMS. To the committee amendment I now offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The CHIEF CLERK. In the committee amendment, on page 4, line 3, it is proposed to strike out "three" and insert in lieu thereof "four", so as to read:

The four foregoing sums to be disbursed by the Clerk of the House.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. ADAMS. Mr. President, I offer another amendment, at the request of the Committee on Appropriations of the House of Representatives.

The PRESIDING OFFICER. The clerk will state the proposed amendment.

The CHIEF CLERK. It is proposed to insert at the proper place the following:

For payment of Samuel Wilder King, contestee, for expenses incurred in the contested-election case of McCandless against King, as audited and recommended by the Committee on Elections Numbered Two, $2,000.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I have another amendment I am directed by the committee to present.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 47, after line 8, to insert the following:

For the payment of claims approved by the Commissioners under and in accordance with the provisions of the act entitled "An act authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia", approved February 11, 1929 (45 Stat. 1160), as amended by the act approved June 5, 1930 (46 Stat. 500), and reported in Senate Document No. 252, $1,708.77.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I present an amendment to be inserted on page 51 after line 4.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert, on page 51, after line 4, the following:

For the purchase of land and erection of laboratory, greenhouse, and service buildings and purchase of equipment, to be used in connection with the sugarcane investigations of the Department of Agriculture, including the employment of personal services in the District of Columbia for the preparation of the plans, $100,000, to remain available during the fiscal year 1937.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I submit another amendment at the direction of the committee. It would operate to repeal certain provisions making appropriations which are no longer needed by reason of the decision of the Supreme Court in the Guffey Coal Act case.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 74, after line 5, it is proposed to insert the following:

The appropriations for "Salaries and expenses" and "Printing and binding" for the Bituminous Coal Labor Board for the fiscal year ending June 30, 1937, contained in the "Department of Labor Appropriation Act, 1937", are hereby repealed.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I submit another amendment at the request of the Committee on Appropriations.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 103, after line 9, it is proposed to insert:

United States Public Health Service buildings: For erecting, furnishing, and equipping suitable buildings for the use of the National Institute of Health and the United States Public Health Service, in or near the District of Columbia, authorized by the act of May 26, 1930, $1,363,000.

The amendment was agreed to.

Mr. ADAMS. Mr. President, that completes the committee amendments except as to title II. There are a number of rectifying amendments to title II.

Mr. WHEELER. Mr. President, before taking up title II I wonder whether I may be permitted to offer an amendment concerning which I spoke to the Senator from Colorado. I do not think there will be any objection to it. The amendment provides for the acquisition by the Bureau of Fisheries of a site for a fish hatchery at Jessup's Mill, near Glacier National Park, in the State of Montana, $10,000, which shall be immediately available. The amendment has been approved by the Department and is an item which was passed by the Senate in connection with another bill, but was stricken out in conference.

Mr. GLASS. Mr. President, if the Senate is now going to consider individual amendments, some of us have amendments we should like to offer. I have no objection to the amendment of the Senator from Montana, but it was understood that we were to complete the committee amendments before we should take up individual amendments.

Mr. WHEELER. I was wondering whether title II was to be considered before individual amendments were taken up.

The PRESIDING OFFICER. It was agreed by unanimous consent that committee amendments were to be first considered.

Mr. McNARY. Mr. President, it was unanimously agreed that committee amendments should first be considered, and that was done, except as to title II. A few moments ago it was understood the title II would be passed over, inasmuch as we had considered all other committee amendments, and that the Senate would proceed to consideration of individual amendments.

Mr. ADAMS. Mr. President, I did not so understand the situation, I will say to the Senator. If I misunderstood the Senator from Oregon I regret it, but I thought the Senator from Oregon was dealing with miscellaneous committee amendments; that they were to be disposed of and that then we were to take up title II. I did not mean that we should take up miscellaneous individual amendments before we took up title II. I should not be willing to have that done.

Mr. McNARY. Very well. I was trying to assist the Senator in amending his bill. Probably he does not need any assistance.

Mr. ADAMS. Mr. President, I am always glad to receive assistance.

Mr. McNARY. I have no choice in the matter at all, except that I thought consideration of title II might well be deferred for a short time, and we could then dispose generally of all amendments to the text of the bill. However, if the Senator from Colorado desires the Senate, as I understand, now to consider miscellaneous committee amendments——

Mr. ADAMS. Mr. President, they have all been considered. There are no miscellaneous committee amendments pending other than as to title II. We have now reached the point of consideration of title II.

Mr. McNARY. The Senator does not desire to proceed with individual amendments?

Mr. ADAMS. No, Mr. President; I should prefer to go ahead and complete committee amendments, which include title II.

Mr. GLASS. If that is done, then it will put some of us, who should like to present individual amendments, to some inconvenience.

Mr. ADAMS. I will say, Mr. President, that if the chairman of the Committee on Appropriations desires a different order, I acquiesce instantly.

Mr. GLASS. No, Mr. President; I do not desire a different order. It is rather inconvenient for us to debate title II when we desire to present amendments.

Mr. HALE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Pope
Ashurst	Connally	King	Radcliffe
Austin	Coolidge	La Follette	Reynolds
Bachman	Copeland	Lewis	Robinson
Bailey	Couzens	Loftin	Russell
Barbour	Davis	Lonergan	Schwellenbach
Barkley	Dieterich	Long	Sheppard
Benson	Donahey	McAdoo	Shipstead
Bilbo	Duffy	McGill	Steiwer
Black	Fletcher	McKellar	Thomas, Okla.
Bone	Frazier	McNary	Thomas, Utah
Borah	George	Maloney	Townsend
Brown	Gerry	Metcalf	Truman
Bulkley	Gibson	Minton	Tydings
Bulow	Glass	Murphy	Vandenberg
Burke	Guffey	Murray	Van Nuys
Byrd	Hale	Neely	Wagner
Byrnes	Hastings	Norris	Walsh
Capper	Hatch	Nye	Wheeler
Caraway	Hayden	O'Mahoney	White
Carey	Holt	Overton	
Chavez	Johnson	Pittman	

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

Mr. McNARY. Mr. President, we have now reached the consideration of title II. There have been some changes made in the provisions as passed by the House. I, as well as other Senators, should like to have the able Senator from Colorado advise us what changes have been made, the reasons therefor, and the general purposes of the changes.

Mr. ADAMS. I shall be glad to try to do so. I do not mean to say that I can supply all the information asked for, but I shall be very glad to make a statement of my understanding of the changes.

We have modified the bill as it came from the House in one particular which appears in the first paragraph. The House bill placed the disposition of the appropriated funds in the hands of the W. P. A.; that is the organization headed by Mr. Hopkins. The Senate Committee on Appropriations believed that the form of the law which is now in effect was preferable, and consequently have amended the bill so as to place the authority for the distribution and allocation of the relief funds in the hands of the President rather than in the Works Progress Administration. The reasons for that, I think, are sufficiently obvious to require no further explanation. The President, being the head of the executive department, and having the authority for distribution and allocation of relief funds under the present law, it seemed wise to the Committee on Appropriations to continue that policy.

The committee has made one or two suggestions in reference to the various classifications to which relief money may be devoted. They are rather for clarification than otherwise.

The committee has changed textually the provisions with reference to the employment of aliens, not changing the substantial character or purposes of the House provisions but rather seeking to clarify them. As the bill is now framed it is provided that the President shall cause to be made a survey of unemployable persons who are applicants for work under the Relief Administration, and that aliens who are illegally within the United States, and other aliens who have not filed declarations of intentions to become citizens, shall be excluded from employment under the Relief Administration.

The Appropriations Committee of the Senate provided that no Federal project shall be undertaken or prosecuted with funds provided in this appropriation unless and until an amount sufficient for its completion has been allocated and irrevocably set aside for its completion. It was the intention of the committee that the relief appropriation should not be used for the inauguration of projects unless adequate funds were set aside from this appropriation to complete them.

An amendment was adopted by the committee, at the instance of the junior Senator from Georgia [Mr. RUSSELL], making provision that not more than one-half of 1 percent of the total number of persons employed within a State shall be nonresidents of the State and that not more than 1 percent of the total amount allocated out of the appropriation within a State shall be paid to those who are not citizens.

A provision has been inserted to the effect that the fact that a person is entitled to or has received either an adjusted-service bond or a Treasury check in payment of adjusted-compensation certificate shall not be considered in determining his need of employment. In other words, the ex-service man who has a bond or a check shall not be denied relief, if he be in need, because of his possession of money derived from his adjusted compensation.

The Government, having argued with the ex-service men that they should, if possible, retain their bonds, it seemed to the committee that it should not at this time say to them, "You are not entitled to help unless you use up the bonds or the funds which are given you as compensation for war service."

The next important provision is in reference to the Federal Emergency Administration of Public Works. It provides for what may be called an earmarking of certain funds for public works under the direction of the Secretary of the Interior. At the present time the Administrator, who is now the Secretary of the Interior, has some $400,000,000 in securities. These securities may not be used for the purpose of making grants. They may be sold, but the proceeds can then only be used to make loans.

The Administrator of Public Works has $50,000,000 in cash available for grants. The committee felt that the public-works program of the Public Works Administrator should be carried on under reasonable limitations. The present law provides that the R. F. C. may purchase securities owned by the Public Works Administration, but limits the purchase by the R. F. C. by a provision that the R. F. C. may not hold in its portfolio at any one time to exceed $250,000,000. That is not the limit of their capacity to purchase but the limit of their holdings at one time.

So the committee have proposed an amendment to the effect that moneys received from the R. F. C. upon the purchase of securities by that organization shall be released from the requirement that they can only be used for loans; so that to the extent of $250,000,000 the proceeds received from the sale of securities by the R. F. C. are available for loans and grants. In substance this amendment makes possible a continuation of the Public Works Administraion program on a very substantial basis.

We have limited in the amendment the grants that may be made to 30 percent of the cost of the project where its cost is over $100,000, and to 45 percent where the project costs less than $100,000; in other words, feeling that by placing the 30-percent limit we will make the money go farther. Under the present program 45 percent in grants may be given to all projects. We are now proposing to restrict the grants to 30 percent. We are further putting a restriction that the only projects that may be authorized and constructed which receive grants must be those which can be substantially completed within 1 year. It seems to us that that will result in the construction of more projects. It will eliminate what some of us thought was the danger of the commencement of large projects which could not be completed. So by this provision we have given $250,000,000 in cash, made it available from their own funds, but it can be augmented by loans for construction, so that construction may be undertaken up to the amount of perhaps $800,000,000 under that provision, if minimum grants are made.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ADAMS. I gladly yield.

Mr. O'MAHONEY. Is my understanding correct that nothing in this amendment reduces the funds which are available to the Public Works Administration under the present law:

Mr. ADAMS. There is not a reduction of a cent.

Mr. O'MAHONEY. So that the Public Works Administration may continue, as now authorized by law, to expend any money that is available to it, and this provision merely exempts the P. W. A. from the limitation as to loans $250,000,000 which may be obtained through the R. F. C.?

Mr. ADAMS. In substance, I will say to the Senator from Wyoming it releases from the restrictions that their money shall only be used for loans $250,000,000 and makes available to the Public Works Administration $300,000,000 which may be used for grants, some of which may be made to the city of Cheyenne.

Mr. O'MAHONEY. Or to the city of Pueblo.

Mr. ADAMS. Well, we hope so.

Mr. GLASS. And ought not to be made to either of them. [Laughter.]

Mr. ADAMS. We say both.

Mr. O'MAHONEY. I think that Lynchburg has had some.

Mr. GLASS. If it has had, it ought to be ashamed of itself, as any other city ought to be.

Mr. ADAMS. I think, Mr. President, we will move off to some other State and get away from Virginia, Wyoming, and Colorado.

Mr. O'MAHONEY. What has been stated was my understanding of the effect of the amendment.

Mr. ADAMS. By way of illustration, if the Public Works Administration should make a grant of $300,000 for a project which might cost a million dollars, it would be left for the municipality, or the city, or the county, or the water district, or whatever type the organization might be, to borrow the additional $700,000. If the grant was to a smaller project, a hundred-thousand-dollar project, $45,000 could be loaned, and it would be left for the beneficiary to provide the $55,000.

No provision is made by the bill in reference to the making of additional loans. The Public Works Administration may continue to use all its funds for loans or may use up to $300,000,000 for grants and loans.

I think, Mr. President, that covers the substantial features of the bill as reported to the Senate.

The Senator from New York [Mr. WAGNER] inquires how much the Public Works Administration has available? I do not know the full extent, but they do have available $450,000,000; that much I know. I understand that there are certain projects in process of completion which will run on through the year, but there are in the form of available securities and securities about to be available $400,000,000 and $50,000,000 of cash.

Mr. WAGNER. Does that include the $300,000,000 to which the Senator has referred?

Mr. ADAMS. That includes the $300,000,000 as a conversion of securities into cash, and making it available for grants where it is now only available for loans.

Mr. GLASS. Mr. President, the chairman of the subcommittee [Mr. ADAMS] has made an exceedingly clear explanation of the changes the Appropriations Committee has made in the House bill except that he has omitted something which I undertook to explain to the committee, but which ought not to need any explanation anywhere.

I voted against the so-called grant or gift of so-called Federal funds to States or communities. It is a misnomer. It is not a grant. The Federal Treasury has not a dollar and never has had a dollar that it does not have to pick out of the pockets of the taxpayers of the country. When a city, whether in Colorado, Wyoming, Virginia, or elsewhere, is given a grant, the impression is produced upon the people of that city that they are getting something for nothing; that they are getting something which they do not have to pay back. Some States and some cities are getting something which they do not have to pay back, but just in the measure that a city or a State has wealth of any sort it has to pay back every dollar, not only of the alleged grants to itself, but it has to help pay back grants to States and cities which do not pay any taxes and which will not have to pay back any of the grants.

This matter of grants has induced States and subdivisions of States to tax their every ingenuity to trump up useless projects upon which the funds of the taxpayers may be expended; to trump them up under the popular impression that they are getting something for nothing; that they are getting a gift from the Federal Government. They are simple enough not to know that they have to pay back to the Federal Government in the shape of taxes every dollar of the loan, every dollar of the grant as well as the loan. After the election is over they will find it out.

Mr. ADAMS. Mr. President, I should like to submit for the RECORD a statement in reference to the Public Works Administration prepared and sent to me by Mr. E. H. Foley, Jr., director of the legal division of the Public Works Administration, giving his interpretation of the provision.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT

The purpose of the provision relating to the Federal Emergency Administrator of Public Works is to authorize the Administrator, upon the direction of the President, to use any funds now available to the Administrator for any purpose under existing law for the making of grants and loans and grants under this provision to aid in the financing of projects capable of being substantially completed, in the determination of the Administrator, not later than June 30, 1937. In addition to these funds available to the Administrator, the Administrator is authorized to use funds (not exceeding $250,000,000) hereafter received from the Reconstruction Finance Corporation pursuant to Public, No. 412, Seventy-third Congress, for grants alone or grants made in connection with loans for such projects.

The provision is not intended to disturb the use of the revolving fund for loans as authorized under Public, No. 412, or under the Emergency Relief Appropriation Act of 1935 (Public Resolution 11, sec. 12, 74th Cong.), but its purpose is to permit the Administrator to use for grants moneys now available to him under previous appropriations, including the moneys now in the revolving fund, and up to $250,000,000 of moneys hereafter added to the revolving fund.

It is estimated, therefore, that the Administrator will be able to make grants amounting to $250,000,000 from moneys hereafter received from the Reconstruction Finance Corporation plus $50,000,000 from unobligated balances now available to him, and such additional amounts, if any, as may be made available by the release from commitment of unexpended funds.

The provision confers supplemental and additional powers upon the Administrator and does not curtail any of his powers or functions under existing law.

Mr. BYRD. Mr. President, can the Senator from Colorado [Mr. ADAMS] enlighten me as to certain unexpended balances which I am informed remain to the credit of the Public Works Administration? I have a memorandum from the Budget Director that on April 30 there were unexpended balances to the credit of relief and public works to the extent of $2,488,000,000, and that of that amount $750,000,000 had not been obligated. The balance had been obligated but was unexpended.

Mr. ADAMS. Mr. President, the Director of the Budget submitted to the House committee a statement in reference to unobligated and unexpended balances. His statement which was there made was as of the 31st of March 1936. The hearings before the House committee were in progress shortly after that time. The figures which he then gave as to the Public Works Administration were that there was then available $751,000,000. That was the figure as of that date. The estimate which he made was that for the fiscal year 1937 there would remain available $500,000,000.

Mr. BYRD. The Senator is referring to the unobligated amount. I am speaking of the unexpended balance as well.

Mr. ADAMS. The total unexpended in the Public Works Administration as of that date was $893,000,000. In the Works Progress Administration the total funds made available were $1,397,000,000. Of that the estimated expenditures up to the end of the fiscal year would be $1,350,000,000 with the estimate that only $47,000,000 would remain unexpended and unobligated at the end of this fiscal year. These figures appear at pages 426 and 438 of volume II of the House hearings.

Mr. BYRD. I do not think the Senator has included the items the Director of the Budget has given to me. I asked the Director of the Budget for all the funds under the head of relief which were unexpended as of April 30, and likewise the funds under public works, which includes the loans and grants to States and municipalities, which had not been expended, the loans to railroads for construction which had not been expended, funds for public highways, river and harbor work, Rural Electrification Administration, Works Progress Administration, and all others. The total of those unexpended balances he gave as $2,488,000,000. Of that amount $750,000,000 had not been allocated.

Mr. President, a few days ago I addressed a letter to the Director of the Budget asking for certain information with reference to appropriations and deficits. I ask the privilege of having the clerk read the letter which I received from the Director of the Budget so that it may appear in the RECORD.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

BUREAU OF THE BUDGET,
Washington, May 23, 1936.

Hon. HARRY F. BYRD,
United States Senate, Washington, D. C.

MY DEAR SENATOR BYRD: I have your letter of May 16, 1936, requesting (1) a statement of unexpended balances of any appropriations that relate to emergency relief or expenditures which result in employment; (2) a statement of the Federal income for the fiscal years 1933, 1934, 1935; (3) the expenditures and deficits for the same period; and (4) estimates for the fiscal years 1936 and 1937.

It is not possible to furnish you with an accurate statement of the unexpended balances of each of the emergency appropriations, except for the relief appropriation of $4,880,000,000, the accounting for which is centralized in the Treasury, without a great deal of effort and a delay of possibly more than 2 weeks in furnishing an answer to this question. There is, however, enclosed a statement showing, among other things, the total unexpended balances of the various emergency appropriations combined, as of April 30, 1936. This statement will also show the unobligated balances under each of the emergency appropriations, which it seems to me are the proper figures to be used in any discussion of this matter. There is also transmitted a summary report of the status as of April 30, 1936, of the appropriation provided in the Emergency Relief Appropriation Act of 1935, approved April 8, 1935. Table 2 of this report shows the unexpended and unobligated balances of allocations made to the various organizations of the Government from this appropriation. For your further information I am submitting a similar report showing the status of this appropriation as of May 10, 1936, which is the latest information available as to this appropriation.

As to the Federal income, expenditures and deficits for the fiscal years 1933 to 1937, inclusive, there is set forth below a table furnishing this information.

Fiscal year—	Receipts	Expenditures	Deficit
1933	$2,079,696,742	$5,142,953,627	$3,063,256,885
1934	3,115,554,050	7,105,050,085	3,989,496,035
1935	3,800,467,202	7,375,825,166	3,575,357,964
1936 (estimated)	3,949,043,334	9,915,709,874	[1] 5,966,666,240
1937 (estimated)	5,596,917,650	8,272,554,370	[1] 2,675,636,720

[1] Based upon estimates contained in the 1937 Budget, adjusted as indicated in the following paragraph.

The estimated receipts for the fiscal year 1936 are adjusted to show the loss in processing taxes during that year because of the Supreme Court decision on the Agricultural Adjustment Administration, while the expenditures for 1936 contain a revised estimate of the Agricultural Adjustment Administration expenditures and include the entire cost, amounting to $2,237,000,000, of the adjusted-compensation payments to be made to veterans. The estimate of receipts for the fiscal year 1937 has been adjusted to show the loss in processing taxes due to the Supreme Court decision and include an estimate of additional revenue expected under the pending tax bill as passed by the House of Representatives. The estimated expenditures for the fiscal year 1937 also include the revised estimated expenditures of the Agricultural Adjustment Administration and the anticipated expenditures under the pending relief bill. The adjusted estimates for the fiscal years 1936 and 1937 furnished herewith are in accord with the adjusted deficits for those years furnished the Senate Finance Committee by the Secretary of the Treasury in his recent testimony on the pending tax bill.

Very truly yours,

D. W. BELL, *Acting Director.*

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator from New York.

Mr. COPELAND. Has the Senator been able to interpret these figures, to know what they mean?

Mr. BYRD. Yes; I shall try to explain them to the Senate.

Mr. COPELAND. I shall be glad if the Senator will.

Mr. BYRD. Mr. President, I am astonished to discover, and I think many will share my feeling, that in the fiscal year beginning July 1 next the Administration proposes to spend $600,000,000 more for ordinary expenses and for relief than for the present fiscal year. With improving conditions, I and nearly all other citizens expected a reduction in the colossal spending program.

The Budget Director says that for the current fiscal year we shall spend $9,915,709,874, less bonus, $2,237,000,000, net for ordinary expenses and for relief $7,678,709,874. For the current fiscal year our deficit will be approximately $6,000,000,000. For the appropriation year starting next July the Federal Government proposes to spend $8,272,554,370, an increase of nearly $600,000,000 over the present year. This means that we shall spend nearly $1,000,000,000 more than in 1935, and $3,000,000,000 more than in 1933; yet conditions today are greatly improved, and the need for relief and governmental expenditures much less than in these previous years.

Even after including the revenue expected from the House bill, the deficit in 1937 is estimated by the Budget Director to be $2,675,636,720, and this does not include the flood-control bill and other appropriations recently enacted.

The Budget Director also advises me that on April 30 for relief and public works we had unexpended $2,488,000,000, and of this amount $750,000,000 was not obligated; yet Congress is being asked to pass another heavy relief bill, notwithstanding the balances on hand.

In 1937 we shall collect in taxes $1,600,000,000 more than in 1936, and still the deficit continues in an alarming amount.

Mr. President, I ask that there be incorporated in the RECORD, as a part of my remarks, a list of the unexpended balances now in the Federal Treasury.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Without objection, it is so ordered.

The list is as follows:

Statement showing the total amounts appropriated and allocated for recovery and relief, the unexpended balances thereunder, and the unobligated balances distributed by appropriations as of Apr. 30, 1936

	Total appropriated and allocated	Unexpended balance daily Treasury statement	Obligations outstanding against Treasury cash balance	Total unobligated balances	Distribution of unobligated balances					
					Specific	National Industrial Recovery Act, June 16, 1933	Emergency Relief and Public Works Act, June 19, 1934	Drought Relief Act, June 19, 1934	Emergency Relief Appropriation Act, Apr. 8, 1935	Reconstruction Finance Corporation funds
Agricultural aid:										
Agricultural Adjustment Administration	360.1	149.8	16.9	132.9	132.9					
Commodity Credit Corporation	492.4	208.3	145.7	62.6						62.6
Farm Credit Administration	626.4	238.7	57.7	181.0				22.1	28.0	130.9
Federal Farm Mortgage Corporation	200.0									
Federal land banks:										
Capital stock	125.0	3.1		3.1	3.1					
Paid-in surplus	145.0	45.9	1.5	44.4	44.4					
Reduction in interest rates on mortgages	89.0	15.9	5.5	10.4	10.4					

Statement showing the total amounts appropriated and allocated for recovery and relief, the unexpended balances thereunder, and the unobligated balances distributed by appropriations as of Apr. 30, 1936—Continued

	Total appropriated and allocated	Unexpended balance daily Treasury statement	Obligations outstanding against Treasury cash balance	Total unobligated balances	Distribution of unobligated balances					
					Specific	National Industrial Recovery Act, June 16, 1933	Emergency Relief and Public Works Act, June 19, 1934	Drought Relief Act, June 19, 1934	Emergency Relief Appropriation Act, Apr. 8, 1935	Reconstruction Finance Corporation funds
Relief:										
Federal Emergency Relief Administration (including Federal Surplus Commodities Corporation)	3,082.5	30.6	22.2	8.4					8.4	
Civil Works Administration	826.7	9.6	8.0	1.6	1.6					
Emergency Conservation work	1,341.7	136.9	73.8	63.1	.7	3.0			59.4	
Department of Agriculture, relief	85.3	2.1	2.1							
Public Works (including work relief):										
Boulder Canyon project	72.4	21.2	14.3	6.9		2.0			4.9	
Loans and grants to States, municipalities, etc.	914.5	606.6	581.4	25.2					25.2	
Loans to railroads	192.1	182.0	182.0							
Public highways	1,193.5	432.6	277.1	155.5					155.5	
River and harbor work	479.8	135.0	123.9	11.1		.6	.4		10.1	
Rural Electrification Administration	10.5	9.6		9.6					9.6	
Works Progress Administration	1,409.8	496.4	250.6	245.8					245.8	
All other	1,221.7	425.7	202.4	223.3	18.1	55.1	3.0		147.1	
Aid to home owners:										
Home-loan system:										
Home loan bank stock	125.0	26.5	.3	26.2						26.2
Home Owners' Loan Corporation	200.0									
Federal savings and loan associations	50.0	.1		.1	.1					
Emergency housing	133.5	103.7	31.4	72.3		.3			72.0	
Federal Housing Administration	40.0	11.9	.5	11.4						11.4
Resettlement Administration	257.0	161.0	78.2	82.8		2.3			80.5	
Subsistence homesteads	6.7	.3	.3							
Miscellaneous:										
Export-Import Banks of Washington	36.3	16.6	15.5	1.1		1.0				.1
Federal Deposit Insurance Corporation	150.0									
Administration for Industrial Recovery	24.4	.1	.1							
Reconstruction Finance Corporation, direct loans and expenditures	3,800.6	1,694.0	778.2	915.8						915.8
Tennessee Valley Authority	75.0									
Subtotal	17,736.9	5,164.2	2,869.6	2,294.6	211.3	64.3	3.4	22.1	846.5	1,147.0
Unallocated	19.7	19.7		19.7		3.9	5.4	.1	10.3	
Warrants pending approval	20.4	20.4		20.4					20.4	
Total	17,777.0	5,204.3	2,869.6	2,334.7	211.3	68.2	8.8	22.2	877.2	1,147.0

The PRESIDING OFFICER. The clerk will state the first amendment passed over in title II.

The first amendment passed over in title II was, on page 27, after line 18, to strike out the subhead "Works Progress Administration."

The amendment was agreed to.

The next amendment was, on page 27, after line 19, to strike out:

To continue to provide relief, and work relief on useful projects, in the United States and its Territories and possessions, by the Works Progress Administration, $1,425,000,000, to remain available until June 30, 1937 (except as herein otherwise authorized).

And in lieu thereof to insert:

To continue to provide relief and work relief on useful projects in the United States, and its Territories and possessions, $1,425,000,000, to be used in the discretion and under the direction of the President, together with the combined unexpended balances of funds heretofore made available to the Works Progress Administration, which are hereby reappropriated for such purposes under the provisions of the Relief Act of 1935, to remain available until June 30, 1937 (except as herein otherwise authorized).

The amendment was agreed to.

The next amendment was, on page 28, line 19, after "(f)", to strike out "white collar projects" and insert "assistance for educational, professional, and clerical persons", so as to read:

(f) Assistance for educational, professional, and clerical persons, $85,500,000.

The amendment was agreed to.

The next amendment was, on page 28, line 23, before the word "and" where it occurs the second time, to strike out "rural rehabilitation" and insert "loans"; and in line 24, after the word "farmers", to insert "and livestock growers", so as to read:

(j) loans and relief to farmers and livestock growers, $85,500,000.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Colorado what is the effect of striking out the words "rural rehabilitation"?

Mr. ADAMS. Not very much, if it has any particular effect. I should not attempt to interpret it.

Mr. LAFOLLETTE. If the Senator knows, what was the object of the committee in striking out that language?

Mr. ADAMS. I am unable to answer directly as to what was the intention of the members of the committee or of the Member who offered the amendment. The suggestion was that loans ought to be definitely specified, and that "relief to farmers" was broad enough to include practically everything which had been undertaken; but I do not pretend to put a personal interpretation on those words.

Mr. LA FOLLETTE. I am very anxious to know what the effect of striking them out will be upon the program of the Resettlement Administration.

Mr. GEORGE. Mr. President, may I ask the Senator from Colorado if it was intended to discourage further expenditures by the Resettlement Administrator? The fact that the words are striken out naturally raises that inquiry; or is it the opinion of the committee that the Resettlement Administration may proceed under the broader powers of the bill, notwithstanding the elimination of this particular language?

Mr. ADAMS. I can only give to the Senator my own view of the words. That is, that there is a more definite specification of powers in the bill now than under the more vague term "rural rehabilitation." That is, the word "loans" has been substituted—a word which has a very definite meaning. "Rural rehabilitation" is a term of rather indefinite signification to me.

Mr. LA FOLLETTE. Mr. President, if no definite purpose is to be accomplished by striking out these words with respect to some phase of the program, I hope the committee amendment will be rejected.

I realize that a great deal of criticism has been directed against the activities of the Resettlement Administration. In my opinion, a large amount of that criticism is not justified when the facts are all known. Be that as it may, however, every Senator must realize that we are confronted in this country today with one of the gravest problems which any nation has had to face in all history. The problem is to turn back the tide of evil results flowing from profligate and wasteful use of our soil resources. This phase of the pro-

gram of the Resettlement Administration, if that is what is aimed at in this amendment, is, to my mind, one of the things which in the end may prove to have been one of the most constructive steps this Government has taken in a great many years.

We have today in this country over 100,000,000 acres of land which has been rendered absolutely worthless for farm purposes by the manner in which we have used the soil. The loss this country is incurring from year to year in soil resources is conservatively estimated to be in excess of $400,000,000. So I sincerely trust this amendment is not aimed at the efforts, feeble and experimental though they may be, that are now being made in an attempt to meet the problem which generations of wasteful and profligate use of our most precious resource have now brought upon us.

The history of many civilizations that have gone down in the past proves that their collapse was due to wasteful use of soil resources.

Today in this country we are in a situation where, instead of curtailing our activities in this direction, we ought to be mobilizing the resources of the Nation in order to stem the tide of the destruction of our soil resources, to the end that we may transmit to the oncoming generations the heritage which we received, impaired though it was, from the generation which preceded us.

Despite all of the political attacks made upon R. A. and all of the prejudiced criticisms which have been leveled at the Resettlement Administration, when history comes to evaluate the efforts of this administration, in my opinion, this beginning which has been made in an effort to find a solution for the problem of the preservation and restoration of our soil resources will stand out as one of the most significant and constructive which it has undertaken.

Therefore, Mr. President, feeling, as I do, that this problem is of paramount importance, feeling, as I do, that we are trustees for the oncoming generations in this country, and that it is our duty in that light to protect and to preserve one of the most important resources in the gift of nature, I believe we should have a sound and a legitimate reason for action in respect to the amendment which is now pending before the Senate.

Personally, I trust that the committee amendment will be rejected. Under action already taken the resettlement program will be tremendously curtailed. Already it is evident that the rural population of this country is to have as a maximum out of this $1,500,000,000, $85,000,000 to be devoted to direct relief in agricultural areas, and to the further carrying on of this program in an effort to stem the wasteful use of our soil resources.

Therefore, while I am reluctant to see this program curtailed in its operations, so far as the total amount of money which may be available for it is concerned, I sincerely hope we will not eliminate language from the pending measure which will prevent this constructive side of the program being carried forward, and further improvement in it accomplished through experience which will come as a result of the efforts which have been made thus far.

Mr. ADAMS. Mr. President, I recall the attention of the Senator from Wisconsin to the fact that we are dealing fundamentally with a House bill. The amendments we are making are to the House bill. In the House the chairman of the Committee on Appropriations said that of the money provided by the bill not one dollar would be available to the Resettlement Administration. That is the bill we are seeking to amend. If we are making any changes, I am not sure but that the changes are along the line of the wishes of the Senator from Wisconsin. I am merely calling his attention to the bill as it came to us, and to the fact that we are dealing with a bill as to which the chairman of the House Committee on Appropriations made the statement which I have repeated. So that we are now broadening, if anything, the terms of the measure.

Mr. POPE. Mr. President, a few moments ago I made inquiry of the Senator from South Carolina [Mr. BYRNES] with reference to this language, and it was his interpretation that as "rural rehabilitation" was stricken out and "loans and relief to farmers and livestock growers" was inserted, that did give to the Resettlement Administration the right to make loans and grant other relief, except to purchase land. Is that the understanding of the Senator from Colorado?

Mr. ADAMS. I may say to the Senator from Idaho that I think the amendment which has been offered by the Senate committee is a relaxation of the limits put upon the activity in the House and a broadening of the powers.

We had before us Mr. Hopkins, who said that under his program he never made a loan. He said, "I make only grants." Here is a broadening of the authority which he has exercised. We have taken this and put it in the hands of the President, and if we may, as we doubtless can, believe the press comments the President has said at a press conference, "I propose out of the measure to take care of the resettlement situation."

Mr. POPE. I was advised by representatives of the Resettlement Administration that under the language as it came from the House, "rural rehabilitation and relief to farmers", no part of the money could be used for the resettlement program.

Mr. LA FOLLETTE. Mr. President, the House bill provided for appropriating the entire fund to W. P. A. This fact was no doubt the basis for the statement made by the chairman of the House committee that no money was available for R. A. I am not resisting the insertion of the word "loans." I am in favor of it. I am resisting this amendment to strike out "rural rehabilitation." I think the language should read "rural rehabilitation, loans, and relief to farmers and livestock growers."

Mr. POPE. Mr. President, I was advised that the use of the words "rural rehabilitation" would not permit the Resettlement Administration to carry on any part of this program, that rural rehabilitation would be carried on by the Department of Agriculture in some other way, but it would not permit the present resettlement program to be carried on in any particular. I was advised by the Senator from South Carolina, as I suggested a moment ago, that the Resettlement Administration could make loans and grant other relief to livestock growers under the new language, but could not under the language as it came from the House.

Mr. LA FOLLETTE. Mr. President, the Senator is mistaken, I believe. The words "rural rehabilitation", if included, will permit carrying on work of that type.

I think the committee has made a very important and valuable contribution in inserting the words providing for loans. I certainly am not desirous of defeating my own ends by resisting that language. "Rural rehabilitation" is a term which will include the activities which I have had in mind, namely, the effort to take some of the exhausted acreage which is now by this further cultivation helping to bring about an exhaustion of soil resources, to return it to a suitable public use, and to obtain for the farmers who are now situated on this worn-out land acreage upon which they may have an opportunity to provide themselves with an income sufficient to maintain them without relief assistance in the future.

Mr. TYDINGS. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LA FOLLETTE. I am glad to yield.

Mr. TYDINGS. May I ask, for information, whether or not it is the Senator's conception of the matter that the land which is to be improved in its soil fertility, and prevented from erosion, is now owned by private individuals?

Mr. LA FOLLETTE. Mr. President, I have not looked into this matter recently, but, as I understand it, about 9,000,000 acres have been taken out of production, acreage which was found to be no longer suitable for agricultural purposes because the soil had been so completely exhausted that crops could no longer be produced in sufficient amounts to make it possible for the farmers to exist without help from Federal or local agencies. About 9,000,000 acres have been taken out of agricultural production and have been restored to reforestation and other purposes to which they are now suitable. The farmers who were attempting to operate on that land have been established on other acreage which is productive,

where they will have an opportunity to become self-sustaining again.

Mr. TYDINGS. Mr. President, I was particularly directing my inquiry to whether or not, if this money is spent for the purposes outlined by the Senator, it will be spent upon land the title to which is now in individuals, or in the States, or in the name of the Federal Government.

Mr. LA FOLLETTE. As I understand, this 9,000,000 acres was purchased from individual owners. There were secured other lands, in other places, where the soil was more productive, and the title to the 9,000,000 acres thus purchased from private individuals came to the Federal Government; then that land was restored to forest uses or other public purposes to the end that erosion and the waste of the soil fertility could be checked and the soil eventually restored.

Mr. TYDINGS. The Senator perceives the purpose of my question. It would be one thing to spend this money on land the title to which was in the Federal Government and another thing to spend the money on land the title to which was in individuals, because it would be equivalent to the Federal Government repairing houses in the cities without any contribution on the part of the owners of the said houses. I think that language ought to be written in the bill, if the amendment is retained, to prevent the expenditure of any of this money on land to which the Federal Government does not own title. Otherwise, it might be expended to improve the quality of the soil owned by some individuals; and thus, where one farmer would buy fertilizer to improve the quality of his farm, another one would have the quality of his farm improved by an expenditure made by the Federal Government. I think safeguards ought to be thrown around the amendment, if it is to be retained, so that none of the money provided for shall be expended on any land save that to which the Federal Government holds title.

Mr. GLASS. Mr. President, the Senator from Wisconsin seems to have so soon forgotten that about 2 weeks ago the Congress enacted a bill appropriating $450,000,000 for soil conservation, and that the bill now under consideration carries the sum of $128,000,000 for soil conservation.

Mr. LA FOLLETTE. The 100,000,000 acres I have mentioned are in such an exhausted and depleted condition that the rotation of crops and other features of the program that is contemplated under the Soil Conservation Act cannot rehabilitate them. This land has been so exhausted that about all that can be done with it now is to restore it by reforestation and planting it to grass. Therefore I am against this amendment, which would result in preventing the resettlement program from being carried on, or such portion of it as could be carried out under the limitation of funds provided by the committee. We should not waste the experience that has been had in this field. We should not halt the progress which is being made under this very important program which seeks to check soil depletion and to restore the farmers who are in this unfortunate position to a situation where ultimately they will be able to take care of themselves and will not be in need of rural relief.

Mr. GLASS. Mr. President, as a matter of fact it is my interpretation of the amendment that it will not permit further purchases of land by the so-called Resettlement agency, which has no statutory status whatsoever. We were told by Professor Tugwell that he was contemplating the purchase of a million acres of land in a single State. I do not think he could do it under this particular amendment. It may be that under title II, which puts into the hands of the President of the United States nearly one and one-half billion dollars, the President may allocate to Professor Tugwell a sufficient amount of money to engage in such vagaries as purchasing 100,000,000 acres of land in a single State, but he cannot do it under this amendment. Therefore, I hope the amendment will remain in the bill.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. WHEELER. I wish to call the attention of the Senator from Virginia to an existing situation.

The Government of the United States already owns, in some of the Western States, irrigation projects which are not fully settled up. By reason of the drought in South Dakota and in eastern and western North Dakota and in various other sections, farmers located there are in difficult circumstances; and as a matter of economy to the Government of the United States those farmers should be taken off the lands on which they are now located and put on some of the irrigation projects on which they can make a living.

That is a project which has been talked about for many years. I do not know anything about the program of having the Government buy more land, but I do know that the railroads in the Northwest have been cooperating in an effort to get people off some of the poor lands which were taken up a few years ago, and getting them on smaller tracts of irrigated land, and in that way making the people self-supporting.

Unfortunately, a few years ago in the Northwest Territory there were brought out a great many persons who were placed on lands which never should have been settled for farming purposes. Those lands should have been left entirely as grazing lands. However, through the advertisements which were placed in the newspapers, and the propaganda that was carried on at that time, a large number of persons were placed on those lands. They never should have been placed there. The persons on those poor lands can raise a wheat crop only once in 3 or 4 years. Therefore the Government has been obliged to give them relief. It would be very helpful not only to the Government but to the citizenry of the United States as a whole if some way could be devised in the rural-rehabilitation program whereby those persons could be moved off of the poor lands and put on irrigated lands on which they could be self-supporting.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. TYDINGS. I desire to point out to the Senator from Montana that under the wording of the bill, as proposed by the committee, the situation he envisages could be carried out, for the bill reads:

> Loans and relief to farmers and livestock growers, $85,500,000.

So "loans and relief to farmers" certainly would be broad enough to take care of the situation he pictures.

Mr. LA FOLLETTE. Mr. President, such is not the fact. It is true that loans could be made to the people the Senator from Montana has been describing. It is true that they could be given direct relief. However, if the words "rural rehabilitation" shall be stricken out, it will end the program for transferring persons from these exhausted lands and obtaining an opportunity for them to make a new start, just as the pioneers did during the time when free lands were available. In the past, when farmers exhausted the land, there was plenty of good free land left. They moved West, and took up new land when the old land was exhausted. Now the frontier is closed. For the farmers who are living on these 100,000,000 acres of exhausted land no free land can be open without the assistance of the Government. I contend that in the last analysis it is the cheapest course for the Government to take, if one desires to look at the matter from the pure, hard, cold dollars-and-cents point of view, because, so long as the farmers stay on this exhausted land they are going to be in a situation where they will have to have relief in the form of money, either from the Federal Government or from the local governments, or from both. In the last analysis, the only way in which we can permanently solve the problem that confronts the farmers upon those 100,000,000 acres of exhausted land is to open up new land for them, and to give them another start.

Mr. GLASS. Mr. President, does not the Senator recall that the chairman of the subcommittee has stated to him that the chairman of the Appropriations Committee of the House of Representatives stated very definitely on the floor of the House, and it has been printed in all the newspapers, that the words "rural rehabilitation" do not authorize the expenditure of a dollar on the thing he is now suggesting?

Mr. LA FOLLETTE. Such was no doubt the case when the House bill appropriated all the money to W. P. A. Under the Senate bill, if the part of the committee amendment which provides for striking out the words "rural rehabilitation" is rejected, and the part of the amendment which provides for the insertion of "loans" is accepted, the resettlement program can go on.

If I may say just a word more about this subject, Mr. President, I should like to have Senators for a moment endeavor to forget the prejudices which have been created in their minds by the attacks which have been made upon this program. In the northern part of Wisconsin we had great timber resources. They were stripped off by the lumber companies. Then the land agents of the lumber companies advertised and offered cheap transportation. They took people into those northern counties and got them to buy the land from the lumber companies. People went on those lands, some of the lands not being suited to agriculture. In many instances failure was inevitable. What happened? Those communities nevertheless are compelled to provide schools, to provide roads, to provide all the facilities of government which are in the sum total measured in the tax bill of the community and the county as a whole.

Those areas can once more be restored by forestation and reforestation, and the tax burdens upon those communities can be relieved. In some places schools and roads are maintained for one or two families, because they are in these isolated areas unsuited for farming. In the last analysis, the taxpayer foots the bill.

In Wisconsin we feel that we have taken some steps forward. We have provided for the zoning of counties, in order that their uses may be scientifically determined and so that people may be removed from the exhausted lands and an opportunity given to them to start elsewhere, and thus the local communities be relieved of the terrific tax burden of providing roads and schools and other services of government which are so expensive.

However, this program cannot be carried on alone by the counties or by the States; assistance must be had from the Federal Government. I say again, I reemphasize and repeat, that in the last analysis this will prove to be the cheapest method, if we wish to measure the cost in the terms of cold, hard dollars and cents; for so long as these farmers continue their effort to subsist upon land which has become exhausted and which under the most frugal and scientific kind of management will no longer provide a living for them and their families we shall have a rural relief problem, and we will continue to have a relief problem, so far as such individuals and their families are concerned, so long as they have to live upon land of the character described.

A great deal of thought has been given to this program; and though many epithets have been hurled at it by individuals and by the newspapers and by men in public life, yet I say again, Mr. President, that the wasteful use of soil resources can be assigned as an important factor in the decline of most of the past civilizations during the recorded history of the world.

Nature is slow to punish. We had perhaps the greatest endowment of resources that any nation has ever known. Pioneers came into this country; they thought that its resources were unlimited and they were prodigal in their use of the soil. Throughout New England, the South, and nearly every other section of the country the abandoned farms tell the story of the first resettlement and rural rehabilitation problems in this country; but the farmers of the East could "solve" their problem by leaving it behind them. The frontier was still open and all they had to do was to gather their families, pack their tools, harness their oxen, start westward, and take up new lands on the frontier across the Alleghanies. Those lands were so vast and unlimited in extent that they did not even wait, in many instances, to cut down the trees; they burned the virgin timber, little realizing that by that process they were destroying the humus of the soil which it had taken over 400 years to provide. As that land became exhausted, they pushed westward again and again and again, until finally the frontier of this Nation touched the Pacific Ocean.

Then, Mr. President, came the World War and the demand for wheat. We put the grasslands to the plow in that great stretch of territory which reaches from the northern Montana boundary on the north to the panhandle of Texas on the south. We not only put it to the plow but we put it to the gang plow drawn by batteries of tractors operating day and night. It was harvested by the combines. All in an effort to help win the war by producing more wheat. Breaking those grass lands, Mr. President, was the blow which caused nature to speed up her relentless punishment for the abuse of her bounty. Breaking the grasslands broke the cover, subjected it to high winds and to heat and reduced the rainfall until such a condition has now been brought about that those upon the Atlantic seaboard in this country should be impressed with the fact that nature, for the profligate waste of our resources, is beginning to take its toll at a dear price from this generation. For the past two summers the dust blowing out of the panhandle of Texas and the former grasslands of Oklahoma and other States has soiled the furniture in the households of those living along the Atlantic seaboard.

Fun has been poked at this program of resettlement by those too stupid or too blind to care about the future. Nevertheless, it is a constructive effort. Mistakes have been made, it is true. It would be too much to expect that the mistakes made in 300 years could be corrected overnight and without error. I say that, taken as a whole, the program is constructive. It is a sincere effort to turn back the tide of destruction brought about by the profligate waste of soil resources that has gone on in this country ever since the Pilgrims first landed upon Plymouth Rock. To abandon that program now would be a tragic mistake. I therefore ask, Mr. President, that we may have the committee amendment divided, and I sincerely hope that the first part of the amendment which proposes to strike out the words "rural rehabilitation" will be rejected.

The PRESIDING OFFICER. Is there objection to dividing the question? The Chair hears none, and the question is on the first branch of the amendment to strike out the words "rural rehabilitation."

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

The PRESIDING OFFICER. The question is on the first branch of the committee amendment on page 28, line 23, proposing to strike out the words "rural rehabilitation."

Mr. FRAZIER. Mr. President, it seems to me that it is very unfair to strike out the provision for rural rehabilitation and insert the word "loans." When loans are made, of course, they are made on security, while a great deal, at least, of the rehabilitation and resettlement work is for the benefit of farmers who have no security. The resettlement work has been taking care of many farmers throughout the United States who were taken off the relief rolls when the P. W. A. was started and made direct loans or grants to them.

Eighty-five million five hundred thousand dollars would not even allow loans or grants of that kind, as I understand. In other words, the farmers of this Nation, under this bill, are given $85,500,000 for loans, and the remainder of the appropriation of $1,339,500,000 goes for useful work projects, and under such work projects, according to the present plan at least, the farmers who may be just as badly in need of work as are those who are employed in the cities and towns are not included. I say it is hardly fair to allow $85,000,000

for a quarter of the people of the United States, those who work on the farms and produce food and other necessities which the people must have—and produce them most of the time at a loss—and to allow the remainder of the people on work projects $1,339,000,000.

I am very much interested in the work the Resettlement Administration has been doing, because they have done some excellent work in my home State, and I know they have been doing good work in other States. When the seed-loan question came up a few weeks ago the Resettlement Administration finally had to make arrangements to take care of the farmers who were on what they termed "grants" during the winter months or practically on relief. They told us, at that time, that last winter they had been taking care of 150,000 farm families throughout the United States.

I have a statement here from the Administrator of the Resettlement Administration dated May 18. I have taken up this question with him, and he finally wrote me a letter. I wish to read a paragraph or two and give some of the figures which he sets forth in his letter. He says that—

> There has been delegated to the division—

He means the Resettlement Administration—

> the responsibility for performing a number of services for destitute and low-income farm families by loans, grants, and debt adjustments. By June 30—

That is June 30 of this year, the coming June 30—

> including $17,000,000 authorized from funds of the Rural Rehabilitation Corporation previously granted to the States by the Federal Government under the Emergency Relief Appropriation Act of 1933 there will have been expended in excess of $125,000,000—

Mr. President, the Resettlement Administration is spending for this year, the year ending June 30 next, $125,000,000, and all they are granted under this bill is $85,500,000 for loans. Recurring to the Administrator's statement:

> There will have been expended in excess of $125,000,000, of which approximately $108,000,000 will be for loans and the balance for grants. Almost $90,000,000 of these amounts have already been paid to destitute and low-income farmers. It is further estimated that, at an administrative cost of less than 2 percent of the total indebtedness involved, debts of 30,000 farmers will have been adjusted, with scale-downs in excess of $25,000,000, or 27½ percent of the original indebtedness.

Mr. President, that work alone performed by the Resettlement Administration is worth while. They have scaled down for 30,000 farmers in 1 year 27½ percent of their indebtedness and have adjusted the debts of others and allowed those farmers to stay on their land and continue to carry on. That is worth while.

> Making allowance for duplications more than 700,000 farm families will be aided through the rural rehabilitation program this year, as follows.

Then he gives the various standard loans, and so forth.

More than 700,000 farm families will be taken care of. A total of $85,500,000 for 700,000 farm families would make $122 per farm family for the coming year. That is not enough to take care of a family which is down and out. I had a telegram from one of the counties in the southwestern part of my State a day or two ago stating that the situation is getting worse. It is in the drought territory, where dust storms are again occurring. The grasshoppers are beginning to hatch out. It is said a thousand farm families in that county must be taken care of; and if the Resettlement Administration cannot take care of them, then some other provision must be made. I was told that taxes are not being paid, that the county is broke. It is a serious situation, not only in the drought area in North Dakota but in the drought areas in all the other States.

When the seed-loan bill was under consideration the Resettlement Administration made the statement that they were taking care of 150,000 farm families throughout the United States. Eighty-five million dollars is not enough and does not begin to be enough to take care of the situation.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. FRAZIER. Certainly.

Mr. LEWIS. Will the Senator from North Dakota, if it does not impose upon him too much, give some detail? What is the procedure or the method pursued in the resettlement work? What is done that resettles those in distress, and by what methods?

Mr. FRAZIER. In many instances where farmers, because of poor crops and low prices, have been unable to meet their payments on their mortgage indebtedness the Resettlement Administration has made adjustments for them, has persuaded the creditors to scale down the indebtedness. In the 30,000 cases which they readjusted the creditors were persuaded to scale down the amount of the indebtedness 27½ percent of the original debt, and arrangements were made to refinance the farmers so they could carry on.

Mr. LEWIS. But on the same land?

Mr. FRAZIER. Yes; on the same land. In other cases, where the land was so poor that officials of the Resettlement Administration did not feel the farmers could profitably proceed and make a living, the farmers have been moved to some other location and have been financed. If they did not have anything they were loaned money to buy a team of horses and a cow or two and a little machinery. It was believed it was much cheaper to take care of them in that way, giving them a chance to make a living, than to carry them on the relief roll. I think it has proven much cheaper.

A number of projects have been started in North Dakota. Farmers have been moved from the so-called dry territory to the new projects. Some land has been purchased in North Dakota and other States. After the land is appraised and made ready for purchase, then the farmers are moved to it. In some instances submarginal lands have been bought and the farmers transferred to other lands. If enough money is not provided to carry on the work, what will it mean? It will mean many disappointed families. Some 140,000 or 150,000 farm families throughout the Nation will be vitally disappointed if the work shall not be continued.

Dr. Tugwell, the Administrator, told me only a short time ago that unless money is provided his work will be practically finished the 30th day of June of this year because there will be no money to carry it further. If that is the wish of the Senate, I suppose it will have to be accepted, but I cannot see how the Senate, after appropriating money to start this work, can now take that attitude. A lot of good work has been done. As the Senator from Wisconsin [Mr. LA FOLLETTE] has said, perhaps mistakes have been made and perhaps too much money has been expended in overhead, but a lot of good work has been done. Dr. Tugwell in his letter said that less than 2 percent has been used for overhead expenses.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. FRAZIER. Certainly.

Mr. LEWIS. The Senator from North Dakota interests me very much because the details are not only necessary to me for my own understanding, but sometimes in reciting to me in my own behalf it is informative to others. When the Senator says if this appropriation is not continued there will be great disappointment to many families, does he mean they will be homeless and taken off their lands and displaced completely? Will they be driven into the cities or onto other lands?

Mr. FRAZIER. That would be the situation in thousands of cases. They would be forced to leave the farms and go to the cities and join the unemployed.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Maryland?

Mr. FRAZIER. I yield.

Mr. TYDINGS. I wish to make an inquiry of the Senator so that I may be certain I am correct. I understood him to say there were certain lands in North Dakota which the

Government desired to obtain for resettlement purposes. Is that correct?

Mr. FRAZIER. That is correct.

Mr. TYDINGS. There are certain other lands in North Dakota which the Government wishes to obtain so the farmers may be taken off of them?

Mr. FRAZIER. Yes.

Mr. TYDINGS. Does the Government contemplate the purchase of good farms as well as the purchase of farms which are no longer useful for cultivation?

Mr. FRAZIER. That is correct.

Mr. TYDINGS. In other words, they want to buy good farms, and useless or worthless farms, too. Is that correct?

Mr. FRAZIER. That is correct. The so-called submarginal lands, or what they consider worthless for agricultural purposes, will be revitalized. The soil fertility is to be built up and they are to be used for grazing purposes.

Mr. TYDINGS. So it really involves the purchase of two farms by the Federal Government, one good farm and one bad farm of comparable size, in order to take one family off the bad land and put it on the good land?

Mr. FRAZIER. Of course, that does not apply to many of the farms. Many of the poor farms are mortgaged for more than they are worth and the farmer has no equity under present values. He is simply transferred to other land where he will have a chance to make a living.

Mr. TYDINGS. But that is good land?

Mr. FRAZIER. Yes.

Mr. TYDINGS. Of course, he could not be transferred to it unless it was purchased for him and someone paid for it?

Mr. FRAZIER. That is correct.

Mr. TYDINGS. There is no one else to pay for it except the Federal Government, is there?

Mr. FRAZIER. That is correct. The Resettlement Administration is making loans to these men to purchase the land.

Mr. TYDINGS. The theory is that eventually the entire purchase price of the good farm is to be paid back to the Federal Government by the man who has been transplanted to it from a bad farm?

Mr. FRAZIER. That is correct.

Mr. TYDINGS. Could the Senator enlighten me by giving me the average price of good farm lands in North Dakota?

Mr. FRAZIER. I have not the exact figure. I imagine good land in the eastern part of the State is probably bringing $25 or $30 an acre.

Mr. TYDINGS. Are those good farms which are to be bought by the Government for resettlement purposes now occupied?

Mr. FRAZIER. Most of them are not occupied; or if they are occupied, where the farm is large, the Resettlement Administration is buying a part of it. Much of the land has been taken over by insurance companies and banks.

Mr. TYDINGS. Where it is not occupied, who owns it?

Mr. FRAZIER. Generally some insurance company or some bank that has foreclosed on it.

Mr. TYDINGS. Then there is no land contemplated for resettlement purposes that at some time has not been used for farming and acquired by some individual either under tax sale or mortgage foreclosure?

Mr. FRAZIER. Not in North Dakota, at least.

Mr. TYDINGS. There is none in North Dakota?

Mr. FRAZIER. No; not in North Dakota.

Mr. TYDINGS. What happens is that the man who now owns the land sells it to the Federal Government; in many cases the land is not now occupied; the Federal Government transfers a family from the poor land to the good land under terms which envisage the repayment to the Federal Government of the money invested in the land. Is that the idea?

Mr. FRAZIER. That is correct.

Mr. TYDINGS. Then what is to become of the bad land after the Government acquires it?

Mr. FRAZIER. Through the soil-conservation program it is expected to build up the fertility by seeding it back to grass and making grazing land of it.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield to the Senator from Nebraska.

Mr. NORRIS. I think the short answer to the Senator's question, which I think is a very proper one, is that it becomes Government land.

Mr. TYDINGS. It comes out of taxation?

Mr. NORRIS. Yes; it becomes Government land, just as it was before it was ever taken, and becomes subject to any laws that may be passed in regard to Government land; in other words, subject to any action Congress may take regarding it.

Mr. TYDINGS. If the Senator will allow me one question more, I should like to say that I am not trying to reflect on the proposal. I am trying to get the details of it.

Does the Senator from North Dakota feel that there is now sufficient profit in agriculture, say in North Dakota or in any comparable State, to enable the man who has been taken off bad land and put on a good farm to pay his county taxes and other expenses, and repay the Government the sum of money which the Government will have to put up in order to make the transfer?

Mr. FRAZIER. Under present conditions, I am sorry to admit that there probably is not much chance of his paying out; but, unless conditions change, the farmers are all going to go broke, and the Government or somebody else will have to take over all the land; and I do not believe that is going to be done.

Mr. TYDINGS. I do not think all the farmers are going broke.

Mr. FRAZIER. Well, a great many of them are.

Mr. TYDINGS. Some of them are not making the return that they should make, but I do not for a moment feel that they are all going broke. The point I make, however, is that certainly a scheme which is not going to allow a man to keep the farm which he starts to farm and starts to bring into productivity, and which he improves with the addition of buildings, fences, and so forth, which is not going to permit him to pay his debt, in the long run is only a form of deception, because if he does not make his payments, the Government must inevitably take the farm away from him again.

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield; and if so, to whom?

Mr. FRAZIER. Just a moment. The Senator from Maryland admits that the farmers will go broke unless they can get cost of production and a little profit for the products they have to sell, does he not?

Mr. TYDINGS. Of course they will, but——

Mr. FRAZIER. And the Senator is interested in seeing such conditions brought about that the farmer can make a little profit?

Mr. TYDINGS. I am.

Mr. FRAZIER. If he does get cost of production and a little more, the farmer under those circumstances will be enabled to make a profit.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. TYDINGS. If the Senator from North Dakota will yield to me a moment more so that I may pursue this matter to its logical conclusion, if the Senator from North Dakota and others who are familiar with this matter feel that the farmer put on a good farm can make enough to own the farm eventually, then the scheme is sound from a business standpoint. If, on the other hand, there is no opportunity for the farmer placed on a Government farm to make enough to own it eventually, with some mercy and latitude shown him so that he can pay it out, then all we do is to give him a temporary rather than a real solution of his dilemma.

Mr. FRAZIER. If we are going to admit that that will be the case, of course we might as well let all the farmers go off the land and put them on the unemployment lists in the cities.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. FRAZIER. Yes; I am glad to yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I should like to make a suggestion to the Senator from Maryland.

In many instances, farmers have mortgaged their land at very high values; and, as a result, under present conditions

many are probably suffering. I should like to emphasize the point that where a resettlement operation is undertaken for a farmer and his family, it is all on a voluntary basis. Some effort has been made to create the impression that it is contemplated forcibly to move people. Nothing of that kind is to be done; but, as I understand, in each case a very careful survey is made of the situation of the particular farm to which the farmer and his family are to be transferred, or on which they are to be resettled; and it is contemplated and it is estimated—and I understand the authorities are convinced that the estimates are conservative—that even if present conditions as to farm prices should prevail, under the long amortization period which the Federal Government of course can afford to allow, as distinguished from some commercial or private credit agency, the farmers will pay out.

Mr. TYDINGS. The Senator has answered my question. What I have been trying to elicit is whether or not the farmer who is taken from a bad farm and put on a good one can, if given the greatest possible latitude in terms, really get the farm in the end. If he cannot get the farm in the end, obviously we are only fooling him and everybody else.

Mr. LA FOLLETTE. I agree with the Senator about that; but I am convinced that the program is set up on a conservative basis, and that the overwhelming majority of the farmers will be able to pay out under the conditions they have been given.

Mr. NORRIS. Mr. President, will the Senator from North Dakota yield to me?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. FRAZIER. I am glad to yield to the Senator from Nebraska.

Mr. NORRIS. I think the Senator from Maryland [Mr. TYDINGS] has asked some very proper questions which ought to have candid consideration. I do not believe anybody can give an answer which will apply to all the cases. In other words, nearly every case has its exceptions and its points in which it differs from any other case. Like fingerprints, cases differ, and each one will have to be decided on its individual merits.

The theory is that if a man is on a piece of land and, after investigation and examination, it is concluded that under all the circumstances the probabilities are that nobody can farm that piece of land successfully, that is a case where it will not be desirable to have him continue longer on the land. The sooner he gives it up the better. If he can be transferred from that land to another piece of land which is believed to be of such character that he can make a living on it if given the time the Senator from Wisconsin has indicated—a long time at a low rate of interest—he may eventually pay for and own the land.

All those circumstances will be considered. The individual will be considered. An examination will show that some individuals are more likely to succeed than others. All the elements will have their weight. They will all enter into the equation. With the experience a farmer has had, he is not likely to do again what he did in the past, even if he had an opportunity, and mortgage land at a high rate of interest on the theory that he is always going to produce crops on it or that it is such land that it can support him and his family. He is a little wiser than he was before, when he went through that operation.

The land he leaves, which the Government buys, will become Government land. It seems to me the idea we may have right at the moment as to what shall be done with it is somewhat immaterial, because, as I see the equation, no one can tell just exactly what will be done.

I will say to the Senator from Maryland that in some of these cases the efforts to establish the farmer will fail. I do not think we ought to deceive ourselves. No matter how careful the administrators of the law may be, failures will occur; there will be instances where the farmer will not be able to pay for the land; but the theory is that in the great majority of cases he will be able to do so, and we shall get a contented man instead of one who, if we do not do something for him, will become a burden on the taxpayers and will have to be supported, and his family will have to be supported. In other words, he will be on relief. The idea is that he may be self-sustaining, and it seems to me that is the only hope left in some of these cases. If we must abandon that hope, we know disaster and ruin and suffering must follow.

At the very best we are going to have difficulty about the matter. It is a difficult problem, impossible of administration without mistakes occurring here and there; but, as I view the problem, those administering this agency are doing the best they can. This seems to me the thing that is best to be done; and I believe we ought to give the administrative officers all possible encouragement, knowing that we are not dealing with a "dead cinch" or a sure thing. We are going to run some risk, but we are going to extend charity to persons who otherwise, we know, are going to be burdensome, and thrown entirely for their living upon the taxpayers.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. NORRIS. I have not the floor.

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Maryland?

Mr. FRAZIER. I am glad to yield to the Senator from Maryland.

Mr. TYDINGS. Assuming for the sake of argument that the $85,500,000 used for this purpose is all the money the Government has with which to acquire some good farms—not the marginal lands—for the 105,000 farm families which I understand are circumstanced as described by the Senator from Nebraska, it is an average of $850 per family. Now, if this is all the money that is to be used to purchase the good farms, I imagine we cannot get a very large farm, or a very good farm, for $850. So far as I am concerned, I am trying to get some information on how these men are going to come out, and the terms under which they are to resettle, and if they can pay off the debt, and whether we are really going to rehabilitate them or just provide some sort of a temporary makeshift.

Mr. VANDENBERG. Mr. President——

Mr. TYDINGS. If $85,500,000 is all the money the Federal Government has for the good farms to which these farmers are to be transferred, and that is only $850 per farmer, in my opinion we cannot do the job for that much money.

Mr. FRAZIER. The Government has already spent $125,000,000 for the purpose.

Mr. TYDINGS. But that was for the purchase of marginal lands which are to be abandoned or reforested.

Mr. FRAZIER. And for the purchase of some good lands, too. There were several projects where farmers were moved on better land.

Mr. TYDINGS. I shall not take issue with the Senator, and I am not going to intrude further on his time; but I do wish to make a concluding observation. It is my impression, though I have not the facts to support it, that the Government has acquired very few good farm lands in the rehabilitation program. What it has done is to buy up marginal lands; and, as the program is now set up, there probably is not going to be sufficient good land to rehabilitate the 105,000 farm families who are living on land which is nonproductive.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Virginia?

Mr. FRAZIER. I yield to the Senator from Virginia.

Mr. GLASS. I think the Senator from Nebraska can well claim the credit of being the best constitutional lawyer in the Senate, because his is the only problem passed upon by the Congress which has been decided to be constitutional.

Now, I desire to ask the Senator a question. Is there any constitutional warrant for the Government acquiring lands in the way proposed here, or in any other way, except for actual Government purposes? The Government is not permitted to acquire a foot of land in any State of the Union without the specific sanction of the State itself.

We recently had a suit in Virginia contesting the right of the State of Virginia to condemn lands in the Shenandoah Valley in order to make a gift of them to the Government of the United States for park purposes, the contest being based upon the contention that the purpose was not a governmental purpose. The court decided that it was a governmental purpose, and therefore the complainant was thrown out of court.

It seems to me that in the case before us the purchase of lands from individuals for the mere purpose of transferring those individuals to some other lands to be purchased by the Government is not, in the strict sense, purchasing lands for a Government purpose. The Government is not using the lands; individuals are using the lands.

Mr. NORRIS. Mr. President, will the Senator from North Dakota yield?

Mr. FRAZIER. I yield.

Mr. NORRIS. I am not going to discuss the constitutional question any further than to say that, as I understand, the Government is not condemning or getting title to any of this land by any attempt at condemnation; it is all voluntary.

Mr. GLASS. But is the Government authorized to purchase lands except for Government purposes? Remember, the Senator is the outstanding constitutional lawyer in the Senate; his reputation is at stake, and I want a square answer to that question. [Laughter.]

Mr. NORRIS. I do not think it is strictly a Government use; but I do not believe that question will be raised here, because we are not going to give the Court a chance. If a man does not want to sell, he does not have to.

Mr. GLASS. That is what we were told when we protested to the proponent of the N. R. A. that the act was unconstitutional, and his reply was, "Well, suppose it is unconstitutional; we can carry out its terms before it can ever get before the Court." And that is the answer of the Senator from Nebraska.

Mr. NORRIS. No; that is not the answer. But if no one complains, it will not get into court; and there cannot be any complaint, if we make no attempt to force a man to sell. He sells if he wants to. If he does not want to sell, he does not sell.

Mr. GLASS. The taxpayers who are to be taxed to pay for this land and this transition it seems to me might apply to the courts for a restraining order.

Mr. TYDINGS. Mr. President, will the Senator from North Dakota yield to me?

Mr. FRAZIER. I yield.

Mr. TYDINGS. I know that no one desires to get into a discussion of the legal questions, but it strikes me that jurisdiction would be conferred on the proper courts, through the medium of a taxpayer in the county in which the land acquired was located suing out a writ for an injunction against illegal acquisition of the land by the Federal Government, because his rights would be invaded by having the amount and volume of the local taxes curtailed, and consequently his expenditure increased. That would bring into question whether or not the Federal act was good or bad as a matter of law.

I desire to say to the Senator from North Dakota, however, that my point in rising originally was to direct attention to the fact that, while his motive was a very humane one, I did not see, unless agriculture was going to be made profitable, how the man who got onto the good farm was ever going to pay for it.

Mr. FRAZIER. Unless agriculture is made profitable, the farmers who are on the farms now cannot pay for them. The Government will hold a mortgage on the land, and if it is not paid for, the Government will be the owner of the land, and it can open it for homestead entry, or for anything Congress desires to do with it.

Mr. GLASS. Suppose the new farm goes to waste; does the Senator propose that the Government buy the man another one?

Mr. FRAZIER. No; he would probably have to go to the city and go on the relief rolls.

Mr. VANDENBERG. Mr. President, will the Senator from North Dakota yield to me?

Mr. FRAZIER. I yield.

Mr. VANDENBERG. I should like to have the attention of the Senator from Maryland.

Mr. TYDINGS. Will the Senator, before he asks for my attention, permit me to conclude by saying that while I have not read the opinion, I understand that the question I raised was decided in the courts, and the contention that the Government had no right under such circumstances to engage in a certain kind of operation was sustained. While I have no desire to argue the law of the case, I am afraid the Senator from North Dakota is setting up a proposition and proceeding with a theory which is going to be found not to hold water. If the farmers are to be helped, in my judgment, they ought to be helped in such a way that whatever is done for them will be permanent.

Mr. VANDENBERG. Mr. President, I was interested in the original point the Senator raised, as to whether it was an effective philanthropy to put the farmers on these farms. I wish to give him the record of the first and original effort that has been made in creating resettlement farms, namely, the project at Matanuska.

Mr. FRAZIER. Both the Senator from Wisconsin and I have admitted that some mistakes have been made, and this may be one of them.

Mr. VANDENBERG. I wish to emphasize the challenge. Mr. Hokins, who handled the Matanuska project, told us on June 24, 1935, that it would cost $1,093,000. That was to create two hundred 40-acre farms. At the end of 6 months he found that he had missed his estimate by a little matter of 100 percent, and on December 27, 1935, he reported that the two hundred 40-acre farms had cost $2,325,000, and that they probably would cost $100,000 more.

He also said that half of that amount would be chargeable as a mortgage against the farmers themselves. So we have this contemplation: A farmer removed to Matanuska on a 40-acre farm starts out upon an alleged humane adventure with a $6,000 mortgage on a 40-acre farm. I do not believe that is humane in any language or in any land.

Mr. MINTON. Mr. President, will the Senator from North Dakota yield?

Mr. FRAZIER. I am glad to yield.

Mr. MINTON. I am getting a little bit confused about the legal proposition and desire to propound an inquiry. If the Senator does not wish to answer this legal question, I hope he will permit the distinguished senior Senator from Nebraska to answer it.

It seems to be a public purpose for the Federal Government to buy preferred stock and save a lot of banks that are about to go to ruin. It seems to be a public purpose for the Federal Government to buy stock in, to take bonds of, and to lend money to business interests which are about to collapse. But it does not seem to be a public purpose, or in any way a governmental purpose, to help a farmer save his farm or to get a farm which he does not own in order that he may make a living on it. Can the Senator straighten me out on that legal proposition?

Mr. FRAZIER. There seems to be a difference in the definition of "general welfare" as it is provided in the Constitution. There seems to be quite a difference between the general welfare of a farmer and the general welfare of a banker.

Mr. TYDINGS. Mr. President, I do not think anyone can stand up against the illustration drawn by the Senator from Indiana so far as justice is concerned. If it is right for one, it is right for the other. But from the standpoint of business, in a capitalistic society, sometimes the amount of security has a great deal to do with the question.

Mr. MINTON. Mr. President, will the Senator from North Dakota yield further?

Mr. FRAZIER. I yield.

Mr. MINTON. I think an examination of some of the securities held by the Reconstruction Finance Corporation will reveal that the capitalistic system was not so kind to

the Government when it made some of its loans to business in this country.

Mr. FRAZIER. I do not think there would be any more danger in lending on farms than in making some of the capitalistic loans which have been negotiated. It seems to me so utterly unfair to strike out rural rehabilitation in this measure that I hope the committee amendment will be rejected. Then I hope we can increase the amount of money appropriated in the bill for the farmer.

Mr. STEIWER. Mr. President, it is particularly unfortunate that any discussion of the faults of our relief system shall be interpreted as opposition to relief. I was one of those who voted for Federal aid for relief in the very early stages of the effort which our Government has made to care for those in distress. I hope that my views concerning some features of the bill will not be interpreted as opposition to Federal contributions for relief. On the contrary, I still am very much in favor of Federal participation in a program which I know is far too heavy, far too extensive, for the local agencies to deal with successfully.

I cannot, however, escape the conclusion that there is a right way and a wrong way to meet our responsibility to the destitute, and I cannot escape the conclusion that the bill now pending before the Senate in many of its aspects reflects the wrong way.

The bill as reported from the Senate Committee on Appropriations in every important sense is a continuation of the program which was initiated last year by the Emergency Relief Act of 1935. It is a continuation of that program, Mr. President, because the Appropriation Committee's amendment takes the expenditure of the money away from the Works Progress Administration and by express terms makes the appropriation available "to be used in the discretion and under the direction of the President." This is the precise language that was used in the bill of last year.

At the time the $4,880,000,000 bill was before the Senate, I voiced my objection to the writing of a blank check to any President to be expended in his discretion for uses that were only illy or partially defined, and in amounts which he alone would determine, in areas which he might select. I objected particularly to the failure of the Congress to write the program and to create the formula under which our Government should make its contribution for relief. I regarded it as unconstitutional, and I characterized it at that time as a perversion of the American system.

The act has never been construed by the court of last resort, but the Court of Appeals of the District of Columbia has considered it and held it unconstitutional.

I do not propose to read at length from that opinion, but I desire to call attention to two or three excerpts which state more clearly than I could state the constitutional objection to this sort of procedure. The court said, in referring to the Presidential discretion, as follows:

> His discretion, in the language of the Schechter decision, is "virtually unfettered." He is at liberty to set up agencies and to prescribe such rules of conduct and fix such standards as he may deem proper. There is no criterion to govern his course as to housing and the various other projects enumerated in the act. The only possible guide or policy laid down by Congress is in the words "in order to provide relief, work relief, and to increase employment by providing for useful projects", which appear at the beginning of the act.

I will interrupt the reading at that point to say that under the committee amendment now before the Senate the language is:

> To continue to provide relief and work relief on useful projects in the United States—

And so forth. So that the constitutional evil which the court found in the bill of last year is deliberately repeated in the terms of the Senate amendment in the bill which is now pending before us.

I continue to read from the court's opinion:

> But this declaration of purpose is even more general and vague than the declaration of policy rejected in the Panama and Schechter cases.

So, Mr. President, we find ourselves dealing with language which one court of appeals of our Government has held is less definite than the language which the Supreme Court of the United States condemned in two very important cases.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. STEIWER. I yield.

Mr. BORAH. Does the opinion from which the Senator is reading hold that Congress may not make an appropriation to an agent so that he may use the money?

Mr. STEIWER. No, Mr. President, I think not. The court holds that the Congress may not make an appropriation for vague and indefinite purposes and leave to an agent, either the President or anyone else, the determination, first, as to whether he spends the money at all, and, if he does elect to spend it, then the determination as to what he shall spend it for.

Mr. BORAH. Does the court hold that the Congress may not appropriate money and turn it over to the President to be used for relief purposes?

Mr. STEIWER. I would not so construe it. I do not think that is the effect of the decision.

Let me read further from the decision. I am reading now from page 12:

> If the power here granted to increase the maximum amount specified by 20 percent of the entire appropriation be invoked, we find that it is possible to expend, during the indefinite project of "housing", the sum of $976,000,000 in excess of the maximum specified, or a total upon this project alone of $1,426,000,000. It logically follows that the President and not the Congress is to legislate with respect to housing. The President, not the Congress, is to set up governmental agencies to carry out the purposes of the act. The President, not the Congress, is to prescribe the regulations and rules of conduct which shall govern. The President, not the Congress, is to decide where and when and how, if at all, this enormous sum of money is to be expended for "housing."

It may be said in behalf of the proposal which is pending before the Senate, that the discretionary latitude for expending additional amounts is not as extensive as it is in the bill which the court was discussing in the opinion just read. In the pending bill, the latitude is only to make an increase of 15 percent of the amounts in each of the several categories.

The conclusion of the court with respect to the Emergency Relief Act of 1935, which it was considering, is that it constituted an unconstitutional delegation of legislative power. The court said:

> There nowhere appears that adequate definition of the subject called for in the Schechter case. The money appropriated is made available for classes of projects, among which is one designated merely as "housing."
>
> There is nothing in the act directly prescribing the powers or duties of the President with respect to housing. Assuming that it may be inferred from the act that the funds are to be used by the President, yet there is nothing requiring their use, either absolutely or in any specified condition or circumstance. He is free to use them or not, as he sees fit.

Mr. BONE. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. BONE. I was called out of the Chamber just as the Senator was starting to speak. Are the Senator's remarks directed to the provisions which are mentioned on page 23, where, apparently, some effort has been made to identify or characterize the work that may be done under the Works Progress Administration?

Mr. STEIWER. Yes, Mr. President; my remarks are directed, first, to the amendment which starts at the bottom of page 27, and then to the categories which are listed on page 28, and I had intended before I concluded to discuss the matter which is immediately before the Senate, the subhead (j), which, according to the House bill, provided for rural rehabilitation, and, according to the Senate committee's amendment, for loans and relief to farmers and livestock growers.

Mr. BONE. I have great respect for the Senator's viewpoint and judgment. I understood him to be quoting from the decision of the Supreme Court of the District of Columbia in the recent case.

Mr. STEIWER. No, Mr. President; the Court of Appeals of the District of Columbia.

Mr. BONE. Yes. The decision wherein the Court declared the Resettlement Administration provision of the law was unconstitutional?

Mr. STEIWER. Yes.

Mr. BONE. Is it the Senator's viewpoint that these characterizations and identifications on page 28 are too vague to be lawful designations and lawful allocations of the money?

Mr. STEIWER. The court from which I am quoting is not the Supreme Court and is not a court of last resort, but if that court's view shall be sustained by the Supreme Court, then each of the designations on page 28, or at least most of them, are entirely too vague. They are not only ambiguous because they are uncertain and vague in themselves, but the whole language of the bill is vague because it does not mandatorily direct the President to make the expenditure, nor does it state any rule as to how he might make the expenditure. There is no rule of justice written into this bill. There is no formula suggested; there is no basis upon which the money is to be distributed between the States or between individual sufferers from the depression. The objection which I see in this matter is the complete, unfettered, discretionary power of the President to take a lump-sum appropriation and do with it much as he would like.

Mr. BONE. Mr. President, if the Senator objects to my interrogating or interrupting him, I will be glad not to bother him further.

Mr. STEIWER. Not at all. I think we should all attempt to understand this question.

Mr. BONE. I take it that the language in line 9, "shall be available for", is what has challenged the Senator's attention. In other words, here is a blanket grant to the President to use this money without attempt to divert it into specific channels in the manner the Senator has indicated. If that be true, if my understanding and viewpoint be correct, what kind of language would the Senator from Oregon, as a good lawyer, suggest to make the provision more specific and certain? I seriously question that we can just tie down the distribution of relief money to too definite and too minute a category. I do not see how that would be possible.

Mr. STEIWER. Let us take the question of direct relief. Congress could provide that the President should distribute the money in accordance with need, subject to variation on account of difference in cost of living. What I object to is that there is no requirement upon the President to do anything with the money except to do as his discretion might suggest, and that is the basis of all unconstitutional delegation of powers.

Mr. BORAH. Mr. President——

Mr. STEIWER. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, what the Court held was that the Congress could not delegate legislative power to the President——

Mr. STEIWER. That is true.

Mr. BORAH. And I certainly would not contend for a moment that we could or should undertake to do so; but when we appropriate money to be turned over to the President for the kind of work which is here proposed what legislative act of his is called into existence? He is not legislating.

Mr. STEIWER. To determine whether or not, in fact, there is need——

Mr. BORAH. That is not legislative.

Mr. STEIWER. To determine whether or not relief must be extended, and then to determine what kind of relief he will extend, or if he will extend any; to determine whether or not he will deal with one State as he does with another State.

Mr. BORAH. That is all administrative; that is not legislative.

Mr. STEIWER. I am not prepared to concede that; I think it is legislative, because unless Congress acts upon that particular point Congress loses the entire control of the public purse; it is guilty of appropriating money to the President or to somebody else and letting that somebody else determine what is to become of the money.

Mr. BORAH. It may be an unwise thing to do; it may be an impolitic thing to do, but is it, in any sense, in violation of the provision of the Constitution that the Congress may not delegate legislative power to the President——

Mr. STEIWER. I so regard it.

Mr. BORAH. Because, it seems to me, he is not called upon to perform any legislative act but purely an administrative act? The Congress might appropriate a million dollars to John Doe, if it saw fit to do so, and tell him to build a bridge. He might not build it or he might build it in the wrong way, but it would be an administrative act which he was called upon to perform.

Mr. STEIWER. I know the Senator will agree that acts may be both legislative and administrative. The Court has said in dealing with the case from which I have been quoting that the determination and the use to be made of the money is a legislative act. I base my contention upon the decision of the Court.

Mr. BONE. Mr. President, will the Senator yield again?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Washington?

Mr. STEIWER. Yes.

Mr. BONE. I know the Senator is familiar with the rather wide discretion and certainly the extreme latitude given many regulatory bodies set up under State statutes for the regulation of private utility enterprises.

Mr. STEIWER. But there is a rule.

Mr. BONE. I have thought of that so many times in our debates when we have talked about the delegation of so-called legislative power. We have set up railroad commissions and rate-making bodies.

Mr. STEIWER. But it has been held that the rule against a discriminatory rate is itself a standard by which such commissions must be guided.

Mr. BONE. Yes; but there is such a vast field there as to become almost a "twilight zone" in the realm of logic into which the Senator is entering.

It will certainly appeal to the Senator's practical sense, for he is familiar with the drafting and administration of statutes, to suggest the difficulty which would be encountered if we should go into the minute details the Senator has suggested in this instance. Just imagine what a mess we would get into if we undertook here to set up our own judgment and say so much must go here and so much must go there; that the man who is to administer the fund must have a certain state of mind or a certain attitude of mind toward the particular problem. If it touches his heart very deeply, he must give the applicants a little more money.

The Senator's viewpoint has probably much in it to commend it to those who think seriously, but, in the very nature of this problem, how in the world can 96 Senators undertake here to chart a course for the man who is trying to relieve the miseries of the people? I have a great deal of sympathy for the Senator's viewpoint, and I think I know what in his heart he desires, but I think this job is beyond the 96 Senators here. Shall we get a map and say we will put a road at a certain place, and mark the roadway which the executive who administers the law must traverse? I think it is too much for us to do. We have 96 judgments that we bring to bear; I doubt if there are two men in this body who could agree; and yet they would be perfectly sincere and perfectly honest.

I know in my own mind—perhaps, it is of no great moment—I have wrestled with this problem the Senator now confronts, whether it is better for us by legislative enactment to chart a course for the man in the White House or the men under him or to give him discretion, which, it seems to me, is within the four corners of the Constitution, a discretion which, in the very nature of things, he must be permitted to exercise, because certainly we cannot do it. The legislatures of the States have recognized the limitations not only on their own powers, but their own discretionary rights by vesting a wide authority in bodies of all sorts in the Senator's own State.

I hope I have not intruded too long on the time of my good friend the Senator from Oregon.

Mr. STEIWER. The Senator need not apologize. I agree that there are difficulties in any approach to a question which is as involved and intricate as the question of relief has grown to be in this country; but there are no difficulties in writing a formula which the Congress may wish to provide for the expenditure of money for relief. There is no difficulty in prescribing in a way that binds effectually every executive agency of the Government that there shall be a rule of justice as between relief families and as between areas and as between all those who may be the beneficiaries of the Government's great bounty.

It will appear as I proceed, I think, that the present lack of a formula, against which I contend is not only at fault because it is unconstitutional but it is at fault in the practical results which it achieves. The failure of Congress to write a formula has resulted in certain conditions which I wish now to outline to the Senate.

One result of the enactment of legislation such as the Relief Act of April 1935, is that there is a complete lack of restraint upon all executive agencies, including the President. Such lack of restraint has resulted in a want of responsibility with respect to the distribution of money for the purposes which Congress vaguely hinted in the act.

The first evidence of the want of responsibility is found in the immediate effect upon our accountancy system. I will not take the time of the Senate to discuss a matter with which all Senators, in varying degrees, are familiar, but I am going to proceed upon the theory that all Senators believe in an accountancy system, in an agent of Congress to determine whether expenditures are lawful and are authorized by law, or whether they are in violation of law. We have such a system as to a greater part of the appropriations which Congress makes, but we have effectively destroyed that system by reason of the type of legislation to which we resorted in 1935, and we will destroy it further by the type of legislation which is now pending before the Senate.

The General Accounting Office has not exercised any effective check over the expenditures under the $4,880,000,000 act. There has been no such check as might assure the expenditure of relief appropriations for the purposes contemplated by the Congress, namely, for relief and for work relief.

If a warrant submitted by the President states that the project is to "provide work relief and increase employment", or if the nature of the project is such that some employment would necessarily result, the General Accounting Office looks no further. I think someone said that if the evidence disclosed that the acquisition of land for some other sort of project which was put up to the Accounting Office would provide work for one man, the project would be regarded as qualified and eligible under the vague terms to which we have resorted.

There was an allocation of $100,000 to Prison Industries Reorganization, which affords a good example. I want to read to the Senate the whole justification that was sent to the Accounting Department in order to establish the eligibility of this particular project. It will be seen immediately that in a very substantial sense it was not a relief project at all. This is the justification:

> To provide funds for the making of surveys of industrial operations and allied activities of State penal institutions, to develop and recommend to the President for approval programs for the reorganization of State prison activities in such a way as to minimize the burden of competition between prison industries and private industries.

That I think is a very proper and laudable objective. I am not criticizing it at all. I am merely attempting to exhibit to the Senate by this illustration that there is no way by which our accounting office can determine whether or not the money is being expended for relief or work relief.

Let us pursue that a little further. The result is that very considerable sums of money are diverted from relief. It means that the taxpayers' money which we have appropriated to feed hungry mouths is diverted into some other avenue and either not used for relief at all, or, if used for relief, is used under a system so expensive, so inadequate, and so inequitable, that it may be substantially charged that our agencies have failed to carry out the will of Congress.

It is not for us to criticize the agencies. I make no criticism either of the President or the others who are distributing this money. I am trying to assert here in the most constructive way of which I am capable that the Congress of the United States should not evade the responsibility of writing the formula, so we can have some assurance that the money appropriated for relief will be used for that purpose.

Let me show briefly one or two of the consequences of the procedure we have followed and are here asked to continue. Dr. Tugwell appeared before the Senate subcommittee and the following is quoted from his testimony, on page 129 of the hearing:

> In doing this work, we have not done it as a relief job, although we have been guided by the mandate in the Emergency Relief Appropriation Act of 1935. But the money we have used has not been given for relief, except a very small part of it, which has been given as emergency grants to farm families in difficult circumstances, faced with disaster from drought, flood, or some circumstance of that kind.

Here is the word of an agent of our Government who is charged with the responsibility of expending $232,000,000 out of the appropriation of last year. He does not hesitate at all to appear before a committee of this body and to say to that committee that this money was not expended "for relief, except a very small part of it." We know the story of his administration. I make no attack upon him personally. I have no grievance because of the details with which he has carried out the work entrusted to him. I think none of us now is interested in those details when faced with the greater responsibility which is ours. We know what he has done. He has purchased between eight and nine million acres of land. He has under option, in addition, in excess of ten million acres of land.

I find a memorandum of the figures to which I shall now refer. The total amount that has been allocated to his administration is $278,347,170. Approximately $34,950,000 of this sum has been used or is to be used for administrative purposes. We have not made any requirements of these agencies respecting their administrative expenses. With respect to other agencies of our Government, we have fixed most definite limitations on the amount which they may expend for administrative expenses both in the field and in the District of Columbia, but with respect to this greatest of all expenditures in our Government we have not even hinted at a limitation upon the administrative expenses which may be indulged in by those who are distributing the money.

We find here a relatively obscure official of the Government reporting that he has used and will use nearly $35,000,000 in the administrative expenses of his department. A sum in excess of $44,000,000 will be used in the purchase of submarginal land. A total of $55,125,000 will be spent for land purchases.

Mr. HATCH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New Mexico?

Mr. STEIWER. Certainly.

Mr. HATCH. Is it not a fact that the purchases to which the Senator is referring were not made by the Resettlement Administration but were turned over to him for the purposes indicated by Mr. Hopkins, who made the purchases under the homestead administration, and they were not in reality made by the Resettlement Administration at all?

Mr. STEIWER. These particular purchases were the purchases of the Resettlement Administration.

Mr. HATCH. I understood the purchases were made by the Resettlement Administration in some cases, but Mr. Tugwell was carrying out the program which had previously been started and involved purchases made by Mr. Hopkins.

Mr. STEIWER. A number of the projects were inherited from the Interior Department and the F. E. R. A. Some of the most expensive ones were started under an administration previous to Dr. Tugwell's administration.

Mr. HATCH. That is what I thought.

Mr. STEIWER. I am very happy to say in fairness to Dr. Tugwell that I think some of the most expensive projects in terms of relief were started before the responsibility was his. Nevertheless, he completed the carrying out of the projects. There is one at Sioux Falls, S. Dak., where the expense per family unit was between $13,000 and $14,000. Dr. Tugwell was asked what justification there was under any relief program for such expenditures. His answer was that there was no justification. He was merely content to say that the project was started under an earlier administration.

But, Mr. President, the evils of this type of legislation were exhibited in the earlier legislation. What I am attempting to say to the Senate is that the whole system is wrong and that the responsibility is ours. If we fail to meet the responsibility, these agents of the Government will say that the Congress has placed its approval upon all this type of waste which has gone on before; and if the waste continues, we shall be charged, and not they, because apparently we shall have put our stamp of approval upon their conduct.

Thirty-one million dollars has been allocated for the development of four suburban resettlement projects. An additional $15,000,000 will be utilized for the completion of the subsistence homestead program.

In April of this year there were 17,055 administrative employees on the pay roll of the Resettlement Administration. At that time approximately 73,000 persons were working on relief projects under the Resettlement Administration. This means that there was one administrative employee to every four persons on work relief. It should be added, however, that there are a large number of families—I think 500,000 rural-rehabilitation cases—that were being cared for by the same administrative organization.

Mr. Hopkins submitted a statement which shows the amounts earmarked for land purchase, making a total in excess of $35,000,000 from the Emergency Relief Act of 1935. Over $22,000,000 of this sum was allocated to the Resettlement Administration. Resettlement has received from all sources for land purchases in excess of $55,000,000, so that $32,768,000 has been available to that agency from appropriations other than the 1935 act. Adding this to the total allocated from the 1935 act, the total sum earmarked for land purchases amounts to $67,986,000.

I have been unable to identify any figure which shows the total acreage of land purchases made or contemplated. Last year evidence was submitted that the total purchases were approximately 15,000,000 acres. The total amount under option at that time, I think, was seven or eight million acres more. I am told unofficially that the total purchase now is some twenty-two or twenty-four million acres of land. This area is substantially equivalent to one-half of the entire area of the State of Maine.

These purchases are made for a number of purposes. One is to take land out of production and to convert it to different uses. Another is to provide homes and gardens and small farms and better living conditions for low-income workers from suburban communities. A third is to remove families from poor land and rehabilitate them on locations better suited for contained self-support; and a fourth is to remove stranded industrial or agricultural workers and resettle them in more favorable locations.

It might be interesting on that score to notice what the court has said. I am referring again to the decision by the United States Court of Appeals for the District of Columbia:

The following excerpt from the opinion in the Butler case seems almost prophetic of the Federal Government's attempt to "resettle" destitute and low-income families: "Suppose that there are too many garment workers in the large cities; that this results in dislocation of the economic balance. Upon the principle contended for, an excise might be laid on the manufacture of all garments manufactured and the proceeds paid to those manufacturers who agree to remove their plants to cities having not more than a hundred thousand population. Thus, through the asserted power of taxation, the Federal Government, against the will of individual States, might completely redistribute the industrial population."

That language is quoted from the decision of the Supreme Court; and it applies most forcefully to the contention here that we may write into this bill words like "rural resettlement" or "land rehabilitation", or something of that sort, and thus authorize somebody in the executive branch to go into any area he may choose, to take a population he may desire, and to place that population anywhere he may care to place that population, without consulting the wishes of the States of the Union. In Montana there is an acquisition of a million acres, and the control of that million acres, which was privately owned land, has been taken over by the Resettlement Administration, and they propose to administer it as a grazing area; and in that instance they have neither sought nor obtained, as I understand, the consent of the State of Montana or of anyone else.

These land purchases are removing large areas from local tax rolls. For instance, the Montana project will result in the removal of one-third of the tax base of the county in which the project is located. No steps have been taken, and, so far as I know, no steps have been contemplated by the Resettlement Administration to reimburse the counties and States for the taxes lost as the result of its program.

We have, among the numerous results of this program, certain variations in the treatment which has been accorded by the Works Progress Administration to the various communities and the different States of the Union. We find in the House hearings, at page 229, the figures of contribution. They have developed the phrase "sponsor's contribution." As most of you know, the "sponsor" is the local agency that cooperates with the Works Progress Administration and makes a contribution either in cash or in materials or in the use of machinery or in the use of personnel of the local municipality in order to defray the expense of the project. At this page of the House hearings we find that the variation in contribution by States runs from a low of 8.2 percent to a high of 43 percent. There are several States where the contribution is 11 or 13 or 14 percent. There are numerous States where the contribution is in excess of 20 percent; there are some few where it is in excess of 30 percent; and one or two cases where the contribution is in excess of 40 percent.

The point I desire to make of this is that in the distribution of these funds our failure to write a formula to protect the rights of the several States and the different areas of our country has resulted in an inequitable and unfair distribution of the money and an inequitable and unfair distribution of some communities which have been permitted to enjoy the benefits of Federal contribution and at the same time make practically no contribution of their own.

The record discloses that the States which enjoy this favoritism are not always the weaker States, that the communities which enjoy this favoritism are not always the weaker communities. The place where we found the most notable favoritism was in the city of Greater New York, where the amount of the local contribution was exactly nothing at all and where the entire work program is financed with Federal money.

Another phase of the same thing is the variation in benefit as between families in different areas of the country. In this respect there has been no formula, and there are no two States upon the same basis.

Mr. President, I illustrate this situation by calling attention to a chart which I ask leave to place in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. MCGILL in the chair). Is there objection?

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

FEDERAL, STATE, AND LOCAL EXPENDITURES FOR RELIEF

Expenditures under the F. E. R. A. program, Jan. 1 to Dec. 31, 1935

State	(1) Estimated population, July 1, 1935 [1]	(2) Estimated number of families July 1, 1935 [2]	(3) Number of families on relief July 1935 [3] (actual)	(4) Percent of all families that were on relief (column 3÷column 2)	Calendar year 1935 (5) F. E. R. A. grants (Federal Emergency Relief) [4]	Calendar year 1935 (6) State and local funds for emergency relief [4]	Calendar year 1935 (7) Total emergency relief expenditures [4] (column 5+column 6)	(8) Percent of total relief expenditures from Federal funds (column 5÷column 7)	(9) Federal funds per family on relief (column 5÷column 3)	(10) State and local funds per family on relief (column 6÷column 3)	(11) Total Emergency relief expenditures per family on relief (column 7÷column 3)
Alabama	2,723,000	623,000	61,938	9.9	$17,331,528	$1,415,819	$18,747,347	92.4	$280	$23	$303
Arizona	461,000	116,000	16,026	13.8	6,902,827	[5] 923,138	7,825,965	88.2	431	58	488
Arkansas	1,880,000	456,000	52,719	11.6	16,942,786	583,955	17,526,741	96.7	321	11	332
California	6,254,000	1,834,000	169,371	9.2	91,687,753	37,439,023	129,126,776	71.0	541	221	762
Colorado	1,060,000	282,000	37,868	13.4	19,755,146	2,384,603	22,139,749	89.5	522	63	585
Connecticut	1,664,000	414,000	35,556	8.6	12,884,036	12,347,306	25,231,342	51.1	362	347	710
Delaware	248,000	63,000	3,492	5.5	642,928	[6] 569,738	1,212,666	53.0	184	163	347
District of Columbia	449,000	119,000	11,487	9.7	6,982,540	[6] 2,144,076	9,126,616	76.5	608	187	795
Florida	1,596,000	421,000	48,165	11.4	14,494,534	913,052	15,407,586	94.1	301	19	320
Georgia	2,911,000	665,000	54,757	8.2	20,343,180	[6] 1,307,361	21,650,541	94.0	372	24	395
Idaho	449,000	112,000	13,397	12.0	6,234,540	1,373,972	7,608,512	82.0	465	103	568
Illinois	7,926,000	2,064,000	277,016	13.4	100,502,123	22,421,473	122,923,596	81.8	363	81	444
Indiana	3,317,000	837,000	91,430	10.3	22,769,124	11,958,169	34,727,293	65.6	249	131	380
Iowa	2,488,000	656,000	37,075	5.6	12,392,639	7,525,674	19,918,313	62.2	334	203	537
Kansas	1,910,000	509,000	53,881	10.6	21,696,007	6,782,246	28,478,253	76.2	403	126	529
Kentucky	2,666,000	638,000	97,774	15.3	15,972,497	2,823,104	18,795,601	85.0	163	29	192
Louisiana	2,179,000	516,000	48,370	9.4	18,560,428	[6] 919,131	19,479,559	95.3	384	19	403
Maine	805,000	206,000	20,972	10.2	5,659,233	4,449,745	10,108,978	56.0	270	212	482
Maryland	1,679,000	407,000	29,153	7.2	14,393,874	2,540,448	16,934,322	85.0	493	87	581
Massachusetts	4,352,000	1,075,000	155,074	14.4	67,159,620	38,061,564	105,221,184	63.8	433	245	679
Michigan	5,143,000	1,289,000	137,246	10.6	49,892,324	16,559,105	66,451,429	75.1	364	121	484
Minnesota	2,610,000	635,000	66,329	10.4	34,435,134	9,976,515	44,411,649	77.5	519	151	670
Mississippi	2,067,000	498,000	37,773	7.6	12,713,575	928,374	13,641,949	93.2	337	25	361
Missouri	3,683,000	983,000	110,655	11.3	32,151,020	9,944,742	42,095,762	76.4	291	90	380
Montana	538,000	141,000	17,959	12.7	9,085,409	736,051	9,821,460	92.5	506	41	547
Nebraska	1,398,000	358,000	28,809	8.0	12,971,001	2,863,465	15,834,466	81.9	450	99	550
Nevada	95,000	28,000	1,693	6.0	2,308,563	467,891	2,776,444	83.1	1,360	276	1,640
New Hampshire	471,000	124,000	10,738	9.0	2,159,299	3,447,233	5,606,532	38.5	201	321	522
New Jersey	4,269,000	1,070,000	123,190	12.0	45,724,549	16,907,538	62,632,087	73.0	371	137	508
New Mexico	440,000	105,000	24,700	23.5	7,718,337	427,272	8,145,609	94.7	312	17	330
New York	13,153,000	3,390,000	439,094	13.0	172,306,206	136,338,032	308,644,238	55.8	392	310	703
North Carolina	3,327,000	692,000	56,384	8.1	16,294,426	[6] 48,558	16,342,984	99.7	289	(7)	290
North Dakota	689,000	150,000	27,072	18.0	11,860,493	1,875,884	13,736,377	86.3	438	69	507
Ohio	6,874,000	1,804,000	247,616	13.7	85,397,724	12,339,620	97,737,344	87.4	345	50	395
Oklahoma	2,491,000	602,000	93,150	15.5	19,439,486	2,242,088	21,681,574	89.7	209	24	233
Oregon	997,000	288,000	21,096	7.3	9,104,956	3,118,078	12,223,034	74.5	432	148	580
Pennsylvania	9,865,000	2,349,000	373,387	16.0	163,547,851	49,360,849	213,007,900	76.8	438	132	570
Rhode Island	708,000	175,000	15,914	9.1	3,038,140	5,642,163	8,680,303	35.0	191	355	545
South Carolina	1,752,000	377,000	34,965	9.3	12,449,258	327,752	12,777,010	97.4	356	9	365
South Dakota	708,000	169,000	19,002	11.2	12,020,466	[8] 1,314,544	13,335,010	90.1	633	69	702
Tennessee	2,668,000	632,000	65,070	10.3	16,486,435	1,668,713	18,155,148	90.8	253	26	279
Texas	6,123,000	1,490,000	133,709	9.0	39,320,117	5,991,406	45,311,523	86.8	294	45	339
Utah	522,000	1,222,000	20,642	1.7	8,267,073	2,308,885	10,575,958	78.2	400	112	512
Vermont	361,000	92,000	6,809	7.4	1,759,661	935,204	2,694,865	65.3	258	137	396
Virginia	2,451,000	548,000	45,279	8.3	13,357,218	811,509	14,168,727	94.3	295	18	313
Washington	1,617,000	453,000	49,575	10.9	16,687,670	4,198,572	20,886,242	79.9	337	85	421
West Virginia	1,798,000	398,000	76,768	19.3	17,679,605	3,028,196	20,707,801	85.4	230	39	270
Wisconsin	3,018,000	751,000	73,042	9.7	35,231,996	13,964,227	49,196,223	71.6	482	191	674
Wyoming	233,000	61,000	4,150	6.8	3,173,941	296,413	3,470,354	91.5	765	71	836
Total			3,677,337		1,359,978,466	466,952,476	1,826,930,942				
Continental United States [9]	127,521,000	31,900,000		11.5				74.4	370	127	497

[1] Obtained by adding to the official census estimate of population in each State on July 1, 1934, an amount equal to the net change in the population in that State between July 1, 1933, and July 1, 1934, as shown in estimates of the Bureau of the Census (Statistical Abstract 1935, p. 9). This procedure assumes, therefore, that the population in each State increased over 1934 by the same amount that it increased in 1934 over 1933.

[2] Obtained by dividing the estimated population in each State by an estimate of the average number of persons per family in that State. The average population per family in the United States in 1930 was 4.1, but this figure has been decreasing by two-tenths of a unit per decade since 1890, and it seems reasonable on the basis of the assumption that this decrease is continuing to reduce the 1930 figure by one-tenth in connection with the 1935 estimated population. This procedure has been used for each State, the 1930 figure for the average number of persons per family in the State being reduced by one-tenth for use with the 1935 estimated population in that State.

[3] F. E. R. A., division of research, statistics, and finance, release of Sept. 30, 1935.

[4] F. E. R. A., division of research, statistics, and finance, release of Mar. 18, 1936, no. 8579, which states that these figures include: "Obligations incurred for relief extended under the general relief program, under all special programs, and for administration; these figures also include purchases of materials, supplies, and equipment, rentals of equipment (such as team and truck hire), earnings of nonrelief persons employed and other expenses incident to the emergency work-relief program." It should, however, be noted that the expenditures under the works programs (W. P. A.) are not included. Before July 1, 1935, the F. E. R. A. program attempted to provide for both employables and unemployables. A transfer of employables to the works program began July 1, 1935, so that the expenditures for emergency relief declined from $188,571,767 in May 1935 to $70,555,119 in December 1935.

[5] State funds only. No local funds.

[6] Local funds only. No State funds.

[7] Less than 1.

[8] United States figures calculated on basis of official estimate of United States population and family estimate based on assured continental United States, average of 4.0 persons per family. The percentage of families on relief for United States, and the per family figures in the final columns are all based on continental United States figures rather than being averages of figures for individual States.

Mr. STEIWER. This chart, I should say, is not abstracted from the hearings before the committee, but was prepared by reference to the various publications of the different relief agencies, and I believe correctly portrays the basis of spending.

The chart to which I call attention is headed "Expenditures under the F. E. R. A. program, January 1–December 31, 1935." The chart discloses the amounts paid in relief by States. It discloses in the several columns the number of families or local units which were the beneficiaries of relief payments. Then in column no. 11 it discloses the total emergency relief expenditures per family on relief. I desire to read some of those relief expenditures per family.

In Alabama the expenditure was $303. That, Senators will remember is for 1 year, from January 1 to December 31, inclusive, 1935.

In Arizona the figure was $488.

In Arkansas the figure was $332.

In California it was $762.

In Colorado it was $585.

I will not read further, inasmuch as the chart will appear in the RECORD, but I desire to say that in one State of the Union the payment per family was as low as $192, and in

another State in the Union the payment was as high as $1,640.

Let Senators give consideration to this method of haphazard distribution, which results in such a disparity between relief units.

I call attention also to another tabulation which I should like to have inserted in the RECORD at this point. It is entitled "Allocation of funds under the emergency relief appropriation act of 1935 compared with relief cases by States."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Allocation of funds under the Emergency Relief Appropriation Act of 1935 compared with relief cases, by States [1]

State	Relief cases [2] June 1935	Total funds, all agencies	Total Works Progress Administration funds	Total funds per case	Works Progress Administration funds per case
Alabama	83,832	$64,446,977	$17,421,545	$768.76	$207.81
Arizona	20,387	37,921,823	5,198,424	1,860.10	254.99
Arkansas	74,160	59,820,101	14,366,301	806.64	193.72
California	241,327	269,228,356	77,061,694	1,115.62	319.32
Colorado	62,889	58,961,687	17,863,127	937.55	284.04
Connecticut	42,310	38,996,427	14,026,505	921.68	331.52
Delaware	4,149	7,043,767	1,645,972	1,697.70	396.72
District of Columbia	18,603	24,488,834	6,594,933	1,316.39	354.51
Florida	64,747	60,158,797	14,789,117	929.14	228.41
Georgia	77,003	68,423,966	19,116,876	888.59	248.26
Idaho	20,776	39,711,106	4,862,907	1,911.39	234.06
Illinois	303,936	241,365,688	85,387,356	794.13	280.94
Indiana	114,857	86,566,102	40,040,009	753.69	348.61
Iowa	49,929	46,958,400	12,968,713	940.50	259.74
Kansas	79,935	56,029,798	16,327,388	700.94	204.26
Kentucky	107,556	62,851,211	18,949,291	584.36	176.18
Louisiana	64,051	53,820,041	17,052,315	840.27	266.23
Maine	22,169	26,947,502	4,743,244	1,215.55	213.96
Maryland	38,320	53,447,970	11,179,104	1,394.78	291.73
Massachusetts	186,528	149,407,527	50,670,372	800.99	271.65
Michigan	168,785	135,751,398	45,070,145	804.29	267.03
Minnesota	104,125	95,099,363	29,677,101	913.32	285.01
Mississippi	59,169	48,107,380	11,227,113	813.05	189.75
Missouri	146,826	98,882,133	32,557,031	673.46	221.74
Montana	26,257	55,152,689	7,365,238	2,100.49	280.51
Nebraska	44,404	49,019,832	10,206,349	1,103.95	229.85
Nevada	3,030	12,103,165	1,393,762	3,994.44	459.99
New Hampshire	14,322	13,978,178	3,589,440	975.99	250.62
New Jersey	157,092	120,792,564	45,386,890	768.93	288.92
New Mexico	30,868	39,822,407	5,556,104	1,290.09	180.00
New York	541,138	548,963,934	259,734,795	1,014.47	479.98
North Carolina	70,759	57,946,689	12,174,890	818.93	172.06
North Dakota	39,944	31,639,395	5,282,211	792.09	132.24
Ohio	323,178	221,539,879	91,018,680	685.50	281.64
Oklahoma	118,526	77,516,000	26,285,339	654.00	221.77
Oregon	30,035	41,951,111	8,970,389	1,396.74	298.66
Pennsylvania	473,040	317,721,910	123,431,402	671.66	260.93
Rhode Island	18,661	16,768,543	6,658,024	898.59	356.79
South Carolina	[3] 59,573	46,413,065	9,240,333	779.10	155.11
South Dakota	59,378	32,591,453	6,019,019	548.88	101.37
Tennessee	77,208	68,939,257	15,102,526	892.90	195.61
Texas	198,316	166,310,825	34,997,881	838.62	176.48
Utah	26,798	28,910,252	6,961,844	1,078.82	259.79
Vermont	8,410	15,879,899	2,146,025	1,888.21	255.18
Virginia	52,182	57,370,734	11,695,941	1,099.44	224.14
Washington	67,394	85,206,559	17,193,235	1,264.30	255.12
West Virginia	88,641	63,957,213	21,476,388	721.52	242.28
Wisconsin	107,250	98,307,120	30,697,576	916.62	286.22
Wyoming	7,282	26,750,498	2,798,526	3,673.51	384.31
Continental United States	4,800,056	4,173,989,570	1,334,179,370	869.57	277.95

[1] Data on allotments from House of Representatives hearings on first deficiency appropriation bill, 1936.

[2] Data from Federal Emergency Relief Administration monthly report for June 1935.

[3] Includes some duplication of families or individuals who received relief under both the general relief and rural rehabilitation programs.

Mr. STEIWER. Mr. President, in the two right-hand columns of this tabulation we find the headings "Total funds per case" and "W. P. A. funds per case." The one last mentioned is, of course, the allocation only from the Works Progress Administration.

I shall not read these figures separately at this time, but I call attention to the fact that the low figures per case of W. P. A. fund allocations were $101.37 in the lowest State, with a high of $459.99 in another State.

In the first chart I mentioned there is some explanation for the disparity between States, which comes from the fact that in some States nearly all the relief has been expended in the form of direct relief and in other States the relief has been in the form of public-works projects, which, by necessity, sometimes are very expensive. But in the last chart from which I read this comparison is not involved.

In the last column the figures relate only to allocations by the Works Progress Administration and the comparison is a comparison of allocations by that administration on a family basis, or unit basis, in the various States of the Union.

Mr. President, another variation of some interest, although probably not of controlling importance, is the variation in the annual cost on the basis of man-years. That variation throws much light on the total lack of system with which relief moneys are disbursed.

Our hearings disclosed that the peak of employment on relief was 3,800,000 relief workers. Of these, 3,000,050 were W. P. A. workers. This is 80.3 percent of the total number of relief workers. Please carry that figure in mind for just a moment.

All the other agencies of our Government furnished employment for 19.7 percent. But when we examine the figures of the amounts allotted in dollars we note the astounding fact that W. P. A. had only $1,363,926,000 and the other agencies had $2,216,000,000.

The conclusion we are forced to make is that W. P. A., with all its faults, is the most economic distributor of relief moneys we have yet found. The conclusion we are forced to make is that W. P. A., having 38 percent of the funds, has provided work for more than 80 percent of those who were getting aid by work relief, and that all the other agencies combined, having 62 percent of the funds, are providing work for 19.7 percent of those who are on work relief.

Mr. President, I have sometimes been a critic of the Works Progress Administration. I am still a critic of some of the political irregularities and abuses which we find in that administration; I think these figures tell a most eloquent story. If it is the desire of the Congress to provide the maximum relief within limits of the ability of our Treasury to pay, we would do well not to adopt the amendments suggested by the Senate Committee on Appropriations, because the bill that came to us from the House lodged the authority for the expenditure of this money in the Works Relief Administration, whereas the amendment of the Senate Committee on Appropriations goes back to the old error of permitting discretionary determination by the Executive as to how, and when, and where, and if the money is to be expended.

There is one other matter I want to consider, Mr. President, before I conclude. I want to refer briefly to the result of our policy of relief in aggregate cost. This consideration in my humble opinion is the most important of all. I think most of us would say that although we prefer a good system to a bad one, that if our Treasury were able to stand the strain we would be willing to indulge some irregularities, some unavoidable difficulties, in order that our Government might contribute to the relief burden which it should help to relieve. However, when we consider whether the program is one which we can meet we may very well pause and wonder not only as to the direction in which we are tending but as to the ultimate destination at which we will arrive if we shall permit this thing to continue.

I have here a statement taken from the record of hearings of the Senate committee. I desire to read some of the answers made by Mr. Hopkins in order to exhibit to the Senate and to the country, if the country is interested, the fact that as the relief load goes down the relief standards go up, and the cost of relief is increasing and not decreasing, and it is going to continue to increase, and it will never decrease under the system which we are now following. These questions were asked and these answers were given by Mr. Hopkins:

Senator STEIWER. Was the policy to raise the level of relief benefits and standards throughout the country in operation during the time of the F. E. R. A.?

Mr. HOPKINS. Yes.

Senator STEIWER. Is that your policy?
Mr. HOPKINS. Yes.
Senator STEIWER. Who determined that policy?
Mr. HOPKINS. I did.
Senator STEIWER. On what basis?
Mr. HOPKINS. On the basis of the studies of our nurses, and our nutrition workers, and competent people, as to the amount of relief people were getting and the amount of relief that people needed.

We found families, for instance, getting $2 a month relief. It did not take any expert to know that was miserably inadequate, and we insisted in our relations with the States as a part of our standards that they give reasonably adequate relief.

The results of this policy were different in various places, because in the last analysis relief largely is a matter of local public opinion. But we did deliberately attempt to increase the standards of relief. I do not think we ever got them up high enough.

Senator STEIWER. You are not suggesting further elevation of standards out of this appropriation?

Mr. HOPKINS. We have done it by our works program, because the average benefits in wages they get is higher than the amount they got in relief.

Senator STEIWER. But let me have a little more definite answer to my question. You do not plan from this appropriation to create a higher standard of relief as against the existing standards.

Mr. HOPKINS. No.

Senator STEIWER. As against the appropriation for last year.

Mr. HOPKINS. No; we do not intend to. We may modify existing wages in some instances, but we do not intend to make any general increases.

So, Mr. President, the President of the United States has not fixed the relief standards. The Congress failed in its responsibility to fix the relief standards. Apparently they have been fixed by one subordinate agent of our Government, and that agent was Mr. Hopkins; and he puts us on our guard by telling us that, although he does not propose to elevate the relief standards from this particular appropriation, that it is his judgment they are not high enough.

What is the conclusion to be drawn from that? I think the fair conclusion to be drawn is that if we permit him to go forward in his way the time will come when he will take advantage of the unfettered authority which Congress and the President confer upon him, and will further elevate the relief standards and consequently the relief costs in this country.

Let us see what this situation has done to us up to this time. I have had prepared a chart of recovery and relief expenditures from February 1, 1932, to May 22, 1936, by months, with totals for each fiscal year. The table is in millions of dollars, the last six ciphers being omitted, and is based upon information secured from the Bureau of the Budget. I ask, Mr. President, that it may be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Recovery and relief expenditures from Feb. 1, 1932, to May 22, 1936, by months with totals for each fiscal year

[In millions of dollars]

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Fiscal year 1935	Fiscal year 1936
July	.....	150	75	236	347
August	.....	116	139	309	289
September	.....	15	81	283	244
October	.....	83	104	278	296
November	.....	37	294	390	261
December	.....	76	469	321	247
January	.....	112	808	252	241
February	130	147	447	248	301
March	96	157	448	288	214
April	189	109	370	279	314
May	182	193	350	347	[1] 236
June	296	83	423	425	.....
Total	893	1,277	4,002	3,656	[1] 2,930

[1] To May 22, inclusive.

Mr. STEIWER. Mr. President, this tabulation shows that the relief expenditures starting in February 1932 were $130,000,000. In March of that year they were $96,000,000; in April, $189,000,000; in May, $182,000,000; in June, $296,000,000.

Starting the new fiscal year in July 1933, the relief expenditures were $150,000,000, and they continued through that year to a high in excess of $193,000,000.

In the fiscal year 1934, commencing in July, the relief expenditures were $75,000,000. They went up in December 1934 to $423,000,000. In January 1935 they went up to $808,000,000. In February they were $447,000,000. At the end of the year, June 1935, the amount was $423,000,000.

In the fiscal year 1935 relief expenditures varied from a low of $236,000,000 to a high figure of $425,000,000.

In the fiscal year 1936 relief expenditures varied from a low of $214,000,000 to a high of $347,000,000. The figures are only given down to May 22 of this year. It is anticipated that June 1936 will show the largest relief expenditures for any month in the year.

The total shows that the high cost of relief for the fiscal year 1934 was slightly in excess of $4,000,000,000. It is estimated by the Bureau of the Budget that the cost this year will be in excess of $3,600,000,000.

The grand total of Federal relief expenditures for this period was $12,808,000,000.

To this should be added State and local expenditures which will bring the total to approximately $15,000,000,000.

Mr. President, the conclusion that may fairly and properly be drawn from this array of figures is that although the relief load has gone down slightly, according to the claims of those in authority, the cost of relief continues to go up. As I said a while ago, as the relief load goes down the relief standard goes up, so that the cost is kept up. The Works Progress Administrator told our committee that he wants the standard raised yet higher. I do not know but that they ought to be raised. I am not in favor of niggardly relief. I am not in favor of harsh and unfair treatment of people who are destitute. I am merely trying to say to this body as earnestly as I can that the relief costs are not coming down, that the lowering of the relief load is not reducing the relief costs. We are geared up to an expenditure of about $3,500,000,000 per year of Federal contribution for relief. The Congress did not fix the amount. The President did not fix the amount, but the various heads of the relief agencies have fixed the standard and have determined the amount, and all we are called upon to do is to appropriate the lump sum of money necessary to meet the requirements which they have fixed upon our Government.

I do not undertake to deal with detailed instances. For the purposes of this discussion I do not care anything about inefficiency in administration or the criticisms so often directed against relief projects; nor do I even refer to the fact that there has been political irregularities over many areas of the country. I am trying to say only that we have failed to meet our responsibility to our country. We continue this failure by the form in which the committee would have this legislation enacted. We are asked now to give to the President the unfettered discretion with respect to the expenditure of this money. Then we are asked to put Dr. Tugwell's Resettlement Administration back in the bill. We are asked to put our approval upon everything that has been done, and to vote another lump sum without restriction as to its expenditure.

We are asked to approve this thing of employing 17,000 administrative assistants in the Resettlement Administration. We are asked to continue to leave to the executive departments and to subordinate agents the determination of what our policy is to be, and to permit under the cloak of humanitarianism and in the guise of beneficent paternalism the evolution of impractical and visonary projects which are utterly without justification. By the action of the Senate committee we are asked again to write a blank check for the President of the United States, and by doing so, to put our stamp of approval upon a system which makes of human misery a shield for the initiation and prosecution of projects which the Congress would not even seriously consider were they required to stand on their own merit.

I know that no word I can say will stay this Congress from doing that thing, but I am not willing to let the bill be passed without discharging my obligation to my country by standing here and, as vigorously as I can, condemning the whole thing of the delegation of powers and the appropriation of money without restraint, without control, without definition.

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point letters from mayors of various cities in Oregon expressing their views as to the program of the Works Progress Administration in Oregon, approving it in every instance. They give their full approval to the program of the Works Progress Administration and pay tribute to the manner in which the funds have been administered in the State of Oregon.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MYRTLE POINT, OREG., *April 20, 1936.*

WORKS PROGRESS ADMINISTRATION,
Bedell Building, Portland, Oreg.

(Attention: Mr. E. J. Griffith, State administrator.)

DEAR SIR: Replying to your letter of April 17th regarding the program of the Works Progress Administration and asking certain pertinent questions regarding the success of the program.

We feel that the idea of giving work rather than the dole is the proper method because, first, it has been demonstrated to us that the people who are in need of help would rather perform some labor for the help received and, secondly, that the sponsors of the various projects are securing much-needed assistance in work that is, or will be, within a couple of years necessary to be done, by the sponsors.

The work being done by us is a much-needed item. In our case we are making an extension to our water system which serves a number of people and which is at present inadequate as well as obsolete.

We have yet quite a lot of work that should be done in the matter of obsolete water mains, these already having served their allotted time, but which we would be unable to complete when necessary without the help of some governmental agency, so we would say that we have quite a lot of useful work yet to be done.

There is only one real criticism we would make and that would be in the time consumed in the passing on applications. It would appear that each State director should be allowed the privilege of passing and allowing project or else some method devised to secure more prompt action in the office at Washington, D. C., so that the work could be done at a time when the labor surplus is greatest. Taken all in all we feel that the W. P. A. is one of the most-needed governmental agencies both from the labor carry-over standpoint and as related to the necessary assistance given the sponsors.

Thanking you for giving us this chance of expressing our opinions and criticism, we are,

Yours very truly,

RALPH D. KING, *Mayor.*

PORTLAND, OREG., *April 27, 1936.*

Mr. E. J. GRIFFITH,
State Administrator, Works Progress Administration,
Bedell Building, Portland, Oreg.

DEAR MR. GRIFFITH: In response to your letter of April 14, I offer you the following answers to your numbered inquiries:

1. Yes.
2. Yes; in the main.
3. Yes.
4. At a recent regional conference of the United States Conference of Mayors held in San Francisco, the attending mayors seemed to be unanimously of the opinion that until industry takes the initiative and provides for those who wish to work it will be necessary to carry on the W. P. A. program; certain it is our people do not wish to be on the dole.

Yours very truly,

JOSEPH K. CARSON, Jr., *Mayor.*

AMITY, OREG.,
April 22, 1936.

Mr. E. J. GRIFFITH,
State Administrator, W. P. A.,
Bedell Building, Portland, Oreg.

DEAR SIR: I am in receipt of a questionnaire from your office asking as to how well the program of the Works Progress Administration is meeting the unemployment problem, etc. In reply would say:

1. Is work the proper method of meeting the unemployment problem as compared to the dole and idleness?

In my opinion work is far more preferable, as that is what self-respecting people want.

2. Are we doing useful and needed work under the W. P. A. program?

So far as this locality is concerned, all work that has been done has been on projects that were well worth while.

3. Is there useful work yet to be done under a continued W. P. A. program?

In this community there are a number of projects, such as more improvements to the city water-works system, street improvements, etc., that could be undertaken if they could be financed in part with Federal assistance.

4. Any comment you care to make.

The interest taken by W. P. A. officials who are connected with the rebuilding of our water-works system is greatly appreciated. The W. P. A. engineer (Mr. Hicks) has saved the city of Amity several hundred dollars by showing us where changes could be made that has saved us money. And nothing escapes his eagle eye.

Yours very sincerely,

JAMES D. WOODMAN, *Mayor.*

THE DALLES, OREG., APRIL 28, 1936.

E. J. GRIFFITH,
Administrator, Works Progress Administration,
12th Floor, Bedell Building, Portland, Oreg.

DEAR SIR: Your letter to Mayor Willerton has been given this office for reply.

It is the unanimous opinion of the members of Dalles City Council that under the Works Progress Administration the unemployment problem has been aided materially, that the work done or in progress is much needed and the W. P. A. programs should be continued.

For the past several months there has been several projects in this community, some sponsored by the State of Oregon and others by the port of The Dalles.

This city to date has not participated, although we have been trying, through Mr. W. M. Bartlett, division engineer, to get some W. P. A. projects under way.

Should W. P. A. programs be continued, we can assure you that this city will sponsor several. Sewers, sidewalks, and recreation grounds.

Yours very truly,

J. H. STEERS,
Recorder of Dalles City.

NORTH BEND, OREG., *April 21, 1936.*

E. J. GRIFFITH,
State Administrator W. P. A., Portland, Oreg.

DEAR MR. GRIFFITH: In reply to your inquiry of April 17 regarding the unemployment problem:

1. Work is the proper method in meeting the unemployment situation, most of the unemployed do not want charity.
2. The W. P. A. projects now in operation constitute valuable public improvement of a permanent character, which we need but could not take care of if it were not for the W. P. A.
3. Yes; there is a lot of useful work yet to be done under a continued W. P. A. program.

Trusting that this is the information you desire, I remain,

Very truly yours,

L. A. CUTLIP.

HILLSBORO, OREG., *April 27, 1936.*

Hon. E. J. GRIFFITH,
State Administrator, W. P. A.,
Bedell Building, Portland, Oreg.

DEAR MR. GRIFFITH: In replying to your letter of inquiry as to the success and progress of the W. P. A. program, we are pleased to report as follows:

1. We favor work relief in preference to the dole or idleness for able-bodied unemployed men and women.
2. The Works Progress Administration in our city has been a success. Our efforts have been to furnish needed and useful projects of a general public benefit, such as improving and beautifying our city park and recreational center, constructing concrete sidewalks, curbs, and macadamizing streets.
3. There is much work yet to be done under the above-outlined projects and still other worthy projects which could be carried out under a continued W. P. A. program.
4. With few exceptions the employees have worked well and appreciated the opportunity of having such public work during the off season or at a time when private work was unobtainable.

We are of the opinion this community will continue to need some such a program as W. P. A. this coming winter to relieve unemployment when seasonable employment slacks up.

Very truly yours,

THE CITY OF HILLSBORO, OREG.,
By J. H. GARRETT, *Mayor.*

PENDLETON, OREG., *April 17, 1936.*

Mr. E. J. GRIFFITH,
State Administrator, Works Progress Administration,
Twelfth Floor, Bedell Building, Portland, Oreg.

DEAR MR. GRIFFITH: I have received your letter of April 14, 1936, in which you request me to express an opinion on the program of the Works Progress Administration.

These questions I shall endeavor to answer in the order in which you have asked them.

No. 1. Is work the proper method of meeting the unemployment problem as compared to the dole and idleness?

My opinion on this subject is much the same as that given in the report of the United States Conference of Mayors, a copy of which you enclosed. There is, of course, a small percentage of workers from relief rolls who prefer, through sheer laziness, to accept a grocery order instead of doing a day's work. The great majority, however, always say, "I want a job, not charity." Enforced idleness, encouraged by the dole, is essentially destructive to the moral well-being of our people. Particularly in an agricultural area, where most of our people have been accustomed all their lives to manual labor, a work program is highly desirable as the solution of the relief problem.

No. 2. Are we doing useful and needed work under the W. P. A. program?

Decidedly; yes. I know from first-hand experience that the projects sponsored by Umatilla County have been useful and they are unquestionably needed. Any project for construction of a road is useful and needed, and most of our projects have been of that type.

No. 3. Is there useful work yet to be done under a continued W. P. A. program?

I should estimate that there is sufficient work already planned in Umatilla County, some of which has been submitted and approved, to take care of the situation for 3 years at least.

No. 4. Any comments you care to make.

On this subject, it is rather difficult to answer you. We have been exceptionally well pleased with the operation of the program and have no criticisms to offer. However, one point should be stressed in planning of your projects. I believe you should exercise extreme care that you do not undertake any work which would normally be done by the political subdivision acting as the sponsor. While I don't know of any specific cases where this has been overlooked, I do believe that it is quite possible that some counties or cities and school districts are taking unfair advantage of the availability of relief labor. Whenever this occurs, it, of course, throws men out of employment who would ordinarily be employed directly by the political subdivision involved. This causes harsh criticism.

Along another line, I should urge you to operate projects which offer a maximum of expenditures for labor, with the material cost held very low. Projects of this type would include clearing of river channels to prevent flood damage, and the strengthening of roadsides for erosion control and better drainage.

I trust that my remarks will be of some interest to you, and assure you that any cooperation we can offer will be most cheerfully given.

Very truly yours,

G. F. HODGES, *County Judge.*

TILLAMOOK CITY, OREG., *April 24, 1936.*

Mr. E. J. GRIFFITH,
State Administrator, Portland, Oreg.

MY DEAR MR. GRIFFITH: In answer to your letter of April 18, outlining four questions in relation to the work of the relief administration in Tillamook City, I will answer them as follows:

1. I believe wholeheartedly with the administration that the only proper method of meeting the unemployment problem is through public work, such as we have been doing with the relief money.

2. The work that we have been doing in Tillamook City and Tillamook County with the W. P. A. program has been of the most useful kind and is of a permanent nature, and benefits from it will be derived by the public in general for years and years to come.

3. We feel that there is more work that can be done and accomplished through a continued W. P. A. program. Tillamook City itself has several further projects that we would be interested in cooperating with if the program is continued.

In summary, I would say the method of furnishing employment through the W. P. A. to the unemployed public has been, to my mind, an outstanding accomplishment of the Democratic administration.

I feel that this method of unemployment relief is so far superior to the dole system that there is absolutely no comparison whatsoever, and I sincerely hope that the leaders in our country will never come to the point where they will simply dole money out to the unemployed, rather than have them work for what they get.

I am sure that the above expresses the viewpoint of all of the thinking people of our city and country.

Wishing you continued success in your operations, I am,

Yours sincerely,

A. J. SWETT,
Mayor, City of Tillamook.

GRESHAM, OREG., *April 20, 1936.*

E. J. GRIFFITH,
State Administrator, Works Progress Administration,
Bedell Building, Portland, Oreg.

DEAR MR. GRIFFITH: It is a pleasure to reply to your letter of April 14 inquiring as to our experiences, etc., with the Works Progress Administration's program.

In the first place any red-blooded American citizen wants and is definitely entitled to work, and all of them resent the dole idea.

We feel that all of the work which has been done under W. P. A. in our community through the numerous recent small projects have been of useful nature and actually provided betterment to our public buildings, highways, drainage areas, etc., of a distinct improvement. There is now under construction in the city of Gresham, a P. W. A. sewage system and disposal plant, and we sincerely trust that your organization's facilities will be available for a street-repair and general clean-up project late this fall.

Yours very truly,

R. K. AKIN, *Mayor.*

MADRAS, OREG., *April 17, 1936.*

Re: W. P. A. program in Oregon.
Mr. E. J. GRIFFITH,
State Administrator, Works Progress Administration,
Portland, Oreg.

DEAR MR. GRIFFITH: Your letter of the 14th received and read carefully, and in reply I will give you my opinion as to how well the program of the Works Progress Administration is meeting the unemployment here.

1. I think work is the proper method of meeting the unemployment problem as compared with the dole and idleness. The men say, "We want work, not charity, as we still have our pride with us and wish to maintain our freedom, liberty, and self-respect."

2. I want to state emphatically that the work projects in Jefferson County are not only useful but necessary. It is helping us to keep the men at work. It is also allowing us to get some needed road improvement which it would be impossible for the county to bear all the expense. We are beginning a grade Tuesday, the 21st, which is badly needed and could not be built by the county without the aid of the W. P. A. funds.

3. There is much more needed and useful work to be done in this county. We have on file in your offices a blanket county projects, totaling about $18,000, which I hope we may soon have approved.

4. I am sure that if we could have the rule amended, so that men who had been on the relief prior to May 1, 1935, to reach back to January 1, 1935, it would be a godsend to this country. I also believe the minimum rate should be raised to $45 per month and semi, and skilled, according.

Thanking you for this opportunity to express views on the W. P. A. program and assuring you of continued cooperation, I am,

Most sincerely yours,

W. R. COOK, *County Judge.*

Mr. BONE. Mr. President, I have had called to my attention recently a difficulty from which not only my own State but I think many other States have suffered, and I suspect that not many Members of the Senate have had it brought to their attention.

Under the regulations of the Works Progress Administration it has clearly appeared that a man might not be employed on public works unless he was on the relief rolls of the State in which he lived. I think all of us will realize how terribly humiliating that has been to many very fine people. I have been in homes where, by dint of greatest effort and by most humiliating sacrifices men had thus far, at the time I contacted them, kept off the relief rolls. I think it presented one of the saddest pictures I know of, where men I have known for years were spending every effort to keep from going on relief rolls and thus publicly announcing themselves to be paupers. I think my colleague, the junior Senator from Washington [Mr. SCHWELLENBACH], in the early part of the session introduced a bill which would have authorized those who were in need, and who had been out of work for any length of time, to take advantage of the Works Progress Administration program which was being carried on.

It seems to me the correction of the condition I have described is something that should appeal to every Member of the Senate. I think all of the Senators perhaps have had conditions of that sort brought to their attention at some time. Perhaps their own friends, through adversity, have been placed in that humiliating situation, and I think it is very unfair. It is just degrading.

On page 31 of the pending bill I observe this language—and it is to this language that I direct the attention of the Senator from Colorado:

> That in the employment of persons applicants in actual need whose names have not heretofore been placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls.

Let me ask the Senator if he thinks that language is broad enough not only to apply to the situation I have described but to remove that kind of a humiliating situation.

Mr. ADAMS. Mr. President, I will say to the Senator from Washington that the very purpose of the language he has read is to remove that situation and to cure it. In my judgment, it will solve the problem, because no longer is it to be

required that in order to receive employment under the Relief Administration the applicant shall have been upon the relief rolls as of a particular date. The only test is that he shall be unemployed and in need. The amendment specifically says:

That in the employment of persons applicants in actual need whose names have not heretofore been placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls.

Mr. BONE. I am sure the Senator will agree with me that this condition has had a most demoralizing and degrading effect on many men, and it has compelled them virtually to take a pauper's oath. I really think we should not any longer impose that sort of a condition on decent Americans. I know abuses might grow out of a different course; but certainly the Senate has no right to put up that sort of a yardstick to a decent American.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Virginia?

Mr. BONE. I do.

Mr. GLASS. I may say to the Senator from Washington that it was the purpose of this provision to correct the very condition he points out. In my State a considerable public project had to be closed down because there were not enough persons on relief rolls in the particular two counties to do the necessary work. I will say, however, that when I brought the matter to the attention of the director of public relief he immediately corrected the situation; and the work, which was a large road project, went on.

Mr. BONE. I imagine the Senator probably feels as I do; and I suspect that in the very locality concerning which the Senator speaks there were a small army of persons who were in the position I have described, who gladly would have taken the jobs.

Mr. GLASS. Gladly; and, as a matter of fact, in that entire congressional district just one-half of 1 percent of persons were on the relief rolls, not nearly enough to complete the project which was then in progress.

MISSISSIPPI RIVER BRIDGE, BATON ROUGE, LA.

Mr. OVERTON. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 4618, Calendar No. 2206.

Mr. ROBINSON. I understand that it is a bridge bill.

Mr. OVERTON. It is a bridge bill. It meets with the approval of the departments, and is for the construction of a bridge across the Mississippi River at Baton Rouge, La.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

There being no objection, the bill (S. 4618) granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a free or toll highway bridge, or a railway bridge in combination with a free or toll highway bridge, and approaches thereto across the Mississippi River at or near Baton Rouge, La., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Louisiana Highway Commission, an administrative body created and acting under the constitution and laws of the State of Louisiana, to construct, maintain, and operate a free or toll highway bridge, or a railway bridge in combination with a free or toll highway bridge, and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near Baton Rouge, in the State of Louisiana, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridges, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

SAVANNAH RIVER BRIDGE, AUGUSTA, GA.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 4549, Calendar No. 2196. It is a bill providing for the reconstruction of a bridge which was recently damaged by flood conditions in the Savannah River Basin.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia?

There being no objection, the bill (S. 4549) authorizing the State Highway Board of the State of Georgia to replace, reconstruct, or repair the free highway bridge across the Savannah River at or near the city of Augusta, Ga., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, the State Highway Board of the State of Georgia is hereby authorized to replace, reconstruct, or repair the free highway bridge and approaches thereto across the Savannah River, known as the North Augusta Bridge, at or near the city of Augusta, Ga., and to maintain and operate such bridge as a free highway bridge, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. There is hereby conferred upon the State Highway Board of the State of Georgia all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, replacement, reconstruction, repair, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The authority granted by this act shall cease and be null and void unless the replacement, reconstruction, or repair authorized herein is actually commenced within 2 years and completed within 4 years from the date of the enactment of this act.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

PRODUCTION COSTS OF WOOLEN KNIT GLOVES AND MITTENS

Mr. LA FOLLETTE. Mr. President, on the calendar is Senate Resolution 270, being Calendar No. 2217, submitted by the Senator from New York [Mr. COPELAND], providing for an investigation under section 336 of the tariff act of the production costs of woolen knit gloves and mittens. It is in the usual form for resolutions of this character and was unanimously reported yesterday by the Finance Committee. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The Senator from Wisconsin asks unanimous consent for the immediate consideration of a resolution, which will be read.

The legislative clerk read Senate Resolution 270, submitted by Mr. COPELAND on March 31, 1936, for an investigation of the production of costs of woolen knit gloves and mittens, and it was considered and agreed to, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Knit gloves and mittens made wholly or in chief value of wool, dutiable under paragraph 1529 (a) of such act.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

The PRESIDING OFFICER. The question is on that portion of the committee amendment on line 23, page 28,

striking out the words "rural rehabilitation." [Putting the question.] By the sound the "noes" seem to have it.

Mr. BYRNES. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. BONE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BONE. I should like to have the Chair advise us—I did not hear the question put—as to the effect of yea-and-nay votes on this question.

The PRESIDING OFFICER. The yea-and-nay vote is being taken on the question whether the Senate will strike from the bill, as proposed by the committee amendment on line 23, page 28, the words "rural rehabilitation."

Mr. BONE. What would be the effect of a vote "yea" or a vote "nay" on this question?

The PRESIDING OFFICER. An affirmative vote would be a vote to sustain the committee amendment striking out the words "rural rehabilitation", and a vote in the negative would be a vote to retain the language in the bill as it passed the House. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BILBO (when his name was called). I have a general pair with the senior Senator from Iowa [Mr. DICKINSON], who is absent. Not knowing how he would vote if present, I withhold my vote.

Mr. McNARY (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. HARRISON], who is unavoidably absent. Not knowing how he would vote, I withhold my vote.

Mr. FRAZIER (when Mr. NYE's name was called). My colleague the junior Senator from North Dakota [Mr. NYE] is absent. He is paired on this vote with the junior Senator from Pennsylvania [Mr. GUFFEY]. If my colleague were present and voting, he would vote "nay", and I understand that the Senator from Pennsylvania, if present and voting, would vote "yea."

The roll call was concluded.

Mr. McKELLAR. I have a general pair with the junior Senator from Delaware [Mr. TOWNSEND], which I transfer to the junior Senator from New Hampshire [Mr. BROWN], and vote "yea."

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. McCARRAN], and the Senator from South Carolina [Mr. SMITH] are detained from the Senate on account of illness.

The Senator from New Hampshire [Mr. BROWN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Georgia [Mr. GEORGE], the Senator from Oklahoma [Mr. GORE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Utah [Mr. KING], the Senator from Illinois [Mr. LEWIS], the Senator from Florida [Mr. LOFTIN], the Senator from Kentucky [Mr. LOGAN], the Senator from Louisiana [Mrs. LONG], the Senator from California [Mr. McADOO], the Senator from New Jersey [Mr. MOORE], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained.

Mr. AUSTIN. I desire to announce the following general pairs:

The Senator from Maine [Mr. WHITE] with the Senator from Utah [Mr. KING]; and

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN].

I also wish to announce that the Senator from Pennsylvania [Mr. DAVIS], if present and voting, would vote "yea."

The result was announced—yeas 28, nays 38, as follows:

YEAS—28

Adams	Byrnes	Hale	O'Mahoney
Austin	Carey	Hastings	Pittman
Bachman	Copeland	Hayden	Radcliffe
Barbour	Couzens	Johnson	Steiwer
Bulkley	Gerry	Keyes	Tydings
Burke	Gibson	McKellar	Vandenberg
Byrd	Glass	Metcalf	Walsh

NAYS—38

Ashurst	Clark	Minton	Schwellenbach
Bailey	Connally	Murphy	Sheppard
Barkley	Fletcher	Murray	Shipstead
Benson	Frazier	Neely	Thomas, Okla.
Black	Hatch	Norris	Thomas, Utah
Bone	Holt	Overton	Truman
Borah	La Follette	Pope	Wagner
Bulow	Lonergan	Reynolds	Wheeler
Capper	McGill	Robinson	
Caraway	Maloney	Russell	

NOT VOTING—30

Bankhead	Dieterich	Lewis	Norbeck
Bilbo	Donahey	Loftin	Nye
Brown	Duffy	Logan	Smith
Chavez	George	Long	Townsend
Coolidge	Gore	McAdoo	Van Nuys
Costigan	Guffey	McCarran	White
Davis	Harrison	McNary	
Dickinson	King	Moore	

So the amendment of the committee was rejected.

Mr. ROBINSON. Mr. President, I present an amendment to the deficiency appropriation bill and ask that it be printed and lie on the table. This amendment is substantially Senate Joint Resolution 266, introduced by me on the 12th of May, and having relation to the Florida ship canal and the Passamaquoddy tidal power project. The amendment is proposed as an amendment to the committee amendment after line 10 on page 30. The amendment is not offered at this time, as it would not be in order, but I ask to have it printed and lie on the table.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. McNARY. Mr. President, will not the Senator from Arkansas move a recess at this time?

Mr. ROBINSON. I thought that perhaps the particular amendment which is under consideration might be acted on. Then I will make a motion that the Senate take a recess until tomorrow.

Mr. President, there was a division, the Chair will recall, of the committee amendment.

The VICE PRESIDENT. Yes. The question now is on agreeing to the insertion of the word "loans", after the word "rehabilitation", on page 28, line 23.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Colorado if, in his opinion, a comma ought not to be inserted after the word "rehabilitation"?

Mr. ADAMS. If the Senator thinks it ought to be inserted, I will accept his judgment.

Mr. LA FOLLETTE. I am asking the Senator's opinion about the matter.

Mr. ROBINSON. It makes a great deal of difference whether or not the comma is inserted.

Mr. LA FOLLETTE. The Senate having rejected the committee amendment striking out the words "rural rehabilitation", thereby retaining those words in the bill, a comma should be inserted after the word "rehabilitation."

Mr. ADAMS. Yes; Mr. President, a comma should be inserted at that point.

Mr. LA FOLLETTE. That would make the clause read:

(1) rural rehabilitation, loans and relief to farmers and livestock growers,

Mr. GLASS. Mr. President, I am in favor of a comma being inserted at that point. It may restrain Mr. Tugwell from buying millions of acres of land.

The VICE PRESIDENT. Without objection, a comma will be inserted after the word "rehabilitation."

The question is on agreeing to the committee amendment on page 28, line 23, to insert after the word "rehabilitation" and the comma the word "loans."

The amendment was agreed to.

VOCATIONAL EDUCATION

Mr. GEORGE. Mr. President, yesterday the Senate passed House Bill 12120, to provide for the further development of vocational education in the several States and Territories. This was in form and substance the Senate vocational education bill; but in passing the House bill the Senator from Nebraska [Mr. NORRIS] suggested that one phrase in the text of the Senate bill be incorporated as an amendment.

I have since talked with the Senator from Nebraska, and we have gone over the matter. He has authorized me to say that if it is agreeable to have unanimous consent to reconsider the votes by which the amendment was adopted and the bill was passed, the amendment may be eliminated, so that there will be no necessity of sending the bill to conference. Accordingly, I ask unanimous consent to reconsider the votes by which the Senate amendment was engrossed, and the bill was ordered to a third reading and passed.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, I gather that this course meets with the approval of the Senator from Nebraska?

Mr. GEORGE. It does meet with the approval of the Senator from Nebraska. He authorized me to make the statement if he should be absent from the floor.

The VICE PRESIDENT. Is there objection to the request of the Senator from Georgia? The Chair hears none, and the votes are reconsidered.

Mr. GEORGE. I now ask unanimous consent that the vote by which the amendment of the Senator from Nebraska was adopted may be reconsidered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. GEORGE. I now withdraw the amendment. I will state for the information of the Senate that one of the appropriations carried in the bill provided for the pay of teachers and directors of trade and industrial subjects. The amendment inserted the words "including public service and other service occupations." By withdrawing the amendment those words will not become a part of the bill.

I now ask that the Senate pass the House bill without amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Georgia?

There being no objection, the bill was ordered to a third reading, read the third time, and passed.

WORKS PROGRESS ADMINISTRATION IN WEST VIRGINIA

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD a digest of favorable comments of mayors and county and State officials on the conduct of the Works Progress Administration in the State of West Virginia under the leadership of Hon. F. W. McCullough.

There being no objection, the digest was ordered to be printed in the RECORD, as follows:

O. E. Hogan, mayor of Williamson: "I feel that we have gotten wonderful results from the W. P. A. and have made much better progress than under any former set-up."

Ben F. Morris, mayor of Marmet: "* * * The projects have operated satisfactorily to the citizens of the town, and in a manner most commendable to the W. P. A. officials."

H. F. Brittingham, mayor of Philippi: "The W. P. A. has cooperated with us in every manner possible, and we are not only putting all our streets and alleys in good condition but giving employment to practically all our unemployed."

E. S. Tisdale, director, division of sanitary engineering: "* * * I want to thank you for the hearty cooperation which has been extended to our forces by your organization in dealing with flood sanitation."

Sidney E. Goad, mayor of Clendenin: "May I take this means of expressing the appreciation of the town of Clendenin, as well as personally, for the manner in which the W. P. A. and your Clendenin supervisor, Mr. J. Frank Huffman, handled the W. P. A. situation in your district, and for the great service which you and your assistants rendered our community?"

F. L. Larkin, mayor of Terra Alta: "The mayor and Town Council of Terra Alta desire to express to you our unqualified approval of the entire administration of projects sponsored by the town of Terra Alta."

Elmer W. Prince, city manager, Morgantown: "The cooperation of our townspeople and W. P. A. employees has been most gratifying, and we desire to take this opportunity to again express our appreciation of the assistance being rendered the city of Morgantown by the W. P. A. in making greatly needed permanent improvements about the city."

Paul W. Watson, secretary, Preston County Board of Education: "Without W. P. A. assistance it would be impossible for the board to make any of the many improvements which are now being effected."

Mattie Thomas, mayor of Sabraton: "So far as I know, there is absolutely no corruption of any kind in connection with the project (Sabraton Avenue project no. 1973). It is going along fine, everybody is satisfied, and we hope the project will continue as it is."

Goebel W. Harr, Fairmont, W. Va.: "The W. P. A. shouldn't apologize for the time or money spent on this job, which will affect the lives of at least 350 people and will continue to serve a useful purpose for an increased number long after its cost is forgotten. In fact, one good old-fashioned typhoid epidemic, which this sewer may prevent, would cost a great deal more than 8,500 feet of ditch and tile."

Warwood Boosters Club: "The Boosters have worked hard and long to secure a recreation and athletic center for our community, but we cannot overlook the fact that only through your influence and able assistance have we been able to realize our ambitions."

W. C. Bailey, superintendent, Wyoming County schools: "Since November 20, 1935, I have had under my supervision a county-wide school-repair project, no. 1958. Since this project has been of much value to Wyoming County please allow me this opportunity of saying a few words in behalf of same. * * * The men employed on this project were all taken from the list of unemployed and such work has enabled them to live, send their children to school, and fit into society in general in a much more efficient manner than they had formerly."

Troy M. Gillum, mayor of Shinnston: "I wish to extend to you and the W. P. A. our sincere appreciation for the assistance and cooperation received from you during the construction of the various projects in this city. * * * I desire to particularly emphasize the fact that absolute harmony exists between the W. P. A. and the city of Shinnston, and that the selection of foremen and subformen on the various projects has been entirely satisfactory to us."

J. A. Deegan, mayor of Bridgeport: "We appreciate the hearty cooperation received from your office and the supervisors and foremen, and we appreciate the wonderful improvement being made to the streets of this town."

R. J. Steward, mayor of Nutter Fort: "In behalf of the officials and citizens of the town of Nutter Fort, I wish to express to yourself and the directors of the W. P. A. our sincere thanks for the many services rendered the town in connection with its street-improvement projects under the W. P. A. The treatment accorded us has been of the highest type, courteous, and prompt."

Linn B. Ferrell, mayor of Salem: "* * * I want to express my appreciation to you and those connected with the Fairmont office of the W. P. A. for the splendid cooperation you and they have shown the city in connection with our W. P. A. sanitary sewer project. The same can be said for the foremen and timekeeper supervising the work locally."

F. W. Thompson, councilman, Salem: "We consider ourselves very fortunate in securing the grant now being used to take care of our sewage. The men we have at the head of this project are doing a great work—and a much-needed work—in our beautiful little town; work that the city itself was unable to do."

K. M. Jarrell, M. D., Princeton Sanitarium: "Mr. Wilfong, district engineer here, seems to be getting along nicely, and he will receive 100-percent cooperation from this outfit at the sanitarium."

K. M. Jarrell, M. D., superintendent, Pinecrest Sanatorium: "I appreciate greatly your approval on project no. 399 for Pinecrest Sanatorium. This project was badly needed and will be one which will be of great worth to this institution, as it falls in line with other plans for making Pinecrest Sanatorium an outstanding institution in the State of West Virginia."

R. E. Stewart, clerk, Hampshire County: "We have been very much encouraged all through the various channels regarding approval of the above-mentioned project, as it is designed to absorb a class of labor what might be called the white-collar class, and I do not believe there is another project submitted from Hampshire County that will absorb this class of labor. It is also work that will be of untold value to future generations." (The project referred to was that of reclassifying, rerecording, and reindexing old wills, appraisements, and settlements of estates.)

J. A. Chambers, president, West Virginia Board of Control: "Your cooperation on all of our projects has been 100 percent to date."

Elmer W. Prince, city manager, Morgantown: "Assuring you of the appreciation of the cooperation of your organization with the city administration, and further assuring you of the permanent work that is being accomplished by the Works Progress Administration."

S. C. Rothmann, Assistant State Director, United States Public Health Service: "It gives me great pleasure to bring to your attention the fact that we have met with utmost cooperation and friendliest of spirit upon the part of all of your district officials. We have found most of them helpful and eager to assist us in every way."

A. M. Price, M. D., collaborating epidemiologist, division of rural sanitation, State department of health: "I wish to take this opportunity to express my appreciation, as well as that of the United States Public Health Service, for the cooperation received from you and your staff in the field with the community sanitation program."

Guy Payne, Payne's Drug Store, Barrackville: "We would like to express our appreciation of a W. P. A. project that was worked on in Barrackville last summer and fall. That was the sanitary sewer that was laid from just back of our drug store through the Ice and Harden land to Buffalo Creek. Previously the sewage from approximately a dozen to 15 homes and business places was carried to a point less than 50 feet back of our store and emptied there, where it made a perfect breeding place for flies, disease, and mosquitos.

* * * It would be in the same condition today had it not been for the work of the W. P. A."

W. F. Alexander, Charles Town, W. Va.: "I wish to thank you for the attention you have given to the matter of getting the roads clear in this county."

H. T. Diehl, vice president, Bradshaw-Diehl-Homer Co., department store, Huntington, W. Va.: "When the work of repaving Tenth Street in front of our store, which is a W. P. A. project, was started the first part of November we were very much disturbed over the matter, because we thought it would be impossible to get the street reopened for the holiday business. * * * The merchants were shown every courtesy by Mr. J. J. West, district administrator, W. P. A., and he finally convinced them that he could complete the job and get the street opened during the first part of December. * * * The street was thrown open for traffic on Saturday, December 7, and * * * we think it was about as good as could be expected, taking everything into consideration."

Ira J. Baer, judge, juvenile court, Huntington: "The recreational program and the community-center program that was developed in Cabell County under the E. R. A. set-up, and in which you played an important part, was worth so much as a preventive measure in our juvenile-delinquency work that I was worried for quite a while for fear the W. P. A. might not follow this up. But it is following it up, and the investigation of this court leads me to believe that this work is increasing in importance."

A. C. Spurr, Monongahela West Penn Public Service Co.: "I want you to know that splendid progress has been made on the Adams Street widening job here in Fairmont. Excellent time has been made and it has brought about much favorable comment on the type of work that is being done."

James E. Allen, president, Marshall College, Huntington: "I believe I am recording the desire of everybody here connected with the college when I state that we all recognize the great work you have done for Marshall College and Huntington and, for that matter, for the State, in making it possible to get this splendid new training school."

E. S. Tisdale, director, division of sanitary engineering: "I wish to express my appreciation for the cooperation you have given us up to date."

M. V. Chapman, mayor of Huntington: "Great as have been the material gains of W. P. A. projects of this community, I feel that they have been superseded by the moral gain of providing useful employment to the needy unemployed of this community. The projects now carried on by W. P. A. represent useful work of permanent benefit to the community."

Grover C. Evick, ex-mayor of Franklin: "* * * we Pendleton folks have been getting good accomplishments from the W. P. A. * * * and without this work we would have around 400 to 500 families who just could not exist unless they had some help from some source or other. * * * Never at any time has politics taken part in our county."

John B. Grumboin, superintendent of buildings and grounds, West Virginia University, Morgantown: "* * * It does not matter to me what anyone may say regarding the Works Progress Administration, for I know very definitely that in our two projects we have had sincere cooperation from all officials whom we contacted, and I know of not one case where politics entered in the slightest degree. The university has certainly profited by the assistance given through W. P. A."

J. T. Dailey, mayor of Kingwood: "We feel that the money expended in our small city has given much needed employment and has resulted in permanent and needed improvements, which, because of the constitutional tax limitation, we could not possibly have done."

Albert R. Field, mayor of Milton: "The vastness of the undertakings of the W. P. A. doubtless lays it bare to frequent public indictment, but I am sure our citizens here accept its endowments in the worthy and beneficent spirit in which the President and the Congress have provided them and are grateful."

R. F. Lipscomb, mayor of St. Albans: "The citizens of the town feel that they are getting the worth of the money spent and hope to get two more sewer projects as soon as these are finished."

Paul W. Watson, Preston County superintendent of schools: "The Preston County Board of Education has submitted 11 W. P. A. project proposals. At the present time three of those projects are in operation and one other has been approved. These projects are making it possible for a great many improvements to be made in connection with school properties which could not be made at all if it were not for this assistance from Federal funds."

J. W. Blakely, mayor of Welch: "Our projects are all working, except the Welch Municipal Airport, which was about 60 percent completed when the work was stopped, and we have absolutely no complaints to make on the treatment we have received from your office or executives."

Jay G. Auvillo, superintendent, Lewis County schools: "This is to notify you that our field project has been started and is progressing nicely. We trust through you we may thank the various people who have lent support to this end."

Clarence B. Bishoff, member of house of delegates, Manheim: "I wish to express to you, on behalf of my good friends and neighbors in this community, their appreciation for the good work that the W. P. A. is doing on our road, from the town of Rowlesburg to our village here."

L. M. Smith, Manheim: "As one who has long been a resident of the community, I wish to express to you and your associates my commendation of the road project you are now engaged with between Manheim and Rowlesburg. This has been a long-necessary road and is now beginning to fill a long-desired ambition of the people of the community."

Homer Ransberger, Leivasy, W. Va.: "I have found that your organization has not undertaken any project in the neighborhood of our lands except such projects as are permanent in their nature and for the benefit of the largest number of people. They have been designated so as to take care of the greatest number of unemployed, and as far as I have been able to observe, those projects have been carried out economically."

J. A. Jackson, secretary, Harrison County Board of Education: "This road is not only a credit to yourself and the organization you represent, but it is a great help to the many students who attend the Shinnston High School, as well as the bus drivers who must use that road. We assure you that we are all proud of this improvement."

N. D. Hooton, recorder of Rowlesburg: "As a resident of this town, I wish to express to you my appreciation of the road project now building between Rowlesburg and Manheim. * * * Everyone speaks of this road in the most favorable terms.

G. C. Billups, chairman flood-relief committee: "Permit me, as chairman of our flood-relief committee, to express to you and to your entire organization our deepest appreciation for all of your splendid cooperation and resources that you have placed at our disposal."

J. B. Couch, mayor of Point Pleasant: "At present we are just emerging from a disastrous flood. * * * Had it not been for the ceaseless, untiring efforts of W. P. A., the unstinted use of their entire facilities, together with other unselfish agencies, we could not have emerged in the excellent state of health and mind we are happily able to master."

W. C. Bailey, superintendent, Wyoming County schools: "The projects have all been very beneficial and have added quite a bit to the effectiveness of the present school term."

J. T. Dailey, mayor of Kingwood: "The writer wishes to express his appreciation for your prompt and favorable action, and in doing so wishes to also say that the people of our city also are greatly pleased about the street improvement, which this will enable us to complete."

Robert Sellers, Tyler County Young Democratic Club: "Let me express to you the feeling of the people in Middlebourne when I say that they are fully satisfied with the street project here and trust that we will be fortunate enough to secure another allocation to complete the original idea here."

L. K. Stump, D. D. S., Middlebourne: "The reaction to the W. P. A. in this community is, indeed, very gratifying, and our citizens here in Middlebourne are very grateful to this organization for the splendid street work that is now nearly completed."

Ava Stanard, superintendent, West Virginia Industrial School for Girls: "May I take this opportunity of expressing to you my appreciation of the splendid work of the W. P. A., as demonstrated in the projects at this institution."

J. C. Matthey, councilman, city of Salem: "It is also my opinion, formed from general observation, that the general public is well pleased with the work, and it has certainly been a great help to business in this community."

Paul K. Morgan, mayor of Ridgely: "The people of Ridgely deeply appreciate the interest you have shown in regard to the recent flood. Words alone cannot express our feeling toward you and your coworkers."

W. W. Foster, mayor of Lewisburg: "I have occasion to come in contact with the heads of the department here, also at Charleston, and they have been very courteous and tried to give us every assistance in expediting the project that we have here."

R. W. Rogers, mayor of Hillsboro: "* * * the W. P. A. in Hillsboro is working out satisfactorily to all of the men employed on the project and to almost all of the people who occasionally pass judgment on it. The general feeling of the people toward our street project would indicate that there is but little, if any, opposition."

J. C. Burr, mayor of White Sulphur Springs: "I wish to state that the general feeling here toward the W. P. A. is good and that we are very thankful we had those projects going this winter."

J. C. Gum, mayor of Cass: "We are very well pleased with the work being done under W. P. A."

J. W. Turner, town of Independence: "I am using this means to express a little of my appreciation of the good work that your administration is doing in this community."

William H. Kendrick, director, State 4-H camp, Weston: "I certainly appreciate your good letters and wish to assure you that Mr. Roth has met our urgent need and is making it possible for us to go right ahead. I thank you very much for this cooperation."

John R. Cork, secretary, Charleston Municipal Park Commission: "I am authorized by the park commission to express our feeling of gratitude and commendation relative to the efficient manner in which the W. P. A. handled this matter in what might be termed an emergency."

E. S. Tisdale, director, division of sanitary engineering, quoting from a report from the assistant director in charge of the mine-sealing program: "I also saw fish in the Coalton Dam where no fish has been able to live for 25 years. This, I think, is a particular commentary on the efficiency of mine-sealing operations."

C. T. Taylor, M. D., superintendent, Huntington State Hospital: "Without the assistance of W. P. A. it would have taken many years for us to have accomplished in the way of improvements

what the W. P. A. has done in less than a year, and would have held up indefinitely our plans."

H. H. Kerr, mayor of Elkins: "Project 65-41-1640, Cravens Run Bridge, is now completed, and we accept this project and at the same time extend thanks for this needed improvement to our city."

Frank C. Wimer, athletic director; E. S. McKee, principal, Elkins High School; and Bryan Hamilton, superintendent of Randolph County schools: "We feel that we have one of the best, if not the best, high-school stadiums in West Virginia. Again we ask you to accept our thanks and to express our appreciation to other members of your organization who cooperated so splendidly in this work."

W. W. Foster, mayor of Lewisburg: "The money spent upon the various projects that he have had here has been a God-send to many needy people."

B. C. Eddings, mayor of Logan: "A very useful and much-needed work is being done in our community under the W. P. A. program."

H. H. Blackburn, president, Greenbrier County Court: "The work-relief method of taking care of our needy is very superior to any system of dole or direct relief."

Frank L. Lowe, mayor of Pine Grove: "Here at Pine Grove we are very proud of a sewer system built under the W. P. A."

W. B. Van Scoy, county superintendent of Doddridge County schools: "In these projects we are well pleased with the type of work and improvements we are getting under the W. P. A. program."

E. L. Roush, mayor of Cairo: "I consider it highly desirable for Works Progress Administration to continue."

J. L. Waldeck, mayor of Shepherdstown: "Much work is needed and the town is without funds to do it with."

P. A. Darver, mayor of Iaeger: "The work being done in this town is not only very useful, but it is stable and lasting."

H. E. Woolwine, mayor of Pax: "The work we are doing is very useful and badly needed."

Dana A. Gordon, superintendent of West Virginia Colored Children's Home, Huntington: "Work done under the W. P. A. program * * * is very serviceable and useful, both for now and the future."

K. G. Hill, president, Boone County Court, Madison: "There is an abundance of useful work yet to be done under a continued W. P. A. program."

Edward S. Maclin, president, New River State College, Montgomery: "The average man wants work with independence and freedom that comes from earning and spending money fairly secured."

J. A. Bridge, mayor of Gassaway: "The unemployed in Gassaway do not want the dole. They all want to work."

H. F. Brittingham, mayor of Philippi: "I desire to personally express my appreciation for the wonderful cooperation and help given us on our many needed city projects."

Martin V. Chapman, mayor of Huntington: "Great as have been the material gains of W. P. A. projects to this community, I feel that they have been superseded by the moral gain of providing useful employment to the needy."

John R. Yeager, president, board of education, Parsons: "The people of this county do not want a dole; they want work—a chance to earn an honest, honorable living."

R. C. Jackson, president, Ritchie County Court, Petroleum: "There has been some very useful work done in our county under the W. P. A. program which never would have been done any other way."

C. S. Boucher, West Virginia University, Morgantown: "There are still useful projects of similar character which we would be glad to recommend for approval if the W. P. A. program is continued."

A. W. McLean, president, Lincoln Country Court, Hamlin: "The unemployed in our rural county much prefer work relief to the dole."

E. E. Deitz, mayor of Richwood: "The W. P. A. in this city is dong useful work."

W. S. Parks, mayor of Albright: "There is useful work yet to be done under the continuance of the W. P. A."

C. M. Ramage, M. D., superintendent of Fairmont Emergency Hospital, Fairmont: "My men are 'run-of-mine' laborers—Democrats, Republicans, Negroes, foreigners; but they are better Americans than they were before W. P. A. started."

C. T. Taylor, M. D., superintendent, Huntington State Hospital, Huntington: "There is still much useful work that can be done under a continued W. P. A. program, and I think by all means it should be continued."

Frank H. Brazie, mayor of Fayetteville: "There is yet useful work to be done."

John T. Hereford, Jr., mayor of Kenova: "My experience with those employed on W. P. A. is that nearly 90 percent want work rather than a dole."

J. W. Blakely, mayor of Welch: "I believe all American citizens prefer work to the dole."

Grover C. Evick, mayor of Franklin: "There is much needed work yet to be done under a continued W. P. A. program."

Paul N. Elbin, president, West Liberty State Teachers' College, West Liberty: "I wish to say that there is a vast amount of useful work to be done here yet by the W. P. A."

C. H. Dailey, mayor of Martinsburg: "There is still a great amount of work to be done under the W. P. A. program which will be greatly appreciated by this community."

L. D. Nichols, recorder, Harpers Ferry: "The mayor and council extend to you and your forces their highest appreciation for the work rendered."

Grant Harper, Teterton: "The State is in no position to take care of the work you are doing, and neither were the counties before the State took over the county roads. * * * In most cases, so far as our district is concerned, these projects have opened up fine sections of country where lives a fine class of substantial citizens."

J. L. Waldeck, mayor of Shepherdstown: "All in all, Shepherdstown is happy and grateful to get this much-desired and necessary improvement."

I. L. Bennett, superintendent of Pendleton County schools: "The Pendleton County Board of Education made a special trip to the Circleville High School grounds Friday, May 8, and all unanimously pleased with the good work done there."

Olive R. Hammer, principal of the Franklin Grade School: "The work on W. P. A. projects in Pendleton County, under the supervision of Mr. Evick, is highly commendable."

Elmer W. Prince, city manager, Morgantown: "The city administration takes this opportunity to extend to you its sincere thanks for the assistance that has been rendered by the Works Progress Administration in this construction."

Hattie Spencer, mayor pro tempore, Middlebourne: "In appreciation of the fine work that is being done on the streets of Middlebourne by the W. P. A., and to convey to you our desire to fully cooperate in the completion of the present working project and in proposed improvements to other streets, we use this means of expression."

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, if it suits the convenience of the Senator from Colorado, in charge of the bill, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations and a convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. WAGNER, from the Committee on Public Lands and Surveys, reported favorably the nomination of William Riddell, of Montana, to be register of the land office at Billings, Mont., vice Harry W. Hill.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Eugene H. Dooman, of New York, to be consul general of the United States of America.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Carlisle P. Knight to be medical director.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Dr. Carroll E. Palmer to be passed assistant surgeon.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTER, WALNUT GROVE, MINN.

Mr. McKELLAR. Mr. President, on page 2 of the Executive Calendar appears the nomination of Charles C. Baxter to be postmaster at Walnut Grove, Minn. The Post Office Department wishes to have that nomination recommitted. I therefore ask unanimous consent that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Without objection, the nomination of the postmaster at Walnut Grove, Minn., will be recommitted to the Committee on Post Offices and Post Roads.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar, with the exception of the one just recommitted, be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters, with the exception stated, are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Navy are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 23 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 29, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 28 (legislative day of May 12), 1936

UNITED STATES DISTRICT JUDGE

David W. Ling, of Arizona, to be United States District Judge, district of Arizona, vice F. C. Jacobs, retired.

COLLECTOR OF CUSTOMS

A. Miles Pratt, of New Orleans, La., to be collector of customs for Customs Collection District No. 20, with headquarters at New Orleans, La., to fill an existing vacancy.

UNITED STATES PATENT OFFICE

Justin W. Macklin, of Ohio, to be First Assistant Commissioner of Patents, vice Richard Spencer, resigned.

Henry Van Arsdale, of New York, to be Assistant Commissioner of Patents, vice Bryan M. Battey, deceased.

Floyd J. Porter, of New York, to be Examiner in Chief, United States Patent Office, vice Frank C. Skinner, retired.

APPOINTMENTS IN THE COAST GUARD

The following-named young men to be ensigns in the Coast Guard of the United States, to rank as such from June 8, 1936:

Gerald Tillman Applegate	George Winchester Playdon
Raymond William Blouin	George Richard Reynolds
George Rowland Boyce, Jr.	Julius Edward Richey
Christian Rewoldt Couser	Fred Jacob Scheiber
William Bromfield Ellis	Benjamin Berry Scheres-chewsky
Thomas Fletcher Epley	Richard Robert Smith
Clifford Sylvester Gerde	Frederick John Statts
Samuel Gardner Guill	James Pomeroy Stow, III
Douglas Bruce Henderson	Clyde Harold Teague, Jr.
Arthur Wilber Johnson	Edward Carter Thompson, Jr.
Robert James Lafferty	Paul Edwin Trimble
John Wellman MacIntosh, Jr.	Russell Randolph Waesche, Jr.
Joseph Paul Martin	Robert Wilcox
James Schoolcraft Muzzy	Harold Lambert Wood
Guy Leon Ottinger	

APPOINTMENTS IN THE NAVY

The following-named midshipmen to be ensigns in the Navy, revocable for 2 years, from the 4th day of June 1936:

Richard R. Bradley, Jr.

Clinton McKellar, Jr.

POSTMASTERS

ALABAMA

James A. Sanders to be postmaster at Beatrice, Ala., in place of J. A. Sanders. Incumbent's commission expires July 13, 1936.

Clyde H. West to be postmaster at Center, Ala., in place of S. R. Wester. Incumbent's commission expired April 4, 1936.

Hettye M. Snell to be postmaster at Clio, Ala., in place of J. T. Mizell, removed.

Leslie D. Stallworth to be postmaster at Cordova, Ala., in place of J. E. Hood. Incumbent's commission expired February 1, 1936.

James Claude Golden to be postmaster at Dora, Ala., in place of J. W. Brasfield, deceased.

James Davis Hilyer to be postmaster at East Tallassee, Ala., in place of M. I. Hogan. Incumbent's commission expired February 9, 1936.

Clellon L. Wager to be postmaster at Heflin, Ala., in place of R. O. Atkins. Incumbent's commission expired April 4, 1936.

Albert C. Blacklidge to be postmaster at Phil Campbell, Ala., in place of M. D. Jackson. Incumbent's commission expired April 4, 1936.

Mark C. Clayton to be postmaster at Cedar Bluff, Ala. Office becomes Presidential July 1, 1936.

Annie M. Campbell to be postmaster at Lexington, Ala. Office becomes Presidential July 1, 1936.

Oscar Sheffield to be postmaster at Pine Hill, Ala. Office becomes Presidential July 1, 1936.

William H. Hoffman to be postmaster at Summerdale, Ala. Office becomes Presidential July 1, 1936.

ARIZONA

George G. Babbitt, Jr., to be postmaster at Flagstaff, Ariz., in place of Walter Runke. Incumbent's commission expired April 14, 1936.

Louisa L. Staggs to be postmaster Fort Defiance, Ariz. Office becomes Presidential July 1, 1936.

Winnie M. Johnson to be postmaster at Gilbert, Ariz. Office becomes Presidential July 1, 1936.

Josie B. Fenwick to be postmaster at Litchfield Park, Ariz. Office becomes Presidential July 1, 1936.

Mary W. Hand to be postmaster at Winkelman, Ariz. Office becomes Presidential July 1, 1936.

ARKANSAS

William J. Pruitt to be postmaster at Jasper, Ark. Office became Presidential July 1, 1934.

Alvin J. Wages to be postmaster at Norphlet, Ark., in place of F. L. Downs. Incumbent's commission expired May 26, 1936.

Mary C. Porter to be postmaster at Alpena Pass, Ark. Office becomes Presidential July 1, 1936.

Howard R. Nabors to be postmaster at Chidester, Ark. Office becomes Presidential July 1, 1936.

Joe C. Allen to be postmaster at Cove, Ark. Office becomes Presidential July 1, 1936.

William L. Ellis to be postmaster at Cullendale, Ark. Office becomes Presidential July 1, 1936.

Edgar G. Gunnels to be postmaster at Emerson, Ark. Office becomes Presidential July 1, 1936.

Everett H. Bonds to be postmaster at Gillham, Ark. Office becomes Presidential July 1, 1936.

Hoyt D. Estep to be postmaster at Hartman, Ark. Office becomes Presidential July 1, 1936.

Ruth D. Slaton to be postmaster at Joiner, Ark. Office becomes Presidential July 1, 1936.

Lora E. Wilkerson to be postmaster at Knobel, Ark. Office becomes Presidential July 1, 1936.

Thomas W. Moore to be postmaster at Magazine, Ark. Office becomes Presidential July 1, 1936.

Clyde V. Warr to be postmaster at State College, Ark. Office becomes Presidential July 1, 1936.

CALIFORNIA

Frank G. Kirby to be postmaster at Larkspur, Calif., in place of F. W. Ammann. Incumbent's commission expired February 21, 1935.

Mary K. Davis to be postmaster at San Carlos, Calif., in place of M. K. Davis. Incumbent's commission expired January 9, 1936.

Clarence G. Carratt to be postmaster at Templeton, Calif., in place of C. G. Carratt. Incumbent's commission expired April 27, 1936.

Jennie Sanford to be postmaster at Waterford, Calif., in place of J. E. Kirk. Incumbent's commission expired March 17, 1936.

Charles E. Stonesipher to be postmaster at Whittier, Calif., in place of William Braucht. Incumbent's commission expired May 10, 1936.

Edward Marion Sehorn to be postmaster at Willows, Calif., in place of C. E. Kline. Incumbent's commission expires June 28, 1936.

Thomas A. Grant to be postmaster at Arcadia, Calif., in place of J. V. Covell. Incumbent's commission expired March 29, 1936.

William D. Parsons to be postmaster at Berdoo Camp, Calif. Office becomes Presidential July 1, 1936.

Minnie Ferretti to be postmaster at Groveland, Calif. Office becomes Presidential July 1, 1936.

Howard K. Goodwin to be postmaster at Long Beach, Calif. in place of F. W. McCullah, retired.

Volina B. Douglas to be postmaster at McKittrick, Calif. Office becomes Presidential July 1, 1936.

Lewis F. Franklin to be postmaster at North Fork, Calif. Office becomes Presidential July 1, 1936.

COLORADO

John R. Kraxberger to be postmaster at Arriba, Colo., in place of John Davis. Incumbent's commission expired May 19, 1936.

Albina D. Mackey to be postmaster at Climax, Colo. Office becomes Presidential July 1, 1936.

Nea G. Gallegos to be postmaster at San Luis, Colo. Office becomes Presidential July 1, 1936.

CONNECTICUT

Catharine W. Quinlan to be postmaster at North Haven, Conn., in place of W. P. Leete. Incumbent's commission expired February 24, 1936.

James H. Morrissey to be postmaster at Unionville, Conn., in place of T. J. Crockett. Incumbent's commission expired April 27, 1936.

FLORIDA

Nancy L. Mims to be postmaster at Deerfield, Fla. Office becomes Presidential July 1, 1936.

Rondal B. Handley to be postmaster at Holopaw, Fla. Office becomes Presidential July 1, 1936.

Claudine J. Hansel to be postmaster at Pinecastle, Fla. Office becomes Presidential July 1, 1936.

GEORGIA

Anna Morrison to be postmaster at Mount Vernon, Ga., in place of M. P. Abt. Incumbent's commission expired January 7, 1936.

Charlie R. Hatcher to be postmaster at Attapulgus, Ga. Office becomes Presidential July 1, 1936.

Fred M. Chandler to be postmaster at Bowman, Ga. Office becomes Presidential July 1, 1936.

John W. Moore to be postmaster at Crawford, Ga. Office becomes Presidential July 1, 1936.

Joseph C. Williams to be postmaster at Lyerly, Ga. Office becomes Presidential July 1, 1936.

Emory Davis to be postmaster at Rutledge, Ga. Office becomes Presidential July 1, 1936.

IDAHO

Arthur I. Dennis to be postmaster at Hagerman, Idaho, in place of R. M. Parsons. Incumbent's commission expired January 26, 1936.

Dazel B. Howells to be postmaster at Oakley, Idaho, in place of M. E. Elison. Incumbent's commission expired May 23, 1936.

Emory Olson to be postmaster at Deary, Idaho. Office becomes Presidential July 1, 1936.

ILLINOIS

Pearl Barnes to be postmaster at De Land, Ill., in place of W. E. Leischner, deceased.

Pearle J. Bergland to be postmaster at Galva, Ill., in place of J. J. Lord, deceased.

Clyde Hardbarger to be postmaster at Illiopolis, Ill., in place of A. P. Bradley. Incumbent's commission expired February 9, 1936.

Margaret Marshall to be postmaster at Ipava, Ill., in place of O. E. Carter. Incumbent's commission expires July 15, 1936.

Mary R. Wilson to be postmaster at Milan, Ill., in place of W. H. Blakely. Incumbent's commission expired January 7, 1936.

Carroll D. Young to be postmaster at Pawnee, Ill., in place of W. L. Dragoo. Incumbent's commission expired March 17, 1936.

Berryman P. Hurt to be postmaster at Pleasant Plains, Ill., in place of R. D. Coffin. Incumbent's commission expired February 9, 1936.

Fred C. Watermann to be postmaster at Bartlett, Ill. Office becomes Presidential July 1, 1936.

George R. Bradley to be postmaster at Chatham, Ill. Office becomes Presidential July 1, 1936.

Robert R. Newton to be postmaster at Goreville, Ill. Office becomes Presidential July 1, 1936.

Frank Fischer to be postmaster at Hamburg, Ill. Office becomes Presidential July 1, 1936.

Charles T. O'Boyle to be postmaster at Ingleside, Ill. Office becomes Presidential July 1, 1936.

Mary I. Brown to be postmaster at Little York, Ill. Office becomes Presidential July 1, 1936.

William D. Meier to be postmaster at Meredosia, Ill. Office becomes Presidential July 1, 1936.

Florence E. Stoerp to be postmaster at Prairie View, Ill. Office becomes Presidential July 1, 1936.

Carney V. Kerley to be postmaster at Simpson, Ill. Office becomes Presidential July 1, 1936.

Rudolph L. Lightfoot to be postmaster at Stonefort, Ill. Office becomes Presidential July 1, 1936.

INDIANA

Pierre Helms to be postmaster at Centerville, Ind., in place of Elizabeth Hatfield. Incumbent's commission expired February 5, 1936.

Jesse L. Hoppes to be postmaster at Farmland, Ind., in place of Hovey Thornburg. Incumbent's commission expired April 5, 1936.

John F. Mitchell, Jr., to be postmaster at Greenfield, Ind., in place of R. R. Roudebush. Incumbent's commission expired March 22, 1936.

John G. Harding to be postmaster at Kirklin, Ind., in place of G. B. King. Incumbent's commission expires June 1, 1936.

Clarence A. Washler to be postmaster at Lynn, Ind., in place of E. H. Elliott. Incumbent's commission expired April 27, 1936.

Melvin Woods to be postmaster at Milroy, Ind., in place of F. H. McGuire. Incumbent's commission expired March 22, 1936.

Maurice C. Ingerman to be postmaster at Milton, Ind., in place of H. R. Manlove. Incumbent's commission expired January 9, 1936.

Albert E. Sewell to be postmaster at Pleasant Lake, Ind., in place of S. A. Tuttle. Incumbent's commission expired January 9, 1936.

Guy R. Sears to be postmaster at Red Key, Ind., in place of D. E. Cantrall. Incumbent's commission expired April 5, 1936.

Fred B. Pickett to be postmaster at Richmond, Ind., in place of J. J. McCauley. Incumbent's commission expired January 9, 1936.

John E. McFarland to be postmaster at Ridgeville, Ind., in place of F. W. Baker. Incumbent's commission expired April 5, 1936.

Rollin J. Clark to be postmaster at Topeka, Ind., in place of R. J. Meroney. Incumbent's commission expired January 25, 1936.

Orvah L. Hindsley to be postmaster at Union City, Ind., in place of J. J. Patchell. Incumbent's commission expired March 10, 1936.

Roy L. Marquis to be postmaster at Bunker Hill, Ind. Office becomes Presidential July 1, 1936.

Walter E. Huber to be postmaster at Centerpoint, Ind. Office becomes Presidential July 1, 1936.

Roy L. Jones to be postmaster at Colfax, Ind. Office becomes Presidential July 1, 1936.

Jacob De Groot to be postmaster at Highland, Ind. Office becomes Presidential July 1, 1936.

Faye C. Winsor to be postmaster at Versailles, Ind., in place of F. M. Thompson. Incumbent's commission expired March 22, 1936.

IOWA

Raymond F. Sullivan to be postmaster at Afton, Iowa, in place of Patience Felger. Incumbent's commission expired April 12, 1936.

Rex O. Mayhew to be postmaster at Blairstown, Iowa, in place of G. W. Goss. Incumbent's commission expired March 29, 1936.

Joseph Benesh to be postmaster at Chelsea, Iowa, in place of S. G. Cross. Incumbent's commission expired February 19, 1936.

Palmer H. Hedges to be postmaster at Hedrick, Iowa, in place of J. C. Foster. Incumbent's commission expired January 12, 1936.

John M. Stephenson to be postmaster at Mediapolis, Iowa, in place of E. R. Nordstrom. Incumbent's commission expired April 12, 1936.

Raymond W. Baxter to be postmaster at Burlington, Iowa, in place of J. T. Garrett. Incumbent's commission expired April 12, 1936.

Ellen B. Neff to be postmaster at Calamus, Iowa. Office becomes Presidential July 1, 1936.

Samuel H. Sater to be postmaster at Danville, Iowa. Office becomes Presidential July 1, 1936.

Vernon M. Hill to be postmaster at Davis City, Iowa. Office becomes Presidential July 1, 1936.

Juanita Springer to be postmaster at Fremont, Iowa. Office becomes Presidential July 1, 1936.

Ida Kelly to be postmaster at Harpers Ferry, Iowa. Office becomes Presidential July 1, 1936.

Benjamin Roy Bogenrief to be postmaster at Hinton, Iowa. Office becomes Presidential July 1, 1936.

Emilie B. A. Krause to be postmaster at Ionia, Iowa. Office becomes Presidential July 1, 1936.

Anna Bliem to be postmaster at Plymouth, Iowa. Office becomes Presidential July 1, 1936.

Ruby E. Shinabargar to be postmaster at Randolph, Iowa. Office becomes Presidential July 1, 1936.

William H. Rehberg to be postmaster at Rowley, Iowa. Office becomes Presidential July 1, 1936.

Claude A. Baber to be postmaster at Rudd Iowa. Office becomes Presidential July 1, 1936.

KANSAS

George J. Roeback to be postmaster at Arcadia, Kans., in place of C. J. Nichols. Incumbent's commission expired April 12, 1936.

Kathryn Schieferecke to be postmaster at Lenora, Kans., in place of J. V. Barbo. Incumbent's commission expired March 10, 1936.

Emil R. Schwemmer to be postmaster at Durham, Kans. Office becomes Presidential July 1, 1936.

John F. Holshouser to be postmaster at Dwight, Kans. Office becomes Presidential July 1, 1936.

Arden S. Morris to be postmaster at Elmdale, Kans. Office becomes Presidential July 1, 1936.

William H. Schehrer to be postmaster at Eudora, Kans., in place of R. C. Ogden. Incumbent's commission expired April 27, 1936.

Albert J. Anderson to be postmaster at Green, Kans. Office becomes Presidential July 1, 1936.

William T. Flowers to be postmaster at Havensville, Kans. Office becomes Presidential July 1, 1936.

Susanna J. Jones to be postmaster at Maplehill, Kans. Office becomes Presidential July 1, 1936.

Carl Eickholt to be postmaster at Offerle, Kans. Office becomes Presidential July 1, 1936.

Helen L. Green to be postmaster at Silver Lake, Kans. Office becomes Presidential July 1, 1936.

Peter J. Romme to be postmaster at Victoria, Kans., in place of E. F. Brungardt. Incumbent's commission expired April 12, 1936.

Henry M. Otis to be postmaster at Wilsey, Kans. Office becomes Presidential July 1, 1936.

Irene M. Warrell to be postmaster at Zenda, Kans. Office becomes Presidential July 1, 1936.

KENTUCKY

Gilbert Adams, Jr., to be postmaster at Flemingsburg, Ky., in place of R. S. Hinton. Incumbent's commission expired February 5, 1936.

John D. McDonogh to be postmaster at Jeffersontown, Ky., in place of M. L. Easum. Incumbent's commission expired January 27, 1936.

James C. Morris to be postmaster at Masonic Home, Ky. Office becomes Presidential July 1, 1936.

Charles F. Vest to be postmaster at Berry, Ky., in place of J. G. Fisher. Incumbent's commission expired May 19, 1936.

George A. Buckner to be postmaster at Blue Diamond, Ky. Office becomes Presidential July 1, 1936.

Lela O. Sanders to be postmaster at Burgin, Ky. Office becomes Presidential July 1, 1936.

John W. Cox to be postmaster at Evarts, Ky. Office becomes Presidential July 1, 1936.

John B. Pendleton to be postmaster at Hardyville, Ky. Office becomes Presidential July 1, 1936.

Everett E. Warren to be postmaster at McHenry, Ky. Office becomes Presidential July 1, 1936.

Anna Clare Rapier to be postmaster at Waverly, Ky. Office becomes Presidential July 1, 1936.

William R. Livermore to be postmaster at Waverly Hills, Ky. Office becomes Presidential July 1, 1936.

Sanna Bowling to be postmaster at White Plains, Ky. Office becomes Presidential July 1, 1936.

LOUISIANA

Henry E. Knight to be postmaster at Ferriday, La., in place of P. L. Dark. Incumbent's commission expired May 23, 1936.

Conrad Bourgeois to be postmaster at Lockport, La., in place of E. A. Delaune. Incumbent's commission expired April 5, 1936.

Mark D. Sutherlin to be postmaster at Oberlin, La., in place of S. D. Pitts. Incumbent's commission expired December 18, 1933.

Frank Reed, to be postmaster at Basile, La. Office becomes Presidential July 1, 1936.

David S. Leach to be postmaster at Florien, La. Office becomes Presidential July 1, 1936.

Thomas W. Hendrix to be postmaster at Grayson, La. Office becomes Presidential July 1, 1936.

Richard Broussard to be postmaster at Iota, La. Office becomes Presidential July 1, 1936.

Henry P. Sobert to be postmaster at Labadieville, La. Office becomes Presidential July 1, 1936.

John A. Williams to be postmaster at Oakdale, La., in place of J. M. Cook. Incumbent's commission expired January 9, 1936.

Paul W. Arnolie to be postmaster at Port Sulphur, La. Office becomes Presidential July 1, 1936.

Lawrence S. Bourgeois to be postmaster at Schriever, La. Office becomes Presidential July 1, 1936.

Stellie F. Milstead to be postmaster at Sterlington, La. Office becomes Presidential July 1, 1936.

George M. Tannehill to be postmaster at Urania, La. Office becomes Presidential July 1, 1936.

MAINE

Ralph H. Egan to be postmaster at Ashland, Maine, in place of Hugh Hayward. Incumbent's commission expired March 10, 1936.

James G. O'Connor to be postmaster at Bangor, Maine, in place of W. F. Holden. Incumbent's commission expired January 22, 1936. Removed without prejudice.

Arthur J. Remillard to be postmaster at Biddeford, Maine, in place of E. L. Harmon. Incumbent's commission expired January 7, 1936.

David H. Smith to be postmaster at Darkharbor, Maine. Office becomes Presidential July 1, 1936.

Ella Mae Quimby to be postmaster at Oquossoc, Maine. Office becomes Presidential July 1, 1936.

Thomas G. Burdin to be postmaster at Turner, Maine. Office becomes Presidential July 1, 1936.

MARYLAND

Isaac Henry Morris to be postmaster at Federalsburg, Md., in place of H. M. Carroll. Incumbent's commission expires June 10, 1936.

Ethel W. Gallagher to be postmaster at Preston, Md., in place of C. F. Noble. Incumbent's commission expires July 13, 1936.

Elizabeth E. Wood to be postmaster at Sandy Spring, Md., in place of J. J. Shoemaker, deceased.

Isabelle Chaney to be postmaster at Capitol Heights, Md. Office becomes Presidential July 1, 1936.

MASSACHUSETTS

James W. Evans to be postmaster at Fairhaven, Mass., in place of D. L. Kelley. Incumbent's commission expired May 23, 1936.

Roy Seward Campbell to be postmaster at Rutland Heights, Mass., in place of G. M. Campbell. Incumbent's commission expired January 9, 1936.

William P. Hatton to be postmaster at Woronoco, Mass., in place of M. D. Ellis. Incumbent's commission expires June 10, 1936.

MICHIGAN

Edith B. Kleiber to be postmaster at Rock, Mich., in place of E. W. Huff. Incumbent's commission expired February 5, 1936.

Charles A. Vogelheim to be postmaster at Rogers City, Mich., in place of T. C. Bruning. Incumbent's commission expired January 7, 1936.

Roland J. Boudreau to be postmaster at Garden, Mich. Office becomes Presidential July 1, 1936.

William J. Faircloth to be postmaster at Onaway, Mich., in place of O. L. Wickersham. Incumbent's commission expired May 9, 1934.

MINNESOTA

Claude C. Stubbe to be postmaster at Ashby, Minn., in place of C. C. Stubbe. Incumbent's commission expired March 17, 1936.

Ethel F. Lerohl to be postmaster at Bovey, Minn., in place of Agnes Doyle. Incumbent's commission expired March 31, 1936.

Owen J. Regan to be postmaster at Butterfield, Minn., in place of Bertha Finch, removed.

Milton O. Perry to be postmaster at Dodge Center, Minn., in place of Edgar Stivers. Incumbent's commission expired February 9, 1936.

Christopher J. Keefe to be postmaster at Eyota, Minn., in place of W. G. Early. Incumbent's commission expires July 15, 1936.

Elisha L. Creech to be postmaster at Grand Marais, Minn., in place of George Leng. Incumbent's commission expired April 27, 1936.

Frank M. Holecek to be postmaster at Jackson, Minn., in place of C. F. Mallahan. Incumbent's commission expired February 3, 1936.

Carl T. Torgerson to be postmaster at McIntosh, Minn., in place of A. E. Talle. Incumbent's commission expired April 5, 1936.

Walter B. Gislason to be postmaster at Minneota, Minn., in place of H. G. Johnson. Incumbent's commission expired February 24, 1936.

Dolphin W. Forsmark to be postmaster at Palisade, Minn., in place of A. L. Ober. Incumbent's commission expired March 17, 1936.

Raymond C. Faust to be postmaster at Pierz, Minn., in place of F. X. Virnig, resigned.

Chester C. Gallagher to be postmaster at Plainview, Minn., in place of W. G. Mack. Incumbent's commission expired February 9, 1936.

T. Donald O'Connor to be postmaster at Renville, Minn., in place of Norman Hanson. Incumbent's commission expired February 9, 1936.

John F. Hawley to be postmaster at Sandstone, Minn., in place of A. S. Larson. Incumbent's commission expires July 13, 1936.

Joseph H. McCaffrey to be postmaster at Wabasha, Minn., in place of H. R. Smith. Incumbent's commission expired February 9, 1936.

Minor Buckingham to be postmaster at West Concord, Minn., in place of J. M. Patterson. Incumbent's commission expired May 19, 1936.

Mary Young to be postmaster at Middle River, Minn., in place of C. M. Hjertos, resigned.

MISSISSIPPI

George Y. Banks to be postmaster at Columbus, Miss., in place of E. H. Badger. Incumbent's commission expired April 27, 1936.

Lucy R. Park to be postmaster at Merigold, Miss., in place of H. R. Park, deceased.

George T. Mitchell to be postmaster at Guntown, Miss. Office becomes Presidential July 1, 1936.

Thomas L. Guyton to be postmaster at Sallis, Miss. Office becomes Presidential July 1, 1936.

John R. Trimm to be postmaster at Tishomingo, Miss. Office becomes Presidential July 1, 1936.

MISSOURI

Lynn D. Carney to be postmaster at Crane, Mo., in place of J. W. Brown. Incumbent's commission expired January 22, 1935 (removed without prejudice).

Lottie Breedlove to be postmaster at Rogersville, Mo., in place of L. S. Eddings. Incumbent's commission expired February 1, 1936.

Ethel Enyart to be postmaster at Stanberry, Mo., in place of E. R. Lindley. Incumbent's commission expired January 9, 1936.

Harley E. Church to be postmaster at Stockton, Mo., in place of E. W. Bright. Incumbent's commission expires June 23, 1936.

William R. Buche to be postmaster at Warrenton, Mo., in place of A. M. Schaper. Incumbent's commission expired January 9, 1936.

Clay C. Shelton to be postmaster at Clarkton, Mo., in place of E. E. Pillow. Incumbent's commission expires June 1, 1936.

Gideon Ward Miller to be postmaster at Edgerton, Mo. Office becomes Presidential July 1, 1936.

Walter T. Jensen to be postmaster at Eolia, Mo. Office becomes Presidential July 1, 1936.

Adam C. Eby to be postmaster at Holt, Mo. Office becomes Presidential July 1, 1936.

Harry L. Epperson to be postmaster at Hurdland, Mo. Office becomes Presidential July 1, 1936.

Morris O. Brasher to be postmaster at Jerico Springs, Mo. Office becomes Presidential July 1, 1936.

Frank H. Parker to be postmaster at Kidder, Mo. Office becomes Presidential July 1, 1936.

Frank C. Murdock to be postmaster at Seneca, Mo., in place of E. L. Plummer, removed.

MONTANA

Nels K. Peterson to be postmaster at Bigfork, Mont. Office becomes Presidential July 1, 1936.

Lars E. Kodalen to be postmaster at Dodson, Mont. Office becomes Presidential July 1, 1936.

Frank H. McLean to be postmaster at Fairfield, Mont. Office becomes Presidential July 1, 1936.

Arthur D. Liberman to be postmaster at Fort Harrison, Mont. Office becomes Presidential July 1, 1936.

Theodore P. Hendrickson to be postmaster at Hingham, Mont. Office becomes Presidential July 1, 1936.

Jessie G. Rolph to be postmaster at Joplin, Mont. Office becomes Presidential July 1, 1936.

John C. Abrahamson to be postmaster at Roberts, Mont. Office becomes Presidential July 1, 1936.

NEBRASKA

Frank A. Badura to be postmaster at Ashton, Nebr., in place of F. G. Smith. Incumbent's commission expired April 27, 1936.

Lyman G. Gake to be postmaster at Beaver Crossing, Nebr., in place of C. P. Smiley. Incumbent's commission expired May 23, 1936.

Richard M. Britt to be postmaster at Doniphan, Nebr. Office becomes Presidential July 1, 1936.

Frank W. Fuhlrodt to be postmaster at Fremont, Nebr., in place of F. W. Fuhlrodt. Incumbent's commission expired May 23, 1936.

Roy W. Bruce to be postmaster at Genoa, Nebr., in place of E. D. Willard. Incumbent's commission expired March 10, 1936.

Peter P. Braun to be postmaster at Henderson, Nebr. Office becomes Presidential July 1, 1936.

Blanche Goodreau to be postmaster at Liberty, Nebr., in place of J. H. Jimerson. Incumbent's commission expires June 1, 1936.

Frederick F. Thomas to be postmaster at Linwood, Nebr., in place of F. F. Thomas. Incumbent's commission expired May 23, 1936.

Delbert O. Campbell to be postmaster at Lyman, Nebr., in place of O. C. Smith. Incumbent's commission expired February 5, 1936.

Dorothy A. Crawford to be postmaster at Maxwell, Nebr. Office becomes Presidential July 1, 1936.

Arthur H. Barstler to be postmaster at Nebraska City, Nebr., in place of F. A. Bartling. Incumbent's commission expired April 27, 1936.

Frank H. Kroger to be postmaster at Newcastle, Nebr., in place of D. H. Ehle. Incumbent's commission expired February 5, 1936.

Carolen Augusta Robb to be postmaster at Union, Nebr. Office becomes Presidential July 1, 1936.

Harry H. Jordan to be postmaster at Wilcox, Nebr. Office becomes Presidential July 1, 1936.

NEW HAMPSHIRE

Fred M. Boynton to be postmaster at Tilton, N. H., in place of W. R. Morrison. Incumbent's commission expired April 27, 1936.

NEW JERSEY

Charles A. Hildebrand to be postmaster at Ridgefield, N. J., in place of A. F. Jahn. Incumbent's commission expired February 9, 1936.

NEW YORK

Howard C. Gould to be postmaster at Alfred, N. Y., in place of M. F. Reynolds. Incumbent's commission expired February 17, 1936.

William H. O'Brien, Jr., to be postmaster at Baldwinsville, N. Y., in place of A. L. Howard. Incumbent's commission expired February 17, 1936.

James J. O'Brien to be postmaster at Ballston Spa, N. Y., in place of W. H. Estes. Incumbent's commission expired March 23, 1936.

Carl L. Baker to be postmaster at Candor, N. Y., in place of S. E. Terwilliger, deceased.

George A. Rackett to be postmaster at Greenport, N. Y., in place of W. C. Monsell. Incumbent's commission expired January 18, 1936.

Frederic F. Sheerin to be postmaster at Middletown, N. Y., in place of D. H. Werley. Incumbent's commission expired February 17, 1936.

Peter Loef to be postmaster at Katonah, N. Y., in place of H. L. Merritt. Incumbent's commission expired January 27, 1936.

NORTH CAROLINA

Jarnagin C. Rice to be postmaster at Montreat, N. C., in place of E. D. Lansing. Incumbent's commission expires June 1, 1936.

Lucile L. White to be postmaster at Salemburg, N. C., in place of L. L. White. Incumbent's commission expires June 1, 1936.

Singleton F. Thompson to be postmaster at Flat Rock, N. C. Office becomes Presidential July 1, 1936.

NORTH DAKOTA

Roald B. Halvorson to be postmaster at Buxton, N. Dak., in place of Selmer Erfjord. Incumbent's commission expired February 17, 1936.

Howard B. Pruitt to be postmaster at Pettibone, N. Dak., in place of D. H. Loeppke. Incumbent's commission expired January 22, 1934.

David L. Botton to be postmaster at Rolette, N. Dak., in place of O. M. Thompson. Incumbent's commission expired February 9, 1936.

Jennie M. Buck to be postmaster at Tappen, N. Dak., in place of L. R. Schultz. Incumbent's commission expired December 16, 1933.

Kermit A. Peterson to be postmaster at West Fargo, N. Dak., in place of H. C. Stensatter. Incumbent's commission expired March 10, 1936.

O. Ingmar Oleson to be postmaster at Ambrose, N. Dak., in place of R. G. W. Anderson. Incumbent's commission expired March 10, 1936.

Harvey W. Emanuel to be postmaster at Berthold, N. Dak., in place of E. C. Sweeney. Incumbent's commission expired March 10, 1936.

Inez Evelyn Donovan to be postmaster at Bowbells, N. Dak., in place of Inez Grams. Incumbent's commission expired February 21, 1935.

Mayme E. Fleming to be postmaster at Bowman, N. Dak., in place of E. M. Anderson. Incumbent's commission expired April 5, 1936.

Stephen J. Dunn to be postmaster at Center, N. Dak., in place of Ludwig Maurer. Incumbent's commission expired May 23, 1936.

Ella J. Fay to be postmaster at Columbus, N. Dak., in place of Odin Stompro, resigned.

Frank W. Kelly to be postmaster at Devils Lake, N. Dak., in place of Martin Olsen. Incumbent's commission expired January 7, 1936.

Francis Higgins to be postmaster at Dunseith, N. Dak., in place of C. E. Watkins. Incumbent's commission expired January 23, 1935.

Susie Drummond to be postmaster at Esmond, N. Dak., in place of Louis Hansen. Incumbent's commission expired January 7, 1936.

Louisa A. Bird to be postmaster at Flaxton, N. Dak., in place of M. C. Merrill. Incumbent's commission expired February 21, 1935.

Florence M. Law to be postmaster at Halliday, N. Dak., in place of H. M. Pippin, removed.

Ethel E. Hall to be postmaster at Hettinger, N. Dak., in place of D. E. DeLa removed.

John M. Lipp to be postmaster at Linton, N. Dak., in place of Alice Stewart. Incumbent's commission expired January 7, 1936.

Lawrence L. Walker to be postmaster at Maddock, N. Dak., in place of J. B. Dyrud. Incumbent's commission expired January 7, 1936.

Carrie M. Chapman to be postmaster at Minnewaukan, N. Dak., in place of O. S. Aaker. Incumbent's commission expired February 9, 1936.

Sarah Alice Ralston to be postmaster at Powers Lake, N. Dak., in place of L. A. Nelson. Incumbent's commission expired March 10, 1936.

OHIO

Lorenz B. Anderson to be postmaster at Fostoria, Ohio, in place of F. M. Hopkins. Incumbent's commission expired April 12, 1936.

Ohmer R. Stroup to be postmaster at Germantown, Ohio, in place of F. H. Shaw. Incumbent's commission expired March 10, 1936.

John D. Reed to be postmaster at Green Springs, Ohio, in place of F. B. Reed. Incumbent's commission expired January 7, 1936.

Maynard C. Casey to be postmaster at Mayfield Heights, Ohio, in place of J. F. Koster, resigned.

Fred J. Lawler to be postmaster at Mount Vernon, Ohio, in place of L. H. Kelly, deceased.

Aymer Nye to be postmaster at Orwell, Ohio, in place of C. E. Loomis. Incumbent's commission expired February 24, 1936.

Claude E. Sourwine to be postmaster at Plymouth, Ohio, in place of W. M. Johns. Incumbent's commission expired February 5, 1936.

Leo A. McGaw to be postmaster at Shelby, Ohio, in place of Harry Sotzen. Incumbent's commission expired March 10, 1936.

Hartley D. Devore to be postmaster at Vinton, Ohio, in place of G. P. Ewing. Incumbent's commission expired January 7, 1936.

Robert Mollett to be postmaster at Lewisburg, Ohio, in place of E. C. Bunger. Incumbent's commission expired March 23, 1936.

Frederick H. Kramer to be postmaster at Millersport, Ohio. Office becomes Presidential July 1, 1936.

Laurence L. Ehler to be postmaster at West Alexandria, Ohio, in place of D. A. Kramer. Incumbent's commission expired January 7, 1936.

OKLAHOMA

Roy L. Knecht to be postmaster at Heavener, Okla., in place of I. P. Clark. Incumbent's commission expired February 5, 1936.

Ada M. Thompson to be postmaster at Mannford, Okla., in place of A. M. Thompson. Incumbent's commission expired March 18, 1936.

Eloise L. McKenzie to be postmaster at Wilson, Okla., in place of J. M. D. Clowdus. Incumbent's commission expired March 18, 1936.

OREGON

Leonard O. Ferguson to be postmaster at Arlington, Oreg., in place of L. E. Wheelhouse. Incumbent's commission expired January 26, 1936.

William G. Hoover to be postmaster at Fossil, Oreg., in place of W. G. Hoover. Incumbent's commission expired January 22, 1936.

Harvey P. DeMoss to be postmaster at Hermiston, Oreg., in place of H. J. Stillings, resigned.

Margaret Daughtrey to be postmaster at Stanfield, Oreg. Office becomes Presidential July 1, 1936.

Nealia G. Haven to be postmaster at Sweet Home, Oreg. Office becomes Presidential July 1, 1936.

William A. Rankin to be postmaster at Turner, Oreg. Office becomes Presidential July 1, 1936.

PENNSYLVANIA

Charles I. Donley to be postmaster at Carmichaels, Pa., in place of S. E. Richey. Incumbent's commission expired February 24, 1936.

John A. Barron to be postmaster at Cornwells Heights, Pa., in place of Ralph Simons. Incumbent's commission expired January 8, 1934.

Peter L. Tressler to be postmaster at Dalmatia, Pa. Office became Presidential July 1, 1935.

Elijah E. Hall to be postmaster at Elizabeth, Pa., in place of J. M. Thompson. Incumbent's commission expired February 24, 1936.

Florence I. Kurtz to be postmaster at Elverson, Pa., in place of M. C. Hemmig. Incumbent's commission expired March 17, 1936.

Della M. Sullivan to be postmaster at Genesee, Pa., in place of E. E. Raymond. Incumbent's commission expired February 24, 1936.

Adam L. Winters to be postmaster at Holtwood, Pa., in place of H. C. Myers. Incumbent's commission expired March 17, 1936.

John D. McConegly to be postmaster at Homestead, Pa., in place of W. A. Kessler. Incumbent's commission expired February 14, 1935.

John H. Boltz to be postmaster at Jonestown, Pa., in place of Gertrude Klinefelter. Incumbent's commission expired May 10, 1936.

James Frank Groover to be postmaster at Lewisburg, Pa., in place of W. N. Baker. Incumbent's commission expired January 27, 1936.

Joseph Samuel Raisner to be postmaster at Marysville, Pa., in place of M. V. Roush. Incumbent's commission expired May 10, 1936.

Katherine M. Sherlock to be postmaster at Merion Station, Pa., in place of H. J. Kromer. Incumbent's commission expired February 14, 1935.

Walter S. Hattwick to be postmaster at Mill Hall, Pa., in place of M. G. Coffey. Incumbent's commission expires June 1, 1936.

R. D. Hiram Hagenbuch to be postmaster at Montgomery, Pa., in place of S. E. Sterner. Incumbent's commission expires June 1, 1936.

Jackley L. Hines to be postmaster at Mount Jewett, Pa., in place of Charles Lunden. Incumbent's commission expired April 4, 1936.

Charles J. Bennett to be postmaster at Mount Joy, Pa., in place of William Tyndall, resigned.

Howard R. Miller to be postmaster at New Ringgold, Pa., in place of F. M. Berk. Incumbent's commission expired January 27, 1936.

Michael P. Murphy to be postmaster at Oil City, Pa., in place of J. W. Snedden, removed.

Edward J. Donahue to be postmaster at Port Carbon, Pa., in place of L. M. Krebs. Incumbent's commission expired February 10, 1936.

Harry B. Wimer to be postmaster at Quarryville, Pa., in place of A. M. Wade. Incumbent's commission expired March 17, 1936.

Charles Q. Flickinger to be postmaster at Stowe, Pa., in place of R. E. Frech. Incumbent's commission expired February 10, 1936.

Charles W. Johnston to be postmaster at Strasburg, Pa., in place of M. T. Weaver. Incumbent's commission expired May 10, 1936.

Catherine W. Stevenson to be postmaster at Waverly, Pa., in place of Carrie Saar. Incumbent's commission expired February 19, 1936.

Thomas M. Hiester to be postmaster at Wernersville, Pa., in place of C. F. Wenrich. Incumbent's commission expired February 10, 1936.

Henrietta T. McEvoy to be postmaster at Willow Grove, Pa., in place of C. L. Corson. Incumbent's commission expired May 10, 1936.

Ruth A. Fetter to be postmaster at Yardley, Pa., in place of S. S. Hartman. Incumbent's commission expired February 10, 1936.

Ward T. Deise to be postmaster at Avis, Pa., in place of Annabelle Busler. Incumbent's commission expired February 5, 1936.

Willis C. Jack to be postmaster at Freedom, Pa., in place of R. R. Rhodes, transferred.

John W. Mills to be postmaster at Koppel, Pa., in place of W. H. Law. Incumbent's commission expires June 10, 1936.

Guy L. Titman to be postmaster at Tunkhannock, Pa., in place of H. B. Asheid. Incumbent's commission expires June 10, 1936.

PUERTO RICO

Judson Ulery McGuire to be postmaster at Bayamon, P. R., in place of Alfredo Gimenez y Moreno. Incumbent's commission expired December 18, 1934.

Rita M. Vecchini to be postmaster at Guayanilla, P. R., in place of L. G. Rodriguez, resigned.

RHODE ISLAND

Samuel W. Smith, 3d, to be postmaster at Jamestown, R. I., in place of J. J. Ahern, removed.

SOUTH CAROLINA

Pearl Youmans to be postmaster at Brunson, S. C., in place of D. C. Folk. Incumbent's commission expired February 26, 1936.

Mamie C. Spears to be postmaster at Lamar, S. C., in place of M. C. Spears. Incumbent's commission expires June 10, 1936.

SOUTH DAKOTA

Theodore G. Weiland to be postmaster at Bridgewater, S. Dak., in place of W. J. Ryan. Incumbent's commission expired March 22, 1934.

Herbert C. Hagen to be postmaster at Britton, S. Dak., in place of L. E. Castle, removed.

Hollis M. Hill to be postmaster at De Smet, S. Dak., in place of L. M. Johnson. Incumbent's commission expired April 27, 1936.

Ernest F. Heuer to be postmaster at Florence, S. Dak., in place of H. L. Meyer. Incumbent's commission expires June 15, 1936.

Paul A. Wiest to be postmaster at Newell, S. Dak., in place of E. R. Hill. Incumbent's commission expired April 12, 1936.

Eugene M. Coffield to be postmaster at Oelrichs, S. Dak., in place of E. M. Coffield. Incumbent's commission expired January 25, 1936.

John Loesch to be postmaster at Oldham, S. Dak., in place of Albert Koehne. Incumbent's commission expires June 10, 1936.

Agnes Parker to be postmaster at Timber Lake, S. Dak., in place of E. L. Brown. Incumbent's commission expired April 27, 1936.

Marion Peterson to be postmaster at Waubay, S. Dak., in place of J. A. Hawkins. Incumbent's commission expires June 10, 1936.

Loyal H. McKnight to be postmaster at Bruce, S. Dak., in place of L. D. Walters. Incumbent's commission expires June 28, 1936.

Doris L. Stewart to be postmaster at Cresbard, S. Dak., in place of M. C. Stewart, deceased.

Albert A. Schmidt to be postmaster at Freeman, S. Dak., in place of Francis Smidt. Incumbent's commission expires June 15, 1936.

Robert C. Baker to be postmaster at Lake Andes, S. Dak., in place of Florence Holden. Incumbent's commission expired February 9, 1936.

Sebastian A. Archer to be postmaster at Lake Preston, S. Dak., in place of M. E. Bates. Incumbent's commission expires June 23, 1936.

Fred J. Hepperle to be postmaster at Leola, S. Dak., in place of Della Reue. Incumbent's commission expires June 10, 1936.

Michael P. Garvey to be postmaster at Milbank, S. Dak., in place of C. S. Johnson. Incumbent's commission expired January 25, 1936.

Arthur A. Kluckman to be postmaster at Mound City, S. Dak., in place of C. M. Kuehl. Incumbent's commission expired January 25, 1936.

Frank D. Fitch to be postmaster at Wessington, S. Dak., in place of G. M. King. Incumbent's commission expired April 12, 1936.

TENNESSEE

John W. Nicholson to be postmaster at Ashland City, Tenn., in place of J. P. Gallaher. Incumbent's commission expired February 5, 1936.

Lyle S. Alexander to be postmaster at Ridgely, Tenn., in place of P. E. Walker. Incumbent's commission expires June 28, 1936.

Riley M. Grills to be postmaster at Trimble, Tenn., in place of A. L. Needham. Incumbent's commission expires June 10, 1936.

TEXAS

Olive P. Jordan to be postmaster at Beckville, Tex., in place of J. B. Carter. Incumbent's commission expired February 5, 1936.

Samuel G. Hampton to be postmaster at Goree, Tex., in place of E. B. Johnston. Incumbent's commission expired February 1, 1936.

Herman H. Cooke to be postmaster at Hempstead, Tex., in place of E. M. Reed. Incumbent's commission expired April 4, 1936.

John A. Wilson to be postmaster at Knox City, Tex., in place of J. A. Wilson. Incumbent's commission expired April 27, 1936.

John Henry Read to be postmaster at Memphis, Tex., in place of W. M. Owens, removed.

Neville W. Durham to be postmaster at Merkel, Tex., in place of O. J. Aldcock. Incumbent's commission expired January 8, 1936. (Removed without prejudice.)

John M. Meiners to be postmaster at Moulton, Tex., in place of W. K. Richter. Incumbent's commission expired January 8, 1936.

Mary Foster to be postmaster at Waelder, Tex., in place of R. H. Rhodes. Incumbent's commission expired January 8, 1936.

David C. Harris to be postmaster at Mineral Wells, Tex., in place of J. D. Cranford. Incumbent's commission expired February 5, 1936.

W. J. Smith to be postmaster at Montgomery, Tex., in place of M. A. Hough. Incumbent's commission expired January 8, 1936.

Sarah O. Beaver to be postmaster at Queen City, Tex. Office becomes Presidential July 1, 1936.

VERMONT

Alfred P. Lonergan to be postmaster at Essex Junction, Vt., in place of L. H. Leach. Incumbent's commission expired February 9, 1936.

Maria B. Depaule to be postmaster at Enosburg Falls, Vt., in place of E. L. Thomas. Incumbent's commission expired March 23, 1936.

Robert F. Pierce to be postmaster at Lyndonville, Vt., in place of T. E. Wheeler. Incumbent's commission expired February 9, 1936.

James McGovern to be postmaster at North Bennington, Vt., in place of L. W. Gaul. Incumbent's commission expires June 11, 1936.

Olive M. Mayo to be postmaster at Randolph, Vt., in place of F. H. Hayward. Incumbent's commission expired January 16, 1934. (Removed without prejudice.)

Harry L. Simonds to be postmaster at Saxtons River, Vt., in place of C. K. Hughes. Incumbent's commission expired February 25, 1935.

VIRGINIA

John F. Wolfenbarger to be postmaster at Clinchport, Va. Office became Presidential July 1, 1935.

Grace D. Condon to be postmaster at Goshen, Va., in place of J. O. Humphreys. Incumbent's commission expired March 10, 1936.

James David Miller to be postmaster at Newport, Va., in place of J. B. Porterfield. Incumbent's commission expired March 10, 1936.

WASHINGTON

Elliot Curry to be postmaster at Colville, Wash., in place of W. W. Campbell. Incumbent's commission expired March 29, 1936.

Regina M. Mohrmann to be postmaster at Ferndale, Wash., in place of C. W. Fisk. Incumbent's commission expired January 8, 1936.

William Robert Ross to be postmaster at Grand Coulee, Wash., in place of C. E. Kinnune, deceased.

Esther H. Boaz to be postmaster at Manson, Wash., in place of Gertrude Eatherton. Incumbent's commission expired January 28, 1936.

Thomas Phil Hickman to be postmaster at Monroe, Wash., in place of H. T. Bennett. Incumbent's commission expired January 8, 1936.

Truman W. Chamberlain to be postmaster at Quincy, Wash., in place of W. E. Field, removed.

Ethel R. Hanks to be postmaster at Port Orchard, Wash., in place of Frank Givens, retired.

WEST VIRGINIA

Bennie D. Wiley to be postmaster at Athens, W. Va., in place of R. P. Oxley. Incumbent's commission expired February 1, 1936.

Oscar R. Conaway to be postmaster at Barrackville, W. Va., in place of Lawrence Barrackman. Incumbent's commission expired April 27, 1936.

Harper H. Hudson to be postmaster at Durbin, W. Va., in place of S. A. Willhide. Incumbent's commission expired February 19, 1936.

James B. Shrewsbury to be postmaster at Princeton, W. Va., in place of L. E. White. Incumbent's commission expired February 1, 1936.

WISCONSIN

John W. O'Callaghan to be postmaster at Suring, Wis., in place of N. M. Clark. Incumbent's commission expired April 28, 1934.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 28 (legislative day of May 12), 1936

DIPLOMATIC AND FOREIGN SERVICE

Eugene H. Dooman to be consul general of the United States of America.

PUBLIC HEALTH SERVICE

Carlisle P. Knight to be medical director.
Dr. Carroll E. Palmer to be passed assistant surgeon.

PROMOTIONS IN THE NAVY

William F. Twitchell to be naval constructor.
William W. Graham, Jr., to be lieutenant.
Edmund R. Norton to be naval constructor.
Randolph Meade, Jr. to be ensign.

POSTMASTERS

CONNECTICUT

Arthur A. Lawrence, East Berlin.
Clinton A. Theis, Madison.

MINNESOTA

Evelyn I. Reintjes, Big Lake.
Glen M. Squires, Blackduck.
Clifford J. Fitzgerald, Dilworth.
Edward B. Anderson, Elbow Lake.
Joseph O. Ellevold, Fairfax.
Edna M. Matzke, Hills.
Joseph M. Hilger, Iona.
Robert J. Mayheu, Ironton.
Gordon J. Dewar, Lewisville.
Joseph J. Gaffney, Morris.
Henry Falardeau, Oklee.
Leonard Reiland, Rollingstone.

NEBRASKA

Fay J. Clough, Allen.
C. Glenn Magee, Arapahoe.
Dolores Jensen, Hampton.
Magnus P. Hemmingsen, Marquette.
Orval C. Myers, Nelson.
Harley G. Moorhead, Omaha.
Agnes E. Sullivan, O'Neill.
Bessie A. Freed, Pender.
Martin Slattery, Shelton.
Jake R. Hanks, Thedford.
Elmer L. Bunger, Upland.
J. Marie D. Rutledge, Wilsonville.

NEW YORK

Harry J. Sheridan, McGraw.

OREGON

Delbert E. Pearson, Carlton.

SOUTH CAROLINA

Russell P. Barnett, Campobello.
Bayfield W. Smoak, Moultrieville.
Earle W. Chadwick, Parris Island.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 28, 1936

The House met at 12 o'clock meridian.

The Reverend Clifford H. Jope, D. D., pastor of the Ninth Street Christian Church, Washington, D. C., offered the following prayer:

Our divine Father, we thank Thee for the rich heritage which is ours from the years that are passed. It seems to us today that every privilege we enjoy is tinged with the red blood of the Nation's patriots.

We are grateful to Thee and to them for liberty and the opportunity to achieve, for safety and the institutions that nurture and protect us.

We praise Thee for the men and women among us who have consecrated themselves to the Nation's good. Grant, O Father, enlightenment in the making of laws and the compulsion of Thy spirit in the creation of a wider fraternal sympathy and comradeship between men. Give the necessary inspiration to enable us to seek and achieve peace and happiness. Free us from secret and open iniquity. Save us from dark forces that seek to destroy.

Grant to the President and all who share in the government of the realm the guidance of Thy spirit, and use them as ministers in Thy kingdom of truth.

In the spirit of Him who is truth. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 4511. An act to amend section 641 of the Code of Laws for the District of Columbia;

S. 4512. An act to amend section 641 of the Code of Law for the District of Columbia;

S. 4533. An act granting the consent of Congress to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge across the Pascagoula River at or near Wilkersons Ferry, Miss.; and

S. J. Res. 251. Joint resolution granting the consent of Congress to the city and county of San Francisco to construct a causeway and highways on Yerba Buena Island in San Francisco Bay, and for other purposes.

INTER-AMERICAN CONFERENCE

Mr. LAMBETH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address delivered by the American Ambassador to Mexico, on inter-American relations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LAMBETH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Josephus Daniels, American Ambassador to Mexico, at the luncheon of the Mexico City Lion's Club in honor of the proposal of the President of the United States of America, Franklin D. Roosevelt, to group in one sole social and economic idea all the free nations on this continent, March 5, 1936:

The Lions International of Mexico City, the largest club of your organization in the world, emphasizes its cardinal principle of promoting peace by this luncheon given in honor of President Roosevelt. You meet today in recognition of his epoch-making action looking toward the undergirding of lasting understanding between the 21 democratic countries on this continent. This appreciation

of the President of my country by the Lions International of Mexico City emphasizes the importance of the proposed extraordinary inter-American conference as well as the spirit and purpose of your organization, which is quick to further all agencies to cement Pan American devotion to unity of action.

It is gratifying that in this latest step of solidarity on this hemisphere the President of the United States and the President of Mexico see eye to eye. In honoring the Chief Executive of my country you likewise pay tribute to the head of the Mexican Government. Congratulating President Roosevelt on what he characterizes "the nobility of outlook which your suggestion carries", President Cárdenas pledges enthusiastic cooperation, confirming Mexico's "traditional attitude regarding instruments of peace", and expresses faith in the principle of settling differences "without having to take recourse to force as an argument in the place of law."

This approval of the conference by the President of Mexico and the heads of other Pan American governments, to quote Dr. Saavedra Lamas, the Foreign Minister of Argentina, is proof that "for the first time a current of community of ideas and sentiments without suspicions and without ill will" pervades the American republics.

All progress is evolutionary. The proposal of this extraordinary conference is the fruition of the hopes and labors of patriotic men of all Pan America from the battles for freedom through many steps toward continental solidarity. It evidences the growth of the passion for peace and justice which dominates the heart and mind of President Roosevelt. His first utterance as he took the oath of office foreshadowed this latest piece of statesmanship.

Rarely before in history did the people of the world, and particularly on this hemisphere, await an utterance of a new President with such deep interest as on March 4, 1933, when Franklin D. Roosevelt took the oath of office of President of the United States of America. They had not long to wait. In his inaugural address Mr. Roosevelt showed that the New Deal was not confined to feeding the starving or lifting his own country out of the economic morass into which it had fallen. It is well to recall the very words that heartened all who have yearned for the completest understanding and brotherhood of Pan Americans. In a brief statement the new President enunciated a policy which had in it light and cheer. A new-born Pan American unity was ushered into existence by this declaration:

"In the field of world policy I would dedicate this Nation to the policy of the good neighbor—the neighbor who respects himself and, because he does so, respects the rights of others; the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

A short time thereafter, in an illuminating address before the governing board at a Pan American celebration, President Roosevelt made clear that the Monroe Doctrine was for the protection of the Western Hemisphere against outside aggression, not as a weapon to be employed by one American government against another. He also declared that all unnecessary and artificial barriers and restrictions which hampered the healthy flow of trade between the peoples of the American republics should be abolished.

In his address to the Woodrow Wilson Foundation on December 28, 1933, President Roosevelt quoted with approval the definite statement of President Wilson at Mobile that "the United States would never again seek one additional foot of territory by conquest", adding this declaration of his policy: "The time has come to supplement the declaration of President Wilson by the further declaration that the definite policy of the United States from now on is one opposed to armed intervention." And he added this statement, which may now be said to be a Roosevelt doctrine:

"The maintenance of constitutional government in other nations is not, after all, a sacred obligation devolving upon the United States alone. The maintenance of law and the orderly processes of government in this hemisphere is the concern of each individual nation within its borders first of all. It is only if and when the failure of orderly processes affects the other nations of the continent that it becomes their concern; and the point to stress is that in such an event it becomes the joint concern of the whole continent in which we are all neighbors."

If President Roosevelt had proclaimed the new doctrine and stopped there, its effect would have been salutary, but would have fallen far short of the desired goal. No one knew better than he that "fair words butter no parsnips." He promptly let his works prove the sincerity of his words. Since March 1933, what acts have shown that the good-neighbor policy is a modern application of the spirit of the Golden Rule? Let us examine the record of the new foreign policy in these 3 years:

1. Only this week an agreement has been reached with Panama to settle long-standing differences in ways mutually satisfactory to the two countries. In addition, Uncle Sam withdraws his big-brother attitude that Panama regarded as treading upon its sovereign rights.

2. Within a year treaties have been negotiated with six Pan American countries which have brought reciprocal and increased trade to those countries, and like reciprocal arrangements will increase the markets and prosperity of all America.

3. The Platt amendment no longer gives the right to the United States to intervene in Cuban affairs. The provision permitting American intervention in Cuba when the restoration of order was deemed necessary by the United States had long rankled among Spanish Americans as an indication of a desire to overlord the smaller countries.

4. Marines, first sent to Haiti, in the days of the World War, have been withdrawn, and the good-neighbor policy practiced in a way that proves genuine friendship and respect for the independence of that country.

5. Cooperation with all Pan American states for the pacific solution of questions which might provoke war.

6. The declaration subscribed to at Montevideo for the United States by the Honorable Cordell Hull, Secretary of State, containing a provision that no State has the right to intervene in the internal or external affairs of another.

7. A recent statement by the Honorable Sumner Welles, Assistant Secretary of State, that "dollar diplomacy, I am glad to say, is now a thing of the past."

These seven concrete steps already taken foreshadow the even more gratifying and far-reaching agreements which will give lasting distinction to the coming extraordinary Inter-American Conference.

Freed from fear of European nations, it is to the glory of this continent that nearly all disputes have been settled by arbitration. The example of Chile and Argentina in thus settling their boundary dispute in 1902 affords an example for world emulation. When that agreement was reached, the people erected a memorial following the example of the men of old, to keep in constant remembrance their high determination. That memorial, erected on the crest of the Andes, took the form of a statue of Christ the Prince of Peace, and it bears this inscription:

"Sooner shall these mountains become dust than that the peoples of Argentina and Chile break the peace which they have pledged at the feet of their Redeemer."

Shortly the extraordinary Inter-American Conference will be held. It will guarantee in our day the long-delayed perfect unity of Pan America for the safeguarding of peace, territorial integrity, and mutual covenants of brotherhood.

THE SUGAR INDUSTRY IN THE PHILIPPINE ISLANDS

Mr. PAREDES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PAREDES. Mr. Speaker, a former Member of this House has stated, part seriously and part humorously, that if, upon the arrival of the American soldiers, after your admiral had sunk the Spanish fleet, there had been good interpreters in the islands there would have been no Philippine-American war. There may be an element of truth rather than humor in that statement.

When I was a boy of 16 I was one of the very few in a Spanish-controlled country who attempted to speak English. One day a squad of American soldiers called at our home and I was taken to headquarters. The family thought I was about to be shot or imprisoned. Instead I found I was to be used as an interpreter, and was assigned to an American officer then holding a not very high rank. Last week it was my pleasure to dine with this American officer, who is now a general in the United States Army, Maj. Gen. Thomas Q. Ashburn.

I was one of the few interpreters to whom your colleague, former Congressman Hawes, referred.

I make reference to this because I sometimes think what would have happened had there been no Philippine-American war and we had been permitted to work out our destinies in our own way with Spanish sovereignty removed.

It is all a matter of conjecture, but one thing you must admit would have happened. We would at least have had some world trade in markets throughout the world. They might have been small and unsatisfactory, but we would have had them, and in 37 years they might have been developed to large economic importance.

But your Congress decided otherwise. It established reciprocal free trade to secure for your American manufacturers, farmers, and livestock raisers a practical monopoly of the Philippine market until, as you know, it has grown to enormous proportions. It is probably your best market in the world, certainly, for many of your products. In some of your States manufacturers provide economic life for your people. In other States farming is the chief occupation; in other States mining; in other States cattle raising; and prosperity in these States depends not only upon the successful product of these various articles of commerce but upon their sale.

In my country, where we now have some 14,000,000 people, our chief product is sugar, constituting 63 percent of our

exports, and contributing through taxation to the support of our government a great proportion of our national revenue. The fate of our sugar industry will affect our future to a material extent.

The Philippines did not write their own sugar legislation; it was written by your Congress. We had nothing to say about the matter. Its development is your development, not ours.

Fair treatment for our Philippine sugar industry will not injure a single beet-sugar or cane-sugar producer in the United States. The reason is quite apparent. The American people each year consume approximately 6,500,000 tons of sugar, and, because of the limited American production, you are required to purchase at least 4,500,000 tons of sugar from what are called offshore areas, under the American flag, and Cuba, a foreign nation.

We are not seeking and never have sought to take anything away from the beet growers or the cane growers of the United States. All we ask is that, while under the American flag, we be treated fairly and equitably with other Territories and possessions of the United States.

The production of sugar, therefore, is not a controversy between Philippine producers and American producers; it is merely a demand to have our fair share of the business with two American offshore areas. We have no conflict with the domestic continental sugar producer, and we believe he now understands this.

With this in mind, I ask the privilege of extending this discussion in the CONGRESSIONAL RECORD, giving such figures and facts as may be helpful to an understanding of our vital problems.

I make this request because I do not believe the situation is well understood, because I have heard arguments advanced which are not based upon facts and are due, I am sure, to an honest misunderstanding.

THE SUGAR INDUSTRY IN THE PHILIPPINE ISLANDS—THE BACKGROUND

The sugar industry in the Philippine Islands dates back many centuries prior to the American occupation in 1898. Historical records show that the native Filipinos were already producing sugarcane when Magellan discovered the islands in 1521. Exports of sugar from the Philippines increased from 53,000 short tons in 1855 to more than 200,000 short tons 25 years later. The highest export peak during the Spanish regime was reached in 1895, when the Philippines exported 376,401 short tons of sugar.

As a matter of fact, the sugar industry was developed on a competitive level during the Spanish regime and Philippine sugar then was able to compete in the world's markets.

It is interesting and significant to note that for the 10-year period from 1880 to 1889, before the enforcement of the restrictive Spanish commercial laws in the Philippines, of the 200,000 short tons of sugar exported annually, more than 50 percent found its way into the United States, as the following figures indicate:

Year	Total quantity exported (short tons)	Percentage of total value of all exports	Exports to the United States (short tons)	Percentage of total sugar exported
1880	199,728	48.63	112,751	56.45
1881	230,167	50.47	87,149	37.86
1882	165,811	43.22	87,063	52.51
1883	216,970	45.83	140,484	64.75
1884	134,622	30.33	93,886	69.74
1885	225,114	42.18	148,869	66.13
1886	203,859	34.90	129,134	63.35
1887	189,324	31.66	122,841	64.88
1888	177,457	32.32	92,283	52.00
1889	251,841	35.45	138,629	55.05
Annual average	199,489		115,310	57.60

These figures demonstrate the fact that the United States was, as it is today, the principal market for Philippine sugar. As a result, however, of the restrictive Spanish commercial laws, the sugar exports from the Philippines to the United States, following the year 1890, decreased to 13 percent, as the following data show:

Year	Total quantity exported (short tons)	Percentage of total value of all exports	Exports to the United States (short tons)	Percentage of total sugar exported
1890	169,658	33.72	37,616	23.56
1891	152,358	27.29	51,730	33.95
1892	278,659	40.54	50,685	18.19
1893	288,276	46.74	11,124	3.86
1894	232,195	33.11	12,633	5.44
1895	376,402	31.34		
Annual average	247,924		32,757	13.21

The 6 years of revolution which started in 1896—first, the revolt against Spanish domination from 1896 to 1898; and second, the Philippine insurrection against American occupation, which lasted until 1901—completely paralyzed the basic industries of the islands, including the sugar industry, and not until 10 years thereafter, or until the establishment of the free-trade relations between the United States and the Philippines, did the industry begin to revive.

PHILIPPINES INCREASED ITS SUGAR PRODUCTION LESS THAN OTHER AREAS

It has been erroneously claimed that the Philippines increased its sugar production tremendously and out of proportion in comparison with other sugar-producing areas. The facts are that the Philippine increase in sugar production was relatively much less than that of other sugar-producing countries.

The Philippines reached its pre-war peak production in 1895, prior to American occupation, when it had a production of 431,000 short tons. Its recent peak of production was in the crop year 1933–34, when approximately 1,580,000 short tons was produced. In other words, for a period of 40 years the Philippines increased sugar production 367 percent.

For about the same period Cuba increased its production 489 percent; Puerto Rico, 662 percent; Hawaii, 412 percent; United States (beet), 1,988 percent; Java, 546 percent, as shown by the following record:

	Record production prior to American occupation of Philippines in 1898		Record production in recent years		Percent increase
	Short tons	Year	Short tons	Year	
Cuba	1,180,000	1893–94	5,775,000	1928–29	489
Puerto Rico	168,000	1879	1,112,000	1933–34	662
Hawaii	251,000	1897	1,035,000	1932–33	412
United States (beet)	87,000	1895	1,730,000	1933–34	1,988
Philippines	431,000	1895	1,580,000	1933–34	367
Java	602,000	1895	3,292,000	1927–28	546

The recent increase in sugar production in the Philippine Islands was the result of two factors:

First. Replacement of thousands of primitive mills by modern factories, which resulted in the increase in the sugar recovery from the cane from 60 to 95 percent, this improvement having been similarly accomplished in Cuba, Puerto Rico, and other sugar-producing areas when those areas changed their methods of manufacture from the inefficient, antiquated methods to modern practice and equipment; and

Second. Increase in the unit yield per acre as a result of the planting of the same higher yielding varieties that have been utilized in Louisiana, Java, Puerto Rico, Hawaii, and other sugar-producing areas, and the use of fertilizers.

Unlike in Cuba, where there was a tremendous expansion of the sugar industry as a result of the American-Cuban Convention of 1902 and the World War, there has been no extensive expansion of the sugar industry in the Philippine Islands.

Practically the same area of lands devoted to sugarcane during the Spanish regime or prior to American occupation is now utilized for the cultivation of sugarcane, due to the restriction in the land laws enacted by Congress in 1902 limiting the land holdings to not more than 2,500 acres.

Unlike the case in Cuba and other tropical countries, where ownership of sugar-producing lands is confined to a few large proprietors, in the Philippines sugar lands are owned by thousands of farmers, with small holdings of a few acres.

John E. Dalton, formerly chief of the Sugar Section of the A. A. A., commenting upon the increase in production of sugar in Puerto Rico and the Philippines, made the following pertinent remarks: "It should be noted that the increase in the production of sugar in Puerto Rico and the Philippine Islands did not result primarily from an expansion in the acreage under cultivation, but resulted from (a) larger cane tonnage per acre grown (through the substitution of new cane varieties); (b) increase sucrose content in such cane; and (c) improvement in milling which brought an increase in the amount of recoverable sugar from the cane. For example, in the Philippine Islands, between 1923 and 1931, the increase in the amount of sugar available for the United States was 243 percent; however, during that interval the area planted to sugarcane increased by about 13 percent."

FREE TRADE BETWEEN THE UNITED STATES AND THE PHILIPPINES ESTABLISHED BY YOUR CONGRESS

In carrying out its policy of helping the Filipino people in their economic development, Congress enacted on August 1, 1909, 27 years ago, the Payne-Aldrich bill, which established free trade between the United States and the Philippines, under which all articles exported to the Philippines from the United States were admitted free of duty, and conversely all products from the Philippine Islands coming into the United States, except in any 1 year sugar in excess of 300,000 tons, and other limitations on rice and tobacco.

The limitations on sugar and tobacco were later removed in the Underwood-Simmons Tariff Act of 1913.

The Filipino people opposed the establishment of this free trade on the ground that it "would in the future become highly prejudicial to the economic interests of the Philippine people and would bring about a situation which might hinder the attainment of the independence of said people." But Congress saw fit to establish this relationship, and the Filipino people had to accept their status and planned and worked accordingly their economic development.

It is pertinent to record herein the lofty ideals and sentiments which actuated Congress in establishing this trade relationship with the Philippines.

The then distinguished Republican Senator, Elihu Root, speaking before the Senate of the United States in 1909, when this matter was being debated, said:

> The die is cast, Mr. President, upon which we have the responsibility for the Philippine Islands. No action of ours can reverse it. The good faith, the good name, the honor of the American people are all pledged to lead the people of the islands on by paths of growing prosperity and capacity for government to the point where they will be capable of supporting and governing themselves.
>
> We cannot fulfill that high duty by giving them money. * * * Gifts of money tend to reduce the independence of individual character. We cannot fulfill that duty by making the islands unsuccessful in business, by retarding and confining their industry. We can fulfill it only by giving to them the opportunities to national power, to grow in the accumulation of property and the diffusion of wealth, lying at the foundation of civilization. We can fulfill that duty only by making the people of the Philippines at once prosperous and intelligent.

In 1913, when the Democratic Party came into power, the eminent statesman, Oscar Underwood, referring to the removal of the restriction in the act of 1909, spoke as follows on the floor of the House, May 7, 1913: "The change in this paragraph of the bill is largely striking out the limitation on the importation of sugar, filler, and cigar tobacco and wrapper tobacco. * * * We may leave the limit where it is * * * but we would leave it where it is to the shame of every American citizen. We could not honestly face those dependent people who give us free trade in their markets if we close our doors here. * * * Because we do not want to stand and face that world in such a position as that and say (to the Filipinos) that under our law we command you to open the door, so that American goods can flow to your country, because we have the power to do it, and then turn around and say to them that, on the only thing they can import, practically, into our country and make a market for we will close our doors and prevent them developing their trade. I say that no true-born American citizen who faces the question fairly and squarely and understands the situation will consent to that.

THE SIGNIFICANCE OF THE DEVELOPMENT OF THE PHILIPPINE SUGAR INDUSTRY

By virtue of the free trade thus established, sugar from the Philippines received a preferential-tariff position in the American market against Cuban and foreign-grown sugar, thereby placing the sugar industry of the Philippines within the highly American protective tariff walls.

The immediate effect was the investment of American capital in the islands for the development of the sugar industry.

In 1910 a group of American investors established the first modern sugar factory in the island of Mindoro, and 2 years later two other American companies erected sugar centrals at Calamba, on the island of Luzon, and at San Carlos, on the island of Negros.

Thus the modern development of the sugar industry was initiated by pioneering American businessmen and American capital, for it took a decade to convince the Philippine farmers of the advantages of improving their sugar production and manufacture and take advantage of the protection of the American tariff, and not until 1918–21 did the Filipino sugar producers go into the modernization of their methods of manufacture and establish six cooperative sugar centrals with the financial aid of the government Philippine National Bank.

This development of the sugar industry has elevated the living standards of my people and helped them to carry out improvements in education, sanitation, and public works.

The investment in the Philippine Islands in the sugar industry runs over $250,000,000, largely in the control of Americans and Filipinos.

Like other industries, this business has an association. The president of the association is the Honorable Rafael R. Alunan, known throughout the Philippine Islands and in the United States to be a man of wide experience, given to accuracy of expression and conservative statements.

May I be permitted to quote him regarding investments and other matters relating to the growth of our sugar industry. He states:

> The total aggregate investments in the Philippine sugar industry amount to $251,512,535, as follows:

Investment in centrals	$84,012,535
Investment in lands	140,000,000
Crop loans	22,500,000
Miscellaneous investments	5,000,000
Total	251,512,535

> Of the total of $84,012,535 invested in centrals, 40 percent is American investment, 37 percent Filipino, 22 percent Spanish, and 1 percent cosmopolitan, as shown in the following table:

Nationality	Number of centrals	Total investments	Percentage of total investments
American	12	$33,815,650	40
Filipino	22	31,127,894	37
Spanish	9	18,276,574	22
Others	2	792,417	1
Total	45	84,012,535	100

> Of the 45 centrals in the Philippine Islands, approximately 24, or more than one-half of them, are small mills, with capacities ranging from 150 to 750 tons of cane per day. Most of these mills are financed by a group of Filipinos, while a few others were established by cosmopolitan investors, including Filipinos, Americans, and others. No Chinese are financially interested in the mills.
>
> Practically all the lands devoted to the cultivation of sugarcane in the Philippines are tilled by Filipinos. Filipinos engaged in sugar cultivation in the Philippines, including their families, number 2,000,000.
>
> Unlike other sugar-producing countries, which must rely on foreign labor to grow sugar, the Philippines depends solely upon native labor for its production of sugar.

Of the 48 Provinces, 17, with a population of over 7,000,000 people, or more than half of the total population of the islands, are directly or indirectly dependent upon the sugar industry.

At least 2,000,000 farmers, laborers, and their families depend for their livelihood upon the growing of sugarcane.

The sugar industry, more than any other industry in the islands, has been responsible for uplifting the standard of living of the Filipino people.

Recognized authorities place the standard of living of the Filipino people 300 percent above that of the peoples of their neighboring countries.

The money spent by the centrals and the planters for the purchase of supplies and materials required by the sugar industry amounts annually to approximately $30,000,000, or over 60 percent of the total money in circulation in the islands.

The sugar industry is the main support of the Philippine government. For every dollar of value of sugar produced in the Philippines the Philippine government derives in sales tax and other taxes approximately 20 cents.

In 1932 the value of sugar exported from the Philippine Islands constituted 63 percent of the total value of all their exports, as may be seen from the following table:

Value of principal exports from the Philippines for the calendar year 1932

	To all countries		To United States	
	Value	Percent	Value	Percent
1. Sugar and byproducts	$60,359,000	63.31	$60,145,000	99.64
2. Coconuts and manufactures of	15,455,000	16.21	12,063,000	78.05
3. Tobacco and manufactures of	6,399,000	6.71	3,243,000	50.68
4. Manila hemp and manufactures of	5,675,000	5.95	1,893,000	33.35
5. Embroideries	3,267,000	3.42	3,252,000	99.53
6. Lumber and timber	835,000	.87	173,000	20.74
7. Hats	591,000	.62	435,000	73.71
8. Pearl buttons	244,000	.26	244,000	100.00
9. Other exports	2,514,000	2.64	1,200,000	47.73
Total	95,339,000	100.00	82,648,000	86.69

The success of the cooperative system which has characterized the production of sugar in the Philippines has made the people realize the advantages of cooperative efforts among small producers and farmers.

In other words, the sugar industry of the Philippines has become a model for a modern scientific development of their other agricultural industries.

AMERICAN INTERESTS IN THE PHILIPPINES

It is obvious from an examination of the records that the free-trade relationship not only has been beneficial to the Philippine Islands but has also been advantageous to the United States.

To the Philippines it meant development of their economic resources, particularly their sugar industry, improvement in their standards of living, successful financing of their government in carrying out its manifold activities; in other words, it meant prosperity for the Filipino people.

It opened to the United States a great Philippine market for American agricultural and industrial products, American shipping, banking, insurance, mining, and other financial enterprises.

During Spanish sovereignty Philippine commerce was diversified throughout the world. The United States sold little to the Philippines—only approximately $3,000,000, or 3 percent of the Philippine purchases abroad, amounting to $111,000,000, for the 10-year period 1885–94, prior to American occupation.

With the establishment of free trade the United States has obtained a monopoly of the Philippine market, where it has enjoyed tariff preferences for 97 percent of its products going into the Philippine Islands.

For the last decade, 1924–33, the Philippines purchased from the United States over $680,000,000 worth of goods, or 61 percent of its total imports from abroad.

The Philippines today is the best market for American cotton cloths, galvanized steel sheets, dairy products, cigarettes, and truck and bus tire casings.

Moreover, the Philippine market is the best in the far-eastern markets for American steel-mill products and iron and steel advanced manufactures.

The Chamber of Commerce of the United States, in its bulletin entitled "Our World Trade" in 1935, reported that the value of purchases of American merchandise by the Philippines for the calendar year 1935 increased 11.6 percent, while imports of the United States from the islands increased 11.5 percent. For the same period purchases of American merchandise by Cuba increased 32.7 percent, while American imports from Cuba increased 41.9 percent. In this connection the chamber of commerce also reported that while the value of purchases of American merchandise by Japan decreased 3.4 percent, the value of American imports from Japan increased 26.3 percent.

These figures show that the United States, despite the dumping of Japanese goods into the Philippines, has maintained its monopoly of the Philippine market and indicate the stability and potentiality of the Philippine market for American products.

It is to be borne in mind, however, that the continuation of the American monopoly of the Philippine market and control of the economic development of the country depend upon the ability of the Filipino people to market in the United States their basic exportable products, and the continuation, in an equitable and reciprocal manner, of the mutually advantageous economic relationship between the two countries.

WE APPEAL TO AMERICAN FAIRNESS

As already pointed out, our sugar industry has been developed on the basis of free trade with the United States, imposed upon us in the face of our protest.

Being the backbone of our economic life, its ruin and destruction would mean chaos and poverty to our people.

We cannot conceive nor believe that this great Republic would want to destroy the very foundation of our economic existence after it has fostered its development and encouraged us to take advantage of the free-trade relationship it saw fit to give us.

Under the Independence Act the duty-free sugar from the Philippine Islands allowed to come into the United States during the 10-year transition period was limited to 850,000 long tons, equivalent to approximately 973,000 short tons, raw value.

The injustice of this provision of the Independence Act has already been recognized in five instances since its enactment by Congress.

First. The President, in his message to Congress recommending the enactment of the independence bill, suggested changes in this legislation, and stated that "where imperfections or inequalities exist, I am confident that they can be corrected after proper hearing and in fairness to both peoples."

Second. The sugar producers of continental United States, Hawaii, and Puerto Rico, after 3 months of conferences and hearings, signed a voluntary marketing agreement in September 1933, under which they conceded to the Philippines an annual quota of export to the United States of 1,100,000 short tons and a reserve of 100,000 short tons, or a total of 1,200,000 short tons available for export to the United States.

Third. In his message to Congress on February 8, 1934, recommending the enactment of legislation stabilizing the sugar industry, the President proposed that the Philippines be given a quota of 1,037,000 short tons.

Fourth. In response to the request of the President, Congress enacted the so-called Jones-Costigan Act under which the Secretary of Agriculture fixed the basic quota for the Philippine Islands at 1,049,000 short tons.

Fifth. Recently, the Secretary of Agriculture, in revising the quotas for 1936, allotted the Philippines a quota this year of 1,068,057 short tons.

It will thus be seen that in every proposal for a sugar stabilization program, the Philippine Islands has been conceded a basic quota of from 1,037,000 to 1,200,000 short tons, and it is undoubtedly the intention in granting this concession to give the Philippines fair and equitable treatment with other areas.

But this intention will be defeated unless the Philippines will be permitted to bring duty-free into the United States its quota under the Jones-Costigan Act, for while the Philippines received this year an increase in its quota by 69,947

tons, it will have to pay the full duty of 1.875 cents per pound on 63,000 tons of this increase by reason of the operation of the duty-free limitation in the Independence Act, effective upon the establishment of the Philippine Commonwealth, November 15, 1935.

Prior to the coming into effect of the duty-free limitation of the independence act, on November 15, 1935, the Philippines was entitled to send to the United States all the sugar it could have available for export during the years 1934 and 1935, but because of the enactment of the Jones-Costigan Act, after the Philippines had accepted the Independence Act, the Philippines was compelled to reduce its annual exports to the United States for 1934 and 1935 by 500,000 tons, or a total reduction of 1,000,000 tons for the 2 years, since its normal exports for these years, had there been no quota system, would have averaged 1,500,000 tons annually.

Thus the Jones-Costigan Act, in effect, caused the Philippine producers a loss of $70,000,000, which loss was reflected in revenues to the Philippine government and the curtailment of the purchases by the Philippines of American products.

This loss, however, was partly compensated by the payment of benefits of thousands of small growers in the islands from the processing tax, but these benefits did not apply to the Philippine sugar factories, as in other Territories and possessions of the United States, and did not compensate the Filipino laborers for the loss they incurred in the reduced sugar production.

Despite the fact that the Philippine sugar producers have shouldered the main burden of the sugar-stabilization program of the administration under the Jones-Costigan Act, they have fully cooperated and assisted in accomplishing its objectives. No serious opposition was encountered, considering the complicated cooperative system of sugar production, involving many thousands of small growers, and no disorders of any kind occurred. On the contrary, the Philippine Legislature, in response to the recommendation of the Governor General, enacted a limitation law restricting the production of sugar in conformity with the quotas established by the Jones-Costigan Act.

In view of the foregoing considerations, it seems, therefore, only fair that the Philippines should be permitted to benefit in the same proportionate degree as the other areas from any increase in quotas consequent to any improvement in consumption by allowing it to bring into the United States, all duty-free, whatever quota it is allotted under the Jones-Costigan Act or substitute bill as long as this quota system is in effect.

The Philippines cannot derive the full benefit of increased quotas because of the operation of the Independence Act, and the equity to us can be given without prejudicing the interests of the producers of continental United States or any of the offshore areas.

The Filipino people will do their utmost to follow the course which Congress charted for them toward their eventual freedom. It is our sincere desire and hope to be able not only to maintain but to improve the peaceful, prosperous, and happy condition in which this great Republic has placed us during the past 35 years.

Looking back to those years, the record will stand out unique in history for the unselfish work and devotion given on behalf of a dependent people, for the complete harmony and friendship between the conqueror and the conquered, and for the early fulfillment of our ideals for freedom without disturbance or bloodshed.

It is a source of pride and satisfaction to the Filipino people to look back to these years and behold that with your guidance we have been able to prosper and go forward on the path of civilization, ourselves paying every dollar required in the administration of our government, keeping absolute peace and public order, and meeting even the havoc of the recent serious depression without appealing for relief.

This achievement is the result of your enlightened guidance, which has given us, to quote the words of the eminent American statesman, "The opportunity to national power, to grow in the accumulation of wealth, lying at the foundation of civilization."

REPORTS FROM THE COMMITTEE ON RULES

Mr. O'CONNOR, chairman of the Committee on Rules, by direction of that committee, reported the following privileged resolutions, which were referred to the calendar and ordered printed:

House Resolution 528 (Rept. No. 2834)

Resolved, That upon the adoption of this resolution it shall be in order for the Committee on the Judiciary to call up for consideration, without the intervention of any point of order, the following bills:

S. 3389. An act to provide for the appointment of two additional judges for the southern district of New York;

S. 2075. An act to provide for the appointment of additional district judges for the eastern and western districts of Missouri;

S. 2137. An act to provide for the appointment of one additional district judge for the eastern, northern, and western districts of Oklahoma;

S. 2456. An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia;

H. R. 11072. A bill authorizing the appointment of an additional district judge for the eastern district of Pennsylvania; and

H. R. 3043. A bill to provide for the appointment of an additional district judge for the northern district of Georgia.

Each such bill, when called up, shall be considered in the House as in the Committee of the Whole. After general debate on each such bill, which shall continue not to exceed 20 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule.

House Resolution 529 (Rept. No. 2835)

Resolved, That upon the adoption of this resolution it shall be in order for the Committee on Immigration and Naturalization to call up for consideration, without the intervention of any point of order, the following bills and joint resolution:

S. 2912. An act to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes;

H. J. Res. 336. Joint resolution to clarify the provisions of section 4 of the act of May 24, 1934, with regard to period of residence required of an alien husband of a citizen of the United States as a prerequisite to naturalization;

H. R. 3472. A bill to amend section 23 of the Immigration Act of February 5, 1917 (39 Stat. 874);

H. R. 7221. A bill to authorize the shortening or termination of the stay in the United States of certain aliens not admitted for permanent residence, to authorize the deportation of certain aliens admitted for permanent residence, and for other purposes;

H. R. 12325. A bill to protect for American actors, vocal musicians, operatic singers, and orchestral conductors the artistic and earning opportunities in the United States, and for other purposes;

H. R. 5799. A bill to declare that a citizen of the United States who votes in a political election in a foreign state loses his citizenship; and

H. R. 3023. A bill to provide for citizenship to persons born in the United States who have not acquired any other nationality by personal affirmative act but who have heretofore lost their United States citizenship through the naturalization of a parent under the laws of a foreign country, and for other purposes.

Each such bill and joint resolution, when called up, shall be considered in the House as in the Committee of the Whole. After general debate on each such bill, which shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Immigration and Naturalization, the bill shall be read for amendment under the 5-minute rule.

House Resolution 530 (Rept. 2836)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11369, a bill "To authorize the construction of certain auxiliary vessels for the Navy." And all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

House Resolution 498 (Rept. 2837)

Resolved, That rule XXI, clause 3, be, and is hereby, amended to read as follows:

"3. No bill for the payment or adjudication of any private claim against the Government shall be referred, except by unanimous consent, to any other than the following named committees, namely: To the Committee on Foreign Affairs, to the Committee on Invalid Pensions, to the Committee on Pensions, to the Committee on Claims, to the Committee on War Claims, to the Committee on the Public Lands, and to the Committee on Accounts."

Mr. GREENWOOD, from the Committee on Rules, by direction of that committee, reported the following privileged resolution, which was referred to the House Calendar and ordered printed.

House Resolution 531 (Rept. No. 2838)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 4020, an act "To authorize the acquisition of lands in the city of Alameda, County of Alameda, State of California, as a site for a naval air station and to authorize the construction and installation of a naval air station thereon." And all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

CALL OF THE HOUSE

Mr. BANKHEAD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 110]

Adair	Dear	Huddleston	Powers
Andrew, Mass.	Duffey, Ohio	Jenckes, Ind.	Rayburn
Andrews, N. Y.	Dunn, Miss.	Jones	Rogers, N. H.
Barden	Englebright	Kee	Sandlin
Blackney	Ferguson	Kopplemann	Schaefer
Brennan	Fernandez	Lambertson	Sears
Brooks	Fish	Lanham	Short
Buckley, N. Y.	Gasque	Lee, Okla.	South
Bulwinkle	Gearhart	Lehlbach	Stewart
Caldwell	Green	Lewis, Md.	Tinkham
Cannon, Wis.	Gwynne	McGroarty	Utterback
Carmichael	Hartley	Mitchell, Ill.	Wadsworth
Cary	Hennings	Montet	Werner
Casey	Hill, Samuel B.	Nichols	Wigglesworth
Claiborne	Hoeppel	Norton	Wilcox
Colmer	Holmes	Oliver	Williams
Corning	Hook	O'Malley	Wood
Cox	Hope	Peterson, Fla.	Zimmerman

The SPEAKER. Three hundred and fifty-four Members have answered to their names, a quorum.

Mr. BANKHEAD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

THE TOWNSEND OLD-AGE-PENSION PLAN

Mr. BELL. Mr. Speaker, by direction of the Select Committee Investigating Old Age Pensions, I present a privileged report (Rept. No. 2857) and send it to the Clerk's desk, and ask that the Clerk read it.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

REPORT AND CERTIFICATION OF THE SELECT COMMITTEE TO INVESTIGATE OLD AGE PENSION PLANS

The Select Committee to Investigate Old Age Pension Plans, proceeding as directed by House Resolution 443 to inquire into old-age-pension plans, with respect to which legislation has been submitted to the House of Representatives, and particularly that embodied in H. R. 7154 in the United States Congress, caused to be issued a subpena directing one Francis E. Townsend to appear before said select committee and to testify concerning matters then and there under investigation by said committee, the subpena being set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America

"TO THE SERGEANT AT ARMS OR HIS SPECIAL MESSENGER:

"You are hereby commanded to summon Dr. Francis E. Townsend to be and appear before the Special Investigation of Old Age Pension Organizations Committee of the House of Representatives of the United States, of which the Hon. C. JASPER BELL is chairman, pursuant to House Resolution 443, in their chamber, more specifically described as the caucus room, old House Office Building, in the city of Washington, on May 5, 1936, at the hour of 10 o'clock, then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not and make return of this summons.

"Witness my hand and seal of the House of Representatives of the United States, at the city of Washington, this 20th day of April 1936.

"(Signed) JOSEPH W. BYRNS, *Speaker*.

"Attest:

"(Signed) SOUTH TRIMBLE, *Clerk*.

Said subpena was on April 22, 1936, served upon said Francis E. Townsend by a deputy sergeant at arms, empowered by said House of Representatives to perform such act. The return of service of said deputy sergeant at arms being endorsed thereon which is set forth in words and figures as follows:

"Subpena for Dr. Francis E. Townsend, before the Committee on the Special Investigation of Old Age Pension Organizations. Served Lafayette Hotel, Sixteenth and I Streets NW., Washington, D. C., April 22, 1936, 9 a. m. William A. Weber, Deputy Sergeant at Arms, House of Representatives."

Said Francis E. Townsend, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as might be requested or required under and by virtue of House Resolution 443.

Said Francis E. Townsend after being duly sworn by the chairman, testified before said committee on May 19, 20, and 21, 1936. On May 21, 1936, as the examination of said Francis E. Townsend was proceeding shortly before the regular noon adjournment the following colloquy occurred:

"Dr. TOWNSEND. Mr. Chairman, this is all rather soporific. May I be excused 5 minutes?

"(Thereupon a short recess was taken.)

"The CHAIRMAN. Adjourn until 2:30.

"(Accordingly at 11:35 o'clock a. m. the select committee stood in recess until 2:30 o'clock p. m.")

At the afternoon session, convening at 2:30 o'clock p. m., a quorum of said committee being present, composed of the following members: C. Jasper Bell (chairman), Joseph A. Gavagan, Sam L. Collins, Scott W. Lucas, John H. Tolan, John B. Hollister, and Clare E. Hoffman, the following colloquy occurred:

"The CHAIRMAN. The committee will come to order.

"Mr. DOWNEY. Mr. Bell, Dr. Townsend asked me to tell the committee that he could not be here until 3:30, but will be here at that time.

"The CHAIRMAN. I think we have another witness whom we can put on for a short time, have we not?

"Mr. SULLIVAN. Yes, sir.

"The CHAIRMAN. Until 3:30?

"Mr. DOWNEY. Yes, sir.

"Mr. SULLIVAN. Is Dr. Townsend ill, Mr. Downey?

"Mr. DOWNEY. No; the doctor is not ill."

When Francis E. Townsend resumed the stand later in the afternoon, a quorum of the committee being present, C. Jasper Bell (chairman), Joseph A. Gavagan, Sam L. Collins, Scott W. Lucas, John H. Tolan, John E. Hollister, the following transpired:

"The CHAIRMAN. Will you take the stand, Dr. Townsend?

"Dr. TOWNSEND. Mr. Chairman, before the quiz starts, I have a brief statement which I wish you would allow me to present. It will take but a minute.

"The CHAIRMAN. Is it a written statement, Doctor?

"Dr. TOWNSEND. Yes.

"The CHAIRMAN. Let me see it, Doctor.

"Dr. TOWNSEND (reading). 'Gentlemen, in view of the fact'——

"The CHAIRMAN. Just a minute. You will have to abide by the ordinary rules. Do you want to submit the statement to the committee?

"Dr. TOWNSEND. I want to read it, and then I will submit it to you.

"The CHAIRMAN. You cannot do that, Doctor. You will have to conform to the usual rules in matters of this sort. If you want to submit it, the committee will be glad to consider it.

"Dr. TOWNSEND. Will you listen a moment to a statement which I have to make, then?

"The CHAIRMAN. Yes, Doctor.

"Dr. TOWNSEND. In view of the apparent unfriendly attitude of this committee and the unfair attitude it has shown to me and the members of my organization, I deem it my duty to say that I shall no longer attend these committee hearings. I am retiring from this sort of an inquisition, and I do not propose to come back again except under arrest. And I do refuse absolutely to make any further statement pertaining to this movement to this committee.

"Thank you and goodbye."

Because of the foregoing the said committee has been deprived of the testimony of said Francis E. Townsend relative to the subject matter which, under House Resolution 443, said committee was instructed to investigate, and the willful and deliberate refusal of the witness to testify further is a violation of the subpena under which the witness had previously appeared and testified, and his willful refusal to testify further without having been first excused as a witness deprives the said committee of necessary and pertinent testimony and places said witness in contempt of the House of Representatives of the United States. The Select Committee to Investigate Old Age Pension Plans, proceeding as directed by House Resolution 443 to inquire into old-age-pension plans, with respect to which legislation has been submitted to the House of Representatives, and particularly that embodied in H. R. 7154 in the United States Congress, caused to be issued a subpena directed to one Clinton Wunder to appear before said select committee and to testify concerning matters then and there

under investigation by said committee. The subpena being set forth in words and figures as follows:

"BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES OF AMERICA

"TO THE SERGEANT AT ARMS OR HIS SPECIAL MESSENGER:

"You are hereby commanded to summon Clinton Wunder, 383 Fourth Avenue, New York City, N. Y., to be and appear before the Special Investigation of Old Age Pension Organizations Committee of the House of Representatives of the United States, of which the Honorable C. JASPER BELL is chairman, pursuant to House Resolution 443 in their chamber, more specifically described as the caucus room, old House Office Building, in the city of Washington on May 21, 1936, at the hour of 10 o'clock then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 15th day of May 1936.

"JOSEPH W. BYRNS, *Speaker.*

"Attest:

"SOUTH TRIMBLE, *Clerk.*"

SUBPENA DUCES TECUM

"Come and bring with you the exact copies of your Federal income-tax returns made by you for the years 1934 and 1935, and also that you bring with you the exact copies of any State income-tax return that you have filed for the years 1934 and 1935."

Said subpena was on the 18th day of May 1936 served upon said Clinton Wunder by the United States marshal, through his deputy for the United States southern district of California, a person empowered by the chairman of the said committee pursuant to House Resolution 443 to perform such act. The return of service of said deputy for the United States marshal is set forth in words and figures as follows:

"RETURN ON SERVICE OF WRIT

"UNITED STATES OF AMERICA,
"Southern District of California, ss:

"I hereby certify and return that I served the annexed subpena on the therein-named Clinton Wunder by handing to and leaving a true and correct copy thereof with him personally at Los Angeles, in said district, on the 18th day of May, A. D. 1936.

"ROBERT E. CLARK,
"United States Marshal.
"By DAVID E. HAYDEN,
"Deputy."

Thereafter the said Clinton Wunder did cause the following telegram to be addressed and delivered to Congressman C. JASPER BELL, chairman of said committee:

LOS ANGELES, CALIF., *May 18, 1936.*

Hon. C. JASPER BELL,
United States Congress, Official Building:
Subpena just served. West coast speaking engagements previously arranged would bring me back to New York about June 5. Would greatly appreciate your courtesy allowing me to appear then. Telegraph reply Hotel Biltmore. Regards.

CLINTON WUNDER.

That in reply thereto C. JASPER BELL, chairman of said committee, did cause to be sent and delivered to the said Clinton Wunder the following telegram:

WASHINGTON, D. C., *May 19, 1936.*

CLINTON WUNDER,
Biltmore Hotel, Los Angeles, Calif.:
Sincerely regret inability to grant continuance. Follow instructions of subpena. Mandatory you be here Thursday 10 a. m.

C. JASPER BELL, *Chairman.*

Thereafter the said Clinton Wunder did cause the following telegram to be addressed and delivered to Congressman C. JASPER BELL, chairman of said committee:

LOS ANGELES, CALIF., *May 19, 1936.*

Congressman C. JASPER BELL,
House Office Building:
Require telegraphic approval from you stating airplane transportation will be paid for my appearance Thursday morning in Washington before your committee, since I must travel from Los Angeles. Reply Hotel Biltmore, Los Angeles.

CLINTON WUNDER.

That in reply thereto C. JASPER BELL, chairman of said committee, did cause to be sent and delivered to the said Clinton Wunder the following telegram:

WASHINGTON, D. C., *May 19, 1936.*

Rev. CLINTON WUNDER,
Hotel Biltmore, Los Angeles, Calif.:
Airplane transportation arranged for call at T. W. A., Los Angeles.

C. JASPER BELL.

Thereafter the said Clinton Wunder did cause the following telegram to be addressed and delivered to Congressman C. JASPER BELL, chairman of said committee:

LOS ANGELES, CALIF., *May 19, 1936.*

Congressman C. JASPER BELL,
Personal Delivery, House Office Building:
Downey, our attorney, just wired stating you had extended my time to May 26. Please telegraph me confirming this officially. Thank you.

CLINTON WUNDER.

That in reply thereto C. JASPER BELL, chairman of said committee, did cause to be sent and delivered to the said Clinton Wunder the following telegram:

WASHINGTON, D. C., *May 19, 1936.*

Dr. CLINTON WUNDER,
Biltmore Hotel, Los Angeles, Calif.:
Confirm arrangements with Attorney Downey made today in committee hearing extending your time to May 26.

C. JASPER BELL.

Thereafter the said Clinton Wunder did cause the following telegram to be addressed and delivered to Congressman C. JASPER BELL, chairman of said committee:

LOS ANGELES, CALIF., *May 22, 1936.*

Hon. C. JASPER BELL,
Congressman, House Office Building:
Arriving Washington late Monday, May 25.

Dr. CLINTON WUNDER.

According to the arrangements made by interchange of the above set forth telegrams between the chairman of said committee and the said Clinton Wunder it was understood and agreed that the said Clinton Wunder would appear before the said Select Committee to Investigate Old Age Pension Plans on May 26, 1936, at 10 o'clock a. m., but that in violation of the mandate provided by the subpena and in further violation of the agreement to appear at a later date made at the request of Clinton Wunder the said Clinton Wunder failed to appear and be sworn as witness at the meeting of said committee on May 26, 1936, though his name was called as a witness by said committee at that time.

On May 26, 1936, the said committee, because of the willful failure of the said Clinton Wunder to appear and be sworn as a witness, did issue a second subpena to be served upon Clinton Wunder commanding him to appear at 10 o'clock May 27, 1936, before said committee and to testify concerning matters then and there under investigation by said committee, the subpena being set forth in words and figures as follows:

"BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES OF AMERICA

"To the SERGEANT AT ARMS OR HIS SPECIAL MESSENGER:

"You are hereby commanded to summon Dr. Clinton Wunder to be and appear before the Special Investigating of Old Age Pension Organizations Committee of the House of Representatives of the United States, of which Hon. C. JASPER BELL is chairman, pursuant to House Resolution 443, in their chamber, more specifically known as the caucus room, old House Office Building, in the city of Washington, on May 27, at the hour of 10 o'clock, then and there to testify touching matters of inquiry committed to said committee, and he is not to depart without leave of said committee.

Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 26th day of May 1936.

"JOSEPH W. BYRNS, *Speaker.*

"Attest:

"SOUTH TRIMBLE, *Clerk."*

Said subpena was, on May 26, 1936, served upon said Clinton Wunder by a person authorized by the chairman of the said committee pursuant to House Resolution 443 to perform such act, the return of service of said deputy being endorsed thereon, which is set forth in words and figures as follows:

"Subpena for Dr. Clinton Wunder before the special investigating committee served 4:15 p. m. on May 26, 1936, at room 1235, Ambassador Hotel, in Washington, D. C.

"VERNON E. MOORE."

On May 27, 1936, the chairman of the said committee did receive the following letter by registered mail, set forth in words and figures as follows:

[Envelope]

TOWNSEND VISUAL EDUCATION CO.,
905 North Charles Street, Baltimore, Md.
Hon. JASPER C. BELL,
CHAIRMAN, BELL COMMITTEE,
UNITED STATES CONGRESS,
Washington, D. C.

[Letter]

OLD AGE REVOLVING PENSIONS, LTD., THE TOWNSEND PLAN, DR. F. E. TOWNSEND, FOUNDER AND PRESIDENT. OFFICE OF THE NATIONAL BUSINESS MANAGER, 601 SOUTHERN BUILDING, WASHINGTON, D. C.

National board of directors: Dr. F. E. Townsend (seal), Frank Arbuckle, J. B. Kiefer, Baxter G. Rankine, Nathan J. Roberts, Gomer Smith, Alfred J. Wright, Clinton Wunder, Gilmour Young.

905 NORTH CHARLES STREET,
Baltimore, Md., May 26, 1936.

Hon. JASPER C. BELL,
Chairman, Bell Committee, United States Congress,
Washington, D. C.

DEAR SIR: I received transportation from the United States Government from Los Angeles to Washington under the assumption that I would testify in Washington before your committee. Acting under the instructions of Dr. Townsend, I have decided not to testify, and therfore herewith find enclosed a certified check payable to your order in the sum of $106.89 to reimburse the Government for the amount advanced for my transportation.

Respectfully yours,

CLINTON WUNDER.

Which letter did enclose a remittance by check of $106.89 on the account of the Townsend Visual Education Co., no. 303, dated Baltimore, Md., May 26, 1936.

At the session of the committee on May 27, 1936, a quorum being present, said witness, Clinton Wunder, was called by the chairman and failed to appear.

Because of the foregoing the said committee has been deprived of the testimony of said Clinton Wunder relative to the subject matter under House Resolution 443 said committee was instructed to investigate, and the willful and deliberate refusal of Clinton Wunder to appear and to be sworn as a witness to testify concerning matters then and there under investigation is a violation of said subpena and deprives the said committee of necessary and pertinent testimony and places said witness in contempt of the House of Representatives of the United States.

The Select Committee to Investigate Old Age Pension Plans proceeding as directed by House Resolution 443 to inquire into old-age pension plans, with respect to which legislation has been submitted to the House of Representatives, and particularly that embodied in H. R. 7154 in the United States Congress, caused to be issued a subpena directed to one John B. Kiefer to appear before said select committee and to testify concerning matters then and there under investigation by said committee, the subpena being set forth in words and figures as follows:

"BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES OF AMERICA

"To the SERGEANT AT ARMS OR HIS SPECIAL MESSENGER:

"You are hereby commanded to summon J. B. Kiefer to be and appear before the Special Investigation of Old Age Pension Organizations Committee of the House of Representatives of the United States, of which the Honorable C. JASPER BELL is chairman, pursuant to House Resolution 443, in their chamber, more specifically described as the caucus room, old House Office Building, in the city of Washington, on May 22, 1936, at the hour of 10 o'clock, then and there to testify touching matters of inquiry committed to said committee, and he is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States at the city of Washington this 15th day of May 1936.

"JOSEPH W. BYRNS, *Speaker.*

"Attest:

"SOUTH TRIMBLE, *Clerk.*"

Said subpena was on the 15th day of May 1936 served on J. B. Kiefer by a person empowered by the chairman of the said committee pursuant to House Resolution 443 to perform such act. The return of service of said person is set forth in words and figures as follows:

"Subpena for J. B. Kiefer before the Committee on the Special Investigation of Old Age Pension Organizations served at 4:55 p. m. May 15, 1936, by handing original to him; he waived reading and accepted copy. J. O. Bowen, for Sergeant at Arms, House of Representatives."

At the session of the committee on May 27, 1936, a quorum being present, said witness John B. Kiefer was called by the chairman and failed to appear.

Because of the foregoing the said committee has been deprived of the testimony of said John B. Kiefer relative to the subject matter which, under House Resolution 443, said committee was instructed to investigate, and the willful and deliberate refusal of John B. Kiefer to appear and to be sworn as a witness to testify concerning matters then and there under investigation is a violation of said subpena and deprives the said committee of necessary and pertinent testimony and places said witness in contempt of the House of Representatives of the United States.

C. JASPER BELL, *Chairman.*

The SPEAKER. The report is ordered printed.

Mr. BELL rose.

Mr. BLANTON. Mr. Speaker, I rise to a point of order.

Mr. MONAGHAN. Mr. Speaker, I desire to make a point of order.

The SPEAKER. The gentleman from Texas is recognized to make the point of order.

Mr. MONAGHAN. But, Mr. Speaker, I rose before the gentleman from Texas made his point of order. I make the point of order that the report is not in order.

The SPEAKER. The Chair has recognized the gentleman from Texas [Mr. BLANTON] to make a point of order. The Chair cannot recognize both gentleman at the same time for the same purpose. The gentleman from Texas will state his point of order.

Mr. BLANTON. Mr. Speaker, I make the point of order that under the Constitution of the United States the House of Representatives of the legislative branch is a separate and distinct department of government from the judiciary, or the courts, that this is undoubtedly a contempt of the House of Representatives, the legislative branch, and is a contempt that should be tried and punished, not by the courts, but by the House of Representatives itself. We ought not to pass the buck to the courts. We ought to assume the responsibility ourselves.

I admit that all three witnesses clearly are in contempt, and deserve punishment and that the House ought to try these three witnesses, convict them of contempt, and punish all three of them with a heavy fine and send them all to jail, until they can have some respect for the institutions of their country. I therefore make the point of order that the House of Representatives should try its own contempt proceedings and fix its own punishment.

The SPEAKER. That matter is not under discussion now. This is simply a report from a select committee which has been read and which has been ordered printed. The Chair recognizes the gentleman from Missouri.

Mr. MONAGHAN. But, Mr. Speaker, I wish to make a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. MONAGHAN. Mr. Speaker, my point of order goes to the fact that this report is completely out of order.

The SPEAKER. The gentleman will state his point of order.

Mr. MONAGHAN. My point of order is briefly this: The committee that was investigating the Townsend old-age pension plan clearly exceeded its bounds. It went beyond the matter of exercising a legislative function. It tried to make criminals out of the witnesses.

The SPEAKER. The gentleman will state his point of order and not undertake to argue.

Mr. MONAGHAN. I am coming to it. I have to have a little time to state my point of order.

The SPEAKER. The gentleman will state it and the Chair will rule upon it.

Mr. MONAGHAN. The Chair should be as courteous to me as he would be to a Member of the opposition.

The SPEAKER. The Chair intends to be courteous and is courteous to the gentleman, but the Chair has a right to ask the gentleman to state his point of order. Then it will be determined whether or not the Chair will hear argument upon it.

Mr. MONAGHAN. I may say that if I am not permitted to explain my point of order I shall appeal from the decision of the Chair.

The SPEAKER. Any argument or explanation is for the benefit of the Chair, and if the Chair is already satisfied, of course, the Chair will not take up the time of the House in ruling upon it. Therefore, the gentleman will first state his point of order.

Mr. MONAGHAN. The point of order I make is that the committee has exceeded its function in the process of the inquiry that the House authorized it to proceed under.

The SPEAKER. Let the Chair make this statement. That is not under consideration now. This is simply a report of the select committee, and the question as to whether or not the committee has exceeded its authority cannot arise at this time.

Mr. MONAGHAN. But the question that the committee has exceeded its authority is involved in the question of whether or not it shall be permitted to make a report of this sort.

The SPEAKER. The committee is within its right in submitting its report; it is its duty to report what it has done in order that the House may take such action as it determines to take. Therefore, the Chair overrules that point of order.

Mr. MONAGHAN. Mr. Speaker, I appeal from the decision of the Chair.

Mr. BLANTON. Mr. Speaker, I move to lay the appeal on the table.

The SPEAKER. The question is on the motion of the gentleman from Texas [Mr. BLANTON] to lay the appeal of the gentleman from Montana on the table.

The question was taken; and on a division (demanded by Mr. MONAGHAN) there were—ayes 230, noes 8.

Mr. SWEENEY. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. Those favoring taking this vote by the yeas and nays will rise and stand until counted. [After counting.] Five Members have risen, not a sufficient number, and the yeas and nays are refused.

So the appeal by the gentleman from Montana from the decision of the Chair was laid on the table.

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Speaker, by direction of the select committee, I now present a privileged resolution and send it to the Clerk's desk and ask that it be read.

The Clerk read as follows:

House Resolution 532

Resolved, That the Speaker of the House of Representatives certify the report of the Select Committee to Investigate Old Age Pension Plans as to the willful and deliberate refusal of Francis E. Townsend, Clinton Wunder, and John B. Kiefer to testify before said committee, together with all the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Francis E. Townsend, Clinton Wunder, and John B. Kiefer may be proceeded against in the manner and form provided by law.

Mr. MONAGHAN. Mr. Speaker, I make a point of order that the resolution is not in order.

The SPEAKER. The Chair overrules the point of order.

Mr. MONAGHAN. Mr. Speaker, I appeal from the decision of the Chair.

Mr. BLANTON. Mr. Speaker, I move to lay that motion on the table.

The SPEAKER. The question is on the motion of the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. MONAGHAN) there were ayes 265 and noes 8.

Mr. MONAGHAN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. Those who favor taking this vote by the yeas and nays will stand and remain standing until counted. [After counting.] Five Members have arisen, not a sufficient number, and the yeas and nays are refused.

So the motion was agreed to.

The SPEAKER. The Chair recognizes the gentleman from Missouri.

Mr. DIRKSEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DIRKSEN. Is the resolution divisible as to the three gentlemen named?

The SPEAKER. It is not.

Mr. MONAGHAN. Mr. Speaker, I make the point of order that the gentleman from Missouri is out of order.

The SPEAKER. The gentleman from Missouri has been recognized and has the floor.

Mr. MONAGHAN. I make the point of order that the gentleman is proceeding out of order.

The SPEAKER. The point of order is overruled.

Mr. MONAGHAN. I appeal from the decision of the Chair.

Mr. BANKHEAD. Mr. Speaker, is not that dilatory?

Mr. BLANTON. Mr. Speaker, I move that that appeal be laid on the table.

The SPEAKER. The Chair is inclined to think it is dilatory, but he will allow it this time.

The question is on the motion of the gentleman from Texas to lay the appeal on the table.

The question was taken; and on a division (demanded by Mr. MONAGHAN) there were—ayes 275 and noes 4.

Mr. MONAGHAN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

So the motion was agreed to.

The SPEAKER. The gentleman from Missouri [Mr. BELL] is recognized.

Mr. MONAGHAN. Mr. Speaker, I make the point of order that the gentleman from Missouri has his secretary on the floor, and is violating the rules of the House in so doing.

The SPEAKER. The Chair overrules the point of order. The gentleman from Missouri is recognized.

Mr. MONAGHAN. I appeal from the decision of the Chair.

The SPEAKER. The Chair will not recognize the appeal because it is clearly dilatory. [Applause.]

The gentleman from Missouri [Mr. BELL].

Mr. SWEENEY. Mr. Speaker, I rise to make a parliamentary inquiry.

The SPEAKER. The gentleman cannot take the gentleman from Missouri off his feet by a parliamentary inquiry.

Mr. SWEENEY. That is what I wanted to know.

Mr. MONAGHAN. Mr. Speaker, I rise to a point of personal privilege.

The SPEAKER. The gentleman from Missouri has the floor.

Mr. MONAGHAN. I rise to a point of personal privilege and the privilege of the House.

The SPEAKER. The gentleman cannot take the gentleman from Missouri off his feet by a question of that kind. The question now pending is one involving the privileges of the House.

Mr. MONAGHAN. A question of personal privilege plus the privilege of the House is superior to the privilege of the House alone, Mr. Speaker.

The SPEAKER. The gentleman from Montana will take his seat. [Applause.]

The gentleman from Missouri.

Mr. BELL. Mr. Speaker, the report and resolution speak for themselves. They make prefectly clear the purpose of the resolution.

Therefore, I move the previous question on the resolution.

Mr. MONAGHAN. Mr. Speaker, I rise to a point of personal privilege and privilege of the House.

The SPEAKER. The gentleman from Missouri moves the previous question on the resolution.

Mr. MAVERICK. Mr. Speaker, may the Clerk read the last part of the resolution? We could not hear it on account of so much confusion.

Mr. MONAGHAN. Mr. Speaker, I rise to a question of personal privilege.

The regular order was demanded.

The SPEAKER. The question now pending is a question of the privilege of the House, and that takes precedence over the question of privilege of the gentleman from Montana. There can be only one question of privilege before the House at a time, and one is now pending.

The Clerk will again read the resolution.

Mr. SWEENEY. Mr. Speaker, I rise to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SWEENEY. Is any time allowed for debate on this resolution?

The SPEAKER. If the previous question is ordered, there will be no time allowed for debate.

Mr. SWEENEY. And if it is voted down, there will be time?

The SPEAKER. That is a question for the House.

The Clerk will again read the resolution.

(The Clerk again read the pending resolution.)

The SPEAKER. The question is, Shall the previous question be ordered on the resolution?

The question was taken; and on a division (demanded by Mr. MONAGHAN) there were—ayes 243 and noes 30.

Mr. SWEENEY and Mr. MONAGHAN asked for the yeas and nays.

The SPEAKER. The Chair will count. [After counting.] Eighteen Members have arisen, not a sufficient number. The yeas and nays are refused.

So the previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. CONNERY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CONNERY. During the reading of the resolution there was some confusion and we could not hear part of it. Do I understand that if this resolution is passed, this question will be taken up by the courts and not by the House?

The SPEAKER. That is the object of the resolution, as the Chair understands it.

The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. MONAGHAN) there were—ayes 271 and noes 41.

Mr. MONAGHAN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Montana demands the yeas and nays. Those in favor of taking this vote by the yeas and nays will rise and stand until counted. [After counting.] Thirty-six Members have arisen; not a sufficient number, and the yeas and nays are refused.

So the resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on next Tuesday, after the reading of the Journal and the disposition of business on the Speaker's table, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PREVENTION OF SALES DISCRIMINATION

Mr. MILLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8442) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8442, with Mr. MEAD in the chair.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SNELL. How is this bill being read and when will amendments be in order? As I understand it, the bill now consists of one section, the Senate amendment.

The CHAIRMAN. Yes; the bill comprises one section, and by agreement yesterday the first section of the bill was considered as read, and the second section, the committee amendment, has been read. Amendments will be offered to that section.

Mr. SNELL. Then we will read each section of the Senate bill and consider it as the original bill?

The CHAIRMAN. There is just one section to the House bill, and we have read that section. Amendments to that section are in order.

Mr. MILLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER: On page 6, lines 4 to 17, strike out all of subsection 1.

Mr. MILLER. Mr. Chairman, I do not desire to take any time to discuss this amendment. This is the committee amendment which strikes out the classification subsection of the bill. We discussed it yesterday. Unless there is some opposition to the amendment, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was agreed to.

Mr. MILLER. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER: On page 7, lines 20 to 23, strike out all of subsection 5.

Mr. MILLER. Mr. Chairman, this is a committee amendment and is one of the amendments that was discussed yesterday. It merely takes from the bill the basing-point provision. Unless there is some opposition to the amendment I ask for a vote.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. MILLER. I yield.

Mr. PATMAN. I will ask the gentleman from Arkansas if it is not a fact that when a request was made for a rule for the consideration of this bill that two gentlemen on the Rules Committee, especially the gentleman from Colorado [Mr. LEWIS], and the gentleman from Ohio [Mr. HARLAN] objected to that provision and we felt that our chances for getting a rule would be jeopardized unless we agreed to take it out. That is one reason we agreed to take it out in addition to others.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. DIRKSEN. I would not want it to appear that only these two gentlemen were opposed to that section, for I know many Members had voiced their opposition to the basing-point section in this bill because it is a substantive matter of law which has no place in the bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield further?

Mr. MILLER. Yes.

Mr. PATMAN. I stated in addition that a large number of members of the committee were opposed to it. Then I stated that that was in addition to other reasons.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. LEWIS of Colorado. The gentleman from Texas is absolutely correct in saying that I voiced my objection to the basing-point provision, as did many other Members of the House; but I want it distinctly understood that I made it as an individual Member of the House and not as a member of the Committee on Rules.

Mr. PATMAN. We understood that.

Mr. MILLER. We understand that.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. BROWN of Michigan. I want to congratulate the committee for eliminating this provision from the bill at the request of many of us. If the section had remained in, it would be ruinous to small-town industry located some distance from the market.

Mr. CITRON. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. CITRON. Mr. Chairman, if this provision remains in the bill, it would result in forcing f. o. b. shipping prices on manufacturers; but with this provision eliminated they will not be forced to charge f. o. b. shipping point prices. Otherwise, many would not be able to compete with foreign manufacturers, for instance, from Canada, who would not be subject to this provision if it remained in the bill.

As a member of the Judiciary Committee I voted to eliminate this paragraph, no. 5. I advocated the elimination of this paragraph in the committee, because I considered it would result in a hardship to the manufacturing industry of this country and of my own State.

LET'S BE FAIR TO PRESIDENT ROOSEVELT—HE IS PROTECTING INDUSTRY AND LABOR AGAINST ANY UNFAIR FOREIGN COMPETITION

Permit me to state at this time that I am opposed to any action upon the part of Congress that would place a burden upon industry and result in an advantage to foreign manufacturers. Ever since I came here I have endeavored to prevent unfair competition from foreign imports, and in that connection I protested the dumping of Japanese imports into our country. I am pleased to note that only the other day, upon a thorough study and recommendation of the Tariff Commission, the President has ordered that duties upon textile imports be raised. This was done fairly and

equitably to help particularly the textile industry of my region and without malice toward any nation.

I ADVOCATE A FAIR DEAL TO OUR DECENT MANUFACTURERS

I might add that I have advocated that the Government refuse contracts of supplies to any manufacturers who utilized child or convict labor or sweatshop methods, because I want a square deal in Government contracts for our decent manufacturers who are finding it increasingly difficult to bid in competition with chiselers—those who exploit labor, their stockholders, or their creditors.

Now, in some of these matters I have conscientiously differed with some members of the industry. Measures to improve their labor relations have brought opposition, even from some in my own State. Nevertheless, when they are right, I will agree with them, and when they are wrong, I shall not fear to express myself accordingly.

The paragraph in this bill that we are eliminating is as follows:

(5) That the word "price" as used in section 2 shall be construed to mean the amount received by the vendor after deducting freight or other transportation, if any, allowed or defrayed by the vendor.

REASONS AGAINST LIMITING MANUFACTURES TO F. O. B. SHIPPING POINT PRICE IN AMENDING OUR ANTITRUST LAWS

I believe that there are very important reasons why this paragraph should be eliminated entirely, not only for the reason that there is already under consideration a bill which has separately and wholly to do with the basing-point price method, and on which committee hearings have been held, but also for the reason that the basing-point price method has some economically sound merits, and to prohibit the legitimate carrying on of this pricing system by industries will have serious consequences in many industries doing business within the confines of the United States. There is still a further most important reason why this particular definition of price should be eliminated from the instant bill, which is that it would compel all manufacturers and wholesalers under the jurisdiction of the United States Government to ship all their merchandise on an f. o. b. point of origin basis and the consequences of such a statute would be to place many of our manufacturers and wholesalers at a serious disadvantage when competing with foreign manufacturers and exporters who do business in the United States.

But this paragraph involves more than the so-called basing-point system. All this system does is to equalize the freight which the customers of a given manufacturer or wholesaler pay, thereby giving an opportunity to all customers to operate on the same equal basis. There is an economic justification of this system, because it provides an open and aboveboard method for manufacturers and wholesalers to meet competition outside of their own local freight area. Second, whatever the cost of equalizing freight may be, it is more than offset by the economies of volume production and volume distribution which the greater trading area provides. In other words, the volume production thus obtained lowers the manufacturers' and wholesalers' per-unit cost and enables them to make lower prices to their customers in their own local trading areas.

But a more serious consequence of the inclusion of this definition of price, as previously stated, would be to compel all manufacturers to ship f. o. b. shipping point, and therefore compel the very definite localization of operations of all manufacturers and wholesalers, which would have the immediate effect of increasing costs as the result of seriously limited volume production.

VOLUME PRODUCTION

Volume production is the very lifeblood of many types of industries. If the products they manufacture cannot be made in large volume, upon which the low cost is dependent, the cost of the finished product would be so high that it would seriously curtail, if not entirely prohibit, their consumption.

This paragraph would seriously affect the publishers of national magazines, because it may mean that the national publishers cannot sell their magazines not only for the reason that the freight charges on the magazines to distant points will be so great as to prohibit the sale of the magazines at those points, but also for the reason that the magazines are dependent upon advertising revenues derived from national distributors whose operations will be seriously curtailed by this definition of price.

If this paragraph remains in this bill, it will mean the increased centralization of manufacturing in the more thickly populated industrial centers.

Some people say these consequences can easily be offset by manufacturers and wholesalers establishing wholesale-distributing points all over the United States. However, this would mean increasing the number of operations and the amount of handling, all of which entails increased cost which the consumer must pay, and only the larger manufacturers in the country could finance the cost, and it would mean the further submergence of the small industry and the small-business man, which would actually tend to enhance monopoly in all branches of industry.

I ADVOCATE PROTECTION FOR CONNECTICUT INDUSTRY AGAINST ANY UNFAIR FOREIGN COMPETITION

Another very serious objection to this paragraph is that in many instances our manufacturers and wholesalers would be placed at a serious disadvantage in meeting competition of manufacturers in other countries. Take an instance from my own State—the Scoville Manufacturing Co., a large and old established concern which manufactures thousands of different kinds of metal products, from articles for personal use—such as buttons—to parts to be used in the manufacture of other merchandise. Under the terms of this definition of price in the instant bill, they would be compelled to charge freight from Connecticut to New York City, to Baltimore, to New Orleans, to San Francisco, to Detroit, or to Chicago, just to mention a few major manufacturing centers. A manufacturer in the same kind of business, located in Canada or in Europe, or any other industrial country, and who is not subject to the jurisdiction of our Federal statutes, would be able to deliver his products f. o. b. to every one of these industrial cities which I have mentioned for the reason that they are all direct ports of entry into the United States. By the wording of this definition of price in this paragraph, the Scoville Manufacturing Co. could not meet the foreign competition, nor could any other manufacturer in the United States, under like conditions, meet that competition. The only way open to them would be to set up manufacturing branches in Canada, which would have the effect of further increasing unemployment in the United States.

Because of the reasons that I have given, I also favor the exclusion of this paragraph.

Mr. MILLER. I think the amendment ought to be adopted. I doubt whether that provision ought ever to be in this kind of bill anyway.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. CRAWFORD. Is it the committee's opinion that with this provision eliminated, the bill, if enacted into law, will be as strong and effective in eliminating underhanded concessions and trade practices as it would be with that provision in the bill?

Mr. MILLER. I do not know what the opinion of the committee is on that question.

Mr. CRAWFORD. What is the opinion of the chairman of the committee?

Mr. MILLER. If the gentleman is addressing me, I am very much in favor of leaving the section; but I am offering the amendment at the request of the Committee on the Judiciary. I think the basing-point practice is indefensible and we should deal with it soon in a separate bill.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Arkansas [Mr. MILLER].

The amendment was agreed to.

Mr. McLAUGHLIN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McLAUGHLIN: On page 9, paragraph (e), after the word "price", in line 9, insert "or services or facilities furnished"; in line 16, after the word "price", insert "or the furnishing of services or facilities"; in line 18, after the word "competitor", strike out the period and insert "or the services or facilities furnished by a competitor."

Mr. McLAUGHLIN. Mr. Chairman, this is a committee amendment agreed to unanimously by the committee, and was explained yesterday. It simply allows a seller to meet not only competition in price of other competitors but also competition in services and facilities furnished.

Unless there is some objection, I ask for a vote.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Nebraska.

The amendment was agreed to.

Mr. MILLER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MILLER: On page 9, at the end of the committee amendment, add an additional section, as follows:

"SEC. 2. That nothing herein contained shall affect rights of action arising, or litigation pending, or orders of the Federal Trade Commission issued and in effect or pending on review, based on section 2 of said act of October 15, 1914, prior to the effective date of this amendatory act: *Provided,* That where, prior to the effective date of this amendatory act the Federal Trade Commission has issued an order requiring any person to cease and desist from a violation of section 2 of said act of October 15, 1914, and such order is pending on review or is in effect either as issued or as affirmed or modified by a court of competent jurisdiction, and the Commission shall have reason to believe that such person has committed, used, or carried on, since the effective date of this amendatory act, or is committing, using, or carrying on, any act, practice, or method in violation of any of the provisions of said section 2 as amended by this act, it may reopen such original proceeding and may issue and serve upon such person its complaint, supplementary to the original complaint, stating its charges in that respect. Thereupon the same proceedings shall be had upon such supplementary complaint as provided in section 11 of said act of October 15, 1914. If upon such hearing the Commission shall be of the opinion that any act, practice, or method charged in said supplementary complaint has been committed, used, or carried on since the effective date of this amendatory act, or is being committed, used, or carried on, in violation of said section 2 as amended by this act, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and serve upon such person its order modifying or amending its original order to include any additional violations of law so found. Thereafter the provisions of section 11 of said act of October 15, 1914, as to review and enforcement of orders of the Commission shall in all things apply to such modified or amended order. If upon review as provided in said section 11 the court shall set aside such modified or amended order, the original order shall not be affected thereby, but it shall be and remain in force and effect as fully and to the same extent as if such supplementary proceedings had not been taken."

Mr. MILLER. Mr. Chairman, the amendment that the Clerk has just read proposes to add a new section to the bill at the request of the Federal Trade Commission. It is not offered as a committee amendment. I do not know why the matter was not presented to the committee, but I have a letter addressed to the Chairman of the Commission, signed by Mr. Ayres, Acting Chairman of the Federal Trade Commission.

This amendment accomplishes only one thing. In the Goodyear Tire & Rubber case, recently completed by the Federal Trade Commission, thousands and thousands of pages of testimony were taken and months were spent in trying the case. A cease-and-desist order was entered by the Federal Trade Commission. This record is now on appeal to the circuit court of appeals as provided by law. The amendment which I have just offered provides, in the event this particular bill is passed and should the respondent, the Goodyear Tire & Rubber Co., refuse to comply with the orders of the Commission, made by virtue of this amendment, the matter could be heard on that record and additional orders made. That is all that the amendment seeks to accomplish.

The request comes, as I say, in the form of a letter from the Acting Chairman of the Federal Trade Commission and is offered for the purpose of holding in statu quo the proceedings already had in the Goodyear Tire & Rubber Co. case.

Mr. CELLER. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from New York.

Mr. CELLER. Is there any danger that these provisions could be made retroactive in reference to that particular case?

Mr. MILLER. No; the amendment specifically provides that cannot be done.

Mr. CELLER. If I understand correctly, the trial of the Goodyear Tire & Rubber Co. case has occupied considerable time?

Mr. MILLER. Yes. The case has taken years.

Mr. CELLER. I may be wrong or I may be right in what I am about to say, but I am asking for information because I only saw the amendment a short time ago. The amendment might have the effect of permitting the Federal Trade Commission to consolidate the action that is now pending with a future action that might arise out of the acts and doings of this defendant after the effective date of the bill we are now considering, if passed?

Mr. MILLER. Yes.

Mr. CELLER. So that in the interest of saving time they might be permitted to unite the actions?

Mr. MILLER. I may say there are several parties that have intervened in this particular case. It would save all of those parties the trouble and cost of taking anew that testimony and going over those proceedings again.

Mr. CELLER. Would it deprive the defendants of any rights?

Mr. MILLER. None whatsoever.

Mr. CELLER. The committee has not been able to consider the amendment at all?

Mr. MILLER. No. I will say very frankly the committee has not been able to consider it prior to this morning.

Mr. Chairman, I would like to submit as a part of my remarks the letter of the Acting Chairman of the Federal Trade Commission in which he requests that the amendment be adopted, and I therefore ask unanimous consent to revise and extend my remarks and to include this letter.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The letter follows:

FEDERAL TRADE COMMISSION,
Washington, May 1, 1936.

Hon. HATTON W. SUMNERS,
Chairman of the Judiciary Committee,
House of Representatives, Washington, D. C.

MY DEAR CHAIRMAN: I am handing you herewith suggested amendments to H. R. 8442, but which the Commission deems important amendments to whatever bill passes amending section 2 of the Clayton Act.

The principal suggested amendment is to make sure that any amendment of section 2 will not impair orders heretofore issued by the Commission under that section, notable among which is the recent order against the Goodyear Tire & Rubber Co. We deem it important not only that these existent orders be not affected by amendments to section 2, but also that provision be made whereby full competitive conditions may be restored or brought about by virtue of the amendments to section 2 by reopening the old case and thus avoid re-proof of facts that may be common to both the original and supplementary proceedings. Hence the proviso.

The other amendment is the usual provision covering possible partial invalidity of the provisions of the bill.

Sincerely yours,

W. A. AYRES, *Acting Chairman.*

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not necessarily opposed to this amendment; however, it is offered at the eleventh hour. Certainly it is unfortunate that the members of the committee were not able to give it due reflection. It is a rather long amendment, having taken about 5 minutes to read. It certainly is ill advised at this stage to ask the Members of the House to pass upon an amendment of this character. To be frank, I do not know anything about it. I do not know whether it should be opposed or agreed to. I have great faith and confidence in what the distinguished gentleman from Arkansas has stated with reference to the

amendment, but even he has had very little time for reflection on the amendment, and it seems rather ill-advised to act on it at this juncture.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. In just a moment.

However, inasmuch as the bills will have to be considered in conference, the Senate bill being different from the House bill, I hope the conferees who will be appointed will give sufficient time and reflection to this matter so that they can come to a proper conclusion thereon.

I now yield to the gentleman from Texas.

Mr. PATMAN. I wanted to suggest what the gentleman has already brought out after I asked him to yield. The bill will go to conference and all the differences will be ironed out. If it is discovered that this is a bad amendment, I am sure the conferees will agree to strike it out, although I do not think it is a bad amendment.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have always supported legislation for the benefit of the little man. I supported the Kelly-Capper fair-trade bill, which bill had for its purpose to correct the evils complained of by the small merchants. I intend to vote for this bill, but, however, I am fearful that this bill will not accomplish the results claimed by its proponents, as I am satisfied the little merchants cannot compete with the chain stores in purchasing in bulk, and for another reason the chain store will organize its forces to deal within State lines, in which case the law will not apply.

I have always maintained the proper way to compete with the chain store is for the various States to pass laws defining each and every business and have a license for each business and not permit anyone to have more than three licenses for any one place of business, and to provide a double license fee for the second license and a triple fee for the third license. In that way you will not have department stores and chain drug stores selling everything from a toothpick to an automobile. If the men who are interested in this legislation will consider legislation as I propose, I feel that they will accomplish the purpose they are seeking, but I am afraid that they will not accomplish it under this present bill.

I may say further, considering the amendments which the committee has offered on the floor of the House, this brings back to my mind the time when we considered the Kelly-Capper bill in the House. The Kelly-Capper bill consisted of about three pages, and when it was considered in the House there were about a thousand amendments offered. It seems to me the committee itself is uncertain about its ground after considering it for hours and days and months, and now they come on the floor of the House and offer committee amendments that have never been considered in the committee. While I have gone along with the committee, I feel that this legislation will not accomplish the purpose they are seeking to bring about.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. CELLER. I presume the gentleman refers to the Kelly-Capper bill when he speaks of the Kelly bill?

Mr. PALMISANO. Yes.

Mr. CELLER. And the gentleman would be in favor of the principle underlying the Kelly-Capper bill?

Mr. PALMISANO. I am in favor of the principle of the Kelly-Capper bill and I am in sympathy with the purpose of this bill, but I say that under this bill and under the provisions of the amendment you will not accomplish the purpose you are seeking.

Mr. CELLER. I agree with the gentleman, and I am going to ask the gentleman this question. The gentleman from Massachusetts is going to offer an amendment embodying the Borah-Van Nuys provisions or the provisions of the Kelly-Capper bill, and I hope the gentleman will vote for that amendment.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, there has been very considerable lobbying going on for and against this proposed legislation. I presume every Member has had terrible pressure from back home, just as I have had, to commit himself to this legislation. I have declined to do this and have stated, frankly, to my constituents that my vote on the matter would depend upon the final form of the legislation and that is the way I feel about it now.

I am in sympathy, however, with the problems which are sought to be met by this legislation. I think, unquestionably, there has been grave discrimination against individual merchants and business establishments on the part of manufacturers who have been coerced in many cases into doing this because of the buying power of large financial organizations.

I want to ask the gentleman from Texas [Mr. PATMAN] to tell me whether or not in the investigation of this matter it developed or information was furnished with respect to what became of these secret rebates and dummy brokerages that his committee found were being paid. Did they go to the consumer or were they put in the pockets of the person or firm who got them?

Mr. PATMAN. The money was put in the pockets of the special few who were getting these rebates, and I will state to the gentleman that a "coop" has a wonderful opportunity for its manager not to pass all these benefits on to their members, and some of them I think are opposed to this bill because it will bring it all out in the open and they will not be able to get by with that.

Mr. RAMSPECK. Then if we take away these dummy brokerages and these advertising allowances, which are pure fictions, instead of increasing the cost to the consumer, it will simply reduce the profit being wrongfully taken by these special-privileged people.

Mr. PATMAN. The gentleman is exactly right. They will be passed on to the public.

Mr. RAMSPECK. That is what I had gathered, and I may also say that I am very pleased the committee has taken out subparagraph 5. I certainly could not have supported the legislation with that provision in it. While I may be wrong in my construction of it, my viewpoint is if that had been left in the bill it would have been ruinous to many manufacturers throughout the country.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from New York.

Mr. CELLER. I understand the gentleman from Texas, in his inquiry, investigated what is known as the Retail Federation, and it may be that some of the members of that organization may have pocketed these rebates, but this bill refers to all manufacturers, all manner and kind of dealers, all cooperatives and all chain stores, department stores, and mail-order houses, and it does not follow that the rebates that they may have received went into the pockets of all the owners of all of these enterprises. They passed them on to the consumer. All the economists I have come in contact with indicate that this bill indubitably will have the effect of raising prices to the consumer, because these entities could not buy more cheaply because of this bill's restrictions.

Mr. RAMSPECK. I cannot yield further to the gentleman.

I do not agree with the gentleman's construction as to what happened. I think most of the secret rebates and dummy brokerages that have been paid went into the treasury of the corporation that got them and at least the greater part of them were never passed on to the consumer.

I hope this bill will be so perfected by amendments that we can all support it. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken and the amendment was agreed to.

Mr. HEALEY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Substitute amendment to the committee amendment offered by Mr. HEALEY: Strike out all after the enacting clause and insert in lieu thereof the following:

"That section 2 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1924, is amended to read as follows:

" 'SEC. 2. It shall be unlawful for any person engaged in commerce, in the course of such commerce, to be a party to, or assist in, any transaction of sale, or contract to sell, which discriminates to his knowledge against competitors of the purchaser, in that any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount, rebate, allowance, or advertising service charge available at the time of such transaction to said competitors in respect of a sale of goods of like grade, quality, and quantity; to sell, or contract to sell, goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition, or eliminating a competitor in such part of the United States; or to sell, or contract to sell, goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.

" 'Nothing in this section shall prevent a cooperative association from returning to producers or consumers, or a cooperative wholesale association from returning to its constituent retail members, the whole, or any part of, the net surplus resulting from its trading operations in proportion to purchases from, or sales to, the association.

" 'Any person violating any of the provisions of this section shall, upon conviction thereof, be fined not more than $5,000 or imprisoned not more than 1 year, or both.' "

Mr. BOILEAU. Mr. Chairman, I reserve a point of order on the amendment.

Mr. CELLER. Is this amendment offered as an amendment to the committee amendment?

The CHAIRMAN. It is offered as a substitute for the committee amendment.

Mr. HEALEY. Mr. Chairman and members of the Committee, this amendment which I have offered as a substitute for the committee amendment is the so-called Borah-Van Nuys bill. The purpose of any legislation along the lines of the bill we are discussing, as I understand it, is to eliminate certain discriminatory practices which are being utilized by certain large chain organizations to the detriment of the small independent retailers.

In the hearings before the committee it developed that the chain stores were resorting to certain practices which gave them a decided advantage over the ordinary buyers, and it was shown that the principal practices they are relying on to obtain that advantage are so-called fictitious brokerage allowances, advertising discounts, and certain other unfair and unwarranted rebates, discounts, and allowances.

Some of these chain organizations maintain their own brokerage agencies. Through that medium they obtain a discriminatory advantage on their purchases denied to other buyers, large or small. Mr. Chairman, I am in full accord with legislation which seeks to eliminate these unequal and unfair advantages.

In my judgment, the Borah-Van Nuys bill in specific terms and direct and effective language prohibits price discriminations through these methods. It states specifically the acts and practices which are prohibited and provides a heavy penalty for violation. Its language is clear, concise, and understandable.

The Borah-Van Nuys bill is the only bill that has been offered on this subject, in my judgment, that does not directly or indirectly fix prices. It therefore more nearly conforms to the spirit of the Clayton Antitrust Act than many of the provisions of the bill under discussion. Because of its nonprice-fixing features it is, in my opinion, a bill which will best safeguard the interests of the consumer, and we men who represent the large consuming districts must have regard for the consumer and be watchful of his interests. If as a result of more efficient methods in merchandizing savings can be made in the price of commodities to the ultimate consumer, we cannot penalize that efficiency to such an extent that it will affect him adversely.

The language in this bill, which I am offering as a substitute amendment, eliminates all of the advantages that the chain stores have been getting in the past. It effectually destroys these unfair practices and methods and defeats attempts to stifle or destroy competition.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. Briefly.

Mr. RAMSPECK. I wish the gentleman would point out the difference between his substitute and the bill we have before us.

Mr. HEALEY. I am sorry, but the time remaining to me will not permit me to adequately discuss the difference.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. PATMAN. Mr. Chairman, I ask recognition in opposition to the amendment.

The CHAIRMAN. Let us first dispose of the point of order reserved by the gentleman from Wisconsin. Does the gentleman from Wisconsin desire to be heard upon the point of order?

Mr. BOILEAU. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BOILEAU. Mr. Chairman, I make the point of order that the amendment is not germane to the amendment pending before the House at the present time for the reason that the bill itself and the committee amendment deal only with the regulation of the activities of the seller. It is confined entirely to the operations of the seller in commerce. The amendment to the amendment offered by the distinguished gentleman from Massachusetts attempts to regulate both the seller and the buyer. For that reason I am of opinion that the amendment which regulates both the buyer and the seller is not germane to a bill that deals only with the seller; and for the further reason that the amendment to the amendment contains a penalty, provides a penalty for violation of its provisions, while the bill under consideration and the committee amendment carry no penalty in the form of fines and imprisonment. The amendment of the gentleman from Massachusetts attempts to regulate both the buyer and the seller and provides penalties. For that reason I maintain that the amendment is not germane to the committee amendment.

Mr. CELLER. Does the Chair wish to hear further argument on the germaneness of the amendment?

The CHAIRMAN. The Chair is ready to rule; but the Chair will hear the gentleman from New York briefly.

Mr. CELLER. Mr. Chairman, the provision in the Borah-Van Nuys bill, the present amendment, does not seek to regulate the buyer; it seeks to regulate the seller, just exactly as is the case with the pending bill. To illustrate, the pending bill does not operate against the buyer in the way of penalties; it does not place restrictions on the buyer. It places restrictions only on the seller, just as the Borah-Van Nuys bill does in that sense. Both the pending amendment and the bill refer to price discrimination.

The CHAIRMAN. The Chair is ready to rule. The amendment offered by the gentleman from Massachusetts involves, in the judgment of the Chair, the subject of price discrimination. In line 9 of page 5 of the pending bill we read in section 2:

where such commodities are sold for use, consumption, or resale within the United States—

And so forth. It is therefore a problem of price discrimination. The amendment, in the judgment of the Chair, effectuates the same purpose as the purpose contained in the bill, attempts to modify the same legislation. It deals with the same general subject, and, in the judgment of the Chair, the amendment is in order. Therefore the Chair overrules the point of order.

BORAH-VAN NUYS AMENDMENT

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment. If this amendment is adopted, the bill is dead. In order to get the bill through, the Senate permitted this amendment to go in. If you adopt it now and the bill becomes a law, the bill will be unworkable; it will not mean anything in the world. Let me tell you about this Borah-Van Nuys amendment. Evidently it was very hastily drawn.

It applies only where the quantities are equal. It will not prohibit pseudo-brokerage or pseudo-advertising allowances or anything else, except where the quantities are exactly the same. They could change it by just taking one case out of a carload or putting one case more in the carload, and this would not apply.

Furthermore, it is worded in a way that the independents would have to show that this large corporate chain was doing it for the purpose of destroying him as a competitor. That means that the little independent would have to employ a staff of snoopers or clairvoyants or somebody to go out and get this evidence for him. He would have to go all over the Nation in order to do it. It would be absolutely impossible. You may just as well have no bill at all if you adopt this amendment. Furthermore, it provides that the competitors shall not sell at an unreasonably low price. Not only is that very indefinite as to what is an unreasonably low price but, in addition to that, it will also have to be shown that it was sold at an unreasonably low price for the purpose of destroying a competitor. If you really want a bill, if you want the Clayton Act amended so as to take out the weasel phrases that caused its destruction in 1914, if you want to really put teeth into the act in such a way that independent merchants will be protected and the consumers, the farmers, the wage earners would have a square deal, do not vote for this amendment. That would mean absolutely destroying the bill. If there is any doubt in your mind about that, I ask you to at least vote against it, and then when the bill goes to conference the question will be before the conferees, and if they still want to put it in, or any part of it, they can do it; but if you adopt this amendment, that question will not be in conference; it will be ended so far as the House and the Senate are concerned. So I plead with you, do not destroy this bill with all kinds of amendments, some of which sound very good, until you analyze them. This is one of them that sounds really good, but when you analyze the amendment you find that it is so artfully worded and contains such clever phrases that when you get through with such an amendment as this you have not got any law at all. What is the use of a penalty if there is no law? They make the argument that there is a penalty to it. If you have no law to enforce, why have a penalty? You certainly would have no law under this amendment. I would rather have the present Clayton Act. As ineffective and unenforcible as it is, I would rather have it than to have this provision written into the law.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CHRISTIANSON. Do we understand that the bill as passed by the Senate embodies this same Borah-Van Nuys amendment?

Mr. PATMAN. It does. Senator ROBINSON agreed to it, stating that he was opposed to it, but he was willing to have it go to conference. But if we agree to it here, it will not go to conference. I therefore ask you to vote down this amendment.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I rise in favor of the amendment.

I must again differ with our colleague from Texas [Mr. PATMAN]. The Senate did not ill consider this so-called Borah-Van Nuys provision. They conducted lengthy and careful hearings thereupon. As a matter of fact, they held no hearings on the Robinson bill itself. I took the trouble to analyze the witnesses who appeared in these hearings in favor of the Borah-Van Nuys amendment. There were 21 witnesses coming from all over the country. Of those 21, every one of them approved of the principles underlying the Borah-Van Nuys bill, and condemned unanimously the so-called Robinson bill, which is very similar to the Patman bill. There was one marketing specialist; there were two economists, three representing huge housewives' and consumers' organizations; four retailers; five representing large farmer organizations, six representing manufacturers, and seven representing wholesalers.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Briefly.

Mr. CONNERY. Will the gentleman explain to us in a few words the difference between the Borah-Van Nuys amendment and this amendment?

Mr. CELLER. I will be very happy to come to it. This Borah-Van Nuys proposition is heartily in accord with the wishes of the Manufacturers' Association, with the farmer cooperatives, the National Grange, the American Farm Bureau Federation, and all the other great farm organizations.

All the dairy interests are in favor of this Borah-Van Nuys proposition. Why? Because it very justly and properly, in simple language rather than language involved and difficult to comprehend as in the instant bill, provides this: If you set a price you must make that price available to all customers under like conditions. You cannot discriminate, under the Borah-Van Nuys proposition, in the matter of discounts, in the matter of advertising, in the matter of rebates. You must treat everybody alike. Offer to treat them all alike and there is no difficulty. You would not be compelled to go down to the Federal Trade Commission and defend yourself and prove, step by step, by exhibition of your books your differences, if any, in cost, and show all this at great difficulty and expense. The Borah-Van Nuys bill contains no severe and dangerous limitation upon quantity discounts.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. In just a minute. However, when you have to meet competition in a given locality, and the selling price is lower than yours, you have a right to go into that locality and meet that proposition—lower your price. Now, let us see how it would affect the dairy interests. Let us take, for instance, the vicinity of Chicago or New York. There are dairymen doing an intrastate business. In sections of Indiana and Illinois you have dairymen doing an intrastate business within the State. They give a price for milk. If the large dairy interests in and around those States have a price which is greater than the local price, they are out of business unless they can meet the lower price. If, for example, the Dairymen's League in New York cannot meet competition in New York City from local dealers, they might as well fold up and go out of business. The Borah-Van Nuys bill says you can meet the price of a competitor, but this bill says you cannot do so. It is unlawful and involves severe penalties if you do it. You cannot so lower your price or affect your conditions as to put a man out of business, so as to crush a competitor or to reduce or lessen competition. That you cannot do and should not do. It is illegal for you to do so and severe penalties are proscribed. But everybody is treated alike under the Borah-Van Nuys proposition. For that reason I commend it heartily to you.

The very last provision of the Borah-Van Nuys proposition offered by our distinguished colleague from Massachusetts [Mr. HEALEY] provides it shall be unlawful to sell or contract to sell goods at unreasonably low prices for the purpose of destroying competition or of eliminating a competitor.

It must be remembered that the Borah-Van Nuys provision does not run afoul of the desires of the farmers, the consumers, the mining interests, the manufacturers, the dairy interests, the labor interests, and the cooperatives. It does not subsidize the middleman, and any economies that could be saved in purchasing would be saved to the purchaser and inevitably passed on to the consumer.

Its language is judicial in its nature and does not put business into a legislative strait jacket. Under it one could sell at different prices in different sections of the country to meet competition.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CELLER. The testimony was to the effect that that would have the exact effect as though we had passed the

Kelly-Capper bill with reference to loss leaders. The bane of existence of the retail druggists and the retail grocers in their competition with the large chains, is the extravagant and unwarranted use of so-called loss leaders—selling below cost, advertised, trade-marked, or copyrighted articles that are the subject of great advertisement and radio programs. Many witnesses testified before the Senate Judiciary Committee to the effect that this provision would do away, to an appreciable degree, with this wide-spread extravagant use of loss leaders. I believe one of the reasons that actuated the original sponsor of this bill was the practice of loss leaders. Here is an opportunity to do something against, to strike at these loss leaders. Let us avail ourselves of this opportunity. I am opposed to these loss leaders.

Here is an instrumentality to enable a retail grocer and retail druggist to get on all the better in their competition against these large mass buyers about whose iniquities we have heard so much—much, however, of which was fiction and little of which was fact.

The Borah-Van Nuys provision upholds the principle that competition should be free, provided it be just. It is a short and easily understood provision. It states specifically the acts prohibited, the actions interdicted. It not only provides a definite and powerful element of restraint but it also wisely leaves an alleged violation open to be decided entirely on its merits. Any law which goes further than that must actually operate in restraint of trade. The instant bill actually does operate in restraint of trade unless it be very drastically amended.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. CONNERY. Does the gentleman mean by loss leader some popularly advertised article, advertised over the radio and through the magazines, which the chain stores will sell below cost?

Mr. CELLER. Yes; or the department stores, like Macy's in my section or Filene's in the gentleman's section. They undersell these advertised brands in the hope of inducing customers into their establishments, losing on those articles, but making up the difference on staple articles.

If you want to do something for those who are supposed to be benefited by the Robinson-Patman bill, vote to sustain the Borah-Van Nuys amendment.

Mr. McLAUGHLIN. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, my good friend the gentleman from Massachusetts [Mr. HEALEY], who served with me as a member of the subcommittee which considered this bill, and for whom I have the highest regard, and who, I am sure, is sincere in what he says on the floor regarding the amendment that he has proposed, has stated, I call to the attention of the Members of the House, that the purpose he desires to accomplish by the amendment is the doing away with and the striking out of the three discounts which now cause the inequality between large and small purchasers in the price they pay for their goods. In other words, the gentleman from Massachusetts [Mr. HEALEY] states that the purpose of the amendment he proposes is identical with the purpose of the amendment the committee has proposed in this bill. Without going into detail as to the proposed amendment of the gentleman from Massachusetts, I may say that I am a member of the Committee on the Judiciary and of the subcommittee which considered this measure. We held lengthy hearings, and we held conferences following the hearings and discussed this legislation at great length. We considered the wording of this bill in order that we might accomplish the very things the gentleman from Massachusetts [Mr. HEALEY] states he desires to accomplish—namely, the elimination of fake brokerage discounts, dishonest discounts under the guise of advertising discounts, which are in fact fake advertising discounts, and quantity discounts which enable the large purchaser to secure an unconscionable advantage over the small purchaser. In working out the provisions of this bill in the form in which it is submitted to the House the members of the Committee on the Judiciary feel, after long consideration and determination, that the bill they presented accomplishes these purposes. Another bill now comes before us in the form of an amendment which, in the opinion of those members of the committee who worked on the bill, will not accomplish the purpose which the committee bill will accomplish. In the Senate bill the word "quantity" is used; so the discrimination must be a discrimination in the exact quantity. In other words, if a seller should take one case out of a shipment he would be excluded from the provisions of this bill. This does not obtain in the bill proposed by the House committee and as it comes to the House.

I have the highest regard for my very good friend, the gentleman from New York, and although he is from New York I think he speaks for the farmers in the language they use in New York in speaking for farmers, but when he states this will do away with the right to meet competition, that is not so.

[Here the gavel fell.]

Mr. McLAUGHLIN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. McLAUGHLIN. With all due respect to my good friend from New York, the fact is that the bill before us, on page 9, lines 14 to 18, makes specific provision for the meeting of competition by a seller in the event he is confronted with the situation in which a competitor offers his goods at a lower price. I read the portion to which I refer:

> That nothing herein contained shall prevent a seller rebutting the prima-facie case thus made by showing that his lower price to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor.

If we amend this bill to allow a wholesaler not only to meet the low price of a competitor but to go below that price and discriminate below that price, I submit to this body that the whole purpose of this legislation has been destroyed. Such a provision would render this bill completely and totally ineffective. I sincerely trust, therefore, those who are in favor of this measure will vote down this amendment and support the committee in the work it has done.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

Mr. BOILEAU. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to have the attention of the distinguished gentleman from Arkansas [Mr. MILLER], who in the absence of the chairman of the Committee on the Judiciary but on his behalf and under the direction of the committee is handling the bill.

All Members of the House a day or two ago received a lengthy communication signed by leaders of various farm organizations. They made five objections to the bill. The first objection was directed against the provision of the bill relating to the basing point. The second objection related to classification of wholesalers, and so forth. Today the Committee of the Whole has accepted two committee amendments which struck out these two particular paragraphs; so these first two objections of the farm leaders have been met by the action of the Committee of the Whole in adopting these amendments.

Two of the other objections made by them are not, in my opinion, valid.

In my judgment, these two objections are not sound, because the language of the bill is very clear and does not justify their interpretation. However, in the opinion of these gentlemen with whom we have conferred, the language is not clear.

Mr. Chairman, for the purpose of clarifying the congressional intent, I have taken this time to get the opinion of the distinguished gentleman from Arkansas as to his understanding of the meaning of the language at the beginning

of section 2 (a), page 5, of the bill. The section starts out as follows:

SEC. 2. (a) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality—

And so forth. My understanding of that language is that the sellers may not discriminate, but they may, nevertheless, charge different prices in different communities to persons who are not competitors. In other words, as I understand it—and I ask the gentleman whether or not this is his opinion—a seller may sell a commodity in one community at one price and sell it in another community at a different price, because those two purchasers, even though they are purchasers for resale, are not competitors, and therefore there is no discrimination in price. Is that the understanding of the distinguished gentleman from Arkansas [Mr. MILLER]?

Mr. MILLER. They are operating in different markets. I do not think there is any doubt about the language.

Mr. BOILEAU. I am asking these questions at the request of certain farm organizations, and I want to show the congressional intent.

Mr. MILLER. As indicated by the gentleman from Nebraska [Mr. MCLAUGHLIN], the gentleman from Iowa [Mr. UTTERBACK], the gentleman from Nebraska [Mr. MCLAUGHLIN], the gentleman from Michigan [Mr. MICHENER], and some others were appointed as a special subcommittee to work on this bill. That was our understanding. We undertook to draft a bill that would deal with the three principal things with which we are all familiar. It was not our intention to injure the organizations about which the gentleman is speaking. The gentleman has the right interpretation of the bill.

Mr. BOILEAU. In this particular letter, which refers to this particular section, I quote as follows:

We are fearful that this section, viewed in the light of the committee report, might be construed to mean that different prices could not be charged by the same seller in different markets.

Is it the gentleman's opinion that their fears in this respect are without foundation?

Mr. MILLER. They are entirely unfounded.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BOILEAU. Mr. Chairman, the farm organizations have one further objection that needs clarification along the same line, and that is with reference to advertising allowances. They refer to sections 5 (c) and (d) insofar as these particular paragraphs affect advertising allowances.

In their communication they state as follows:

We are unwilling to have our operations put in a strait jacket under legislation which might require that if an advertising campaign is put on in Washington, D. C., a similar program must be followed in each market in the United States in which our cooperatives operate.

In other words, it is my understanding that under the language of the bill having to do with advertising allowances, paragraphs 5 (c) and (d), particularly (d), a manufacturer or other seller may give advertising allowances to stimulate trade in one community, but because he gives such advertising allowances in one community he is not required to give an identical, a similar, or a proportional advertising allowance to a customer in another community who is not in competition with the persons in the community in which the advertising allowances are granted.

Mr. MILLER. The gentleman is correct, and I call attention to the specific provision of the act, which appears in lines 3 to 6, inclusive, page 9, reading as follows:

(d) By such person, unless such payment or consideration is available on proportionally equal terms to all other customers competing in the distribution of such products or commodities.

Competing in the distribution on that market, in that community, and in that place.

Mr. BOILEAU. May I apologize to the House for having taken this time, but because of the fact a large group of people had what I considered an erroneous impression as to the provisions of this bill I wanted to use this time in order to clarify the congressional intent. With the permission of the gentleman from Arkansas, and without in any way reflecting upon his leadership in this matter, may I ask the gentleman from Texas [Mr. PATMAN], author of the bill, whether that is also his understanding of the provisions of the pending bill?

Mr. PATMAN. That is my understanding and I am thoroughly familiar with what the gentleman is talking about. I conferred with farm leaders, and I understand the situation just as the gentleman from Wisconsin has explained it.

Mr. BOILEAU. Mr. Chairman, the matter has been clarified to my satisfaction, and I therefore yield back the balance of my time.

Mr. JONES. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 9, line 24, after the word "association", add a new paragraph, as follows:

"(g) Nothing in this section shall apply to any farmer or livestock producer in reference to agricultural or livestock products sold by such farmer or producer prior to the first processing thereof."

Mr. JONES. Mr. Chairman, I offer this amendment in a helpful spirit only. I appreciate very much the fine work which these gentlemen have done, and I do not want to interfere in any way with the orderly working out of the bill as they have fashioned it. I expect to support the bill. However, it is their understanding that the individual farmer and livestock producer of raw products are not included; therefore this cannot in any way injure the measure.

I rarely offer amendments, and I regret exceedingly that I must do so in this instance. If you will look at certain features in the first part of the bill, it will be found it is unlawful for any person engaged in commerce or in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of like grade and quality where it may substantially lessen competition, and this applies to either sellers or buyers.

I submit to the thinking Members of the House that the individual farmer and livestock man stands on a little different basis from other businesses. Up to this time he has had very little to say about the price of his products. We are trying to work it around more and more so that we may approach the time when he will have the same voice as others have, and to illustrate the dangers that may arise, I live in what is known as the panhandle of Texas. The livestock, cattle, sheep, and hogs are practically all shipped in interstate commerce. We sell a great many of them at Kansas City. They are shipped to Kansas City. They are sometimes sold in competition in the yards. They are sometimes sold to buyers who come there and look at the cattle and purchase them before they go to the yards. They are sometimes purchased even before they are unloaded. They are in interstate commerce. For instance, a producer ships two cars of white-faced Hereford cattle to market. A feeder from Iowa bids 10.20 for one car. He can only get 9.50 bid on the car. What is he to do? Must he refuse to sell them and feed them stockyards hay at $1 per bale? The same thing applies to apples, as I understand from those who live in apple sections.

I cannot see how it would hurt the operations of this bill to say that on these unprocessed raw commodities there shall be no application of the terms of this bill.

There is involved this danger. If you will turn to subdivision (e) you will find that where a different price is charged, the burden of proof falls upon the person who charges a different price to establish the fact that he has not violated the law. A great many farmers and livestock men live near the borders of the different States and a

great many of these commodities go into interstate commerce. Commerce as used here, and as used in the definitions given by the leading authorities, is a very broad term.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. ROBERTSON. I wish to call the gentleman's attention not only to the fact that the burden of proof will be on the farmer, but under this bill, if his sale is, in effect, a discrimination, whether he realizes it or not, he becomes subject to a penalty, and if judgment is had in the Federal court, triple damages apply.

Mr. JONES. I have not had an opportunity to study the bill fully, and I thank the gentleman for his comment.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it was just such amendments as this that led to the entire destruction of the Clayton Act in 1914. They commenced to put this plausible amendment in and that plausible amendment in, and by the time the Clayton Act was passed all the teeth were taken out and it was not enforcible.

We are trying to make the act enforcible. This sounds like a plausible amendment, but do you think the farmers are going to discriminate against anybody? Do you think there is a farmer in this country who is big enough so that he is going to take advantage of somebody through advertising allowances and dummy brokerages and quantity discounts? There is not one in this Nation who is large enough for that, and although there are some large and important livestock producers in the gentleman's district, there is not one so large that he can take advantage of Swift and Armour and the big packers in the markets of Kansas City.

The argument of the gentleman from Texas sounds plausible, but this bill is not to affect cases like that. It only applies to discriminations. It is enforcing honesty, and honesty should apply to the farmers and stock raisers, I will say to my dear friend from Texas, just the same as it applies to the businessman. I am not willing to exempt the farmers from a provision requiring common honesty, and that is all we are doing here, and if they are violating the rule of common honesty, they should suffer the penalty just the same as anyone else.

Now, with regard to the matter of burden of proof, that is an argument that sounds very plausible. Just such arguments as that have destroyed every antitrust law that has ever been presented to the American Congress.

Let me analyze that for you. What does that mean? It means exactly the rule of law today. It is a restatement of existing law. So far as I am concerned you can strike it out. It makes no difference. It is the law of this land exactly as it is written there. If the gentleman were to have a farmer or a livestock grower so large that he would discriminate, become dishonest, treat his customers unfairly, and there should be a charge or complaint filed against him before the Federal Trade Commission, what would he have to do? They would write him a letter and send him a copy of the charges, and under this bill he would rebut that by a statement of the actual facts, and that is all there is to it. If he is not dishonest, if he has not treated his customers unfairly, there will be nothing else in the world to it.

I hope you will not start amending this bill. The Judiciary Committee has worked on the bill for months and months. The subcommittee spent nights and days and Sundays and all the time in the world that a committee could give to legislation the committee gave to this bill. Now, if you start here with amendments that are hastily drawn and quickly considered, you are just as likely to have a law that will not be worth the paper it is written on like the present Clayton Act. Therefore I plead with you not to amend this bill; leave it like it is. It is a good bill.

We have considered what the gentleman from Texas has said. The committee has considered that matter. We are just as much interested in the welfare of the farmer and the stock grower and the others involved as is the gentleman. We yield to no man on questions of that kind and I hope the gentleman will withdraw the amendment. I think the gentleman should withdraw it in order that not one stone may be thrown in the way of passing this legislation that is very much needed, and needed now. For what? To save the business of the independent merchants of this country who are rapidly becoming victims no. 1, and to save the wage earners who will be forced to pauper wages if something is not done.

The farmers are forced to sell at a price that causes them to do without the comforts and necessities of life. The farmers and the wage earners are victim no. 2. Whenever a monopoly is created there will be another victim, and that will be the consumer. He will be victim no. 3. He will be a victim because the monopoly will pay the producer whatever they want to pay and they will charge the consumer the price they want to charge in order to make up the high bonuses they pay their officers. So I ask you to defeat this amendment.

Mr. ROBERTSON. Mr. Chairman, I move to strike out the last word. This is not the first plea we have heard at this session or past sessions to the effect, "Do not adopt this amendment. Let it go to the Senate, and if we are wrong the Senate or the conferees will take care of us." I think it is high time for the House to do its own thinking and its own legislating and to put its own bills in proper shape before they leave us.

My distinguished friend from Texas on more than one occasion in discussing the bill says that it is a question of common honesty. Nobody wants to take issue with him on a question of common honesty, because we all want to be honest. Our constituents want to be honest, but you cannot dispose of a proposition like this on the ground that it provides for common honesty.

Take the question of hazards that the farmer has to contend with, not only in selling but in producing. First is the hazard of the elements, next is the hazard of depreciation, especially with reference to fruits and vegetables. There is the hazard of the fluctuating and changing market. I have known the market for apples to fluctuate as much as 100 percent in 60 days.

Mr. PATMAN. Will the gentleman yield?

Mr. ROBERTSON. I yield.

Mr. PATMAN. Does the gentleman know that there is nothing in the bill that will hinder a man changing his price every day and every hour if his purpose is not to discriminate against a competitor?

Mr. ROBERTSON. On page 5 of the bill you provide that if he makes a different price the effect of which is a discrimination—and he may not intend any discrimination—it comes under the terms of the bill.

I know of a producer who can produce one-half million bushels of apples and who could flood the market in any city in the country. That man has had the hazard of the drought, the hazard of the wind and the frost; he has produced perishable fruit, and he faces a fluctuating market. He sells 10,000 bushels one day at, say, $1 a bushel. He gets from his agent in Liverpool a cable that the British market is flooded, or that the British Government is contemplating a new tariff, He faces a declining market. He must cut his crop loose. He has sold, say, to one Cincinnati dealer 10,000 bushels of apples, and that is all that dealer can handle. He knows of another dealer in Cincinnati who can handle 100,000 bushels of apples. He quotes him a price at 25 cents less a bushel on the same day he has sold the other, because he has had this word of a falling market. Under the terms of this bill the other dealer could take him into the Federal court at Cincinnati, and the first man would charge that he had discriminated against him, that the man to whom he sold the second consignment of apples was putting his apples on the market at 25 cents a bushel less. The first man would claim that he had been hurt financially and that he would sue the apple grower, and in the event of a recovery, the court then, as has been brought out, would grant triple damages. I have prepared an amendment, taken from the fruit and fresh vegetable code, which reads "To

avoid the hazards of depreciation of value of the product through decline of markets." This bill, as my friend knows, started as a wholesaler's code.

Mr. PATMAN. Oh, the gentleman is mistaken about that.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. ROBERTSON. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. Yes.

Mr. PATMAN. The gentleman is mistaken about that. This has no reference to the N. R. A. code. It is an amendment to an existing law to take out the weasel phrases that have made the law unenforceable.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. Yes.

Mr. CELLER. The bill was written by Mr. Teegarden originally, and he is the attorney for the United States Wholesale Grocers Association, and was their attorney at the time that the N. R. A. was declared unconstitutional.

Mr. ROBERTSON. Anyway, I prepared this amendment, taken from the fresh fruit and vegetable code. They recognized in making their code that they were dealing with a perishable article in a fluctuating market, and they put in there that they could change the code prices to avoid the hazard of depreciation of value of a product through a declining market. If the amendment offered by the gentleman from Texas [Mr. JONES] is adopted, he has taken care of that situation, and I think that is the proper thing to do. I say to my distinguished friend from Texas [Mr. PATMAN] that we are stepping out on dangerous ground when we tell the farmers who produce from the soil that they cannot make a difference in price to protect themselves in a falling market. You are stepping on dangerous ground when you say to them, "You will be subject to prosecution; you will be subject to being haled clear across the country, where your product went, into a Federal court." Oh, gentlemen say that reputable lawyers would not accuse one of discrimination in such cases, but that is not the question. Someone may claim discrimination and he could mulct you for the nuisance damages. I am in sympathy with the retail merchants. I want to help them in every way we can, but certainly in trying to help one group we should not risk an unnecessary and unfair burden being placed on another. [Applause.]

Mr. DARDEN. Are not the gentleman's remarks equally applicable to potatoes, vegetables, and so forth?

Mr. ROBERTSON. Certainly; vegetables, potatoes, any perishable crop of that kind which you have to handle in a falling market. The farmer should have an inalienable right to adjust his prices in his own judgment, not in the judgment of the Federal Trade Commission or in the judgment of any other Federal agency, but in his own judgment, if his market is going to fall and he is handling a perishable product.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. Yes.

Mr. CRAWFORD. Going directly to a practical illustration of what the gentleman has just brought out, in view of the fact that there is a tremendous amount of fruit raised in my State, suppose your apple grower in your district gets a cable from Liverpool that something has happened over there to his distributing machine, and that is what it is.

Mr. ROBERTSON. Yes.

Mr. CRAWFORD. And he then comes along and offers to the A. & P. Co., doing business in my State, 100,000 bushels of apples at 25 cents, or 50 cents a bushel under the market, what happens to the farmer in my State who is trying to get something out of his fruit crop? Is not that just as damaging?

Mr. ROBERTSON. Absolutely not; because the gentleman's farmer has the same right to figure markets as mine. It is a free competitive marketing system. We should not ever completely abandon it.

Mr. CRAWFORD. But mine is a little grower with 5 or 10 or 15 acres.

Mr. ROBERTSON. Whenever you tell the farmer that the Government is to regulate the price of his product, you have left our fundamental principles, and even in this emergency we must stick to the free competitive system of doing business.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MILLER. Mr. Chairman, I ask unanimous consent that debate upon this amendment close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLER. I do not think there is any reason for the amendment proposed by the gentleman from Texas [Mr. JONES]. I want to call your attention to the theory of this bill. What are we trying to do in this bill? I call your attention to the first section on page 5. I want to say further to you that the farmer selling livestock, or corn, or cotton, or anything else cannot possibly come under this act unless he is creating a monopoly, and if he is creating a monopoly, a monopoly created by a farmer is just as bad as a monopoly created by a manufacturer.

Let me call your attention to this language:

> It shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use—

Under certain conditions—

> and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or receives the benefit of such discrimination.

Then I call your attention to something else. This bill does this, and this only: It prevents quantity discounts, it prevents advertising allowances, it does away with fraudulent brokerage allowances, and that is all it does do. That is the theory of this bill. Of course, you can go out and dig up all kinds of scarecrows. You can set up all kinds of straw men and knock them down if you want to. You can bring in the farmer, you can bring in every class, but, after all, the question is this, whether or not we are going to let the monopolistic tendencies of the last 20 years continue.

I have no pride of authorship in this bill, although we worked very hard on it. They talk about apples and perishable goods. Let me call your attention to page 7, paragraph 3. It says:

> That nothing herein contained shall prevent price changes from time to time where in response to changing conditions affecting the market for or the marketability of the goods concerned—

That takes care of the livestock people. It takes care of the things that the gentleman from Texas [Mr. JONES] is attempting to cure.

Then it says further—

> such as but not limited to actual or imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process.

Now, that is the situation that is confronting us here. I come from a rural district. If I ever return to the House it will be by the votes of the farmers. The largest town in my district is 6,000. Farmers are opposed to monopolies, and you cannot prevent monopolies if you pass an act like the old Clayton Act and shoot it full of provisos and amendments and loopholes.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. MILLER] has expired.

Mr. CELLER. Mr. Chairman, the interpretation of any member of this committee is just as important as the interpretation of the language given by a member of the Judiciary Committee. The interpretation placed upon the

language of section 2 (a) on page 5 with reference to the granting of a different price to a different customer in a different locality by the gentleman from Texas [Mr. PATMAN] I say is erroneous. The interpretation placed upon that language by the gentleman from Wisconsin [Mr. BOILEAU] and by the gentleman from Arkansas [Mr. MILLER] is erroneous. They all agree.

This language reads:

That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality.

If that means anything, it means that you cannot discriminate——

Mr. BOILEAU. Mr. Chairman, a point of order. The gentleman is not discussing the amendment.

The CHAIRMAN. The gentleman will please proceed in order.

Mr. CELLER. The gentleman from Wisconsin is not in order. I am. I say that you cannot make, under the bill, a different price for the same goods of the same quality in a different locality. The gentleman from Arkansas [Mr. MILLER] says there is a provision further down in the clause "where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly"; but whenever I charge a lower price to a different customer I have the effect of lowering competition, so I run afoul of the statute immediately. You cannot make a different price among your customers. That is the fly in the ointment.

Let us see what Mr. PATMAN said in the RECORD on yesterday, page 8111. He spoke of "the right of the manufacturer to have a different price for a different quantity, where there is a difference in the cost of manufacture. There is nothing in this bill to prohibit it, but the bill expressly provides that he may have a different price where there is a difference in the cost of manufacture." What will happen if there is no difference in the cost of manufacture, and the goods cost the same that I am selling to my customer. If what Mr. PATMAN says now is true, why did he not say so yesterday? Why did he not say so in all his speeches throughout the country? He has said at all times that the same goods of the same quantity must be always the same in all parts of the country; there can be no variation. As quoted from his speech of yesterday, there can be no difference if there is no difference in manufacturing cost. If there is no cost difference, then no difference in selling price under any conditions.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. PATMAN. The gentleman does not overlook the fact that in future sales, that is, if you have offered a certain commodity at a certain price, you have to offer it to my competitor, but that does not apply——

Mr. CELLER. I am very sorry, but that is not the language you used yesterday. Why do you not accept the amendment of the gentleman from Texas [Mr. JONES], because he wants to do that very same thing?

Mr. PATMAN. Because I am not going to let the gentleman from Texas help destroy this bill. I am not going to allow the conferees to either.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. JONES. I have no desire to injure and no thought of injuring the bill in any way. I expect to support the bill. I think we would help the bill by putting this provision in it. It is in the alternative. The wrong is committed if there is a difference in price that either lessens competition or tends to create monopoly or to destroy competition. It is not simply a question of creating a monopoly. It was found necessary in the old law to exempt cooperative organizations of farmers. We are simply following the same philosophy in offering this amendment to exempt them from the operations of the law. I know the sponsors of this bill are friendly to the farmers, and I wish they would agree to this amendment and let it go in to carry out the philosophy that has been practiced for 29 years.

Mr. CELLER. Let me draw your attention to the objections of the Dairymen's League of New York. There are 40,000 dairy farmers in New York, New Jersey, and Pennsylvania. It says the present law prevents price discrimination where, first, discrimination substantially lessens competition, or, second, creates monopoly. This bill provides the same price for the same goods of like grade and quality regardless of the location of the buyers.

The Dairymen's League operates in 170 markets. It says the price of milk can never be uniform in 170 markets because of, first, local competition; second, different retail prices in each market; third, different purchasing power of each community; and fourth, because milk-control boards control retail and wholesale prices in New York, New Jersey, and Pennsylvania. They sometimes make different prices in the same State. Twenty-two States fix milk prices. They must have the right to change prices to meet the prices fixed by the State boards.

The Pure Milk Association has 16,000 dairy farmers in Wisconsin, Illinois, and Indiana. It sells milk to dealers in Chicago at 12 cents a quart. It sells milk to dealers in Hammond, Ind., at 10 cents a quart. It is obvious that if the dealers in Chicago are selling milk to consumers at 12 cents a quart, and the dealers in Hammond, Ind., are selling milk to consumers at 10 cents a quart, the Chicago dealers should be required to pay a higher price to the farmers than is paid by the Hammond dealers. Since it would obviously be impossible to charge the Hammond dealers any higher price for their milk if they are selling on a 10-cent basis, the net effect of the bill would be to require the association to sell its milk to Chicago dealers at the lower prices being charged to the Hammond dealers. The resultant loss to the farmers supplying milk to Chicago is obvious.

As another example, let us consider the case of Land O'Lakes Creameries, Inc., a farmer-owned and farmer-controlled cooperative association, engaged in marketing butter, cheese, and other dairy products for approximately 400 local cooperative creameries and cheese factories east of Minneapolis. Under the terms of this bill they would be required to sell at the same price in every market in which they operate, although economic conditions, such as employment, might easily require a difference in price, let us say, for example, between the city of Washington and the city of Scranton, Pa.

It should be further noted that during the whole life of the N. R. A., manufacturers, wholesalers, and jobbers attempted to obtain a definition of wholesaler and retailer in order to cripple the operations of farmers' cooperative associations which purchase from manufacturers and sell direct to their farmer members, farm equipment and supplies, including fertilizer, creamery machinery, and so forth. The Federal Trade Commission is at the present time investigating the activities of the manufacturers of butter tubs in refusing to grant Land O'Lakes Creameries, Inc., a wholesaler's discount upon butter tubs, although Land O'Lakes Creameries, Inc., performs all of the functions of a wholesaler with the single exception that it sells direct to its member creameries rather than through a jobber.

This attempt to salvage economic waste by legislation promoting or protecting intermediaries between the producer and consumer of goods is in direct conflict with the whole theory of cooperative marketing and cooperative purchasing.

It has been specifically pointed out that a provision was inserted in the bill to permit certain discounts to be given to wholesalers without according such discounts to other persons who purchased in similar quantities. Thus, this bill which is designed to eliminate discrimination contains a violently discriminatory provision against the cooperative purchasing of farm equipment and supplies by farm organizations in favor of the private wholesaler and jobber of farm equipment and supplies. And this discrimination is to be paid for out of the pockets of our farmers.

As pointed out above, the wholesalers and jobbers attempted to obtain this special discrimination in their favor during the whole life of the N. R. A. The situation became

so bad that President Roosevelt was forced to issue two Executive orders on the subject, in which the President stated clearly and unequivocally that no code of fair competition should be construed or interpreted so as to prevent any cooperative organization from being entitled to receive and to distribute to its members discounts (a) ordinarily paid or allowed to other purchasers for purchases in wholesale or middleman quantities, or (b) paid or allowed pursuant to the requirements or provisions of any code of fair competition to other purchasers for purchases in wholesale or middleman quantities.

In addition, a similar provision was written in the so-called Guffey Coal Act of a similar nature so as to insure that cooperatives would be entitled to wholesale or jobbers discounts in connection with the operation of the Guffey Coal Act.

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 74, noes 86.

Mr. JONES. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. JONES and Mr. MILLER.

The Committee again divided; and the tellers reported that there were—ayes 81, noes 89.

So the amendment was rejected.

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 5, line 8, after the word "quality", insert "and design"; and on page 5, in line 22, after the word "quality", insert "and design."

Mr. PEYSER. Mr. Chairman, in response to the statement made a few moments ago by the gentleman from Texas that he wants to try to set up an honest and a workable bill, I am offering this very simple amendment to add the words "and design" after the word "quality" where it appears in two places on page 5; and I hope the committee will not combat this particular amendment.

I call attention to the fact that there is no differential of design in the foods and drugs, so that would have no effect against the chain stores the bill is hoping to reach; but let us assume that two articles are made from the same quality of merchandise, but one is made under one design for a certain type of trade and the other is made under another design for another type of trade. The design itself may entitle the purchaser in either case to a differential in price, even though the basic quality of the merchandise involved is similar. I submit, Mr. Chairman, that there is nothing in this amendment that should in any way affect the bill in itself at all. Quality of food is not involved. There is no design in the quality of food or drugs. There may be, however, a design differential in furniture or in ladies' shoes. Through the elimination of certain material here or there an opportunity may be given for a lowering of price, whereas the quality involved is the same. Under this bill the manufacturer would be penalized severely.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. PEYSER. I yield.

Mr. CRAWFORD. Would not that permit the processor of a food commodity to change from a round-shaped package to a square-shaped package and call it a difference in design?

Mr. PEYSER. Absolutely not, because that would be a change in the design of the container, whereas the amendment refers to a design in the merchandise offered for sale. There is no style in baking powder, there is no style in paregoric, there is no style in castor oil. It will apply principally to textiles, probably to furniture, probably to shoes, but not to the commodities we are endeavoring to reach; and I think if the committee wants to carry out what the gentleman from Texas has suggested, a good, honest, workable bill that is fair to everybody, this is the way they can be fair.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a further question?

Mr. PEYSER. I yield.

Mr. CRAWFORD. Is it the gentleman's understanding that this bill as now submitted will force a shoe manufacturer, for illustration, to sell all styles of shoes for the same price?

Mr. PEYSER. If the quality is the same. My amendment adds to the word "quality" only the two words "and design." I think it is a simple amendment, and I do not see any reason why, if they want to present a fair bill, it should not be accepted.

Mr. RABAUT. Mr. Chairman, will the gentleman yield for a question?

Mr. PEYSER. I yield.

Mr. RABAUT. How does this affect the tire business about which we have been hearing so much, the same tire sold with a different name on it, for instance?

Mr. PEYSER. If the quality were the same and the design were the same, it would be, in all component parts, the identical article. They are not going to have different designs for tires; they make them all the same.

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for 3 additional minutes in order that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Suppose the design of the tread of the tire were different, what would be the case?

Mr. PEYSER. That, in my judgment, would not be considered a different design.

Mr. RABAUT. That is one of the big questions we are trying to eliminate.

Mr. PEYSER. It would be done, principally, for deceit and for evasion. The design of all tires is the same; they are round. Because the design of the tread is different does not mean there is any difference in the fabric. In the matter of a suit of clothes, a stripe could be added without changing the basic quality of the garment. That design may be put in there because it is more saleable in a certain section, still there could be no deviation in the price of the basic articles, because the quality is the same in each; and I think, where they endeavor to discriminate purely on the design of the tread of a tire, it could be set up immediately that it was done merely for the purpose of evasion.

Mr. RABAUT. That is what has been done recently.

Mr. PEYSER. That would cover the design. In my judgment you are not evading a design by putting on a different tread.

[Here the gavel fell.]

Mr. McLAUGHLIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, speaking on behalf of the committee, I may say that this matter has had the consideration of the committee and it feels that if the word "design" is inserted in the qualifying phrases, as suggested by the gentleman from New York [Mr. PEYSER], the door will be open to a situation in which this bill may be flouted and the purposes of the bill destroyed.

As an example, it is felt by the committee that the same identical goods might be sold to a small-quantity purchaser for a certain price and level which would be higher than the same quality goods could be sold to the large-quantity purchaser by simply putting another label on the goods sold to the large-quantity purchaser. In other words, the design would be changed to comply with this act.

I may say that the committee feels this amendment should not be agreed to, and I call attention to the fact that the part of the Clayton Act which is now under consideration is the same in form in the present bill as in the original Clayton Act, which has been on the statute books for 24 years. After 24 years a suggestion is made that that part of the act be amended at this time. Incidentally, I

may say, with all respect and deference to my good friend from New York, the suggested amendment was proposed by one of our colleagues who appeared before the Rules Committee in opposition to the entire bill.

Mr. Chairman, I ask that the amendment be defeated.

Mr. COOPER of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask a question of the gentleman from Texas [Mr. PATMAN]. A great many of the industries in Ohio were very much in favor of the proviso in the Senate bill, appearing on page 4, and reading as follows:

And provided further, That nothing herein contained shall prevent discrimination in price in the same or different commodities made in good faith to meet competition.

I find that on page 9 of the Patman bill, beginning in line 14, there appear these words:

Provided, however, That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor.

Will the gentleman explain the difference between these two proposals?

Mr. PATMAN. If the Senate amendment should be adopted it would really destroy the bill. It would permit the corporate chains to go into a local market, cut the price down so low that it would destroy local competitors and make up for their losses in other places where they had already destroyed their competitors. One of the objects of the bill is to get around that phrase and prevent the large corporate chains from selling below cost in certain localities, thus destroying the independent merchants, and making it up at other places where their competitors have already been destroyed. I hope the gentleman will not insist on the Senate amendment, because it would be very destructive of the bill. The phrase "equally low price" means the corporate chain will have the right to compete with the local merchants. They may meet competition, which is all right, but they cannot cut down the price below cost for the purpose of destroying the local man.

Mr. COOPER of Ohio. What does the gentleman's proviso mean?

Mr. PATMAN. It means they may meet competition, but not cut down the price below cost. It means an equally low price but not below that. It permits competition, but it does not permit them to cut the price below cost in order to destroy their competitors. I hope the gentleman will not insist on the Senate amendment.

Mr. COOPER of Ohio. I do not think the Senate provision permits them to do that.

[Here the gavel fell.]

Mr. HANCOCK of New York. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I want to refer back to the amendment offered by the gentleman from New York which pertained to the inclusion of the word "design" in this bill.

Mr. Chairman, this bill is not Holy Writ and it is not a perfect document. It seems to be in the shape that the gentleman from Texas wants it, and he appeals to you not to change a single solitary word or sentence in the whole thing. This is not fair. I realize he has a steering committee here to see that the bill goes through exactly as he wants it to pass, but let me give you a little bit of the history of the bill.

The very first day it came before the Judiciary Committee the attorney who drew it realized there were imperfections in it and suggested certain amendments. It very soon became apparent to the Judiciary Committee that it was defective in many respects, and a subcommittee was appointed to rewrite it. The subcommittee spent many months in doing so. When they reported it to the full committee dozens of amendments were adopted in executive session. After it was reported here on the floor the Judiciary Committee agreed to still further amendments, which the putative author of the bill, and its chief sponsor, consented to accept.

Mr. Chairman, the gentleman from New York offered an amendment to add the word "design", so that there shall be no discrimination in price between purchasers of goods of the same grade, quality, and "design." Obviously the backers of this bill are interested in groceries. They are not interested in clothing, wallpaper, jewelry, or any of the other innumerable things that move in interstate commerce, the prices of which are influenced by attractive and popular designs and patterns.

Permit me to give you a single example. In my city there is a manufacturer of women's shoes, and every year he offers the market 50 or 60 different designs. Some of them are popular, and he can sell them at good prices. Others do not catch the fickle fancy of our feminine friends, and they are therefore a drug on the market. They are exactly the same grade and quality, but in order to move the unpopular shoes this manufacturer has to sell them for what he can get. He can command a good price for his popular shoes. The same thing is true with china, wallpaper, furniture, fixtures, and innumerable other commodities. Why do you want to penalize that class of business? Do not be carried away just because the gentleman from Texas would have you think this is a perfect piece of work. This bill has to go to the Senate, and it will be a far different one when you see it in final form. There is a lot of perfecting yet to be done.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. PEYSER].

The question was taken; and on a division (demanded by Mr. PEYSER) there were—ayes 19, nays 79.

So the amendment was rejected.

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 5, line 8, after the word "quality", insert "purchased under like conditions"; also on page 5, line 22, after the word "quality", insert "purchased under like conditions."

Mr. CELLER. Mr. Chairman, for days I have been trying to get exactly what is in the mind of the gentleman from Texas about so-called discriminations in prices. I maintain, and will maintain to the end of the discussion of this bill, that from what we have heard there is no question but that there can be no right to anyone selling goods to make any different prices to different customers where the goods are of like grade and quality and quantity, the gentleman from Texas notwithstanding.

The distinguished gentleman from Texas [Mr. PATMAN] put in the RECORD yesterday the following language:

Now, with regard to the statement made by the distinguished gentleman from New York [Mr. CELLER], here is what I said. I said that manufacturers would have to treat their customers alike and give them the same price, and I still say that. For what? For the same quantity under the same conditions. This is the part that the gentleman did not bring out. He simply failed to tell it all.

Now, I simply put his exact language in this amendment, and I say that where the goods are purchased thus under like conditions there can be no discrimination. When they are purchased under unlike conditions, the inference is there can be discrimination and change in price. That is logical and reasonable.

Now, if what the gentleman said this afternoon is so, he should not object to the amendment, as I have put his exact language in my amendment.

We know that goods may be of the same quantity, of the same quality, but may be purchased under unlike conditions. There may be different items of credit. One man may be entitled to a 60-day dating, while another man may be entitled only to cash on delivery. There may be questions of delivery datings. One man may want his deliveries within 10 days; another may want his deliveries in 60 days or 6 months or may want them daily. Certainly, where there are these different conditions, there ought to be the right given to effect a different price. He may want his goods with samples or he may want them without samples. There may be accorded the right to furnish demonstrators for toilet articles or similar goods or there may be no demonstrators. A man may have a strike on his hands or there may be a lock-out, or there may be no labor difficulties.

Certainly, if there are like conditions, there should be no discrimination, but if there are unlike conditions, which is the inference of my amendment, a man should have the right to contract under our Constitution as he sees fit and allow for these different conditions by a difference in price.

The bill, as now drafted, will not allow these differences and I urge upon you sincerely that you allow such differences, because of differing or unlike conditions. Put in the words to which the gentleman from Texas always adverts, namely "like conditions." He reiterates, "Under the same or like conditions." Put them in now. He questioned me yesterday and took me to task because I did not include these words. I include them now in the amendment and I offer them for your judicial and earnest consideration.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from New York is conscientiously opposed to this bill, and, naturally, he is going to do what he can to weaken it. If you were to adopt this amendment he would not vote for the bill. Therefore, he is trying to perfect it for us. So if it is already satisfactory to those of us who have been working on it in the committee and with the other sponsors of the legislation, why should he not let us have the bill we want.

If you put these words in the place where he proposes to insert them, without a sufficient explanation, you will just confuse the bill. You will have confusing language by placing them where he has proposed to put them.

What are the conditions? Delivery by truck, delivery over the railroad, delivery on a barge, delivery at a certain point that is a few miles removed from the other competitor. Any condition like this would remove the case from a question of discrimination if you were to adopt the gentleman's amendment.

The committee worked on this bill for months and a subcommittee worked on it for months. It is true they agreed to some amendments, but they have got a bill they think is all right, and I hope you do not amend it by putting in the weasel phrases and these statements that sound all right, but upon second thought or upon reflection or upon analysis, you find some of them are destructive of the purposes of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was rejected.

Mr. MILLER. Mr. Chairman, I do not desire to cut off anyone from debating amendments on the bill, but I wonder if we cannot reach an agreement under which all debate on amendments may close.

Mr. ROBERTSON. I wish to offer an amendment.

Mr. MANSFIELD. I have an amendment that I desire to offer.

Mr. MILLER. Mr. Chairman, I ask unanimous consent that all debate on all amendments to this section close in 30 minutes.

Mr. CELLER. Mr. Chairman, this is a highly controversial bill, and a great many Members are interested and desire to offer amendments. To cut off debate in 30 minutes would be harmful.

Mr. MICHENER. Mr. Chairman, the gentleman says "on this section." That would end debate.

Mr. MILLER. That would end debate.

Mr. MICHENER. It would end debate in 30 minutes. I am going to vote for the bill, but there are many far-reaching provisions in the bill, and I think the gentleman ought not to close debate. I hope he will withdraw his request.

Mr. MILLER. I will withdraw the request, Mr. Chairman, for the time being.

Mr. BLOOM. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. BLOOM: Page 9, line 6, after the word "commodities", change the period to a colon and insert "*Provided*, That nothing herein contained shall apply to payments for window or counter displays actually made or signs actually used in advertising or displaying a vendor's products on the premises of a vendee."

Mr. BLOOM. Mr. Chairman, I would like to call the attention of Members to paragraph (d). At no place in the bill is the word "advertising" used. It might refer to advertising, but it does not specifically say so. Now, clause (d) reads, as follows:

(d) That it shall be unlawful for any person engaged in commerce to pay or contract for the payment of anything of value to or for the benefit of a customer of such person in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such person, unless such payment or consideration is available on proportionally equal terms to all other customers competing in the distribution of such products or commodities.

Now, Mr. Chairman, that means just this: Remember it says "proportionally." In other words, this will prevent any manufacturer that is starting new in a business from having an opportunity of putting his goods on the market in the manner merchants have been doing for the last 50 years.

I am particularly interested in this one section for this reason: Forty years ago, in 1896, I started a music publishing business, and my success in the business at that time in Chicago was brought about by displaying in the window wax figures of a song I had at that time.

Under this provision, it could not be done. "Proportionally", it says. In other words, if the Coca Cola Co. should make a contract with a store, whether a drug store or grocery store or whatever it may be, and should say, if you buy $100 worth of goods we will give you a sign, then the fellow in the next street, or on the next corner, if he purchased only $50 worth of goods, according to this proposed bill, could have only half a sign. That is what it says. You cannot get away from the fact that this is not workable.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. Yes.

Mr. RAMSPECK. Is there anything to keep the Coca Cola Co., or any other company, from going to drug stores and saying they want a certain amount of space?

Mr. BLOOM. No; you cannot do that under this section. You prevent it from being done.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. Yes.

Mr. MICHENER. The gentleman says that it cannot be done. The Coca Cola Co. under this bill could give anybody all the space they saw fit, but they could not give a discount or a lower price to someone for space which is not used.

Mr. BLOOM. That has nothing to do with this section. This is for services or facilities furnished. It has nothing to do with price.

Mr. MICHENER. But that is where these phony discriminations come in. They claim they render a service which they do not render.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BLOOM. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MICHENER. To finish this up, that is one of the troubles and discriminations here—that one of these manufacturers will sell to one store, say, a million units, provided they do so much advertising, and then, in turn, will exchange checks and pay the purchaser for doing the advertising, and the advertising consists in hanging up a two by four sign.

Mr. BLOOM. I did not yield for a speech. My amendment just takes care of that and provides for an emergency of that kind. It provides that nothing herein contained shall apply to payments for windows or counter display actually made or signs actually used in advertising or displaying the vendor's products on the premises of a vendee. It must be actually done, and if it is not a bona-fide contract, of course, then this would not apply; but if you have a window at

Fourteenth and F Streets and the manufacturer wants to make a contract with that store at Fourteenth and F Streets where thousands of people pass by every day, are you going to pay the same price for one down at Fourth and B Streets where only 50 people pass in the course of a day? My amendment would provide a fair way of advertising in that window or counter display.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. Yes.

Mr. CRAWFORD. Under the gentleman's amendment, at Fourteenth and F Streets, suppose I purchased 10,000 units with an agreement with the gentleman that I will sell through that distributing store, provided he gives me certain advertising allowances. If a man at Seventh and F Streets purchases the same number of units and makes the same distribution, is he entitled to the same advertising benefits?

Mr. BLOOM. That does not affect it here at all. I leave the word "proportionately" in. I am mentioning advertising specifically. I am saying to you this can be done, leaving this the way it is. You give every one the same kind of a deal all the way through. There is no discrimination here, but you have not advertising in here. There is no way that you can read advertising into it, notwithstanding the fact that the gentleman from Texas [Mr. PATMAN], the gentleman from Arkansas [Mr. MILLER], and the gentleman from Wisconsin [Mr. BOILEAU] say there is. The word "advertising" is not in this bill.

Mr. CRAWFORD. I would read it in the words of line 22, page 8, where it says anything of value.

Mr. BLOOM. You can read it in, but it is not mentioned. You can read anything into it, and that is the trouble with the bill all the way through. You are reading a lot of things into the bill, but my amendment allows fair play to the manufacturer, and does not allow the destruction of the little manufacturer who wants to introduce his goods, but he cannot do it under this section of the bill.

Mr. CRAWFORD. As I understand it, he could give the same benefit to all of the customers in the bill.

Mr. BLOOM. He could not do it; it would be impossible. There are no two windows alike, no two counters alike. One side of the street is different from the other side.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. McLAUGHLIN. Mr. Chairman, I rise in opposition to the amendment. With all due deference to the distinguished gentleman from New York [Mr. BLOOM], I may say that the committee, in considering the measure, gave a great deal of time to a discussion of the very things suggested by the gentleman from New York. It is the opinion of the committee that the bill in the form in which it is presented to the House fully protects all purchasers in the matter of advertising discounts, but it is also the opinion of the committee, after due deliberation, that if the bill were amended in the manner suggested by the gentleman from New York, it would be destructive of the purposes intended by the bill itself.

In other words, if you eliminate from consideration in this bill, in the matter of advertising discounts, window display, a situation might exist in which a company which does window-display advertising might put one of its display outfits in a window and then grant to a purchaser a substantial discount on account of that very fact. The bill as it is now drawn takes care of the situation amply.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield.

Mr. CURLEY. This bill, as I understand it, is fair; but how does it provide for these so-called loss leaders that we have so much talk about in the city of New York?

Mr. McLAUGHLIN. The gentleman's question is not germane to the point I am discussing. The gentleman can ask to strike out the last word and address himself to that point.

Mr. CURLEY. That is the question I asked the gentleman from New York.

Mr. McLAUGHLIN. As a matter of fact, it will be taken care of, in the opinion of this committee, if this bill is passed, but I do not have time to go into that now.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield.

Mr. BLOOM. My amendment protects that; this being advertising, show-window and display advertising, that is actually made and delivered.

Mr. McLAUGHLIN. I understand that.

Mr. BLOOM. There is no fictitious advertising that can enter into it.

Mr. McLAUGHLIN. I understand that.

Mr. BLOOM. The gentleman said advertising discounts. It is not advertising discounts at all. These people merely make a contract for a window display or a counter display, and that contract is a matter of public record, and the price they pay for it is a matter of record. There is nothing fictitious about it. It is actually made and paid for.

Mr. McLAUGHLIN. That contract contemplates that the manufacturer will pay the seller a certain amount for the use of his window.

Mr. BLOOM. Yes.

Mr. McLAUGHLIN. That is a discount under another name.

Mr. BLOOM. Is it the gentleman's thought that you cannot make any more window-display contracts?

Mr. McLAUGHLIN. Certainly not, but you can make them only on proportionately equal terms to all customers competing in the distribution of such product or commodity.

Mr. BLOOM. How can you do it on proportionately equal terms when there are no two places alike? Suppose one store is 25 feet and the other store is only 10 feet; what are you going to do with the 10-foot fellow? Give him a half a sign?

Mr. McLAUGHLIN. You can give him a smaller sign. You do not have to cut the sign in two.

Mr. BLOOM. Then you will have all different kinds of signs; is that the idea?

Mr. McLAUGHLIN. They have all different kinds of signs now. What do you do today?

Mr. BLOOM. We do not do that. We would go broke if we did.

Mr. McLAUGHLIN. At any rate, I may say that the amendment proposed has the effect, in the opinion of the committee, of destroying the very purpose of the bill so far as it affects the protection of the small purchaser on advertising discounts.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I move to strike out the last two words. I want to ask the gentleman from Nebraska or some other member of the committee the same question I asked the gentleman from New York [Mr. BLOOM]. I do not read anything in this bill which would prevent the Coca Cola Co., for instance, from going to a druggist and making an agreement with him to put a sign across the top of his window. They can either pay him for it or they could do it for nothing. Am I correct?

Mr. McLAUGHLIN. That is correct. But there must be no discrimination. He has to do it under such terms and conditions that there is no discrimination between competitors.

Mr. RAMSPECK. The gentleman does not understand my question. I say if he goes there, not in connection with the sale of Coca Cola, but goes to the merchant and says, "I want to put a Coca-Cola sign across the top of your window", but it has no connection with a sale, there is nothing to prevent that, is there?

Mr. McLAUGHLIN. They would no doubt take into consideration whether or not that was a subterfuge in a sale or an independent transaction.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The question is on the amendment offered by the gentleman from New York [Mr. BLOOM].

The amendment was rejected.

Mr. CULKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CULKIN: On page 9, strike out the proviso at the end of subsection (e), beginning in line 14 and ending in line 18, and insert the following: "*Provided, however,* That nothing herein contained shall prevent a seller rebutting the prima-facie case thus made by showing that the discrimination in price or furnishing of service or other facilities to any purchaser or purchasers was made in good faith to meet competition."

Mr. CULKIN. Mr. Chairman, may I say at the outset, for the purpose of meeting the probable suggestion that I am opposed to this bill, that I am not opposed to this bill. I am going to vote for it whether or not this amendment is adopted.

I have offered this amendment at the request of the farm organizations of America. The Members of the House received a letter from the various farm organizations, including the Farmers' National Grain Corporation, Northwestern Farmers' Union Legislative Committee, American Farm Bureau Federation, the National Grange, the National Cooperative Milk Producers' Association, in which it set forth a number of reasons why they were opposed to this bill. The amendment which I am now offering embodies one of those objections.

May I say that the farm cooperatives are, to my mind, the truly rational developments of American farming. Artificial aid of Government has never really functioned, but where the farmers have gone into cooperatives and have stood together shoulder to shoulder they have, as a rule, solved their problems. Through these organization they have eliminated one and sometimes two middlemen, and both the farmer and consumer are benefited.

Here is the way this bill, as it now stands, affects the Land O'Lakes cooperative, a great Minnesota dairy outfit:

This cooperative is selling butter in an eastern city. It goes to a local merchant, a grocer, we will say, and offers him some butter. He has been a regular customer. The grocer tells this Land O'Lakes representative: "I cannot buy your product; Swift, or Armour, is underselling you."

"All right; we will meet the competition. What are they offering?"

"Well, I cannot tell you what the packers are selling me for."

"Well, I will offer so-and-so."

"It is not a sufficient reduction."

"Then I will offer such a reduction."

Finally a price is agreed on. The grocer under that scheme of things does not disclose the price the packer is selling him the goods for; so this legislation is not copperplate, as the gentleman from Texas suggested, but it imposes an impossible duty upon this farm cooperative in selling its products under those circumstances.

I ask you gentlemen to consider the status of the farm cooperatives. They are carrying their own, they are ably officered. They are officered by intelligent, honest men, many of whom have come from the soil. Today they are marketing in America approximately $2,000,000,000 of farm products. One-quarter of the farm income is derived through the operation of these farm cooperatives. They speak vigorously and in thunder tones against this provision of the bill.

The zealous attitude, the zeal of the gentleman from Texas, is to be commended in this connection. He is a vigorous personality and has won his spurs in the House. I hope he will not take on the status of a killer and in fact destroy his own excellent work in this field by writing this impossible provision into this bill.

[Here the gavel fell.]

Mr. CULKIN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN (Mr. WOODRUM). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield briefly.

Mr. FLETCHER. How differently does the gentleman's amendment affect the situation?

Mr. CULKIN. It does not require this cooperative to show at what price the other fellow is selling. That is what the bill as it is written requires. It imposes an impossible condition on the selling cooperative.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Briefly.

Mr. CELLER. In our State we have a milk-control board. They fix the price of milk. Certainly those outside the State selling in New York State should be able to meet that competition.

Mr. CULKIN. What the gentleman says is true. I want to call the attention of the House to this further fact. We have at the other end of this building a body known as the Senate which sometimes develops original traits; but they have already passed this bill and written into it the language:

Nothing herein contained shall prevent discrimination in prices made in good faith to meet competition.

That is what my amendment says, and I ask the members of the committee in all fairness to accept this really constructive amendment.

Mr. MILLER. Mr. Chairman, I appreciate what the gentleman says, but this amendment, while offered under the guise of protecting farm cooperative associations, if adopted will open wide the gates not only to farm cooperatives but to every other kind of organization.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 7, line 7, after the word "established", insert a new section, to be known as subsection 2 (a) and to read as follows:

"That nothing herein contained shall be construed or applied in such a way as to increase the cost of goods, wares, or merchandise to the consumer."

Mr. CELLER. Mr. Chairman, all this amendment does is to effect exactly what the proponents of the bill say it will do, namely, not increase the price of any goods, wares, or merchandise to the consumer.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The amendment was rejected.

Mr. CELLER. Mr. Chairman, I offer a further amendment. The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 6, strike out lines 23, 24, and 25, and strike out also, on page 7, lines 1 to 7, inclusive.

The CHAIRMAN (Mr. MEAD). The gentleman from New York is recognized for 5 minutes.

Mr. CELLER. What I seek to do by this amendment is to strike out what is known as the obnoxious restrictions concerning quantity discounts. The Borah-Van Nuys amendment provides that any discount may be given provided it is given equally to everyone under like conditions. The pending bill, however, states that you cannot treat everybody alike but that the Federal Trade Commission shall have something to say about it, shall have the right to fix a limitation beyond which you cannot go, regardless of the fact the buyer may purchase a million units and that millions of dollars may be involved in the order. The Federal Trade Commission can say: "Thus far you may go and no farther." It could under the bill—but not under the Constitution—interfere with your right of contract.

I have been criticized and twitted considerably because I have sought in a way to advance the opinions of the farm organizations in this Chamber. These farm organizations have seen fit to write to me. I do not know a single solitary representative of a farm organization; I would not know them if I were to fall over them; yet they have written to me because they look upon me as one who is seeking to advance their cause. I cannot help that. [Laughter.] I want to read to you this letter, whether you like it or not, whether you take me humorously or seriously. I asked them whether they were satisfied with the wording of the bill with reference to quantity discounts, because these are huge cooperative organizations buying and selling in trainload lots;

they indicated to me they were dissatisfied. This is the response I received from Mr. Chester Gray, Washington representative of the American Farm Bureau Federation. I I herewith give you his letter and my communication to him.

MAY 26, 1936.

Mr. CHESTER GRAY,
Washington representative,
American Farm Bureau Federation,
Munsey Building, Washington, D. C.

MY DEAR MR. GRAY: I note the various objections to the pending Patman bill, H. R. 8442, as set forth in the letter of May 25 signed by yourself and four other leading farm organizations.

Your letter is not clear, however, as to your attitude toward the section dealing with allowable quantity discounts—section 2 (a), subsection (2), on page 6, beginning with line 18.

You indicate in your letter that you favor elimination of "false allowances, false advertising allowances, and unreasonable quantity discounts." The inference is, of course, that you would insist on provisions in the bill to allow quantity discounts to cooperatives and all other large buyers, which would make it possible to pass on to such buyers the full savings of such quantity purchases; that is, savings in costs to the manufacturer due to elimination of selling expenses, advertising, warehousing, and similar overhead items.

Are you satisfied that the language of subsection (2) on page 6 permits of the full realization of these savings to cooperatives and other large buyers?

The language as it appears in the bill would seem to provide for such price differentials, but the special interpretation given this language by both the House committee and the Senate committee materially changes the apparent meaning of that language, in my opinion.

I should be glad to have your views on this point.

Very truly yours,

EMANUEL CELLER.

WASHINGTON, D. C., *May 26, 1936.*

MY DEAR CONGRESSMAN CELLER: Replying to your letter of May 26, relative to the position of the farm organizations on the quantity-discount paragraph of the Patman bill (H. R. 8442), will say that this farm organization—and I believe all others—would insist on provisions which allow the full savings and economies of quantity purchases to be passed on by the manufacturer to such purchasers. It is only the unreasonable quantity discount which should be eliminated.

We have been somewhat puzzled by the special interpretation of the language of subsection (2) of section 2 (a), as given in the committee reports. These interpretations do seem to go far beyond the apparent meaning and intent of the language of the bill, which says that price discriminations between purchasers may be made "which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered." The language of the bill seems so clear at this point that we have been inclined to take it at face value, rather than to accept the explanation in the committee report.

If you think there is any possibility that the narrow interpretation of the committee might in later court action be adopted as the meaning of the language of the bill, we would be glad to join with you in endeavoring to get this language changed.

We would like to have you ask those in charge of this bill to state whether this language would permit the full economies of mass buying to be passed on to the buyer or whether such a buyer would be required to pay for facilities which he does not utilize, such as a pro-rata share of salesmen's expenses, advertising, warehousing, etc.?

If you do not get a satisfactory answer, we would urge you to insist upon changes in the language so as to allow all of the economies of mass cooperative buying to be passed on to the buyers.

Very respectfully,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

What does that mean? Suppose one of these cooperative farm organizations wants to buy some fertilizer. They go to a manufacturer and say, "We want to buy $50,000 worth of your products. We do not want to use your salesmen. We do not want to use your wholesalers or your jobbers. We do not want to avail ourselves of the benefit of any of your advertising, radio broadcasts, or any of that type of overhead. Now, what does it cost to conduct these radio programs?" The manufacturer says, "5 percent." "What is your advertising budget?" Another 5 percent. "What do you pay your salesmen?" Another 5 percent. The statement is made, "We are not going to use those facilities; therefore we want you to allow us the 15 percent.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, they say, "We are not using the 15 percent that you have to lay out in these various directions. We want that difference allowed us. We do not use those facilities, so why should we not receive that difference which you otherwise pay for your advertising, for your radio, and for your wholesalers and salesmen?"

The farm organizations say that the quantity discount provisions as contained in this bill would not permit them to make these savings. It would not permit the manufacturers to give these allowances. The farm organizations and other large mass buyers feel they therefore would be prejudiced greatly by this bill. These savings they would be enabled to pass on to the farm cooperatives just as the other mass buyers would be precluded from passing on those savings to the consumers.

May I ask the gentleman from Texas [Mr. PATMAN] whether or not he is willing to abide by what these farm organizations say in this regard?

Mr. PATMAN. Mr. Chairman, no real farm organization or no real farmer will oppose what this bill proposes to do in this regard. This bill seeks to prevent monopoly, the very thing that the farmer wants to prevent, and no friend of the farmer would want that provision stricken from the bill.

Mr. CELLER. I submit that is not an answer. I ask the gentleman what he thought of this letter from the farm organization with reference to a specific objection, and he speaks of monopolies. There is no monopoly anywhere. The Federal Trade Commission spent over a year and $1,000,000 to find out whether there was a monopoly in any trade or industry, and reported back there was no monopoly. So all this talk about monopolies and the great chain stores controlling everything in sight is just pure bunk and balderdash.

Mr. Chairman, I ask for the favorable consideration of this amendment.

[Here the gavel fell.]

Mr. MILLER. Mr. Chairman, I believe we have debated these various amendments sufficiently. I think the membership understands them clearly. Therefore I ask for a vote upon the amendment offered by the gentleman from New York [Mr. CELLER].

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was rejected.

Mr. MANSFIELD. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MANSFIELD: Page 7, line 7, after the word "established", insert: "*And provided further*, That the Federal Trade Commission is hereby empowered and directed, after due investigation and after hearings afforded to all interested parties, to determine, fix, and establish, and after like investigation and hearings, to modify and revise from time to time the maximum amounts (based on the percentage of the value of the merchandise affected, or otherwise) of the freight charges to be assumed, absorbed, or paid by a seller upon the sale of such merchandise; and the assumption, absorption, or payment of such freight charges in excess of the maximum amounts determined, fixed, and established as above provided shall be deemed to constitute unlawful price discrimination, and is hereby forbidden."

Mr. MANSFIELD. Mr. Chairman, I was in hopes that the amendment which I have just offered would meet with the approval of the gentlemen in charge of the bill, as I consider it in thorough accord with the purposes of the bill. We now have a law which prohibits railroads from indulging in discrimination, a law which prevents them from giving rebates so far as freight charges are concerned. We have, however, no law affecting the freight charges paid by shippers. I have in mind a manufacturing concern in my district that informed me they are very much interested in this question. If they make a certain price to retailers and then

a larger manufacturing concern or importer by selling much larger quantities can afford to pay the freight, or a large proportion of the freight charges to the point of destination, it would be contrary to the purposes of this bill.

In this bill we give the Federal Trade Commission power to investigate and fix quantity discounts. This amendment would give them the same power to prevent similar discriminations with reference to the payment of freight charges to destination.

Mr. Chairman, I do not care to discuss the question further, but I hope the gentlemen in charge of the bill will see their way clear to accept the amendment. I consider it in thorough accord with the purposes of the bill, and I may say that I am for the bill with or without this amendment.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, some of us have gone into this question rather fully with the gentleman from Texas and others who are in favor of the amendment, and we do not think it is in accord with the purposes of this bill. It is what some call the basing point in reverse. This is a question that might well be considered in a separate bill, and I hope the gentleman from Texas will present the matter in a separate bill and urge consideration of it in that way and not attach it to this bill which is for a definite purpose that is not in accord with the amendment in our judgment. Therefore I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MANSFIELD].

The amendment was rejected.

Mr. ROBERTSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTSON: Page 7, line 9, after the word "where", insert "to avoid the hazards of depreciation of value of the product through decline of markets, or."

Mr. ROBERTSON. Mr. Chairman, I am pleased that I can offer an amendment that is in accord with the purposes of the bill. As a matter of fact, I have been assured by the committee members that the provisions contained in my amendment are already in subsection 3 on page 7 of the bill. At this point I want to repeat what I have previously said. No one is more interested than I in seeing eliminated and cured the abuses that have developed in the field of merchandising, much to the detriment of the independent merchants, but I do think we should make a serious effort to get as good a bill as we can.

The committee members contend that under subsection 3 the language, which authorizes price changes in response to changing conditions affecting the markets is sufficient to permit a man who has a perishable product to be marketed to cut his price in anticipation of a declining market in the future. My contention is that the committee bill takes into consideration only a condition that now exists, and in substantiation of that I point to the fact that they give these instances in that connection: "Such as imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court processes." These are conditions of a bad market that already exists.

Now, should not a man with apples or potatoes or vegetables, or any other kind of fruit, be permitted to exercise his sound judgment and discretion and anticipating the hazards of his market, cut the price when he thinks the market may decline, although the decline has not actually hit him. There is no use of giving a man the privilege of cutting his price when the market has already declined. He will have to then take what he can get.

We should be willing to put in this bill in haec verbis what the chairman of the committee assures me is in here, namely, that a man can cut his prices under circumstances of this kind in anticipation of the hazards of a decline of the market. If it is in here, why object to putting in language that we can all agree upon?

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield.

Mr. BLANTON. Could not the seller do that under the bill if he offer the reduced price to everybody alike without any discrimination?

Mr. ROBERTSON. Yes; I think possibly he could, but this may happen. In the morning of one day he sells to one man at one price and he learns of conditions that may affect his market—they have not happened, but in his judgment they are going to happen—and he wants to unload, and in the same town he sells at a lower price, which I say, as this section is now worded, he could not do with safety.

[Here the gavel fell.]

Mr. MILLER. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

Mr. COOPER of Ohio. Mr. Chairman, reserving the right to object, and I shall not object, I ask that I may have 2 minutes.

Mr. MILLER. That is all right.

Mr. MASSINGALE. Mr. Chairman, reserving the right to object, and I shall not object, I would like to ask the gentleman from Arkansas one question which has not been satisfactorily discussed. My understanding is that the proviso, which, I believe, is in section 2 of the Clayton Act, is only referred to in this bill by implication, and there is no express repeal of it. Is this the fact?

Mr. MILLER. No; in this bill we amend section 2 of the Clayton Act "so as to read as follows", and this does away with the provisos in it. It is a reproduction of the same language.

Mr. MASSINGALE. It is a reproduction of the same language?

Mr. PATMAN. Except that all the weasel phrases are cut out.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. COOPER of Ohio. Mr. Chairman, I have no desire to delay the House in the consideration of this bill. A short time ago I called attention to the desires of the steel industries in Ohio to have the proviso in the Senate bill put into the House bill. And in support of their contention I want to read a few lines. They say:

If this amendment is not retained, then we are out of business for long-distance shipments. This is a very vital amendment and must remain in the bill, if monopolies due to geographical locations are not to be created. In other words, unless we have this amendment, the local seller can reduce his price so that the distant manufacturer cannot possibly compete, and competition is ruined. You know the result, of course, when the distant manufacturer has dried up and torn down his mills to save taxes; then the local manufacturer increases prices because his competition has been removed.

I wanted to make that statement so that it can go into the RECORD, and I trust the proviso in the Senate bill will be accepted by the House.

Mr. McLAUGHLIN. Mr. Chairman, with all due deference to the distinguished gentleman from Virginia, I may say that the committee gave due consideration to his proposed amendment, and feels that if the amendment is adopted it will open the door to a situation in which the manufacturer or anyone engaged in a selling activity could discriminate and excuse the discrimination on the ground of a future drop in the market.

The committee feels that section 3 is drawn to take care of that situation, and I hope the amendment will be defeated.

Mr. GILCHRIST. Mr. Chairman, I want to call attention to the Sugar Institute case relied upon by the distinguished attorney from New York [Mr. CELLER], who stated, on page 8342 of the RECORD, that any lawyer worth his salt would have to say that this bill is unconstitutional. He gave us an excerpt from that case which in itself, if properly applied, shows the contrary and that this bill is really constitutional.

But I want to call attention to another thing that the Supreme Court said in that case:

The restrictions imposed by the Sherman Act are not mechanical or artificial. We have repeatedly said that they set up the essential standard of reasonableness. (*Standard Oil Co.* v. *United States*, 221 U. S. 1; *United States* v. *American Tobacco Co.*, 221 U. S. 106.) They are aimed at contracts and combinations which "by reason of intent or the inherent nature of the contemplated acts, prejudice the public interests by unduly restraining competition or unduly obstructing the course of trade" (*Nash* v. *United States*, 229 U. S. 373, 376; *United States* v. *American Linseed Oil Co.*, 262 U. S.

371, 388, 389). Designed to frustrate unreasonable restraints, they do not prevent the adoption of reasonable means to protect interstate commerce from destructive or injurious practices and to promote competition upon a sound basis.

This bill is exactly in line with that decision. It is an attempt to adopt reasonable means to protect interstate commerce from destructive and injurious practices and to promote competition on a sound basis. It is designed to do away with fraudulent practices and secret rebates. It prevents unfair and destructive discriminations which work against the small country storekeeper and in favor of the big and powerful merchant. It prevents unfair discriminations only. It allows and upholds fair and open practices. For example, it allows proper and reasonable discounts and allowances for quantity purchasing. But such discounts and allowances must not be tricky and fraudulent ones. They must not be allowances which are discriminatory. The jobber, under the bill, will have a perfect right to give discounts resulting from quantity purchases provided that these discounts have a reasonable relation to the transaction itself and are based on the difference in the cost of manufacture or of sale or of delivery. What else ought they to be based upon? The manufacturer can give a discount to quantity purchasers if it is based upon a difference in the cost of manufacturing a large quantity instead of the small amount; or if it is based upon the difference in selling a large quantity instead of a small amount; or if it is based upon the difference in cost of delivering a quantity instead of a small amount. The bill has been misrepresented in this respect. And these are the very kind or character of things that were upheld in the Sugar Institute case. In that case the lower court enjoined the suger-refining companies from engaging in some 45 activities. About 2 months ago the Supreme Court of the United States passed upon it and upheld about 42 or 43 of these injunctions, and thereby appellants were prevented from doing many things that were in restraint of interstate and foreign commerce in violation of the Sherman Antitrust Act. Instead of being an authority against the legality of the present proposal, the Sugar Institute case undoubtedly warrants us in saying that the present bill is constitutional. Just why the distinguished jurist and gentleman from New York [Mr. CELLER] cited it and quoted from it is very strange. And when he said in his speech that any lawyer worth his salt would have to agree that the present bill is unconstitutional, he was undoubtedly indulging in hyperbole, which in rhetoric is defined to be a figure of speech in which the expression is exaggerated fancifully through excitement or for effect.

Along the same line, something has been said in argument about the burden of proof, and it has been asserted that the bill is not constitutional because those who have specific and certain knowledge of their own good faith are permitted to prove it. We should distinguish between the duty of going forward with the evidence and the burden of proof. It is often wise to place the burden of producing evidence on the party best able to sustain it. It is very often held that where the party who does not have the original burden of proof, but who does possess positive and complete knowledge concerning the existence of facts which his opponent is called upon to negative; or, where, for any reason, the evidence to prove a fact is chiefly, if not entirely, within the control of the party who does not have the general or original burden of proof, then the burden of going forward with and producing this evidence rests upon him who does have the facts primarily and chiefly within his possession.

Paragraph (e) of section 2 of the bill does not provide that the burden of proof shall shift at any stage of the proceedings. On the other hand, it provides that, after it has been shown that a discrimination in price has really occurred, then the duty of going forward with the evidence to show justification and good faith rests upon the party who has almost exclusive possession of such evidence of good faith, and who has easy means of proving it. We should pass the bill and send it to conference.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. Yes.

Mr. BIERMANN. The gentleman from Virginia [Mr. ROBERTSON] early this afternoon stated a case where an apple grower sells 10,000 bushels of apples for a dollar a bushel and then receives a cable from Liverpool saying that the market in Europe is going to pieces, and, on account of that and in anticipation of the bad market here, sells in the same city of Cincinnati 100,000 bushels of apples at 75 cents a bushel to another customer, and the gentleman stated that under this act the apple farmer would be liable to the penalty clauses of the bill. Is that correct or not?

Mr. McLAUGHLIN. Of course, there is no penalty clause in the bill, in the first place. But if there were, I would say, in the opinion of the committee, he would not be liable.

Mr. BIERMANN. What excuse would he have for doing that?

Mr. McLAUGHLIN. He would have the excuse provided in the bill in its present form in paragraph 3—that nothing therein contained shall prevent price changes from time to time in response to changing conditions affecting the market.

Mr. ROBERTSON. Then the gentleman admits that he cannot anticipate a change, but that it must exist.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. ROBERTSON) there were—ayes 23, noes 72.

So the amendment was rejected.

Mr. CITRON. Mr. Chairman, I ask unanimous consent to extend my remarks and to insert them in the place where the gentleman from Arkansas [Mr. MILLER] earlier in the day yielded to me.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CELLER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 9, line 24, after the word "association", insert a new subsection as subsection (g), as follows:

"Nothing herein shall prevent price discriminations to meet competition resulting from the importation of goods, wares, and merchandise manufactured, grown, or produced outside of continental United States."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. CELLER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 9, line 19, strike out all in lines 19 to 24, inclusive, and insert in lieu thereof the following: "Nothing in this section contained shall prevent the payment or acceptance of commissions, brokerage, or other compensation to or by cooperative organizations, corporate or otherwise, for actual services rendered or performed in the purchase or sale of merchandise where such cooperative organizations return to their constituent members or stockholders the whole or any part of the net surplus derived from their operations, in the form of dividends or otherwise."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The amendment was rejected.

The CHAIRMAN. The question now is on the committee amendment, as amended.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 8442, and that, pursuant to Resolution 523, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. COLMER. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Mississippi makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and sixty-eight Members present, not a quorum.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 111]

Adair	Duffey, Ohio	Lanham	Rayburn
Andresen	Dunn, Miss.	Larrabee	Sanders, La.
Andrew, Mass.	Englebright	Lea, Calif.	Schaefer
Andrews, N. Y.	Ferguson	Lee, Okla.	Sears
Burden	Fernandez	Lewis, Md.	Short
Blackney	Fish	McGroarty	Sisson
Brennan	Gearhart	McLean	Steagall
Brooks	Gray, Pa.	McSwain	Utterback
Buckley, N. Y.	Green	Montet	Wadsworth
Bulwinkle	Gwynne	Moran	Werner
Burch	Higgins, Mass.	Norton	Wilcox
Carter	Hoeppel	O'Day	Wood
Cary	Hope	Oliver	Zioncheck
Casey	Huddleston	O'Malley	
Culkin	Jenckes, Ind.	Peterson, Fla.	
Disney	Kee	Powers	

The SPEAKER. Three hundred and sixty-four Members are present, a quorum.

Mr. BANKHEAD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. DIES) there were—ayes 290 and noes 16.

So the bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read: "A bill to amend section 2 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes."

Mr. MILLER. Mr. Speaker, I desire to prefer a unanimous-consent request.

I ask unanimous consent that the bill S. 3154, which is a bill passed by the Senate dealing with the same subject matter as the bill H. R. 8442, be taken from the Speaker's table and amended by striking out all after the enacting clause and inserting the provisions of the House bill which has just been passed, and then I shall move to vacate the proceedings by which the House bill was passed.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to take from the Speaker's table the bill S. 3154, strike out all after the enacting clause, and substitute the provisions of the House bill which has just been passed. Is there objection?

Mr. PEYSER. Mr. Speaker, I object.

TRANSPORTATION OF MERCHANDISE BY OTHER THAN COMMON CARRIERS IN THE PORT OF NEW YORK

Mr. KENNEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 589, to authorize the Secretary of the Treasury to permit the transportation of bonded merchandise by other than common carriers under certain conditions.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. KENNEY. Mr. Speaker, this bill authorizes the Secretary of the Treasury to permit the transportation of bonded merchandise by other than common carriers in the port of New York district. That is a privilege that is accorded every port in the United States. However, the situation in New York is different. The port of New York district, under executive order of the President, embraces three ports, the ports of New York, Perth Amboy, and Newark. They are all in one district, created by Executive order of the President. It is the custom in other ports to move this merchandise in bond by the importers or private carriers. Under the situation which existed in New York until recently, we had that privilege. However, a late ruling of the Secretary has held, under section 551 of the Tariff Act of 1930 and 873–A of the Customs Regulations of 1931, that on account of the peculiar conditions at New York, this merchandise would have to move by common carrier, and not as in other port districts.

There are no facilities for the movement of these goods between ports in that district by common carrier. The oil and the lumber industries are particularly affected. They have specially designed trucks and lighters to transport this oil and lumber. There are no facilities furnished by common carriers whatever. It is in order to give the privilege to these industries to move their bonded merchandise as in other ports that this resolution is offered.

Mr. MARTIN of Massachusetts. Is this a unanimous report from the Committee on Ways and Means?

Mr. KENNEY. It is a unanimous report.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, does this in any way affect the obligation of the bond?

Mr. KENNEY. None whatever.

Mr. WOLCOTT. Regardless of whether it is carried by contract carrier or by common carrier, the bond still is in force and effect?

Mr. KENNEY. Absolutely. The merchandise will be bonded in any event.

Mr. RICH. Reserving the right to object, Mr. Speaker, was this ruling made by Executive order?

Mr. KENNEY. The ruling was made by the Secretary of the Treasury recently, that the cartage would have to be by common carrier, although for years, up until recently, the port of New York had the same privilege as other ports. However, by reason of the fact that the Executive order creating the port of New York district reserved to the ports of Perth Amboy and New York the rights and privileges of separate ports of entry, this amendment now is necessary in order to cure the inequitable situation existing in the port of New York.

Mr. RICH. It is to perfect the inequalities in the Executive order.

Mr. KENNEY. No; it is not that. The Executive order was issued following an act of Congress which approved a treaty between the States of New York and New Jersey.

Mr. CROWTHER. Mr. Speaker, will the gentleman yield?

Mr. KENNEY. I yield.

Mr. CROWTHER. I may say to the gentleman from Pennsylvania and the other Members present that this bill was given careful consideration by the subcommittee and also by the full committee and was reported unanimously. It does not in any way endanger the revenue. It is made necessary by the inclusion of these three ports as one—Newark, Perth Amboy, and New York City.

Mr. MAVERICK. Mr. Speaker, reserving the right to object, does this in any way affect the present lottery laws?

Mr. KENNEY. Not at all, but I may say to the gentleman from Texas that yesterday up in Pennsylvania Senator NYE made a statement in which he said that within the next 10 years there would be a legal lottery law. My every effort is to bring this law into effect within 1 year. [Applause.]

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The Clerk read the joint resolution, as follows:

Joint resolution to authorize the Secretary of the Treasury to permit the transportation of bonded merchandise by other than common carriers under certain conditions

Resolved, etc., That the Secretary of the Treasury be, and he is hereby, authorized, when it appears to him to be in the interest of commerce, and notwithstanding any provision of law or regulation requiring that the transportation of imported merchandise be by a bonded common carrier, to permit such merchandise which has been entered and examined for customs purposes to be transported by bonded cartmen or bonded lightermen between the ports of New York, Newark, and Perth Amboy, which are all included in customs collection district no. 10 (New York): *Provided*, That this resolution shall not be construed to deprive any of the ports affected of its rights and privileges as a port of entry.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF LAND TO KENTUCKY

Mr. SPENCE. Mr. Speaker, by direction of the Committee on Rivers and Harbors, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11916) to authorize the transfer of a certain piece of land in Muhlenberg County, Ky., to the State of Kentucky, and ask for its immediate consideration.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. SPENCE. This is a piece of land that was ceded to the National Government by the State of Kentucky in 1886 for lock and dam purposes. A highway has been built upon the land and now they want to make the highway a permanent structure, but the Highway Commission of the State of Kentucky will not proceed with it unless title to this land is vested in the State of Kentucky.

Mr. MARTIN of Massachusetts. Why should we take the bill up tonight instead of waiting until the Consent Calendar is called on Monday?

Mr. SPENCE. This is the bill of the gentleman from Kentucky [Mr. CARY], who is sick in the hospital.

Mr. MARTIN of Massachusetts. It will not make any difference in the status of the matter whether it is considered today or Monday, will it?

Mr. SPENCE. I do not think there is any possible objection to this particular bill. It is only a small piece of land, sixty-five one-hundredths of an acre, which the War Department values at $5.

Mr. MARTIN of Massachusetts. If we are going to pass all these bills by unanimous consent there will be nothing to do on Monday.

Mr. SPENCE. That will not be any great calamity, will it?

Mr. MARTIN of Massachusetts. I think they ought to be taken up in the regular way.

Mr. SPENCE. I ask the gentleman to be a little indulgent about this bill. The gentleman from Kentucky [Mr. CARY] has had no opportunity to be here to take care of it.

Mr. RICH. Mr. Speaker, reserving the right to object, is the bill accompanied by a report from any committee?

Mr. SPENCE. Yes; the Committee on Rivers and Harbors reported the bill favorably. The War Department values the land at $5.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized to convey to the Commonwealth of Kentucky for State road purposes, without expense to the United States, all the right, title, and interest of the United States in and to a certain piece of land in Muhlenberg County, Ky., described as follows:

Beginning at a point in the property line between the United States and R. V. Hammers and wife, the said point of beginning being 30 feet left and opposite station 905+40 in the center line of survey made by the Kentucky State Highway Commission; thence running with the said property line south 31° E. 295 feet, more or less, to a point in the property line between the United States and J. S. Bowles and wife, the said point being 23 feet left and opposite station 908+23 in the center line of survey; thence running with the last-named property line south 60° E. 21 feet, more or less, to a point 30 feet left and opposite station 908+40 in the center line of survey; thence running 30 feet from and parallel with the center line of 2°41' curve in a northwesterly direction 182 feet, more or less, to a point 30 feet left and opposite station 906+58.7 in the center line of survey; thence continuing 30 feet from and parallel with the center line of 16° curve 182 feet, more or less, to the point of beginning, as shown by plans on file at the office of the State highway department, Frankfort, Ky.

Such conveyance shall contain the express condition that if the State of Kentucky shall at any time cease to use said land for road or highway purposes, or shall alienate or attempt to alienate such land, title thereto shall revert to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS PASCAGOULA RIVER, WILKERSON'S FERRY, MISS.

Mr. COLMER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 4533) granting the consent of Congress to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge across the Pascagoula River at or near Wilkerson's Ferry, Miss.

The Clerk read the title of the bill.

Mr. HOLMES. Mr. Speaker, reserving the right to object, and I shall not object, will not the gentleman explain the bill?

Mr. COLMER. The bill provides for the erection of a free bridge across this river, which is in Jackson County, Miss., at a place where a small hand ferry is now being operated. It merely gives the State highway department the authority to construct a free bridge across the river at that point.

Mr. HOLMES. The gentleman is merely taking the precaution of getting the consent of Congress so that in the future should the question of the navigability of the stream at that point be raised, the gentleman will not be faced with the fact that he has not the sanction of Congress.

Mr. COLMER. That is so.

Mr. HOLMES. Otherwise it is an intrastate bridge and Congress would have no jurisdiction over it.

Mr. COLMER. Quite so.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, do I understand that this bridge will be paid for wholly by the State and that there will be no bonds which will have to be retired from revenues?

Mr. COLMER. I may say in answer to the question that there have been no definite provisions made for the construction of a bridge at this point. This merely authorizes the State highway department to construct a free bridge.

Mr. WOLCOTT. I infer from the fact this is a free bridge that there will be no tolls charged for the use of it, and it will be constructed at the expense of the State of Mississippi?

Mr. COLMER. Yes.

Mr. WOLCOTT. I want to congratulate the gentleman on offering such a bill. It is rather unusual.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge and approaches thereto across the Pascagoula River, at a point suitable to the interests of navigation, at or near Wilkerson's Ferry, Miss., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. F. U. PAINTER, ET AL.

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9125) for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs. G. C. Oliphant, Amelia A. Daimwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire,

Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, and Dr. E. O. Arnold.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Amend the title so as to read: "An act for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs. G. C. Oliphant, Amelia A. Dalmwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire, Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, Dr. E. O. Arnold, and Jennie Chapman."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. KLEBERG. The amendment consists of adding another doctor's name, who was the subject of relief in this bill. One of the doctors died after an acute attack of appendicitis while on leave of absence from the S. S. *Brazos*.

Mr. MARTIN of Massachusetts. Has the committee approved this change?

Mr. KLEBERG. Yes. The House passed the bill sometime ago, and this doctor's name was inadvertently omitted. There was no increase in the amount.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

PERMISSION TO ADDRESS THE HOUSE

Mr. TABER. Mr. Speaker, I ask unanimous consent that on tomorrow after the reading of the Journal and the disposition of matters on the Speaker's table I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a short statement with reference to the Black Legion and to include therein two short letters and a telegram.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. RANKIN. Mr. Speaker, reserving the right to object, this ought to go in the Appendix of the daily RECORD.

THE BLACK LEGION AND THE NEW DEAL

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for one-half minute, and to read two short letters and a telegram.

The SPEAKER. The gentleman asks unanimous consent to speak for one-half minute. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the disclosures showing the activities of the Black Legion in Michigan are startling, but, analyzed, it will be discovered that the horror with which those activities are viewed may be traced, in part at least, to the extremes to which they have been carried; that is, to personal violence, to floggings, to murder.

The objectives of the organization are old; that is, the collection of revenue from those to whom regalia is sold and the grasping and exercise of an arbitrary power. Nor is there anything new in the method of obtaining these objectives; that is, by threat, intimidation, and the creation of fear.

May 5 I received from Benton Harbor, in my district, from someone who was displeased because of my refusal to back the Townsend plan, which its claimed author said would give to everyone, with certain qualifications, whether he needed it or not, who was upward of 60 years of age, a pension of $200 per month, a letter, which, referring to the Townsend committee, made, among others, the following statements:

You saps better look in glass and see if you see some green grass sprouting, as you are all going to have a green place two by six before many months unless you get doing something for the people.

You better start soon or the K. K. K. boy will give you a ride, as we are not all monkeys, as you think the most people are in your one-track mind. The big B has been looking after both old parties and they are rotten as hell and lots of us are in shape to take it in our hands to take all ——— for a ride.

I would like to punch that dirty mug of yours. * * * Seven spoke at meeting other night, and you are condemned a traitor and not fit to represent a dog house.

Yours for a fight mighty sooner than you expect.

K. K. K. MEMBER.

Don't get too many feathers in your hat, as all can be clipped or taken in a short time.

K. K. K.

Look out for the hood.

You need the limit, and I cannot say just what that will be; you are going to get a plenty of trouble brought on yourself.

In the same mail came another letter from a Townsendite, who, among other things, said:

You dirty, lazy boondoggling son of a —— have nothing to do but go around the country trying to discredit American citizens.

* * * * * * *

You Wall Street sons of —— are fighting for your life.

You lousy sons of a ——, I would like to meet you face to face and tell you what I think of you dirty thieves.

And there were only 163 words in this letter.

These are only samples. There are many others. The favorite sport—outdoor, indoor, summer, and winter—of some people, including a few reporters and editorial writers, seems to be jumping on Congressmen. Perhaps Congressmen should not criticize these efforts. Their authors are following what seems to be becoming a common practice—that is, the making of threats, the creating of fear, the withholding of benefits, unless certain political action is taken.

Not long ago I placed in the CONGRESSIONAL RECORD copies of forms given to those seeking relief work, which required the applicant to disclose how he had voted, whether he had contributed to the Democratic organization, and the amount, if any, which he had contributed since a certain date. This was the Democratic practice followed in my home district, the Fourth Michigan.

However, apparently is it not local, and for evidence let me quote the following telegram and letter:

WASHINGTON, D. C., *May 18, 1936.*

Personal.

CHARLES NELSON,

Mac Sim Bar Paper Co., Otsego, Mich.:

Our Mr. J. F. Gormeley will call on you Tuesday. Will appreciate your seeing him.

W. FORBES MORGAN,
Secretary, Democratic Committee.

MAC SIM BAR PAPER CO.,
Otsego, Mich., May 25, 1936.

Hon. CLARE HOFFMAN,

House of Representatives, Washington, D. C.

DEAR MR. HOFFMAN: We are sending you the enclosed information which you may use as you see fit. Further explaining this matter, will say that the enclosed telegram was received on the morning of May 19, and 30 minutes later Mr. Gormeley called me on the telephone and wanted an appointment, from Kalamazoo.

Upon this request we asked him what the appointment was for, and he said he wanted us to subscribe to the Democratic campaign fund. We advised him that we didn't believe we would be interested today in making a subscription and he asked me, in a very insolent manner, what I meant by "today." I repeated the answer and he asked me if we would be interested in subscribing at a later date and we told him we did not think so.

Then he asked me, in a very nasty manner, if we wanted him to report this to Washington, that we refused to contribute to this fund. My answer was "Yes." The telephone was immediately slammed up and this ended the conversation.

If you do not care to use this information just forget about it.

Yours truly,

MAC SIM BAR PAPER CO.,
C. E. NELSON, *President.*

The Mac Sim Bar Paper Co. is a large, legitimate business organization, conducting its business in a legal manner and in accordance with recognized trade practices. No fault of any kind is found by anyone with the way in which it does business, so far as its management is aware.

Yet here is a telegram from W. Forbes Morgan—and, by the way, what is his relationship, if any, to the Roosevelts?—secretary of the Democratic National Committee, telling the president of that company that Mr. Morgan's Mr. Gormeley will call upon him, and Mr. Gormeley in effect telling this paper company that it had better come across with a cam-

paign contribution, and threatens that if it does not its action will be reported to Washington.

Is the Mac Sim Bar Paper Co. to be harassed by Federal agents investigating trumped-up charges?

And, after all, what is the difference between the objectives of the Black Legion and the New Deal administration?

The Black Legion wants its way at all costs. Apparently it wants money. It enforces its will by intimidation.

The New Deal is always grasping for power. It is continually taking the funds of one class of citizens and giving them to another. Common knowledge, as well as the decisions of the Supreme Court, establishes this.

Here we are in a campaign year. Those seeking their share of public funds appropriated for relief, and to which they are entitled, are required to give allegiance to the Democratic Party before they can get it.

Here is a telegram from the secretary of the Democratic National Committee arranging for an appointment for his agent to meet the head of a business concern, and that agent informs the president of the business concern that if he does not, in common parlance, "come across" he will be reported to Washington—a threat, an attempt to intimidate, to create fear.

The secretary of the Democratic National Committee cannot, like the hooded legion, beat up on the Mac Sim Bar Paper Co., but he can issue threats, vague and uncertain, as to what will happen if his wishes are not followed.

If my conclusions seem farfetched, read Macfadden in Liberty. Read Senator DICKINSON in the same magazine. Read George N. Peek, former Triple A Administrator, in the Saturday Evening Post. Read almost any national newspaper or magazine.

By all means, let the authorities clean up the Black Legion. And, while it is being done, let the New Deal set its own house in order.

INVESTIGATION OF CHARGES AFFECTING THE MERCHANT MARINE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter received by me from the Secretary of Commerce and a copy of my letter to him.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following correspondence with the Secretary of Commerce:

THE SECRETARY OF COMMERCE,
Washington, May 27, 1936.

Hon. VITO MARCANTONIO,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: I desire to refer to the matter of the statements of the seamen which you transmitted to me with your letter of April 29. At that time we had in mind the appointment of a special committee for the purpose of making a careful and thorough investigation of the allegations contained in the statements. It was thought that the committee to be seleced should be along the lines of the proposed Marine Casualty Investigating Committee, provided for in H. R. 8599, then in the final stages of passage in Congress. However, prior to the enactment of that legislation, Senator COPELAND, chairman of the Senate Committee on Commerce, appointed a special subcommittee for the purpose of making investigations into various charges affecting the merchant marine, and inasmuch as such an investigation by the Senate committee would necessarily duplicate and overlap any investigation which might be made by the special committee that we had in mind, it was believed that in the interest of economy and expedition of these matters, that they should be handled by the same committee.

Furthermore, Chairman COPELAND'S committee will look into certain claims presented by ship operators and it would appear quite desirable that in order that his committee may develop the entire picture as a whole, the committee should also examine into the allegations made by the seamen.

This arrangement having met with the approval of Chairman COPELAND and officials of the Department of Commerce, we are turning over the statements of the seamen to Chairman COPELAND, by whom I am confident a thorough and comprehensive investigation will be conducted.

Very sincerely,

DANIEL C. ROPER,
Secretary of Commerce.

Copy of letter sent by Congressman MARCANTONIO to Hon. Daniel C. Roper, Secretary of Commerce, in answer to Mr. Roper's letter sent to the Congressman, May 27, 1936:

MAY 27, 1936.

Hon. DANIEL C. ROPER,
Secretary of Commerce, Washington, D. C.

MY DEAR MR. SECRETARY: I have before me your letter of the 27th instant in which you advise me that the memorandum containing serious charges of lack of safety at sea submitted by the striking seamen of New York City has been turned over to the committee appointed by Senator ROYAL S. COPELAND for a "thorough and comprehensive investigation."

It is most unfortunate that these charges have been turned over to this committee. The striking seamen have no faith in the committee appointed by Senator ROYAL S. COPELAND. The so-called representatives of labor on that committee are Mr. David Grange, Mr. John Bley, and Mr. Paul Sharenberg. These gentlemen are not truly representative of labor. Furthermore, their records of opposition to the striking seamen who have presented these charges to you and at your request disqualify them to sit as impartial judges of these charges.

Mr. Bley's strong-armed tactics against seamen are well known. He is completely out of harmony with the principles for which these men are striking. Mr. Sharenberg was expelled from his own local by an overwhelming vote. His expulsion disqualifies him from sitting as a representative of labor. Mr. David Grange has been repeatedly repudiated by the rank and file of his own union. He was one of the officials who signed an agreement with shipowners after a similar agreement had been rejected by an overwhelming vote of five to one by the seamen at a referendum. Despite this decision on the part of the seamen, Mr. Grange and his colleagues arbitrarily signed a similar agreement with the shipowners. Only several weeks ago Mr. Grange sought to enjoin these seamen who have presented these charges to you from striking. The character of the testimony presented by Mr. Grange was so repulsive that even Mr. Grange's attorneys were compelled to withdraw the application in the midst of the trial. How can Mr. Grange sit as an impartial judge and pass with fairness on the charges made by these same seamen whom he has fought for the past 3 months?

In view of the character of the so-called labor personnel of this committee, it is obvious that the charges presented to you cannot receive a thorough and comprehensive investigation at their hands.

Furthermore, on April 2 you informed me as follows:

"With reference to the conference held yesterday with you and a group of seamen, headed by Mr. Curran of New York, I am anxious to immediately take proper action on any and all matters affecting safety of life at sea. I hope, therefore, you may be able to furnish me the memorandum promised."

On April 28 I submitted this memorandum, composed of 110 statements signed by the seamen. On the same day you acknowledged receipt of this memorandum. You will also recall that at the meeting held before you on April 21 you promised to conduct a thorough investigation of this matter. In view of the so-called labor personnel of the committee appointed by Senator ROYAL S. COPELAND, in view of the seriousness of the charges made by the seamen, in view of your promise to investigate these charges, I submit that turning these charges over to this committee is tantamount to ordinary "buck passing." The responsibility "to immediately take proper action on any and all matters affecting safety at sea", and these words are your own, rests with you and your department. In my opinion, the transferral of these charges to this committee evades this responsibility. I must, therefore, strongly urge that you carry out the promise made by you to these seamen and that you conduct a fair and impartial investigation of these charges.

Very truly yours,

VITO MARCANTONIO.

MILITARY EXPENDITURES AROUND SAN ANTONIO, TEX., AND WHAT IT MEANS

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter I received from the Secretary of War together with a few complimentary remarks which I may make about the Secretary of War.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SAN ANTONIO'S GREAT MILITARY CENTER

Mr. MAVERICK. Mr. Speaker, I have frequently mentioned the fact that I represent the county of Bexar, State of Texas, in which is located San Antonio, Tex.; and in my district is the greatest military center in America.

We have numerous air fields and depots, quartermaster depots, old Fort Sam Houston, a great arsenal, and tactical grounds.

In the upkeep of these posts and the continuation of efficient service to the Nation, I have constantly cooperated

with the Secretary of War, who tells me that the War Department appreciates "your deep interest in the Army and your efforts in its behalf." He says that the results obtained are best evidenced by the sums of money expended by and for the Army in and near San Antonio to the lasting good not only of national defense but of the community as well.

LETTER OF SECRETARY OF WAR

The full letter of the Secretary of War is as follows:

MAY 26, 1936.

Hon. MAURY MAVERICK,
House of Representatives, Washington, D. C.

DEAR MR. MAVERICK: In reply to your letter of May 7, 1936, wherein you request information about Army properties and expenditures at San Antonio, Tex., the following data has been prepared:

WAR DEPARTMENT PROPERTIES NEAR SAN ANTONIO

a. Résumé of War Department properties in and near San Antonio, Tex., their value, etc.:

Name	Acreage	Land value, 1929	Buildings and improvements, replacement value	Total value
Brooks Field	954.27	$476,750.00	$1,357,720	$1,834,470.00
Kelly Field	2,656.09	646,187.00	1,784,210	2,430,397.00
Normoyle quartermaster depot	88.12	50,400.00	2,353,724	2,404,124.00
Randolph Field	2,318.79	579,697.50	11,172,036	11,751,733.50
Fort Sam Houston	3,270.53	3,607,982.50	13,936,992	17,544,974.50
San Antonio air depot	423.59	(1)	954,553	954,553.00
San Antonio Arsenal	19.65	750,000.00	1,825,000	2,575,000.00
Leon Springs	21,816.84	(2)	(2)	(2)
San Antonio National Cemetery	67.74	25,821.00	74,180	100,001.00
Total	31,615.62	6,136,838.00	33,458,415	39,595,253.00

[1] Included in Kelly Field.
[2] Included in San Antonio Arsenal.

AMOUNT ANNUALLY SPENT IN SAN ANTONIO

b. The amount annually spent by the Government through the War Department agencies at San Antonio covers such items as pay, subsistence, fuel, repairs, upkeep, etc. The total of all such expenditures for an average normal year is approximately $19,500,000. This amount includes expenditures at all of the stations listed above. During the past year, however, the expenditures were approximately $17,000,000 more than the above figure, or a total of $36,500,000, due to C. C. C. and relief expenditures. These figures are as close and reasonably accurate estimates as can be made within a short period of time.

RECENT BUILDING EXPENSE

c. The following table shows the amounts spent each year since 1932 on buildings and extraordinary expenses, including fuel, light, power, operating supplies, maintenance, and repair of buildings and structures and new construction:

Station	1932	1933	1934	1935	1936
Brooks Field	$72,018	$55,280.00	$56,864	$52,133	$208,505
Kelly Field	123,310	97,159.00	231,402	46,636	583,845
Normoyle quartermaster depot	40,818	41,613.00	36,623	23,337	83,218
Randolph Field	506,668	542,387.07	1,488,147	163,788	147,567
Fort Sam Houston	804,187	851,186.00	3,795,155	2,500,416	403,916
San Antonio:					
Air depot	434,740	241,137.00	176,751	75,154	211,804
Arsenal	151,860	148,789.00	148,579	149,081	185,000
National cemetery	5,242	4,612.00	3,952	12,508	9,418

Totals spent for buildings and extraordinary expenses:

1932	$2,228,843.00
1933	1,982,163.07
1934	5,937,473.00
1935	3,023,053.00
1936	1,833,273.00

THE SECRETARY OF WAR SAYS

The War Department appreciates your deep interest in the Army and your efforts in its behalf. The results obtained are best evidenced by the sums of money expended by and for the Army in and near San Antonio, to the lasting good not only of the national defense but of the community as well.

Sincerely yours,

(Signed) GEO. H. DERN,
Secretary of War.

Mr. Speaker, the Secretary of War, is a level-headed civilian and not a noisy militarist. He was Governor of Utah, where he delivered the goods in the most capable manner and was selected by Mr. Roosevelt as a western Democrat of great executive ability to be Secretary of War.

Mr. Dern has constantly refused to connect himself with any move to restrict civil liberties; he did not encourage the military disaffection bill, which would have taken freedom away from the American people, and finally gave a public statement to the effect that he did not favor that character of legislation and thereby effectively killed it.

It has been a custom in this country not to get a militarist or military man to be Secretary of War, but to appoint an outstanding civilian of administrative and executive experience.

I appreciate the good will of the Secretary of War personally, and on behalf of my people.

By unanimous consent, I place in the RECORD in tabular form, precisely as issued by Military Affairs Committee, a list of the membership indicating also rank and seniority, with States:

HOUSE OF REPRESENTATIVES, UNITED STATES
COMMITTEE ON MILITARY AFFAIRS
SEVENTY-FOURTH CONGRESS

John J. McSwain, South Carolina, chairman.
Lister Hill, Alabama.
Numa F. Montet, Louisiana.
Andrew J. May, Kentucky.
Ewing Thomason, Texas.
William N. Rogers, New Hampshire.
Dow W. Harter, Ohio.
Charles I. Faddis, Pennsylvania.
Clarence W. Turner, Tennessee.
Andrew Edmiston, West Virginia.
Edwin M. Schaefer, Illinois.
J. Joseph Smith, Connecticut.
Matthew J. Merritt, New York.
Maury Maverick, Texas.
Frank J. G. Dorsey, Pennsylvania.
John M. Costello, California.
J. Mark Wilcox, Florida.
Paul J. Kvale, Minnesota.
Harry C. Ransley, Pennsylvania.
Walter G. Andrews, New York.
Donald H. McLean, New Jersey.
Charles A. Plumley, Vermont.
Sam L. Collins, California.
Dewey Short, Missouri.
L. C. Arends, Illinois.
Samuel W. King, Hawaii.
Kenneth Anderson, clerk.
A. E. Sloan, assistant clerk.

THE ROBINSON-PATMAN BILL

Mr. WHITE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein a letter written by me to the Federal Trade Commission and their reply thereto.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker and Members of the House, the legislation under consideration—the Robinson-Patman bill—to outlaw price discrimination and unfair trade practices, is vitally necessary to stability of business throughout the country and the maintenance of fair prices to the consumer everywhere.

For the information of the Members of the House, I include in these remarks a copy of a bill which was introduced by myself to prohibit manufacturers' special rebates, and so forth, a copy of my letter to the Federal Trade Commission and the Commission's reply thereto.

[H. R. 6246, 74th Cong., 1st sess.]

A bill to prohibit manufacturers' special rebates or discounts to chain- or branch-store organizations competing with independent retail establishments, and for other purposes

Be it enacted, etc., That it shall be unlawful for any manufacturer, directly or indirectly, by any special price, rebate, discount, or other device, to charge, demand, collect, or receive from any chain store or mail-order organization, or any similar or other retail sales organization, or any unit or branch thereof, which competes with independent or individual retail establishments, a lesser price for goods, wares, or merchandise than it charges, demands, collects, or receives from any other individual, partnership, association, or corporation for like goods, wares, or merchandise. Any individual, partnership, association, or corporation violating this act shall be punished by a fine of not less than $500 nor

more than $2,000, or by imprisonment for not less than 6 months nor more than 2 years, or both.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 12, 1935.

FEDERAL TRADE COMMISSION,
Washington, D. C.

GENTLEMEN: This office is in receipt of a number of petitions asking for certain relief, signed by a majority of representative businessmen of the important cities and towns of the First Congressional District of Idaho which I have the duty to represent.

The petition reads as follows:

"We, the undersigned, citizens of this congressional district, earnestly and respectfully petition, urge, and request you, as our Representative in the Congress, to use your best efforts in securing national legislation necessary to abolish and prohibit the nefarious discriminatory practice of manufacturers granting special secret rebates and discounts to the so-called chain stores, mail-order houses, and other syndicates operating in opposition to the independent business interests of the country, regardless of the pretext or subterfuge under which such discounts, rebates, or other special privileges and benefits may be granted."

Doubtless your Commission has information concerning trade practices which are unfair and constitute unfair competition, which the petitioners seek to have checked and eliminated. It is apparent that the practice referred to is designed to destroy and eliminate competition, with the ultimate objective of permitting profiteering by price-fixing methods, which is, to my mind, a large contributing factor in creating the present business instability and the resulting depression the country is now experiencing.

I should appreciate a report from your Commission on this matter, with any recommendations you may care to make to correct the abuses complained of.

Sincerely yours,

COMPTON I. WHITE.

FEDERAL TRADE COMMISSION,
Washington, February 15, 1935.

Hon. COMPTON I. WHITE,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I am writing in reply to your letter of February 12, setting forth petition received from citizens of your district, with respect to alleged practice of manufacturers granting rebates to chain stores, etc.

You may recall that in response to Senate Resolution 224, Seventieth Congress, first session, the Federal Trade Commission made an exhaustive investigation of the chain-store industry, and as a result of such inquiry submitted to the Senate some 33 factual reports covering various phases of the industry. A list of these reports is enclosed. The reports have been printed as Senate documents. Copies of any of these reports if available, and which may be of especial interest to you or to your constituents, will be furnished upon request.

At the conclusion of the inquiry the Commission submitted to the Senate on December 14, 1934, its final report, including conclusions and recommendations based upon the factual material theretofore reported to the Senate. This final report is now in the hands of the Public Printer and copies are expected to be available for distribution within a very short while. I have listed your name to receive a copy as soon as available.

In the meantime there is transmitted for your information an uncorrected page proof of the final report, together with separate copy in mimeographed form, of the conclusions and recommendations of the Commission. Additional copies may be had upon request. It is believed that the subject matter of the petition to which you refer in your letter of February 12 is covered by the final report and conclusions and recommendations of the Commission.

In pursuance of the Federal Trade Commission Act, the Commission is charged with the duty of preventing unfair methods of competition in commerce; by the provisions of the Clayton Anti-trust Act it is charged with the duty of preventing certain other practices, such as unlawful price discriminations, tying contracts, stock acquisitions, and interlocking directorates. The Commission is, of course, ready at all times to receive and investigate complaints of practices in alleged violation of the laws which it administers, and if your constituents desire to lay before the Commission evidence of such alleged unlawful practices, the Commission will give as prompt attention to the matter as possible.

If you care to submit the names and addresses of a limited number of your constituents who are especially interested in the subject matter, I am sure the Commission will be pleased to forward a copy of its final chain-store report when available, which report will include its conclusions and recommendations.

If additional information on the subject is desired, I shall be glad to attempt a prompt reply to your further inquiry.

Respectfully,

OTIS B. JOHNSON, *Secretary.*

The unfair trade practices that will be curbed by the Robinson-Patman bill go far beyond the grocery trade and extend into the merchandising of most of the necessities used on the farms and in basic industries—implements, tools, and supplies of all kinds. In a word, trade practices that have operated to destroy competition, to be followed by price fixing after competitors have been driven out of business, creating a condition that permits a monopoly and the exaction of exorbitant and unfair prices, will upset price parity and undermine the business structure throughout the country. It is apparent that business must be rescued from this perilous situation, and I am unqualifiedly in favor of passing this bill.

ADDRESS AT THE REPUBLICAN STATE CONVENTION OF ILLINOIS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech which I recently delivered.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address delivered by me before the Republican State convention, Peoria, Ill., May 22, 1936:

We are met today in the heart of one of the great Commonwealths of the Nation to ponder the past, to take inventory of the present, and to find hope and inspiration for the future. We meet within a short distance of the very place where Abraham Lincoln, patron saint of our party, 82 years ago, defined the issues of his day, forecast the crisis that was then impending, and reaffirmed his devotion to sound moral, economic, and political principles as the only remedy to cure the malady which then afflicted our people. We meet to hear the standard bearers of our party, to dedicate ourselves to an earnest and forthright Republicanism, to pledge ourselves to harmony of spirit, purpose, and action, and to engender a crusading zeal that will insure victory to our cause in November.

In approaching this solemn task there are some fundamentals which must not be obscured. This is a crucial period. On every hand we see the strivings and hear the yearnings of a people, punch drunk from the repeated blows of a depression, who clung so fondly to the promises that were made by this administration to lead them into the Promised Land. They are beset with bewilderment and confusion. They are beset with doubts and uncertainties. They seek enlightenment and truth. Like Lincoln, they share the sentiment that if they but knew where the Nation is, and whither it is tending, they would know the better what to do.

There devolves upon the Republican Party, therefore, an educational mission such as it has scarcely ever been called upon to perform. This is an hour for dispassionate truth and common sense. This is an hour in which we must solemnly pledge ourselves to refrain from emotionalism and stick to the facts. This is an hour for careful abstinence from name calling, personalities, and invective, principles must not be sacrificed to sound and fury. Instead of emphasizing nonessentials, as in the case of the small boy who importuned the captain to stop the ship in the middle of a dangerous whirlpool because his apple had fallen overboard, we must place the emphasis on important things and think in terms of national destiny.

I am not insensible to the political philosophy that would bid us win at any price and that would have us match the promises of the administration with even greater and more glorious promises, but let us not forget that in the past we builded this Nation on the rock of enduring policies and that we can justify our high place in the history of this Nation only by thinking of the years to come as well as of the fleeting present.

As we ponder the past in order to throw light on the present, we find that but 20 years ago the Nation was plunged into a war for democracy. From that war we emerged with thousands of lives of our young soldiers sacrificed, with billions of our national wealth destroyed or loaned to foreign nations, with artificially high prices and high wages, with the industrial and agricultural structure of the Nation expanded far beyond normal needs, and a foreign trade the highest in the history of this Republic. The headache was to come afterward. No thinking person who knows how inevitable the law of compensation is could escape the conviction that someday there must be a reckoning, and that every drop of blood shed in a man-made war must one day be expiated by the living who dwell in the earth. So long as we continued to loan European nations the money with which to buy our products, so long would prosperity last. So long as our goods continued to go abroad to be paid for with our money, so long would jobs be plentiful, prices high, and the exhilaration of prosperity endure.

The crash came in 1929, and the wonder is that it did not come sooner. Our President and our party had as much to do with that collapse as did one of the sacrificial pigs with the pig-slaughter policy of the administration. But it was laid on our doorstep, together with all the ghastly distress and despair that sprang from the ensuing unemployment, price deflation, and complete collapse of morale. What a ten-strike it would be if our opponents could capitalize that despair. What a splendid political accomplishment and what a ghastly moral achievement if by clever propaganda, adequately financed, the collapse could be fastened upon the Republican Party.

What a grim and frightful deception! What matter that there was a depression in every other major nation in the world? What matter that the economic disturbances in other nations were far more aggravated than our own? What matter that the groundwork for gradual but certain recovery had already been laid by the Republican Party? Now was the time to smear the President, enthrone hate, and enshrine bitterness and sow the seed of unrest and greater despair. Thus it was that in 1932 the Democratic national executive committee moved from its seldom-used, one-room office in Washington to a palatial suite in the National Press Building under the management of a Kansas lawyer and a Washington newspaperman, fortified with $250,000 advanced by John J. Raskob and a drawing account of $10,000 per month. This was the instrument with which the incumbent President was to be smeared. This was the machine which with Machiavellian cleverness was to develop the psychology that we "need a change", and how well it worked in converting despair into hate and distress into bitterness is best evidenced by the results in 1932.

In its efforts it was amplified by the usual recriminations and promises that attend a national campaign. What high and grim humor there was about those lambastings of 1932. Turn the Republicans out! They have destroyed the credit of the Nation and unbalanced its Budget. They have set up commission after commission to eat out the taxpayers' substance. They have placed 15,000,000 citizens in the ranks of unemployment. They have destroyed foreign trade. They have been extravagant and wasteful. They have failed to reduce the national debt. They place property rights above human rights. They are reactionaries and Tories. They have brought the Nation to ruin and disaster. How strange! Yes; how strange that the Republican Party, after 70 years of almost uninterrupted constructive service to the country, should suddenly have completely altered its principles and policies. How strange that this same party, which saved this Nation from disunion, provided pensions for the Civil War soldiers, provided homesteads, gave the Nation its first civil-service law, and a Federal income tax, should have suddenly become so vicious, so reactionary, and so destructive. How strange that the Republican Party, which, under Theodore Roosevelt, stopped public-land frauds and saved this domain for the people, enlarged the powers of the Interstate Commerce Commission to protect both the public and the railroad employees, which for the first time enforced the antitrust laws, provided compensation for injured railroad employees, and gave the Nation its first Pure Food and Drug Act, should suddenly have become so unmindful of its obligations to the Nation and to the people.

How strange that this Republican Party, which under Taft gave the Nation a postal-savings system, a parcel-post system, and withdrew power sites from public entry so they might be conserved for the people, should have suddenly become so inimical to human rights.

How strange that the Republican Party, with its leaders and its members, having brought this Nation to a high state of human freedom and prosperity, should suddenly become a party of witch doctors and Tories, a party of corporals of disaster and sergeants of despair! Such is the power of propaganda and promises hurled against a background of economic distress.

Now we have a change! Faced with a host of promises and the stern demand of the distressed to make good, the promises of the present administration began to unfold in terms of action, and, whatever might be said, let it be set down to the everlasting credit of Republicans that, unlike a Democratic Congress in 1932, which stalemated every effort of a Republican President to deal with the situation at hand, we have placed national welfare above politics and citizenship above partisanship by cooperating to the utmost to lift the Nation out of its difficulties. We have made no effort to hamstring the President. We have sought by voice and vote to help him.

And now for a peek at the record. In 1932 we were charged with having destroyed farm prices, having destroyed the farmers' foreign market, and with having maintained an extravagant Farm Board which lost millions of dollars. What has been done? A combination of Nature, agricultural adjustment, and an expenditure of one and one-half billions has raised farm prices. Nature's drought is over. The A. A. A. has been invalidated by the Supreme Court. Farm prices have been materially improved, but we expect to spend four hundred and eighty millions annually through soil-conversation work to maintain them. Meanwhile by reciprocal-trade agreements we are handing the farmers' home market over to foreign competition. Argentine corn, Canadian pork, Argentine beef, Polish rye, Canadian wheat, Australian and Danish butter, and Chinese soybeans are threatening his market and his prices. We expended the taxpayers' money to retire some of the finest Illinois land in existence from cultivation, and at the same time expend the taxpayers' funds to make additional millions of acres of western desert to bloom like the rose, and over it all we scattered the sacrificial blood of 6,000,000 little pigs and 250,000 brood sows. Where we were charged with maintaining an extravagant Farm Board, we have today a Commodity Credit Corporation, whose losses on cotton already aggregate more than $50,000,000.

We were charged in 1932 with having brought about widespread unemployment and distress. What was done to cure it? We have spent eight hundred and sixteen millions on a glorified leaf-raking program known as the C. W. A., one and one-fourth billion on the C. C. C., two and two-thirds billions to build 24,000 P. W. A. projects, and more than a billion on W. P. A., not to speak of the funds devoted to direct relief. In 3 years we have spent $8,500,000,000 for employment and employment relief, and, according to the American Federation of Labor's report for March 16, 1936, we still have in excess of 12,000,000 people out of work and more than 16,000,000 on relief. Worse than all else perhaps in connection with unemployment and relief is the unrest and hysteria that spring from this condition. Long ago Isaiah wrote: "And it shall come to pass that when man is hungry, he shall fret himself, and when he frets himself he shall curse his God and his king."

We were charged with having set up unnecessary bureaus and commissions and that these must be, and would be, curtailed. Yet the record will show that, in addition to all agencies which existed when the Government was taken over in 1933, 60 new agencies have been created and 250,000 civilian employees have been added to the Government rolls, with a monthly pay roll in excess of $125,000,000.

We were charged with running this Nation into debt. When President Wilson left office the national debt was, roughly, $26,000,000,000. In 10 years the Republican Party had reduced it by $10,000,000,000. On April 30, 1936, the national debt had risen to $31,500,000,000, and the end is not yet. What more need be said to establish that today we are doing a land-office business on borrowed money and daily swelling a debt that some day must be paid off with taxes garnered from all classes of people?

We have been charged with failure to reduce governmental expenditures and heard the siren promise to reduce them by at least 25 percent. The deficit for the last 3 years approximates $11,000,000,000. When outgo exceeds income by eleven billions, what more need be added to show that the Government's fiscal house is not only not in order today but sadly disordered?

A solemn promise was made in 1932 that a sound currency must be maintained at all hazards, yet today we have a 59-cent dollar, with no assurances that it will not be revalued up or devalued down; we have embarked on a program to purchase silver until it should be in the ratio of 1 to 3 to the gold in our monetary system. The result of that program is that we have almost ruined the monetary systems of all nations on a silver basis and driven them to a managed-currency system when we were being beguiled with the argument that the silver-purchase program would re-create foreign trade. Having purchased 900,000,000 ounces or more of silver, we find that the price is about back where it was when the program started. All this has served to create uncertainty in the minds of businessmen who must purchase stocks of raw materials in advance to keep the wheels of industry moving in order to maintain men in their jobs.

We were informed that a housing program would create jobs for craftsmen who are out of work and at the same time stimulate the durable-goods industry. After 3 years of sketchy effort and several unsuccessful starts we have no housing program on the statute books, and in most localities carpenters, bricklayers, and artisans are still unemployed. Our closest approach to housing is a few so-called low-cost housing units that look like Harvard dormitories and the noble experiment at Reedsville, W. Va., where we built 190 houses, on which we shall lose at least $3,000 per house.

We have embarked upon a program of reform, much of which turned out to be destructive rather than constructive in purpose, with the result that business, from whence must come the jobs to absorb the unemployed, has been stricken with bewilderment and fear. What a paradox it is in the richest nation in the world that we have twenty-five billion idle dollars in the national banks, 12,000,000 pairs of idle hands, and unlimited home market, each separated from the other by a wall of fear and uncertainty, so that the Nation cannot go forward with a great surge of joyous confidence.

As we ponder this paradoxical situation, what shall we say of it, and what shall we as Republicans offer? Must we deny that any good has been accomplished in order to secure a favorable hearing from the people for our cause? I think not. Must we go farther along the road toward paternalism than the present administration and meet erratic and inconsistent policies with promises and policies that are still more erratic and inconsistent? I think not. Must we be stumped by the oft-repeated and rather beguiling question, "Are you not better off than you were in 1933?" I think not. Must we commit our party to promises that we know full well to be unsound and unworkable in order to make an effective bid for popular support? I think not.

We as a party are not only not opposed to reform but submit to the people that most of the constructive reforms that have been inscribed on the books have emanated with the Republican Party. We can, however, and must stand definitely against alleged reforms that are wholly destructive in character and which seek to tear down rather than build up.

We are not opposed to relief, realizing that self-preservation is the most impelling impulse in humankind. We are, however, opposed to the remote control of relief from Washington. We are opposed to relief which develops a bureaucracy. We are opposed to relief which in innumerable instances has been shot through with waste, extravagance, corruption, and political control. Moreover, we can be definitely committed to the administration of relief by States and localities because they can do so more sympathetically, more efficiently, and with less of the sting of charity in its administration. I submit to you as earnestly as I know how that the men and women of this Nation want work rather than relief. They want the security of jobs rather than the insecurity of made work. To the man who earns a livelihood with a paintbrush or a carpenter's saw, with a mason's trowel or on a drill press, with a plow or with a plumber's wrench, there is a future. To any man or woman who works and envisions advancement there is a future. But there is no future in relief. We would be unfair and unjust to American labor and to the future of labor if we did not place all emphasis upon the re-creating of those conditions in American

industry that will bring about reemployment and the security that goes with the job.

The social reforms which came from the Republican Party in the past are the best evidence that we have not lost our zealous interest in raising wages, eliminating child labor, and in shortening hours; but, in marching toward that objective, we need not put the Nation in a straitjacket of regimentation.

Year in and year out we have steadily affirmed to labor our support of the principle of collective bargaining. To labor we can go further than that. Today huge imports of cheap products from Japan are taking bread from the mouths of American workers. Standards of living in Japan and other nations are so low that American industry cannot compete except that our own living standards be lowered. We must set ourselves resolutely against any effort to impair that living standard, and instead give to American labor adequate guaranties of protection of his home market.

We do not decry or protest against a policy of public works to take up the slack in employment, but we do protest most vigorously against building a $160,000,000 canal at the taxpayers' expense in the north end of Florida when such a canal is not wanted except by a few professional real-estate promoters; we protest against using the taxpayers' money to build dog pounds in Memphis and monkey cages in Mississippi; we protest against spending the taxpayers' money on a project like the Passamaquoddy in Maine, where after the expenditure of millions of dollars it now appears that the project is anything but feasible and practical. We protest against the folly of boondoggling projects that have no enduring values. We believe that there are enough useful projects in the land where the taxpayer gets a dollar in value for every dollar which is expended.

We do not and have not opposed the principle of parity for agriculture. The farmer is entitled to a square deal, to adequate prices, and to protection, but must we destroy 6,000,000 little pigs in order to achieve that parity?

We do not oppose the exercise of emergency powers when emergencies exist, but must the power of Congress be destroyed and must the civil service and merit system be destroyed in order to cope with such an emergency? In March 1933, 80 percent of all Government employees were under civil service. Today less than 60 percent have this protection, the lowest percentage in the last 30 years. It is an eloquent commentary on the ruthlessness of spoils politics. To the taxpayers it is a costly philosophy which maintains thousands in the Government service without a single regard for merit.

Nor are we insensible to the new needs which arise and must be met. Lincoln himself phrased it well when he said, "The occasion is piled high with difficulty. As our case is new, so we must think anew and act anew." He did not, however, say that in order to meet new needs we should destroy our whole system of government or undermine the balance of functions that has carefully preserved the rights and liberties of the citizens since the founding of the Nation.

He did not say that in meeting those needs we should ignore the Constitution or destroy the Supreme Court, or divest it of its functions. I venture the prediction that those persons who would impair the power of the Supreme Court because it rendered a decision in which they do not concur would be the first to restore its powers if their lives and their rights were in jeopardy. It is the only instrument which stands between and safeguards the rights of the citizens against abuses of executive and legislative power.

With these considerations in mind, let us then be about our business of fabricating a program that by its common sense, its soundness, and its directness will appeal to labor, to agriculture, and to business; let us express a philosophy that will appeal to the young and old, rich and poor; let us give guaranties to the voters of this great State that are not only forward-looking and humane but which will be founded on the rock of good government and be within the Constitution.

The best platform ever penned by the hand of man would be a dull and lifeless thing unless it is interpreted and supported by a virile and living organism which we call a political party. It can be translated with conviction into the consciousness of the people only by a part that is aggressive, militant, and harmonious.

With a contrite spirit, and mindful of the gravity of our task, let us stand shoulder to shoulder in the ranks of Republicanism and carry our gospel into every corner of this Commonwealth.

MEMORIAL ADDRESS

Mr. HARTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address I made under the auspices of the Jewish war veterans last Sunday in this city.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. RICH. Mr. Speaker, reserving the right to object, is this an address by the gentleman?

Mr. HARTER. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following Memorial Day address delivered by me at Adas Israel Cemetery, Sunday, May 24, 1936, 2 p. m., under the auspices of Jewish War Veterans, Washington Post No. 58:

We meet here today to honor those who in times of our country's need were ready to make any sacrifice so that America and its democratic ideals might be perpetuated. It is a sacred privilege for me to address you at your memorial services to the soldier dead who lie in this and neighboring Jewish cemeteries.

To keep faith with those who are buried here, Memorial Day should inspire in us all a devotion to duty when danger threatens the Nation. This day has a far deeper meaning and a more solemn purpose than the celebration of military victory. The show of flags and the sound of marching feet of living comrades are not for the purpose of inspiring the coming generation toward military pomp or to create a desire for war. Those of you who endured the horrors and privations of the World War are among the last to want future wars, subjecting your children and future generations to the fearful experience through which you passed in 1917 and 1918.

Many misguided persons would have us discontinue all measures of national defense. These people rightfully believe in a lasting and enduring world peace, but the methods which they pursue to accomplish this are different from those followed by we who believe that peace can only be secured and maintained through an adequate system of defense, which has been the fundamental military policy of this country since its inception. A strong and adequate Navy, a small and efficient standing Army, with these two branches supplemented in modern times by an adequate air force—the ultimate result to be obtained—peace—is the desire of every true American.

We do want to preserve for all time those institutions which are so peculiarly ours and which have been built with the genius of many races and of many people. The World War was won by the cooperation of all—Catholic, Protestant, and Jew—who worked side by side, shoulder to shoulder, to achieve victory.

To you, sprung from the loins of that people which for ages has suffered persecution and risen above it, which has preserved its integrity and its intellectual and moral greatness through hardship and cruelty unparalleled in the world's history, it is unnecessary to expatiate upon the horrors of war, its brutality, its innate inhumanity.

You have splendid traditions to preserve. The Jewish people are peace loving, but they have not hesitated nor been backward in taking up arms whenever the need arose. In every war in which our country has been engaged, the Jew, I am happy to say, enlisted cheerfully, fought gallantly, and died bravely.

In no spirit of boastful exploitation of Jewish patriotism let me mention the honor records of special heroism during the World War. More than 1,100 citations for valor were awarded to men of Jewish faith. Of these, some 700 were conferred by the American command, about 300 by the French, and 33 by the British. The Congressional Medal of Honor, which is the most highly prized of all citations issued by this Government, has been awarded to only 68 persons, 3 of these being Jewish soldiers. Our Distinguished Service Cross is worn by 150 American Jews and the French Croix de Guerre was bestowed on 174 Jews of the American Expeditionary Forces.

No account of the famous "Lost Battalion" in the Argonne Forest fails to set forth the daring and endurance of the Jewish soldiers in this gallant outfit. Recorded figures show that more than 200,000 men of Jewish faith served during the World War. Thousands made the supreme sacrifice, while many other thousands were wounded. Six hundred American Jews still lie buried in the cemeteries of France, Belgium, and England.

The Star of David is found with the cross in beautiful, everlasting marble. As they lived together, fought together, so they lie buried side by side. They gave their best, their all, to their country.

In the American Army the Jewish soldier was dependable. Those qualities which enabled his race to survive through the centuries in spite of intolerance and persecution, made him a worthy fighter in the American cause. Thank God, we live in an enlightened land, where one's right to worship as his conscience dictates is rigidly upheld.

May we always, as citizens of this great Republic, be foremost in the protection of those liberties for which our forefathers fought and which are so fully guaranteed to us under the Constitution. Let us forever banish prejudice and intolerance or any unfair or unkind practice which might arise through religious or racial differences.

The United States owes to the Jews, as it does to many groups, deep appreciation for the Jewish contributions to our arts, sciences, and material progress in nearly every line of human endeavor. May no spirit of intolerance ever blind our eyes to the debt of gratitude owing our Jewish citizens for their help in making America what it is.

So today let us honor those Jewish heroes, both living and dead, who offered themselves to this, their country. We best pay tribute to their sacrifices and their memories by loyalty to the principles for which they fought and died. These precepts are set forth with clarity and in forceful language in the preamble of the Jewish War Veterans' constitution:

"For God and country, we associate ourselves together for the following purposes: To maintain true allegiance to our country, to spread the doctrine of loyalty to the Government, to combat whatever tends to impair the efficiency and permanency of our free

institutions, and to encourage the doctrine of universal liberty, equal rights, and full justice to all men."

In closing, may we offer a prayer that peace on earth may soon come, bringing with it a sympathy for each other, and a tolerant spirit; an earnest desire to love our neighbor. So let us turn our eyes upon our own beloved United States and determine to build up and preserve here the freedom, the rights, the democracy which war destroys and which peace nourishes. In this spirit, we observe Memorial Day, a fitting tribute to those who have served our country.

THOMAS MARINE RAILWAY CO., INC.

Mr. DARDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4148) for the relief of the Thomas Marine Railway Co., Inc., with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, lines 10 and 11, strike out "Lighthouse Service" and insert "Quartermaster Corps."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is this bill about?

Mr. DARDEN. This is a bill that passed the House sometime ago in which there was an error in connection with the name of one of the Government departments. The error was corrected when the bill passed the Senate, and it is my request to concur in the Senate amendment.

Mr. MARTIN of Massachusetts. This merely changes the title?

Mr. DARDEN. It is not in the title of the bill. It concerns the name of a Government department in the body of the act.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendment was concurred in.

INVESTIGATION OF THE CALIFORNIA SARDINE (PILCHARD) FISHING INDUSTRY

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the House joint resolution (H. J. Res. 597) authorizing an investigation by the Bureau of Fisheries of the California sardine (pilchard) fishing industry.

Mr. MARTIN of Massachusetts. Mr. Speaker, I am going to object to that request.

Mr. LEHLBACH. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. MARTIN of Massachusetts. Certainly.

Mr. LEHLBACH. This resolution is necessary as an emergency in order that a start may be made intelligently to conserve a great fishing industry which may be in danger of depletion. Action must be taken now in order to pass it in the Senate and have the Bureau of Fisheries commence the investigation. There is nothing controversial about it.

Mr. MARTIN of Massachusetts. Why cannot the joint resolution be passed Monday just as well as now?

Mr. LEHLBACH. For the same reason, and no different reason, that it should be passed now.

Mr. BLANTON. Mr. Speaker, will the gentleman from Massachusetts yield so that I may ask the gentleman from Virginia a question?

Mr. MARTIN of Massachusetts. Yes.

Mr. BLANTON. Why cannot the Bureau of Fisheries make us a report on this matter without spending $10,000 and without such a resolution?

Mr. BLAND. Because it will require a very detailed investigation and search. There has been a considerable fight before the committee as to the possible depletion of the sardine or pilchard industry in the Pacific Ocean. The fight is between shore plants and floating plants. There have been some researches by Stanford University and the California Fish and Game Commission, and we have come to the conclusion that there ought to be an investigation by the Bureau of Fisheries. There is authorized an initial appropriation of $10,000, and unless we can get this joint resolution passed they cannot get the initial appropriation to conduct the investigation.

Mr. BLANTON. Can they not do this without getting this appropriation?

Mr. BLAND. I doubt that they can, because it covers a very broad subject.

Mr. BLANTON. On the statement of the gentleman from Virginia I shall not object, but I am going to object to every other investigation requested in this session of the Congress, and I am going to fight against making any more appropriations for investigations.

Mr. MOTT. Mr. Speaker, reserving the right to object, may I ask the gentleman if the bill that he asks to have considered now by unanimous consent is satisfactory to the people from California who are interested in this pilchard-fishing legislation?

Mr. BLAND. I do not think it is satisfactory to them. There were two sides and you could not satisfy both sides. There was nothing that could be brought out that would be satisfactory to both of them. The committee felt it needed further information on the matter and that there ought to be a scientific investigation by the Bureau of Fisheries as to whether this important resource is being depleted or not.

Mr. MOTT. Then may I ask if there is anything controversial about the bill which you now ask to have considered and which will be considered without debate, of course?

Mr. BLAND. It has the endorsement of the members of the committee from California, Mr. WELCH and Mr. COLDEN, and also has the approval of Mr. WALLGREN, of Washington.

Mr. MOTT. I am from Oregon.

Mr. BLAND. This not alone affects California, but it is an investigation of an important resource having for its purpose to see that this resource is not depleted. There was the thought expressed that there were other floating plants coming in, and we felt that the investigation should proceed as soon as possible by an independent agency, and that this agency should be the Federal Government.

Mr. MOTT. I may say to the gentleman that Oregon is only indirectly interested in this particular matter.

Mr. BLAND. We understand that.

Mr. MOTT. And if the people from California are satisfied to have the bill considered in this way, it is all right with me, and I withdraw my objection.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. RICH. It seems to me that if you are trying to benefit the people of the West in regard to the fishing industry, and they are not satisfied as a unit out there, they should come to an agreement while the matter is in committee and before the gentleman brings the bill before the House and asks us to spend several thousand dollars to make an investigation, and, in my opinion, there is no reason why the Bureau of Fisheries could not make this investigation now without spending $10,000.

Mr. BLAND. There is a great deal of information to be obtained and the bill is not in the interest of California alone.

Mr. RICH. I think the matter should go over until Monday, and I therefore object, Mr. Speaker.

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

GEORGE HUDDLESTON

Mr. COX. Mr. Speaker, The business of sending men to this body and keeping them here is rightfully that of the people of the several districts of the country, but we are all interested in protecting the reputation of one another when wrongfully assaulted.

Yesterday's papers carried a statement credited to one of our colleagues by his opponent to the effect that money would reelect him here.

This Member is an old-timer, one with whom we may often differ but whose sincerity we never question. He is a man of highest character, great ability, and courage, and those

of us who have served here with him for many years know that it is impossible for him to have made any such statement, for it is foreign to his nature and his life. The gentleman that I refer to is a statesman in the highest sense of the word, an ornament to the Congress and the great State from which he comes.

Mr. Speaker, there is no Member of this House whom people who toil should be prouder to honor and call their own than GEORGE HUDDLESTON, of the State of Alabama. [Applause.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 582, granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the joint resolution, as follows:

Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission

Resolved, etc., That the consent of Congress is hereby granted to the States of New York and Vermont to enter into the amendatory agreement executed on April 1, 1936, by the commissioners duly appointed on the part of such States, amending the original agreement entered into by such States for the creation of the Lake Champlain Bridge Commission, which original agreement was consented to by Congress by Public Resolution No. 9, Seventieth Congress, approved February 16, 1928, and every part and article of such amendatory agreement is hereby ratified, approved, and confirmed: *Provided*, That nothing therein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of such amendatory agreement; which amendatory agreement is as follows:

Whereas the States of New York and Vermont heretofore and on the 11th day of May 1927 entered into an agreement or compact, duly authorized by law, creating the Lake Champlain Bridge Commission; and

Whereas the legislatures of said States have authorized their respective commissioners to enter into an agreement or compact amending said existing agreement or compact: Now, therefore,

The said States of New York and Vermont do hereby enter into the following agreement, to wit:

The agreement heretofore made between the State of New York and the State of Vermont pursuant to chapter 321 of the laws of 1927 of the State of New York, entitled "An act authorizing designated authorities in behalf of the State of New York to enter into an agreement or compact with designated authorities of the State of Vermont for the creation of the Lake Champlain bridge commission, the establishment of the Lake Champlain bridge commission, and the defining of the powers and duties of such commission and making an appropriation for such purposes", and no. 139 of the acts of 1927 of the State of Vermont, entitled "An act ratifying a proposed agreement or compact between the State of Vermont and the State of New York relating to the creation of the Lake Champlain bridge commission and providing for carrying out the provisions of said agreement or compact", as the same was amended by the agreement or compact entered into the 30th day of March 1935 by and under the authority of chapter 201 of the laws of 1933, as amended by chapter 355 of the laws of 1935 of the State of New York, and by and under the authority of no. 209 of the acts of the General Assembly of the State of Vermont of 1935, entitled "An act authorizing an agreement or compact between the State of Vermont and the State of New York to amend the existing agreement or compact between said States creating the Lake Champlain Bridge Commission, in relation to the construction of a new bridge across Lake Champlain, the issuance of bonds by said commission, and providing for the payment of said bonds", approved by the Governor February 27, 1935, as amended by no. 210 of the acts of 1935 of the General Assembly of the State of Vermont, approved by the Governor March 21, 1935, is hereby amended by adding thereto the following articles:

ARTICLE XXXVI

The Lake Champlain bridge commission shall have power and is hereby authorized to issue its negotiable bonds in addition to those issued prior to March 1, 1933, for the purpose of refunding its bonds issued before said date: *Provided, however*, That the aggregate principal amount of such bonds so issued to pay off and refund its bonds issued before said date shall not exceed the aggregate principal amount of the bonds so retired.

ARTICLE XXXVII

Such commission shall have power and is hereby authorized to call for payment and to pay its bonds issued before March 1, 1933, in accordance with the terms under which said bonds were issued and for such purposes to use any funds which it has or shall have in reserves and sinking fund and in investments at the time said bonds are called for payment, notwithstanding any provision heretofore set forth in this or any previous compact or agreement.

ARTICLE XXXVIII

1. The bonds issued under authority of article XXXVI shall be authorized by resolution of such commission and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, not exceeding 5 percent per annum payable semiannually, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payments, at such place or places, and be subject to such terms of redemption as such resolution or resolutions may provide. Said bonds may be sold at public or private sale for such price or prices as such commission shall determine, provided that the interest cost to maturity of the money received for any issue of said bonds shall not exceed 5 percent per annum.

2. Neither the members of such commission nor any person executing said bonds shall be liable personally on said bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

3. The bonds issued under the authority of article XXXVI shall constitute a first lien upon the property, tolls, and revenues pledged to secure the bonds issued by such commission prior to March 1, 1933, and subject to the terms of any agreement made or to be made with holders of bonds issued by such commission under article XXVI of the amendments to this compact shall be a lien upon the tolls and revenues of the bridge referred to as the Rouses Point Bridge, and in accordance with subdivision 4 of article XXVI of the amendments to this compact any of such tolls and revenues which would otherwise have been payable into the State treasuries of the two States may be pledged to the payment of said bonds.

4. Said bonds shall not be a debt of the State of New York or of the State of Vermont, and neither State shall be liable thereon, nor shall they be payable out of any funds other than those of such commission.

5. Said bonds shall be exempt from taxation and are hereby made securities in which all public officers and bodies of each State and of its municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, executors, administrators, guardians, trustees, and all other fiduciaries in each State may properly and legally invest the funds within their control.

6. Such commission shall have power, out of any funds available therefor, to purchase any bonds issued by it at a price not more than the redemption price thereof at the time of such purchase with accrued interest.

ARTICLE XXXIX

Such commission shall have the power to apply to the Congress of the United States or any department of the United States for consent or approval of this compact as amended, but in the absence of such consent by Congress and until the same shall have been secured, this compact, as amended, shall be binding upon the State of New York when ratified by it and the State of Vermont when ratified by it without the consent of Congress to cooperate for the purposes enumerated in this agreement and in the manner herein provided and for all purposes that it legally may be.

In witness whereof, by and under the authority of chapters 73 and 219 of the Laws of 1936 of the State of New York, and by and under the authority of Public Act No. 79 of the acts and resolves passed by the General Assembly of the State of Vermont at the special session 1935–36, approved by the Governor December 14, 1935, we have signed this compact or agreement, in duplicate, this 1st day of April 1936.

SEC. 2. The right to alter, amend, or repeal this joint resolution is hereby expressly reserved.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BEQUEST OF DR. MALCOLM STORER

Mr. HIGGINS of Connecticut. Mr. Speaker, on Tuesday, May 26, Mr. VINSON of Georgia, chairman of the Naval Affairs Committee, presented a concurrent resolution expressing the appreciation of Congress for a bequest of a collection of naval and other medals from the late Dr. Malcolm Storer, of Boston, Mass.

I respectfully request unanimous consent that I may extend my remarks in the RECORD, together with a brief sketch of the life and activities of Dr. Storer which I have prepared.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

A BRIEF SKETCH OF THE LIFE AND ACTIVITIES OF THE LATE DR. MALCOLM STORER, OF BOSTON, MASS.

Mr. HIGGINS of Connecticut. Mr. Speaker, at the first session of the Seventy-fourth Congress an act was passed which was signed by the President July 12, 1935, authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dr. Malcolm Storer, of Boston, Mass.

The bequest consisted of a valuable collection of naval and other medals, together with the sum of $500 to be used to cover the expense of the installation of the collection as an exhibit at the United States Naval Academy at Annapolis, Md.

The collection of medals has been received at the Naval Academy and recently I made an inspection of the same, although as yet they are not fully installed. The curator, Lt. Wade DeWeese, made this interesting statement in reference to it—

> This collection is unique and the arrangements I am making for its permanent exhibition may be something of an innovation in the display of medals and coins. Briefly, they will be mounted in swinging leaf stands so that both obverse and reverse sides of every medal can be seen at a glance. The manner of insertion and securing in the stands, however, as well as the medals themselves, will be of interest to all numismatists.

It seems to me, Mr. Speaker, that in connection with the acceptance of this collection we might well express not only our appreciation of the gift, but include therewith a brief sketch of the life and activities of Dr. Storer.

He was born at Milton, Mass., April 26, 1862, son of Horatio Robinson Storer and Emily Elvira (Gilmore) Storer. He died at his home in Boston, January 3, 1935. His widow and a daughter, Mrs. Edgerton B. Sawtelle of Augusta, Me., survive him.

He came from a long line of distinguished and sturdy New England ancestry, including such men as Dudley, Winthrop, Langdon, and Boyd. On the Storer branch were several distinguished physicians, mostly Harvard graduates.

Dr. Storer graduated from Harvard in 1885 and took his M. D. from the medical department in 1889. After graduation he had 15 months of medical study in Vienna and Dublin. For a time he was surgical house officer in the Massachusetts General Hospital. He began his private practice of medicine in Boston in 1891. He was an assistant and later an instructor in gynecology at the Harvard Medical School until 1923. Also he was a member of the staff at the Carney Hospital, St. Elizabeths Hospital, and at the Boston Dispensary. He was active for 30 years in many administrative positions as well as societies. He was chief of staff of the Boston Dispensary; secretary and then president of the Boston Obstetrical Society; president of the North End Diet Kitchen, which supports the food clinics for regulatory diet of the Massachusetts General Hospital. He was also on the executive committee of the Boston Medical Library and a counselor of the Harvard Medical Alumni Association. In the latter connection he made a report to the association for raising money for the medical school from the medical alumni. He was also a member of the Society for Medical Improvement of Boston, the Massachusetts Medical Society, and the American Medical Association. In medicine he was known as the author of numerous papers in the field of gynecology.

His avocation lay in the numismatic field. His search for rare medals and coins was as keen as that of the hunter for his quarry. He pursued it with success, even to distinction, alongside his medical duties, without undue interferences with the latter; so that at his death he was the most prominent member of the Boston Numismatic Society, with a very wide and thorough knowledge of his subject.

In this field he was author of a paper on Admiral Vernon Medals (1919) and of a volume entitled "Numismatics of Massachusetts" (1923) and editor of his father's Medicina in Nummis (1931). His most important book, the History of Massachusetts Medals, was published as volume 76 of the transactions of the Massachusetts Historical Society, 328 pages, with index and 38 plates. It mentions 2,300 medals. This publication promises to establish a standard for like publications. He also wrote an article on Pine Tree Shillings and Other Colonial Money, October 1929, in Old Time New England. He was, besides, entrusted with the care of important numismatic collections in the Boston region. He had made for himself a considerable collection of naval medals; this collection has come, very properly, to the United States Naval Academy at Annapolis. He was curator of the collection of medical medals presented by his father to the Boston Medical Library, of the coins and medals at the Massachusetts Historical Society, and was honorary keeper of coins at the Boston Museum of Fine Arts. In addition, he belonged to the American Numismatic Society and to the American Numismatic Association.

He was also a member of the Massachusetts Historical Society and of its council from 1925; and a vice president of the Bunker Hill Monument Association and the Naval History Society.

His clubs were the old Puritan, the St. Botolph, the Odd Volumes, and the Harvard Club, all of Boston; also the Harvard Club of Rhode Island.

He was well read, had a retentive memory, and a command of French, German, Spanish, and Italian. His command of English was excellent. All this qualified him as a reader to pass upon books for the Boston Public Library.

During the World War he was signed up in the Volunteer Medical Reserve, but was not called for active service. He felt the needs of the situation, however, and, long before the United States declared war and later, he worked very steadily for over 3 years in charge of the supplies for the American Fund for French Wounded and Italian Relief. A few years before he died, he write, What a Fine Thing Life Is.

THE INDEPENDENT MERCHANT, THE INDIVIDUAL MAN, AND THE COMMUNITY ORGANIZATION

Mr. GRAY of Indiana. Mr. Speaker, I ask unanimous consent to address the House for one-half minute and to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRAY of Indiana. Mr. Chairman, there is a moral, a lesson to be read from the history of the growth and development of the organized communities of the country, how all grew up and clustered around the independent pioneer merchant in the spirit of individual enterprise, and flowered into the village, town, and county seat. First came the merchant in the early days, with his store of supplies for the people, his store building crude, but a nucleus around which clustered homes, mills, shops, and dwellings. Then came the school for the children, then the church for religious worship, then the cemetery for the sacred dead, until organized community life was complete.

THE MERCHANT-LED COMMUNITY ORGANIZATION

In all of these public or community steps taken, the merchant was the prime mover, whether to build a schoolhouse or a church or plan a diagram for a cemetery, the merchant led the movement. He made his storeroom the town hall. He took part in the affairs of all the people.

The merchant grew up with his customers, with their full knowledge and confidence in him. His business developed with their business. His interest was identical with their welfare. He prospered as they prospered. He suffered with their misfortunes, and he rejoiced with their bounty and abundance. The people came to the merchant to exchange, trade, and buy their supplies, to cash checks, orders, or to borrow money, or to ask and be assured of credit until their first crops were made, or the goods in the making were sold. This confidence and good will were equal and assuring.

Wherever the pioneer merchant opened his store enterprise and industry sprang to life, like the touch of a magic hand, and the spirit of cooperation and good will cemented the ties between neighbors and made the community growth and development permanent, continuing, and enduring.

THE COMMUNITY FAMILY

There is something beautiful, inspiring, in the organized country community, with its stores, shops, and business affairs; with its high schools and auditoriums; with its church spires and well-kept cemeteries, all standing out in the atmosphere of neighborhood friendship and good will.

There is something hopeful, looking forward, in the peals of the school bells blending with the voices of many children, and the church spires pointing heavenward, their chimes ringing out on the clear Sabbath morning calling the community family to worship in grateful recognition of bountiful nature.

There is something beautiful and sacred in the doors of stores and shops closing on the death of a neighbor in the community, the saw and hammer laid aside and businesses suspended, the reapers silent, standing idle in the field, as the people gather in the churchyard for the funeral, as the bell tolls the hour.

There is something touching to the human heart to witness the concourse of friends and neighbors silently and solemnly wending their way from the church or the community chapel to the cemetery for the rites of burial, in recognition of the solemnity of death, and standing at the grave with bowed heads in solemn, impressive respect for the departed.

PASSING WITH THE INDEPENDENT MERCHANT

But this is all passing or due to pass with the going of the independent merchant and the community retail store, around which the community grew up and clustered like a flowering plant or vine upon and around the trunk and branches of a sturdy tree and then falling, perishing and dying with the death, decay, and fall of the tree.

To say nothing of other individual men who have been driven from their independent business to become dependent clerks or employees, 300,000 independent merchants have been driven from their counters and stores and 500,000 more are due to follow to live in dependency and a precarious existence.

Under the tyranny of a few brokers and manipulators compelling certain discounts and rebates, manufacturers and wholesale houses are being coerced to make sale and price discriminations favoring chain-store corporations and against the independent merchants. Under the withering blight of unfair discrimination, the independent merchants are driven out to become wavering, dependent clerks assured of a place only from day to day, with little to work or hope for and with less to defend and fight for.

LIKE A BANQUET HALL DESERTED

The independent merchants' homes are being closed and are ultimately to be deserted. Their seats in the church are empty. Their children are not in the schools. The cash proceeds from retail sales are no longer left in the local bank, but are in drafts fleeing in the mails to an unknown owner in some far-away city.

As the community grew up and developed, clustering around the local retail store, so the glory of the community is to fade with the passing of the independent merchant, and in time will be left as sad and silent as a banquet hall deserted.

It is a damning charge and indictment against Congress and many administrations that the Government has been left standing by while the vandals of industry have been tearing down and destroying the organization of community life for sordid profit and gain.

THE INDIVIDUAL MAN

But there is something more vital, something more basic, substantial, fundamental, involved in this bill to safeguard economic justice, to safeguard the independent merchant, and assure him of equal industrial opportunity. Something more than secret prices, secret rebates, and secret discriminations to monopolize the retail trade of the people. It is the problem of maintaining and upholding the independent character and stability of the individual man. The cause for this legislation reaches back farther than the individual and the community. It goes back to the stability of the Nation, to the preservation and security of our free institutions.

It is the individual man who makes up and gives character to the organized communities of the country. It is the character of the organized communities that makes up and gives strength to the State, and in turn the strength and character of the State that gives stability to the Nation.

THE STABILITY OF THE NATION

Our whole political or fundamental structure is based upon and founded upon the independent character and stability of the individual man, reaching up from the community through the powers and processes of the State and giving stability to the Nation. Without such independence of the individual, our institutions of peace and civil life would be as wavering and unstable as the house built upon the sand, when the winds blow and the rains descend, in the storms of disorder and revolution.

THE GIBRALTAR OF THE STATE

In granting the general right of suffrage and placing the ballot in the hands of the people, and in laying the foundations of our political or governmental house, our forefathers recognized this basic, fundamental principle and rested all upon the individual man and made him the strength of the State, the bulwark, the Gibraltar of the Nation.

And the Constitution was framed and declared to uphold, maintain, and safeguard the independent character and stability of the individual man, holding and exercising the power of the ballot, all to guarantee, maintain, and vindicate the endurance, strength, and stability of our systems of free institutions.

WHAT OUR FOREFATHERS FAILED TO REALIZE

But our forefathers in that early day could not realize, foretell, foresee, the new and changed economic conditions coming, the growth of great corporations, the superpower, coercion, and tyranny of the artificial man created by law and the concentration of great wealth in the hands of a certain, special few.

Our forefathers did not and could not realize that the equal rights and opportunities, the independent character and stability of the individual man of the population included more than his political and religious rights, more than his personal and civil rights to maintain which the Constitution was written and declared.

Our forefathers overlooked and failed to safeguard the economic rights of the people, the business and industrial rights of the people, the equal right and opportunity of men to labor upon the earth to live, their right to pursue their trade and calling, free without discrimination against them.

And by reason of such oversight and failure, the individual man was left subjected to economic and industrial slavery and under which new and changed conditions, the superpower of great corporations, he has been driven from his trade and avocation, denied the right to labor, and reduced to dependency.

ANTITRUST LAWS TO SUPPLEMENT THE CONSTITUTION

And it was left to this day and generation, in the face of stern realities and the bitter experience of time, to safeguard the individual rights of man, his equal economic and industrial rights, by the enactment of antitrust laws against monopolies in restraint of trade.

It was because of this oversight and failure to safeguard economic and business rights, the equal industrial opportunities of the masses, under the provisions of the Constitution adopted, that the Sherman antitrust law was enacted. And it was because of the failure of the administration and enforcement of the Sherman antitrust law, to remedy economic evils and safeguard the people, that the Clayton amendments were passed to supplement and strengthen its provisions.

And now we have considered another law to further amend and strengthen the antitrust laws, as the third attempt to

restrain monopoly, and if enacted will mark an epoch in the long struggle of the masses for economic and industrial freedom.

ALL DEPENDENT UPON ECONOMIC SECURITY

Time and experience have proven that until men are safeguarded in their economic rights, in their business and industrial rights, they cannot claim, assert, or enjoy their political and religious rights, their personal and civil rights, guaranteed to them under the Constitution.

Man, by nature born free, awoke to consciousness of his being only to find himself in slavery and shackled with the chains of bondage, in slavery under slave drivers and taskmasters, in slavery under kings and despotic rulers. Man, awakening to consciousness of his being, found himself confined and held like in a prison surrounded by inner and outer walls, all of which he must scale and overcome before he could win and enjoy his freedom.

Men fought for thousands of years to scale the first wall of their imprisonment—the wall of physical slavery under slave drivers and taskmasters—but which he overcame and scaled only to find himself still within the prison walls.

THE PRISON WALLS OF SLAVERY

Men battled their way for thousands of years to scale the second wall of their prison, political slavery under kings and despotic rulers, but only to find themselves still in prison without the enjoyment of their physical freedom which they had scaled the wall to overcome.

Now men are battling their way to scale the last wall of their imprisonment, the wall of economic and industrial slavery, and when they have won this last struggle and when they have scaled this last prison wall overcoming economic slavery and the tyrants of monopoly, they can then, and only then, enjoy their political freedom; they can then, and only then, enjoy their physical freedom; they can then, and only then, enjoy their religious freedom and the fruits of the other victories won. They will have at last won the freedom into which by nature they were born, and from which they have been held in slavery, shackled in bondage dating back beyond the pyramids.

A CRUEL AND RELENTLESS MONOPOLY

None of the combinations in restraint of trade which up to this time have challenged and defied the power and processes of State and Nation has ever rivaled in magnitude nor operated with more far-reaching power than these secret chain-store corporations. Other combinations defying competition have directly affected only certain classes of people or certain lines of commodities or services upon which they levied tribute and profiteered and took from a part of the people only or burdened only a part of the necessities.

But this secret trade pact or industrial conspiracy is organized to reach out and touch with its withering, blighting hand every man, woman, and child dependent for food and clothing and the absolute necessaries of life used in their everyday life.

HOW INDEPENDENT MERCHANTS ARE DRIVEN OUT

Under these gross, unfair, and criminal discriminations the chain-store corporations are enabled to sell to the people and consumers at a price lower than the price which the independent retail merchants under the unfair discrimination against them are allowed to buy in bulk at wholesale. It is in this secret and cruel way that these conspiring bankers and brokers behind and supporting the chain-store corporations are driving the independent merchants from the field of the retail trade and enthroning monopoly complete over the people.

A MERE HANDFUL OF MEN ENSLAVING THE MULTITUDE

The hearings held on this bill to outlaw sale discriminations shows that a mere handful of speculative bankers and brokers in three congressional districts in New York City are deliberately operating under a conspiracy to drive out the independent merchants and monopolize the retail trade of the country.

The hearings and inquiries held on this bill to prevent unfair wholesale practices reveals a remarkable secret trade pact of manipulating bankers and brokers operating only within a few blocks in a single city, but reaching out to every community in the land to paralyze competition in the retail trade.

By their system of secret trade operations, manufacturers and commodity sellers at wholesale have been and are being coerced, intimidated, bribed, and terrorized to make different prices to different buyers, low prices to chain-store corporations, and higher prices to independent merchants.

THE OBJECT OF THE LAW

This bill is to prevent discrimination in prices between chain-store corporations and the independent merchants and to relieve manufacturers and wholesalers from coercion and compel sales to independent merchants at the same wholesale price as sales to the chain-store corporations.

But we are told that this will operate to prevent chain stores from making low prices to consumers. It will not prevent such low prices, but it will make possible and compel the same wholesale price to independent merchants and enable the independent merchants to make the same low prices to their consumers, and this will make lower prices to all.

The secret rebates and unlawful discriminations in favor of chain-store corporations and against the independent merchants assuming consideration and concern for the consumers are always upheld and defended upon the ground of giving low prices to the people. But it is the history of all monopolies gained under pretense of serving the consumers that as soon as a monopoly is complete and assured and all independent competition is eliminated and out of the way prices will be raised back and kept higher.

THE LOBBY STRATEGY

In the execution of the plan and strategy to gain the object of the conspiracy organized, no means, methods, or course of dealing is too unscrupulous, dishonest, or unfair to be resorted to for the purpose. They include bribery and coercion and the corruption of public officials. This is not a mere suspicion or surmise, or a groundless charge of accusation. It is frankly and brazenly admitted and is pointed to with indifference and in defiance of the efforts made to curb and restrict their unlawful monopoly operations. This admission was made and appears in the evidence before the chain-store lobby hearings conducted by the Judiciary Committee of the House of Representatives, August 9, 1935, in Washington, D. C., and at the time generally shown and made public in the press reporting the hearings of that date.

HOW LAWS ARE MADE UNCONSTITUTIONAL

Robert W. Lyons was a chain-store lobbyist and was questioned regarding amendments offered to make legislation unconstitutional. Lyons frankly and brazenly told the committee that he would not hesitate for a moment to amend a measure to make it unconstitutional, and that he considered that practice before committees perfectly fair in opposing legislation.

This bill we are passing here today following the experience and enforcement of the Sherman antitrust law, and the Clayton amendatory act, may contain such invalid amendments and provisions which will only be known and disclosed when the attempt is made for its administration. This is not the last word in legislation to safeguard the independent merchant. It is only a step in that direction. It must be followed up with further hearings and further laws providing for penalties for the violation and disregard for antitrust laws.

THE OPPORTUNE TIME FOR MONOPOLY OPERATIONS

Of all time this is the most opportune time for monopolies to gain a foothold. It is now when the people are thrown off their guard suffering from low and insufficient incomes and straining to make their scanty means go as far as they will

to provide the necessaries of life; it is now when they will be misled to sell their birthright of free competition in industry and leave their children and posterity in bondage and economic slavery under monopoly of the retail trade.

Under the economic strain and scarcity of income the people will not be in mind to realize that their own interests and welfare and the welfare of their children will be more assured and better safeguarded under the free competition of independent merchants than under a relentless mercantile monopoly.

THE GOAL AND WHAT IS AT STAKE

If these secret rebates and discriminations are allowed to continue on into the future as they have been carried on in the past, no independent merchant can stand the strain upon him and it will be only a question of time, brief time, when he must close his store and give away to the chain-store corporations.

Monopoly has come out into the open. The struggle, the contest is on. The goal to be lost or won is free competition in the retail trade. The independent store is at stake. The organized community is at stake. The individual man is at stake. The stability of the State and Nation is at stake. We have come to the parting of the ways. There can be no compromise or hesitation. Monopoly is everywhere destroying competition. The independent retail store is passing. The independent merchants are following. The tide must be stopped and turned back or monopoly will be entrenched complete.

It is time, far overtime, that Congress resent the delusive plea of "hands off of private business", and that we arise to the emergencies of the hour to safeguard the equal rights and opportunities of the independent business man. It is time, far overtime, that we safeguard the individual man from economic tyranny and unfair discrimination, driving the independent merchant from his place in the retail trade and restore him to his former position in the community life of the people.

LEAVE TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on Tuesday next, immediately after the reading of the Journal and the disposition of business on the Speaker's desk, I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object to inquire whether the gentleman is going to answer the question of how the rest of the country is paying for the light being furnished Tupelo by the Federal Government.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent that tomorrow, after the special order of the gentleman from New York [Mr. TABER], I be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

MINNESOTA PUBLIC WORKS—FEDERAL AND STATE FUNDS FOR THIRD CONGRESSIONAL DISTRICT—1933–36

Mr. LUNDEEN. Mr. Speaker, I ask unanimous consent to extend my remarks on the record of the Government in State work in Minnesota.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUNDEEN. Mr. Speaker, after the adjournment of Congress I will remain in Washington for several weeks in order that I may give personal attention to Minnesota and Third Congressional District projects. For the past 3 years one of the major duties of myself and my office has been to obtain approval at Washington of numerous important and beneficial projects.

The citizens of Minnesota and the Third Congressional District are greatly interested in and vitally concerned with public works and projects. Therefore, under leave to extend my remarks to include data and information on the record of State and Federal Governments in the matter of Minnesota projects, I am presenting my report on projects of all kinds for which Federal funds were obtained for Minnesota, and especially for each county of the Third Congressional District, which I represent. These counties are Anoka, Chisago, Hennepin, Isanti, and Washington.

Data included here were furnished on short notice by various Government agencies. Minor errors may have crept into some tables, and some statistics are more up to date than others.

While this information does not include all the Federal funds obtained for the Third District, it is as complete and accurate as we have been able to make it with limited time and office force.

PUBLIC WORKS ADMINISTRATION

In 1933 I voted for the act to create the Public Works Administration (p. 4373, CONGRESSIONAL RECORD, May 26, 1933). I have supported appropriations for public works. Since that time and up to April 30, 1936, non-Federal public-works projects in the amount of $42,949,373 had been approved for Minnesota. Of this cost the Federal Government paid $20,867,569. Minnesota also received $24,605,748 for Federal projects, of which no part was contributed by State or local funds. Non-Federal projects are those toward which the communities contribute a certain amount. The communities would have been unable to finance these projects without the aid of Federal funds.

Following are funds allotted for the Third Congressional District through the Public Works Administration:

Anoka County P. W. A. allotments

Docket no.	Location	P. W. A. allotment			Local funds provided	Estimated cost	Estimated average employment	Description
		Loan	Grant	Total				
W-1219	Anoka, Anoka County		$12,150	$12,150	$14,850	$27,000	33	1-story brick shop; enclosing 4 porches; addition to sewage disposal to provide for efficient and economical operation.

Chisago County P. W. A. allotments

W-1130	Center City, Chisago County.		$13,770	$13,770	$16,830	$30,600	24	Addition to grade and high school consisting of an auditorium and gymnasium to provide adequate facilities for physical education to meet State board of education requirements.
W-1087	Chisago City		18,197	18,197	22,241	40,438	40	Complete waterworks system to provide adequate water supply and fire protection.
			31,967	31,967	39,071	71,038		

Hennepin County P. W. A. allotments

Docket no.	Location	P. W. A. allotment			Local funds provided	Estimated cost	Estimated average employment	Description
		Loan	Grant	Total				
2616	Mound	$46,900	$14,100	$61,000		$60,650	30	New well, pumping plant, elevated steel storage tank and main distributing system. Necessary for adequate fire protection.
4360	Minneapolis	1,871,600	2,797,400	4,669,000	$6,853,157	11,524,157	1,000	Sewage collection and treatment system. To stop the discharge of raw sewage into the Mississippi River which in times of low river flow septic action occurs.
5630	do		214,400	214,400	687,600	902,000	250	Construction of modern fireproof armory. Present system of renting quarters inadequate to carry out proper program of training for National Guard Units.
W-1001	University of Minnesota		40,800	40,800	49,791	90,591	40	Fireproof concrete addition to women's gymnasium building, providing swimming pool, field house and related rooms. Present gymnasium inadequate for present enrollment. Will enlarge space for class and teacher training.
W-1045	Edina		46,899	46,899	57,320	104,219	52	Addition of 2-story brick structure to school and construction of garage for school busses. Present building overcrowded and unable to adequately handle needs of increasing student body.
W-1057	Robbinsdale		135,000	135,000	165,000	300,000	170	Construction and equipping of junior-senior high school building. Badly needed because of growing population.
W-1068	University of Minnesota		33,260	33,260	40,652	73,912	69	Addition to indoor sports building. Increased interest in athletics requires additional room.
W-1143	Hopkins		32,850	32,850	40,150	73,000	38	Construction of addition to west wing of present school building. Present school overcrowded; need additional rooms and facilities to bring it up to standards of State department of education.
W-1246	Minneapolis		34,702	34,702	42,414	77,116	106	Construction of sewers. Section of city which project is to serve has no sewerage facilities.
W-1245	do		101,250	101,250	123,750	225,000	80	Public swimming pool for which there is an urgent need to provide children of district with supervised bathing facilities.
W-1244	do		61,290	61,250	74,910	136,200	60	Construction of complete garbage destructor plant. Will eliminate nuisance of hauling garbage through streets and save haulage costs.
W-1062	St. Louis Park		122,400	122,400	149,600	272,000	150	Construction of two-story high school building containing auditorium-gymnasium, etc. Due to rapid growth of this suburb of Minneapolis it is necessary to increase the educational facilities.
W-1066	Morningside		20,080	20,080	24,540	44,620	120	Construction of sewer system and pumping plant, grading, graveling, and oiling of a road. To provide modern system for disposal of sewage by removing the danger of water contamination.
2316	Minneapolis		84,000	84,000	256,000	340,000		Dormitory.
3055	do		86,000	86,000	264,000	350,000		Gymnasium.
3121	do		9,000	9,000	26,019	35,019		Clinic building.
	FEDERAL PROJECT							
FP-240	Hopkins		58,000	58,000		55,210	40	Post office.
		1,918,500	3,891,431	5,809,891	8,856,900	14,663,694		

Isanti County P. W. A. allotments

W-1055	Isanti County		$21,735	$21,735	$26,565	$48,300	39	Removal of old bridge and construction of new bridge as the heavier traffic of the present day is imperative for the maintenance of public safety.
W-1146	Cambridge, Isanti County		113,625	113,625	138,875	252,500	150	Construction of 2 cottages and colony for epileptics to care for crowded conditions of present facilities.
W-1090	Cambridge		50,850	50,850	62,150	113,000		School addition.
W-1147	do		26,100	26,100	31,900	58,000	70	Construction of warehouse and root cellar to provide needed storage space for vegetables grown on the grounds.
			212,310	212,310	259,490	471,800		

Washington County W. P. A. allotments

W-1096	St. Paul Park, Washington County.		$49,500	$49,500	$60,500	$110,000	50	16-classroom school building of fireproof construction, as present building is inadequate for educational facilities.
W-1221	Stillwater		26,982	26,982	32,978	59,960	90	Extension of water mains and construction of sewage-disposal plant to provide needed additional water mains and discontinue the discharging of raw sewage into the river.
			76,482	76,482	93,478	169,960		

SOME HENNEPIN COUNTY P. W. A. PROJECTS

NORTH MINNEAPOLIS HIGH SCHOOL

North Minneapolis needs a new high school. The Minneapolis Board of Education is sponsoring the construction of a new high school for North Minneapolis. Federal funds are needed. In cooperation with North Minneapolis civic organizations and school officials, we are endeavoring to make this hope of North Minneapolis a reality. We must put an end to the overcrowded condition at North High.

ENLARGEMENT OF NORTH HIGH ATHLETIC FIELD

A project for the enlargement of the North High Athletic Field is being considered by the W. P. A. An allotment of $6,903 has already been approved, and we are now endeavoring to secure an additional, more adequate grant. I hope the W. P. A. will approve this request.

LAKE MINNETONKA AND MINNEHAHA CREEK RESTORATION APPROVED BY P. W. A. EXAMINING DIVISIONS

The most important rural Hennepin County P. W. A. project is the restoration of Lake Minnetonka and Minnehaha Creek; Minnesota Docket No. 1263. This project has been on the firing line for the past 3 years and more. I am convinced that the Minnetonka project is now at last on the road to final approval. It has been approved by the examining divisions of P. W. A.

For a long time the Lake Minnetonka project was delayed because local officials and citizens could not agree on the

method of raising the lakes. Several methods were proposed, and in my speech of January 18, 1934 (p. 894, CONGRESSIONAL RECORD), I dealt with some of these proposals.

SIX METHODS OF RAISING LAKE MINNETONKA

One method is to divert the South Fork of the Crow River (the "Little" Crow) so that the water would run by gravity flow from the Little Crow to Lake Minnetonka. Some engineers claim that sufficient water could not be obtained from this source.

A second method is to divert the Big Crow River, formed by the junction of the North Fork and the South Fork near Rockford, Minn. The water from the Big Crow would then run into Lake Sarah and Lake Independence, and finally into Lake Minnetonka, Minnehaha Creek and Falls. All three lakes would be raised by this method. It is this plan which has now been submitted to the Public Works Administration.

A third method, favored by many, is the diversion of flood waters from the Mississippi River, where there is an inexhaustible, never-failing supply of water. There is disagreement as to the point of the diversion of the necessary waters of the Mississippi River.

A fourth method is the diversion of the Minnesota River. Some experts claim that this, like the Little Crow, is not a sufficient source of water.

The fifth method is the construction of artesian wells, from which water would be pumped into the lake.

A sixth method has been suggested, whereby a large Minneapolis water main would be tapped during seasons when water usage in Minneapolis is at its minimum. This water would flow above a control dam through a large pipe line into Lake Minnetonka, and the sponsors of the project would pay the city of Minneapolis a minimum rate for a large volume of water.

BIG CROW RIVER DIVERSION APPROVED

This spring a united effort was made to secure approval of the Big Crow River diversion method, and we have made very definite progress. The Examining Divisions of P. W. A. have now approved the Crow River diversion project at Rockford and recommended a Federal grant of $259,200. The total cost is estimated at $576,000. The State of Minnesota is sponsoring the project. With the $300,000,000 of public-works funds soon to be made available we hope to obtain final approval of the Lake Minnetonka project.

Lake Minnetonka is now about 4 feet below the top of Grays Bay Dam, over which it should flow. The lake has been lifted about 10½ inches by rains since last September. But we cannot depend upon rainfall. Drought will come again, and the lake must be restored by giving it a steady source of inflow. Before the drought of recent years the lake had not been as low as 3 feet below the top of Grays Bay Dam since 1890. The levels began to fall rapidly in 1928 and continued to do so through 1934, reaching a 50-year low mark of almost 6 feet 6 inches below the top of the dam during the drought of 1934. Nearly a fourth of all the water had gone from the lake at that time.

COOPERATION OF HENNEPIN COUNTY CITIZENS

We appreciate the cooperation received from citizens of Hennepin County on the Lake Minnetonka project. Palmer Holman, editor of the Wayzata Herald, A. S. Brazeman, of the Mound Pilot, and Willard Dillman of the Excelsior Record have conducted a persistent campaign in their newspapers week after week for the restoration of Minnetonka. The Minnetonka Preservation Association, the Grays Bay Improvement Association, the Rural Hennepin Civic Association, the Hennepin County Commissioners, Ben B. Moore, Edina Village Recorder, the Minneapolis Civic and Commerce Association, the Minnetonka Improvement Association, and many other citizens of Hennepin County have contributed to the progress that has so far been made on this project. They have finally brought about a united effort for one method of accomplishing the work that needs to be done, and final approval is in sight.

Personally I appreciate the confidence the good people of Hennepin County have expressed in my own efforts on the Minnetonka project. Mr. C. J. Skreen, president of the Minnetonka Preservation Association, Mound, Minn., has been kind enough to write me:

DEAR CONGRESSMAN LUNDEEN: Once again I want to thank you on behalf of our association and myself for the good work that you are doing in Washington, not only in behalf of our water level but other constructive legislation. We are entirely satisfied that the people at large are truly being represented by you and appreciate the honest efforts made in our behalf.

Sincerely yours,

C. J. SKREEN,
President, Minnetonka Preservation Association.

FOURTEEN-THOUSAND-DOLLAR MINNETONKA MILLS DAM PROJECT APPROVED

Last October—1935—the Public Works Administration approved project no. 5101 for a $14,570 dam at Minnetonka Mills to control the outflow of Lake Minnetonka. We hope that the lake-raising project will also be approved and funds allotted from the $300,000,000 soon to be made available to the Public Works Administration.

MINNEAPOLIS PRODUCERS' AND CONSUMERS' MARKET

P. W. A. project no. 1247, the Minneapolis market project, was approved after many months of hard work. For many years I have been interested in a new municipal market.

Recognizing that proper distribution facilities are necessary for farm products, the Public Works Administration approved an application for a market in Minneapolis, November 18, 1935. This project, popularly known as the Farmers and Gardeners' Market, received a Federal grant amounting to $139,050. In addition, the applicant is furnishing, from local sources, $169,950, a total of $309,000.

The original market, occupying two-thirds of a city block in the downtown district of Minneapolis, is not easily accessible, and so crowded at all times during business hours that it is a menace to traffic in that portion of the city.

Most of the present facilities are occupied by commission merchants, and more than 500 farmers who come to market their products have no—or only temporary—facilities.

The new project is located at an advantageous central point near Sixth Avenue North and Lyndale on the north side, in the fourth ward, in the Third Congressional District easily accessible from every section of the city, and with little probability of traffic congestion. The new site is approximately two blocks long and a block wide. It will contain nine market sheds each more than 300 feet long and constructed of fireproof material.

In this project P. W. A. has responded to the demand for an open market where the producers of foodstuffs may sell more than $5,000,000 worth of produce to consumers and grocers annually. For more than a generation farmers, gardeners, and consumers have urged this fine development. I am happy to know that citizens of the third and fourth wards will have a fine, convenient market shopping center within walking distance of their homes.

SUMNER FIELD HOUSING PROJECT

Project H-4201 is the famous Sumner Field housing project which is now under way. This is one of the largest housing projects in the country, located in the center of the Third Congressional District. The project was to cost $6,000,000, but the original plans were curtailed by the Public Works Administration, and present plans are for a $3,500,000 project. We are endeavoring to enlarge the project to its original size. Eventually more than $6,000,000 will be expended on housing in this Third District area.

The Sumner Field housing project is bounded by Eleventh Avenue, Seventh Street, Aldrich Avenue, Eighth Avenue, Bassett Place, Sixth Avenue, and Emerson Avenue North. It will provide 2,247 rooms in 618 family units, in three-story fireproof apartments, and two-story houses and flats. There will be 112 garages and 16 stores as auxiliary buildings. Ample open space, landscaping, and playgrounds for young children will be provided. It is expected to employ 1,180 men during 1936.

EDINA-MORNINGSIDE PUBLIC-SCHOOL PROJECT

The Edina public-school project, listed as W–1045 and costing $104,219, was approved last fall. Superintendent O. S. Glover notified me on September 16, 1935, that the project had been approved by the State P. W. A. office at St. Paul, and forwarded to Washington for final approval. We immediately contacted the Public Works Administration, and were able to notify Mr. Glover by air mail on October 1, 1935, that the project had been approved, and an allocation of $46,899 made by the P. W. A. Approval was made public the same day. Work was provided for 52 people.

Upon receipt of our notification Superintendent Glover wrote me a letter stating:

DEAR MR. LUNDEEN: Thank you very kindly for your letter of October 1 informing us that P. W. A. project W–1045 for the construction of our addition to the Edina school had been approved on the 45-percent basis. We very much appreciate your assistance in this matter. The addition will make a very substantial school plant at Edina and take care of a badly overcrowded school.

Again thanking you, we are,

Very truly yours,

O. S. GLOVER, *Superintendent.*

I am glad to have been of some service to the good people of Edina, where our own children go to school—a real home community; and the center of every such neighborhood is the school. We are now well provided for some years ahead.

ROBBINSDALE JUNIOR-SENIOR HIGH SCHOOL

Mr. Edwin J. Cooper, superintendent of independent school district no. 24, Robbinsdale, Minn., notified me on August 20, 1935, that the application for a 45-percent P. W. A. grant for the Robbinsdale junior-senior high school had been transmitted to Washington by air mail on August 15, 1935. The estimated cost was $300,000, of which $135,000 was asked from the Federal Government through the Public Works Administration. In his letter Superintendent Cooper stated:

DEAR CONGRESSMAN LUNDEEN: Will you please do what you can to see that the hope and aspirations of the people of Robbinsdale are fulfilled as early as possible? We have never had a senior high school at Robbinsdale, being handicapped by the necessity of sending our pupils to Minneapolis schools, and everyone is now looking forward to having all 12 grades of school at Robbinsdale. * * * We now await a favorable reply and a maximum grant from Washington. You know best our ability, our loyalty, and your many friendships in this district. Will you do what you can to let us hear from you at an early date?

Most earnestly yours,

BOARD OF EDUCATION, INDEPENDENT SCHOOL DISTRICT NO. 24,
Robbinsdale, Minn.
Per EDWIN J. COOPER, *Superintendent.*

Mr. Cooper's letter was placed before the officials of the National Emergency Council, then handling the matter, and we urged prompt approval.

We had some difficulty in securing approval of the Robbinsdale school project, for the reason that P. W. A. funds were exhausted in November 1935, leaving many valuable projects not included in the program. However, we were assured by Assistant Administrator Horatio B. Hackett on November 11 that delay in approval did not indicate rejection of the project, and that it would be given further consideration as soon as additional funds were made available. The project has now been approved and a full 45-percent grant made by the Federal Government. The Robbinsdale High School is now being built, giving employment to 170 people. We are glad to cooperate in all matters pertaining to improvement of Robbinsdale—a splendid home city, one of the very best in the Third Congressional District.

ST. LOUIS PARK HIGH SCHOOL

The St. Louis Park two-story high school building has recently been approved by the P. W. A. Final allocation of funds was made possible by the appropriation of public-works funds by Congress. I supported this appropriation.

We have been endeavoring to secure approval of this project for several months. The Examining Division of the P. W. A. approved the project this spring, and appropriation of funds by Congress now makes the construction possible without further delay. The new school building will include an auditorium, gymnasium, and other features of a modern up-to-date high school, for St. Louis Park. St. Louis Park has for some time been badly in need of a new school, and we are happy to know that construction of a new school has now been made possible. Federal funds amounting to $122,400 have been allocated, and 150 people are given employment by this project.

CAMBRIDGE EPILEPTIC COLONY

A great humanitarian purpose is being accomplished by the construction of two splendid buildings at the Cambridge Colony for Epileptics. These two additional buildings will take care of crowded conditions at the colony, one of the finest institutions in the entire United States. I was happy to have played a part in bringing about approval of this $252,500 project which employs 150 persons. Dr. D. E. McBroom, superintendent of the Minnesota Colony for Epileptics was kind enough to write me on January 7, 1936, as follows:

DEAR CONGRESSMAN LUNDEEN: Several days ago I was informed that this institution had received a Federal grant amounting to a little over $113,000. This, of course, will mean an additional cottage, housing about 100 patients, which will help a great deal in taking care of our long waiting list.

I also understand that it is largely through your efforts that we received this grant. I want to take this opportunity to thank you for the kind interest you have taken in us and let you know we appreciate this to the utmost.

With kind personal regards, I am,

Yours very truly,

D. E. MCBROOM, M. D., *Superintendent.*

P. W. A. PROJECTS NOT YET APPROVED

There are many valuable Third Congressional District P. W. A. projects now under consideration which have not yet been approved. We are making every effort to secure approval of these projects. Sometimes it takes months, and even years, to obtain approval. We need the cooperation of State and local government officials, organizations, and individuals in bringing pressure to bear upon the proper officials in order that these worthy projects may be started.

I will be in Washington for several weeks after the adjournment of Congress for this purpose.

In order to bring about favorable action on a public-works project, it is necessary to secure the cooperation of Senators, Representatives, and Public Works Administrator Harold L. Ickes and his staff. We have had numerous conferences with Mr. Ickes and other Public Works officials. But even more important is the interest, the letters, the wires, and the personal calls of the folks back home. The united, persistent effort of citizens directly affected by the project is the determining factor. The same is true of W. P. A. projects, under the direction of Administrator Harry L. Hopkins, at Washington, and Victor Christgau, at St. Paul.

EDINA VILLAGE COMMUNITY HALL

One project for which we are trying to secure approval is the Edina Village Community Hall, project no. 1174.

The village of Edina, a rapidly growing suburb of Minneapolis, has submitted to the Public Works Administration an application for Federal funds to construct a community building and village hall. A requested amount of $43,636, consisting of a loan of $24,000 and a grant of $19,636, has not yet been approved.

There is no adequate community building of any kind and no place for village business. Records are kept in the homes of the village officers.

The new building for which funds are sought will provide an auditorium and meeting place for several village organizations, facilities for Boy Scout activities, administrative offices for village councils, and storage rooms for permanent village records.

We will continue our efforts on this project, and I am certain a real Edina community hall will be constructed.

CAMBRIDGE HIGH SCHOOL ADDITION

The Public Works Administration approved the Cambridge school addition, project W–1090, at a cost of $113,000,

of which $50,850 is furnished by the Federal Government. Henry L. Soderquist, attorney at law, Cambridge, Minn., wrote me in Washington on March 24, 1936, concerning additional funds for this project. We have taken up the matter with Mr. Soderquist in person, and we are now bringing pressure to bear upon the Public Works Administration in an endeavor to secure an additional allotment.

EMANUEL COHEN CENTER

The enlarging and rebuilding of Emanuel Cohen Center, located at 909 Elwood Avenue North, Minneapolis, is another worthy project which ought to be considered by P. W. A. This center is now doing most valuable social-service work among people of all nationalities. Plans are being made for this project, and we have discussed the matter with P. W. A. and Federal Housing Administration officials. We will continue our efforts on behalf of Emanuel Cohen Center and cooperate with those who are backing the project.

MOOSE LAKE ASYLUM

A Federal grant of $981,675 has been approved by the examining divisions of P. W. A. for the $2,181,500 Moose Lake Insane Asylum, a great humanitarian project sponsored by the State of Minnesota. We believe funds will be made available in the near future.

OTHER P. W. A. PROJECTS OF WHICH APPROVAL IS EXPECTED

There are other Third District projects which have now been approved by the Examining Division of the Public Works Administration. Following is a list of these projects:

P. W. A. projects approved by examining divisions

Docket no.	Location	Loan	Grant	Total	Local funds provided	Estimated cost	Estimated average employment	Description
W-1179	University of Minnesota		$123,750	$123,750	$151,250	$275,000	165	Construction of adult education building. To provide a continuing program of instruction for persons engaged in professional services in State.
W-1180	do		58,590	58,590	71,410	130,000	79	Roof house addition to hospital. Present building overcrowded and lack of space for patients needing isolation or quietness.
W-1181	do		24,075	24,075	29,425	53,500	85	Fourth-floor addition to storehouse building. Necessary for efficient operation.
W-1200	Richfield		41,400	41,400	50,600	92,000	70	Addition to present school of gymnasium-auditorium and 4 classrooms. To provide facilities now lacking and to relieve overcrowded classrooms.
W-1241	Osseo		17,100	17,100	20,900	38,000	28	Addition to present high- and grade-school building of auditorium-gymnasium. Present school without facilities to provide adequate facilities for physical education.
W-1255	Minneapolis		60,855	60,855	74,145	135,000	136	Construction of school building to relieve overcrowded conditions in present building and to furnish facilities now lacking for district.
			325,770	325,770	397,730	723,500		

WORKS PROGRESS ADMINISTRATION

This is a picture of the Public Works Administration projects in Minnesota's Third Congressional District. The P. W. A. is under the direction of Harold L. Ickes at Washington and Capt. R. A. Radford at St. Paul. We have several other Federal agencies disbursing funds to Minnesota. One of the most important is the Works Progress Administration under the direction of Harry L. Hopkins at Washington and Victor Christgau at St. Paul. The W. P. A. is successor to the Civil Works Administration. This agency handles large numbers of projects. Its primary purpose is to give employment. It therefore approves projects which can be started quickly, will employ a large number of people, and will not take a large percentage of the funds for construction materials. Up to March 10, 1936, a total of $26,606,501.39 Federal funds had been allocated by the Works Progress Administration for Minnesota projects.

This includes some old C. W. A. and E. R. A. projects taken over by the Works Progress Administration. There were also many C. W. A. and E. R. A. projects completed before the W. P. A. was created. We do not have a list of these completed projects. Total Federal funds received by Minnesota for both W. P. A. and P. W. A. projects are approximately as follows:

W. P. A.	$26,606,501.39
P. W. A. (Federal projects)	24,605,748.00
P. W. A. (non-Federal projects)	20,867,569.00
Total	72,079,818.39

(Not including completed C. W. A. and E. R. A. projects.)

After projects are approved at Washington, it is the duty of the Works Progress Administration office in St. Paul to get the projects under way. Sometimes Federal funds are not available to complete all projects approved at Washington. However, our task at Washington is to secure approval of Works Progress Administrator Harry L. Hopkins, then the approval of the President, and finally allocation of funds by the Comptroller General. After that, constant pressure of State, county, city, and village officials, and interested citizens of the district is necessary to put the projects into action through the State administrator's office.

Up to February 29, 1936, good teamwork secured the approval of the Washington Works Progress Administration office, the President, and the Comptroller General for hundreds of Third District projects, including the following:

Anoka County W. P. A. projects approved at Washington as of Feb. 29, 1936

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved (Federal funds only)
*496	Anoka	Cemetery improvement	2	357	$880
497	do	Sidewalk construction	2	357	12,205
498	do	Curb construction	2	357	12,205
*1884	do	Book repair	2	570	528
*1885	do	Special survey	2	570	792
*2000	do	Park improvement	2	570	6,405
2001	do	Sewer construction	2	570	4,746
*2039	do	Park improvement	2	570	4,824
*3109	do	Street improvement	2	549	5,700
*3110	do	Courthouse	2	549	4,519
*3111	do	School repair	2	549	1,938
*3133	do	Drainage improvement	2	549	10,815
*3169	do	Drainage	2	549	24,450
*3178	do	Sewing project	2	549	18,642
4177	do	Road improvement	2	654	6,408
4377	do	Water main	2	654	2,259
*4590	do	Bridge improvement	2	654	5,543
4593	do	Road construction	2	654	14,500
4597	do	Road improvement	2	654	3,393
*4763	do	Conservation	2	641	21,762
*4804	do	Sewer improvement	2	641	1,030
*4815	do	Goods project	2	641	9,600
*4828	do	Sewer construction	2	641	1,675
4848	do	Grounds improvement	2	641	1,156
*4872	do	Flood control	2	641	1,930
*5232	do	Surveying	2	685	1,150
5397	do	Road improvement	2	770	57,540
*5674	do	Public building improvement	2	783	25,992
*5702	do	Golf course construction	2	1413	12,230
*5702	do	do	2	879	13,684
5707	do	Navigation	2	879	9,508
*5862	do	Game conservation	2	1042	12,673
6228	do	Armory improvement	2	1174	7,085

Anoka County W. P. A. projects approved at Washington as of Feb. 29, 1936—Continued

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved (Federal funds only)
6702	Anoka	Tax maps	2	1254	$5,567
6793	do	Gaging station	2	1264	4,078
6906	do	Hot lunches	2	1334	1,056
4595	Bethel	Road construction	2	654	6,160
4596	Burns Township	Road improvement	2	654	899
*982	Centerville	School improvement	2	508	1,710
*4826	do	Sewer construction	2	641	1,545
*6318	Centerville Township.	School lunches	2	1174	1,056
*784	Columbia Heights	Road construction	2	441	3,009
*4376	do	Book repair	2	654	660
*499	do	Street improvement	2	1443	6,606
*499	do	do	2	357	10,506
*500	do	do	2	357	6,020
*501	do	Sidewalk construction	2	357	1,400
*1499	do	School-building grounds	2	480	5,009
1948	do	Walks, curbs, and gutters	2	570	11,609
*3112	do	Sewer construction	2	549	3,355
4375	do	Sidewalk construction	2	654	8,125
*4876	do	Street improvement	2	1362	7,428
*4876	do	do	2	641	2,450
*5873	do	Goods project	2	1042	47,218
*6340	do	Sewing project	2	1186	17,860
*6390	do	Educational project	2	1199	6,472
7001	do	Worker education	2	1439	1,085
*853	Ham Lake Township.	Road improvement	2	431	3,009
4594	Ham Lake	Road construction	2	654	968
4501	do	Road improvement	2	654	1,408
*852	Linwood Township	do	2	431	3,009
*855	Linwood	do	2	431	440
*4592	do	Road construction	2	654	4,050
*854	Oak Grove Township.	Road improvement	2	431	4,800
	Total				496,335

Chisago County W. P. A. projects approved at Washington as of Feb. 29, 1936

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved (Federal funds only)
260	Chisago	Municipal improvement	13	284	$1,365
*518	do	Road construction	13	357	3,378
2940	do	Sanitary privies	13	531	16,199
4184	do	Water conservation	13	654	264,390
*4264	do	Book repair	13	654	1,980
*4556	do	Bathhouse	13	641	2,834
*6411	do	School lunches	13	1206	3,080
*6484	do	Wood cutting	13	1206	5,685
6713	do	Tax maps	13	1254	5,567
6848	do	Recreational art	13	1269	7,710
*5148	Fish Lake Township.	Road improvement	13	651	1,416
*775	Franconia Township.	Road construction	13	441	5,178
5012	Grand Marais	Fre. St. construction	13	651	1,490
*520	Harris	Road fence	13	357	383
1075	do	Cemetery improvement	13	477	435
*1686	do	Road improvement	13	480	3,632
1850	do	Road construction	13	480	6,940
*5454	Hesset Township	Road improvement	13	770	4,008
1687	Lindstrom	Municipal improvement	13	480	10,464
*788	do	School building grounds	13	441	755
*89	do	Water main	13	181	2,325
262	do	Municipal improvement	13	284	1,365
1334	do	Road construction	13	480	5,540
4627	do	Roadside improvement	13	654	1,416
5424	do	Athletic field improvement	13	770	1,929
*196	North Branch	do	13	284	2,814
*521	do	Poor farm	13	357	623
1333	do	Swim pool	13	480	2,160
1849	do	Street repairing	13	480	508
*1688	Rush City	Playground construction	13	480	9,120
*1688	do	Park construction	13	1249	3,295
1689	do	Road construction	13	480	908
1690	Rusheba Township	Road improvement	13	480	1,176
4400	Shafer	Roadside construction	13	654	1,310
4557	Shafer Township	Road improvement	13	654	1,416
1187	Stacy	Roadside improvement	13	477	1,425
2012	do	Park development	13	570	2,352
*1539	Taylors Falls	Construction material	13	480	2,540
*132	do	Roadside improvement	13	230	1,600
132	do	Erosion	13	1431	3,455
1691	do	Water main extension	13	480	762
2013	do	School ground improvement	13	570	1,819
*451	Wyoming	Storm sewer	13	357	1,095
*519	do	Sidewalk curb	13	357	1,158
936	do	Swim pool	13	508	846
5033	North Branch	Landscaping	13	651	4,632
5259	do	Road construction	13	718	1,096
1367	Princeton	Road improvement	13	480	2,004
1857	do	Road construction	13	480	1,416

Chisago County W. P. A. projects approved at Washington as of Feb. 29, 1936—Continued

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved (Federal funds only)
1858	Princeton	Road construction	13	480	$2,004
1717	Springvale Township.	Road improvements	13	480	3,132
2023	Stanchfield	Swimming pool	13	570	1,764
938	Stanford Township	School building	13	508	2,204
4559	Amador Township	Road improvement	13	654	1,416
4558	Branch Township	Roadside improvement	13	654	1,416
261	Center	Municipal improvement	13	284	1,365
3115	Center City	Goods project	13	549	3,924
*4265	Center	Mapping	13	654	165
*4266	do	Clerical	13	654	165
*4555	Center City	Road construction	13	654	2,832
*5355	do	Sewing project	13	770	5,660
*6180	Chisago City	Education program	13	1150	2,234
130	Chisago	Recreation facilities	13	239	1,382
	Total				440,657

Hennepin County W. P. A. projects approved at Washington

RURAL HENNEPIN

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved
6726	Hennepin	Tax map	27	1254	$11,390
*6894	do	Museum project	27	1308	4,431
6898	do	Statistical survey	27	1329	1,310
*7002	do	Professional, clerical	27	1439	13,815
*992	Hopkins	Street improvement	27	508	2,203
1268	do	Sewing project	27	480	49,840
4414	do	Sewer construction	27	654	7,890
*5026	do	do	27	651	11,375
5398	do	Canning	27	770	5,891
6836	do	Park improvement	27	1269	7,024
6837	do	Fairgrounds improvement	27	1269	3,437
4571	Independence	Roadside improvement	27	654	4,309
*993	Island Park	Freight-station construction	27	508	8,231
4217	Medicine Lake	Park development	27	654	156,684
287	Medina Township	Fish conservation	27	284	6,211
279	Bloomington	Street improvement	27	284	14,084
2020	do	Building grounds improvement.	27	570	2,423
4488	Champlin	Dam construction	27	654	10,320
5504	Countrywide	Building grounds improvement.	27	783	51,896
539	Crystal	Street improvement	27	357	8,075
4277	do	do	27	654	19,195
*4806	do	Garage construction	27	641	3,782
277	Crono Township	Street improvement	27	884	3,443
*276	Dayton	Sidewalk improvement	27	284	6,456
3172	Edina	General salvage	27	549	12,169
4785	do	Landscaping	27	641	9,320
4851	do	do	27	641	6,846
5028	do	Sewer construction	27	651	850
5476	do	Bridge construction	27	783	1,896
5645	do	Street improvement	27	817	19,746
6086	Excelsior	Athletic field improvement	27	1405	14,645
*1195	Golden Valley	Street construction	27	477	14,316
4839	do	Sewing project	27	641	13,394
5159	Hennepin	Road improvement	27	651	11,875
2937	do	Sanitary privies	27	531	23,717
2968	do	Weed control	27	531	2,000
5240	do	Park improvement	27	685	503,580
5245	do	Road improvement	27	685	274,778
*5246	do	Roadside improvement	27	685	844,925
*5283	do	do	27	718	411,385
5602	do	Mapping	27	817	55,405
*6242	do	Armory improvement	27	1174	7,208
5706	do	Navigation	27	879	6,656
6258	do	Rug weaving	27	1174	19,551
*6311	do	Recreational programs	27	1174	42,823
*6417	do	School lunches	27	1206	16,480
6423	do	Library improvements	27	1206	3,516
6575	do	School lunches	27	1237	16,480
6613	do	Library work	27	1283	2,574
*6614	do	do	27	1283	27,089
5158	Minnetonka Township.	Road improvement	27	651	11,515
3147	Morningside	Street improvement	27	549	3,630
3148	do	do	27	549	861
3149	do	Curb gutter	27	549	5,152
4761	do	Sidewalk construction	27	641	819
*6375	do	Sanitary sewer	27	1199	21,539
286	Plymouth	Road improvement	27	284	3,103
*6938	Plymouth Township.	Sewing project	27	1363	4,593
6357	Richfield	Park improvement	27	11999	1,672
94	Robbinsdale	Walk, curb, and gutter	27	239	3,171
284	do	Street improvement	27	284	22,497
1817	do	Recreational facilities	27	480	15,765
2056	do	Forestation	27	570	11,455
*4213	do	Street improvement	27	654	41,820
*4673	do	Sewing project	27	641	45,323
4759	do	Water main	27	641	14,669

Hennepin County W. P. A. projects approved at Washington—Con.

RURAL HENNEPIN—continued

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved
4786	Robbinsdale	Sewer construction	27	641	$9,330
*5282	do	Landscaping	27	718	76,065
6264	do	do	27	1174	1,672
3132	St. Louis Park	Water main	27	549	985
152	do	do	27	239	1,734
*994	do	Street improvement	27	508	15,202
3186	do	Park development	27	1134	16,925
5029	do	do	27	651	19,569
5866	St. Paul	Statistical survey	27	1042	5,036
4871	Wayzata	Water main	27	641	2,414
	Total				3,133,370

Hennepin County W. P. A. projects approved at Washington as of Feb. 29, 1936 (city of Minneapolis)

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved
*2114	Minneapolis	Building demolition	27	570	$29,976
*2115	do	Park development	27	570	69,560
2786	do	Street improvement	27	1206	1,328,950
*2962	do	do	27	531	902,310
*3029	do	Statistical survey	27	549	17,290
3194	do	Sidewalk construction	27	549	6,126
*3195	do	Library addition	27	549	8,959
*4129	do	School improvement	27	654	10,660
4172	do	do	27	654	15,834
4173	do	do	27	654	16,073
*4174	do	do	27	654	11,989
*4175	do	do	27	654	6,747
*4190	do	Goods project	27	654	286,445
4191	do	Road improvement	27	654	855,675
4214	do	do	27	654	17,781
4215	do	Surveying	27	654	32,862
*4216	do	Street construction	27	654	1,154,619
4233	do	Fire station improvement	27	654	71,897
*4234	do	Administration building improvement.	27	654	40,250
*4235	do	Road improvement	27	654	111,905
*4236	do	Surveying	27	654	57,516
*4340	do	Bridge construction	27	654	7,824
*4411	do	School construction	27	654	2,474
*4760	do	Road improvement	27	641	18,526
4783	do	Administration building	27	641	717
4850	do	Grounds	27	641	21,125
4965	do	Roadside improvement	27	651	29,520
4966	do	Road construction	27	651	57,655
*5024	do	Clerical	27	651	3,900
5025	do	do	27	651	2,340
5027	do	Goods project	27	651	13,750
*5123	do	Road improvement	27	651	17,781
5124	do	do	27	651	22,932
5125	do	Grounds improvement	27	651	102,273
*5126	do	Dump improvement	27	651	925,643
*5155	do	Recreation project	27	651	111,320
5156	do	Retaining wall	27	651	35,054
*5157	do	Swing project	27	651	235,675
*5228	do	Vocational rehabilitation	27	685	6,105
*5237	do	Medical project	27	685	62,988
*5238	do	Clerical	27	685	7,356
*5292	do	Auditorium construction	27	770	27,090
*5364	do	Clerical	27	770	73,458
*5373	do	do	27	770	22,244
*5422	do	Experimental station	27	770	80,204
*5431	do	Street improvement	27	770	1,472,480
5527	do	Airport improvement	27	879	78,850
*5728	do	Park improvement	27	879	65,228
*5729	do	School improvement	27	879	34,002
5733	do	Road improvement	27	879	40,944
*5735	do	Swimming pool	27	1446	13,514
5735	do	Special school construction	27	879	50,101
*5736	do	School building grounds	27	879	16,835
*5737	do	do	27	879	19,208
5738	do	School improvement	27	879	8,754
*5739	do	School building grounds	27	879	12,960
*5743	do	Bridge construction	27	879	16,645
*5748	do	School improvement	27	879	10,512
*5752	do	Clerical	27	879	23,249
*5841	do	City hall improvement	27	1042	38,469
*5863	do	Cemetery improvement	27	1042	31,524
*5876	do	Planning	27	1089	234,616
5888	do	Clerical	27	1134	14,013
*6072	do	Recreation project	27	1134	94,381
*6073	do	do	27	1134	32,868
*6100	do	Clerical work	27	1169	620
6101	do	do	27	1169	620
6102	do	do	27	1169	3,366
6103	do	Professional	27	1169	620
6104	do	Clerical work	27	1169	858
6105	do	Professional	27	1169	1,240
6106	do	do	27	1169	3,305
6107	do	Clerical work	27	1169	1,122

Hennepin County W. P. A. projects approved at Washington as of Feb. 29, 1936 (city of Minneapolis)—Continued

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved
6108	Minneapolis	Professional	27	1169	$4,317
6109	do	do	27	1169	1,669
6110	do	do	27	1169	620
6111	do	do	27	1169	620
6112	do	Clerical	27	1169	1,478
6113	do	Professional	27	1169	1,240
6114	do	do	27	1169	1,240
6115	do	Clerical work	27	1169	1,122
6116	do	do	27	1169	561
6117	do	Professional	27	1169	620
6118	do	do	27	1169	1,240
6119	do	Clerical	27	1169	561
6120	do	Professional	27	1169	661
6121	do	do	27	1169	620
6122	do	do	27	1169	620
6123	do	do	27	1169	1,240
6124	do	do	27	1169	4,635
6125	do	Clerical	27	1169	1,122
6126	do	Professional	27	1169	1,122
6127	do	do	27	1169	620
6128	do	do	27	1169	1,029
6129	do	do	27	1169	3,412
6130	do	Clerical	27	1169	561
6131	do	Professional	27	1169	1,240
6132	do	do	27	1169	1,122
6133	do	do	27	1169	620
6134	do	do	27	1169	1,240
6135	do	do	27	1169	620
6136	do	do	27	1169	1,240
6137	do	do	27	1169	661
6138	do	do	27	1169	1,122
6139	do	do	27	1169	539
6140	do	do	27	1169	1,122
6141	do	do	27	1169	620
6142	do	do	27	1169	1,861
6143	do	Clerical	27	1169	4,911
6144	do	do	27	1169	1,716
6145	do	do	27	1169	2,574
6146	do	do	27	1169	8,437
6147	do	do	27	1169	3,432
6148	do	do	27	1169	860
6149	do	do	27	1169	6,006
6150	do	do	27	1169	3,722
6151	do	do	27	1169	529
6152	do	do	27	1169	620
6153	do	do	27	1169	620
6154	do	do	27	1169	858
6155	do	do	27	1169	1,907
6156	do	do	27	1169	1,861
6157	do	do	27	1169	1,419
6158	do	do	27	1169	1,090
6159	do	do	27	1169	8,580
6160	do	do	27	1169	7,062
6161	do	Professional	27	1169	3,103
6162	do	do	27	1169	620
6163	do	Clerical	27	1169	1,122
6164	do	Professional	27	1169	3,339
6165	do	Clerical	27	1169	1,683
6166	do	do	27	1169	5,610
6167	do	Professional	27	1169	2,362
6168	do	Clerical	27	1169	5,049
6169	do	Professional	27	1169	620
6170	do	Clerical	27	1169	561
6171	do	do	27	1169	1,240
6172	do	do	27	1169	1,742
*6201	do	Educational project	27	1265	19,759
6201	do	do	27	1150	64,599
6219	do	Street improvement	27	1150	7,053,810
6268	do	Park improvement	27	1174	27,785
6326	do	Clerical	27	1186	12,168
6398	do	Library project	27	1199	20,270
*6518	do	City survey	27	1220	59,400
6566	do	Clerical	27	1237	6,240
6567	do	do	27	1237	12,168
*6568	do	Social service	27	1237	22,150
6572	do	Electrical survey	27	1237	13,110
6573	do	Clerical	27	1237	3,900
6586	do	do	27	1237	3,542
6605	do	Book repair	27	1264	20,400
*6679	do	Clerical	27	1254	29,000
6885	do	do	27	1298	70,745
6893	do	Government survey	27	1308	26,115
*6905	do	Sanitation	27	1329	158,251
*6909	do	Technical project	27	1344	5,373
*6920	do	Clerical	27	1344	42,678
6994	do	Sewer project	27	1402	25,422
7009	do	do	27	1432	18,140
153	do	Road improvements	27	239	18,803
*243	do	do	27	284	880,000
*244	do	Sewer improvements	27	284	89,505
*245	do	Water supply	27	284	218,288
*278	do	Electric utility	27	630	5,115
280	do	Road improvements	27	284	5,375
*282	do	Street improvements	27	284	131,030
*283	do	do	27	284	441,743
*285	do	Street construction	27	284	658,217
*288	do	Street improvements	27	284	326,781
349	do	Hospital improvements	27	279	4,970
*350	do	Park improvements	27	279	2,063,565
*354	do	Library project	27	279	91,620
*372	do	Grounds improvement	27	c30	16,902

Hennepin County W. P. A. projects approved at Washington as of Feb. 29, 1936 (city of Minneapolis)—Continued

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved
*420	Minneapolis	Medical	27	344	$165,972
538	do	Hospital improvements	27	1289	2,927
538	do	Hospital construction	27	357	8,275
749	do	School improvements	27	441	2,579
794	do	Building razing	27	441	4,337
886	do	School improvements	27	431	6,168
*914	do	do	27	431	40,352
918	do	Road improvements	27	508	15,762
*1044	do	Library improvements	27	431	31,083
*1055	do	Nursing project	27	508	20,600
1065	do	Road improvements	27	477	10,421
1094	do	Navigation improvements	27	477	5,234
1196	do	Building grounds improvements	27	477	18,883
*1267	do	Library improvements	27	480	25,749
*1355	do	Clerical work	27	480	17,540
1356	do	Water conservation	27	480	9,650
*1503	do	Library work	27	480	7,261
*1564	do	Park improvements	27	480	14,681
1565	do	City hall improvements	27	480	5,312
1566	do	Roadside improvements	27	480	23,373
*1567	do	School sanitary systems	27	1389	2,166
1567	do	Sanitary privies	27	480	5,365
1568	do	Salvage	27	480	8,308
*1711	do	Fire station	27	480	21,344
1712	do	Building grounds improvements.	27	480	20,887
*1713	do	School building grounds	27	480	4,719
*1815	do	Library improvements	27	480	19,869
*1879	do	Special survey	27	570	64,397
*2098	do	Road improvements	27	570	25,768
2099	do	do	27	570	29,238
*2112	do	Culvert improvements	27	570	85,202
*2113	do	Work, curb, gutter	27	570	75,522
	Total				22,862,376

Isanti County W. P. A. projects approved at Washington as of Feb. 29, 1936

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved (Federal funds only)
*5681	Isanti	Public building	30	783	$33,850
*454	do	Road improvement	30	357	2,560
1363	do	do	30	480	2,352
2992	do	do	30	549	30,100
3116	do	School-building grounds	30	549	1,795
*4526	do	Road improvement	30	654	16,452
*5337	do	Library project	30	770	1,980
6729	do	Tax map	30	1254	5,567
6847	do	Recreational art	30	1269	7,710
5276	Braham	Street improvement	30	718	870
*6432	do	School lunches	30	1206	385
*197	Cambridge	Park development	30	284	4,654
540	do	Street improvement	30	357	190
*1096	do	Clerical	30	477	270
*1097	do	Courthouse improvement	30	1283	220
1097	do	Courthouse	30	477	110
1365	do	Road improvement	30	480	1,989
1366	do	do	30	480	1,869
1572	do	Grounds improvement	30	480	465
1716	do	Road improvements	30	480	1,406
1935	do	Recreational facilities	30	570	5,280
3114	do	Goods project	30	549	2,724

Isanti County W. P. A. projects approved at Washington as of Feb. 29, 1936—Continued

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved (Federal funds only)
4738	Cambridge	Sewing project	30	641	$5,660
6483	do	Wood cutting	30	1206	8,695
6538	do	Road improvement	30	1232	915
	Total				138,068

Washington County W. P. A. projects approved at Washington as of Feb. 29, 1936

Official project no.	Location	Type of project	County	Presidential no.	Project amount approved
*5108	Newport	Street improvement	82	651	$6,499
5421	Point Douglas	Roadside improvement	82	770	24,744
4837	St. Paul Park	Building demolition	82	641	3,318
*4838	do	Street improvement	82	641	8,996
*475	Stillwater	Road improvement	82	357	5,324
*1170	do	Street improvement	82	477	17,700
*1171	do	Park improvement	82	477	11,802
*1468	do	Clerical work	82	480	9,540
*1469	do	Public-building improvement.	82	480	13,248
*1470	do	Construction material	82	1389	11,764
1470	do	do	82	480	7,352
*4240	do	Roadside improvement	82	654	25,082
*4454	do	Sewing project	82	654	15,304
*4455	do	Library project	82	654	21,520
5404	do	Street improvement	82	770	22,052
*615	Washington	Road improvement	82	357	21,066
2946	do	Sanitary privies	82	531	16,199
*6251	do	Armory improvement	82	1174	8,582
6476	do	Relief fuel	82	1206	9,318
6781	do	Tax maps	82	1254	7,935
*6851	do	Recreational program	82	1269	8,058
6947	Bayport	Street improvement	82	870	14,139
4844	Birchwood	Town hill improvement	82	641	206
5608	Denmark Township	Road improvement	82	817	5,556
*1806	Forest Lake	Street improvement	82	480	8,527
*2081	do	Park improvement	82	570	3,148
*6214	do	Educational program	82	1150	2,807
*2035	Marine	Roadside improvement	82	570	6,100
*2080	Hugo	Water conservation	82	570	1,731
614	Lincoln	Road improvement	82	357	7,808
*1664	Mahtomedi	Street improvement	82	480	11,304
2034	Newport	Grounds improvement	82	570	1,646
	Total				338,375

W. P. A. PROJECTS IN OPERATION—THIRD CONGRESSIONAL DISTRICT

On the above list we have indicated by an asterisk (*) sign which approved W. P. A. projects have been put in operation or authorized for work on a certain future date by the State administrator, Victor Christgau. It may be that by this time some projects not indicated by this sign have been put in operation. Minor clerical errors may possibly have been made, but our information is as correct and up to date as it has been possible to make it.

Victor Christgau, Works Progress Administrator for Minnesota, has furnished me with the following list of Third District W. P. A. projects which have actually been authorized for work by his office:

W. P. A. projects in operation or authorized for work

ANOKA COUNTY

Official project no.	State serial no.	Work project no.	Description	Location	Starting date	Percent of completion to date	Estimated date of completion	Federal funds	Sponsor funds
65-71-501	6-441	896	Sidewalk	Columbia Heights	Dec. 6, 1936	0	Feb. 6, 1937	$1,540	
65-71-2141	6-604	2873	Park improvements	do	May 21, 1936	14	Nov. 21, 1936	39,585	$15,238
65-71-5702	6-483	2031	Golf course	Anoka	Apr. 6, 1936	15	Jan. 6, 1937	27,282	10,040
65-71-4763	6-444	1844	Constructing buildings, game refuge	do	Jan. 15, 1936	50	Dec. 21, 1936	23,938	3,100
65-71-3112	6-459	1694	Sewers	Columbia Heights	Jan. 21, 1936	0	Mar. 21, 1937	3,910	
65-71-1885	6-454	1268	Clerical	Anoka	Will not start	0		871	
65-71-6318	6-532	2049	Hot lunch	Centerville	Jan. 30, 1936	20	Feb. 6, 1937	1,161	320
65-71-1884	6-448	1202	Book repair	Anoka	Nov. 15, 1935	80	Sept. 6, 1936	580	15
65-71-4376	6-449	1669	do	Columbia Heights	Nov. 30, 1935	100	June 21, 1936	726	25
65-71-5232	6-485	1212	Survey	Anoka	do	40	Dec. 6, 1936	2,861	25
65-71-6390	6-548	2173	Recreation	Columbia Heights	Jan. 30, 1936	65	Aug. 28, 1936	7,119	
65-71-3178	6-481	910	Sewing	Anoka	Nov. 15, 1935	50	Mar. 6, 1937	20,506	660
65-71-6340	6-534	2101	do	Columbia Heights	Jan. 15, 1936	65	Sept. 21, 1936	19,646	280

W. P. A. projects in operation or authorized for work—Continued

ANOKA COUNTY—continued

Official project no.	State serial no.	Work project no.	Description	Location	Starting date	Percent of completion to date	Estimated date of completion	Federal funds	Sponsor funds
65-71-4815	6-466	1225	Wood cutting	Anoka	Jan. 15, 1936	20	Feb. 21, 1937	$10,560	$2,150
65-71-5873	6-434	1884	Tanning hides	Columbia Heights	Dec. 15, 1935	60	Nov. 6, 1936	51,939	
65-71-5674	6-601	1648	Road construction	Anoka	Nov. 30, 1935	65	Dec. 21, 1936	28,591	
65-71-854	6-432	732	Road repairs	Burns and Oak Grove Townships.	Nov. 15, 1935	20	Mar. 6, 1937	5,280	7,140
65-71-855	6-433	1219	do	Linwood	Dec. 6, 1936	0	Jan. 6, 1937	484	
65-71-4592	6-464	1683	do	do	do	0	Apr. 6, 1937	4,444	
65-71-784	6-429	334	do	Centerville Township	Nov. 15, 1935	33	Feb. 21, 1937	3,309	473
65-71-853	6-431	749	do	Ham Lake Township	Jan. 21, 1936	0	Apr. 21, 1937	3,309	
65-71-852	6-430	770	do	Linwood Township	Nov. 15, 1935	45	Feb. 21, 1937	3,309	348
65-71-499	6-459	359	Street repairs	Columbia Heights	Oct. 31, 1935	75	July 21, 1936	18,163	1,905
65-71-500	6-440	360	do	do	do	55	Sept. 21, 1936	12,370	2,565
65-71-3109	6-474	691	do	Anoka	Nov. 15, 1935	50	Oct. 21, 1935	6,270	304
65-71-4826	6-478	1204	Laying tile	Centerville	Jan. 15, 1936	85	Dec. 6, 1936	1,699	420
65-71-4872	6-468	1216	Laying concrete pipe	Anoka	Jan. 6, 1937	0	Mar. 6, 1937	2,123	
65-71-4590	6-462	1719	Bridge repairs	do	Dec. 6, 1936	0	Apr. 6, 1937	6,097	
65-71-3110	6-482	2424	Courthouse addition	do	Feb. 15, 1936	80	Aug. 6, 1936	4,970	2,711
65-71-1499	6-445	662	School repairs	Columbia Heights	Nov. 15, 1935	70	July 21, 1936	9,398	2,264
65-71-982	6-443	641	School painting	Centerville	Nov. 21, 1936	0	Jan. 21, 1937	1,881	
65-71-3111	6-461	778	School repairs	Anoka	do	0	Feb. 21, 1937	2,131	
65-71-2039	6-456	1304	Park beautification	do	Dec. 6, 1936	0	Apr. 6, 1937	5,306	
65-71-2000	6-450	1338	do	do	Jan. 15, 1936	75	Jan. 6, 1937	7,046	2,432
65-71-5862	6-452	2788	Power line	do	May 21, 1936	32	Mar. 6, 1937	13,940	3,351
65-71-4804	6-484	1218	Sanitary sewer	do	Jan. 21, 1937	0	Mar. 21, 1937	1,133	
65-71-4828	6-472	1684	Storm sewer	do			Completed	1,842	928
65-71-496	6-435	399	Cemetery repairs	do			do	968	1,362
65-71-4876	6-479	1221	Street repairs	Columbia Heights			do	10,865	365
65-71-3169	6-458	777	Clean ditches	Anoka			Discontinued	26,895	
65-71-3133	6-476	895	do	do			do	11,896	

CHISAGO COUNTY

65-71-520	2-98	576	Painting snow fence	Rush City, Center City, Harris 6.			Completed	$421	$508
65-71-451	2-139	2358	Storm sewer	Wyoming			do	1,204	99
65-71-4555	2-597	2256	Road construction	Center City			do	3,115	2,250
65-71-519	2-89	472	Sidewalk construction	Wyoming	July 2, 1936	45	Sept. 30, 1936	3,182	49
65-71-1688	2-374	709	Park construction	Rush City	Open	25	June 30, 1937	13,656	725
65-71-59	2-7	284	Water main	Lindstrom			Completed	2,557	343
65-71-6180	2-858	1900	Educational	Center City	Open	50	June 30, 1937	2,457	
65-71-4265	2-599	1515	Clerical (county maps)	do	Oct. 30, 1936	60	Dec. 30, 1936	315	
65-71-4266	2-600	2435	County surveyor records	do			Completed	181	
65-71-6411	2-830	2180	Hot lunches	do	Oct. 15, 1936	35	Apr. 30, 1937	3,388	332
65-71-4264	2-598	1560	School library book repair	do	Open	60	Dec. 30, 1936	2,178	44
65-71-5355	2-716	1564	Sewing	Lindstrom	do	50	June 30, 1937	9,751	
65-71-1539	2-388	2071	Sand pit	Taylors Falls			Completed	2,794	60
65-71-6484	2-842	2185	Wood cutting	Center City			do	9,553	300
65-71-5454	2-517	2258	Culverts on roads	Rush City	Dec. 23, 1936	50	Feb. 28, 1937	4,408	51
65-71-775	2-172	2334	Road repair	Franconia	Sept. 31, 1936	62	Dec. 31, 1936	5,695	260
65-71-4556	2-628	2701	do	Chisago City	Sept. 30, 1936	65	Oct. 30, 1936	1,416	49
65-71-5148	2-604	2702	do	Grandy	Sept. 15, 1936	90	Sept. 30, 1936	1,416	49
65-71-132	2-40	289	Roadside beautification	Taylor Falls	Open	50	June 30, 1937	5,215	1,808
65-71-518	2-88	1163	Road repair	County-wide			Completed	3,715	263
65-71-1686	2-372	1205	do	Harris	Oct. 1, 1936	97	Oct. 15, 1936	3,995	243
65-71-521	2-99	616	Poor farm building repair	North Branch	Open	75	July 1, 1936	685	572
65-71-788	2-173	542	School ground repair	Lindstrom			Completed	830	442
65-71-196	2-32	148	Athletic field construction	North Branch	Open	90	July 7, 1936	5,681	355
65-71-1264	2-336	2295	Repair buildings, State park	Taylors Falls	do	12	June 30, 1937	30,059	480

HENNEPIN COUNTY

65-71-2962	5-58	1767	Street repairs	Minneapolis, city-wide	Dec. 17, 1935	71	Discontinued	$992,541	$15,000
65-71-276	5-5	226	do	do	Oct. 14, 1935	80	August 1936	10,464	2,655
65-71-1195	5-97	608	do	Golden Valley	Nov. 6, 1935	75	December 1936	15,747	800
65-71-962	5-44	2825	do	Hopkins	Apr. 28, 1936	95	July 1936	2,423	115
65-71-5431	5-169	1733	do	Minneapolis	Nov. 26, 1935	19	Will not be completed.	1,019,728	
65-71-288	5-32	250	Repair of street, curb, street and traffic signs	Minneapolis, throughout city.	Oct. 9, 1935	62	Nov. 1936	359,459	6,300
65-71-2113	5-111	2878	Construction of curb and sidewalks	Minneapolis	Not started		Jan. 1937	80,874	4,693
65-71-5743	5-102	1773	Constructing new bridge over Minnehaha Creek	do	Dec. 19, 1935	85	July 1936	25,173	1,377
65-71-243	5-18	1076	Grading trunk Highway No. 100	Hennepin County	Oct. 31, 1935	0	November 1936	968,000	368,946
65-71-5246	5-203	2266	Grading and graveling county roads	Minneapolis	Jan. 10, 1936	0	July 1937	929,417	45,790
65-71-5123	5-164	2844	Grade road no. 17	do	Apr. 27, 1936	60	June 1936	19,559	1,100
65-71-4760	5-205	2845	Grading town roads	Minnetrista	do	95	December 1936	20,378	3,330
65-71-4235	5-163	2245	Grading county road no. 18	Minneapolis	Jan. 21, 1936	95	July 1936	235,119	21,873
65-71-283	5-23	258	Relaying wood-block pavement	do	Oct. 21, 1935	99	do	485,917	5,000
65-71-2112	5-108	1772	Installing culverts	do	Dec. 9, 1935	95	October 1936	93,722	
65-71-285	5-25	89	Relaying brick pavement	do	Oct. 21, 1935	95	August 1936	724,038	10,000
65-71-282	5-20	249	Relaying granite pavement	do	Oct. 17, 1935	95	do	144,133	3,000
65-71-4216	5-216	1760	Street repairs	do	Nov. 26, 1935	95	Suspended	1,270,080	15,000
65-71-994	5-92	2246	Grade and gravel streets	St. Louis Park	Jan. 13, 1936	95	August 1936	26,124	1,971
65-71-4213	5-212	2693	Street repairs	Robbinsdale	Mar. 23, 1936	95	August 1936	46,002	3,755
65-71-261	5-17	247	Roadside development	Minneapolis to Excelsior	Oct. 25, 1935	90	October 1936	121,480	46,682
65-71-5283	5-213	1718	Beautification of county road	Minneapolis	Nov. 19, 1935	90	December 1936	432,523	6,070
65-71-2098	5-107	1984	Ditching and widening county road	do	Dec. 6, 1935	95	August 1936	28,344	1,716
65-71-2115	5-114	2267	Road repair	do	Jan. 21, 1936	99	January 1937	76,516	
65-71-275	5-1	212	Repair concrete arch bridge	do	Oct. 7, 1935	90	Completed June 1936.	12,715	7,671
65-71-4340	5-103	1867	Bridge repair at Portland and Minnehaha	do	Dec. 19, 1935	90	July 1936	12,869	592
65-71-5642	5-51	1613	Street repairs and guard rail construction	Edina Village	Dec. 11, 1935	95	November 1936	21,720	5,181
65-71-1711	5-64	1002	Repairs of fire station	Minneapolis	Nov. 7, 1935	70	Funds exhausted.	23,478	4,200
65-71-5422	5-230	2603	Construction of hydraulic laboratory	do	Mar. 13, 1936	90	Oct. 1, 1936	88,224	15,000
65-71-993	5-89	1880	Construction of fire hall and community hall	Island Park	Dec. 2, 1935	90	September 1936	14,820	3,345
65-71-4806	5-204	2876	Construction of brick warehouse	Crystal	May 11, 1936	90	August 1936	4,160	1,988

W. P. A. projects in operation or authorized for work—Continued

HENNEPIN COUNTY—continued

Official project no.	State serial no.	Work project no.	Description	Location	Starting date	Percent of completion to date	Estimated date of completion	Federal funds	Sponsor funds
65-71-5841	5-56	2037	Reconstructing offices, city hall	Minneapolis	Dec. 23, 1935	75	January 1937	$42,315	$1,500
65-71-4235	5-77	1774	Remodeling and redecorating fire stations	do	Dec. 12, 1935	60	December 1936	79,086	5,000
65-71-4234	5-78	1776	Remodeling and redecorating engine department	do	do	80	November 1936	44,275	2,500
65-71-866	5-62	767	Painting walls, Madison School	do	Nov. 4, 1935	100	Completed June 1936.	6,784	1,215
65-71-914	5-61	808	Refinishing blackboard surface, 51 schools	do	Nov. 12, 1935	99	June 1936	44,387	
65-71-1713	5-86	966	School, repair and painting	do	Nov. 8, 1935	100	Completed May 1936.	5,190	946
65-71-4175	5-84	1478	do	do	Nov. 15, 1935	100	do	7,421	957
65-71-4174	5-83	1483	do	do	Nov. 18, 1935	100	do	16,018	2,454
65-71-5748	5-88	1641	do	do	Feb. 18, 1936	100	do	11,563	
65-71-5736	5-87	1642	do	do	Jan. 6, 1936	100	do	21,975	
65-71-5739	5-73	1649	do	do	Dec. 12, 1935	100	Completed June 1936.	14,256	2,754
65-71-4129	5-85	1009	do	do	Mar. 10, 1936	98	Completed July 1936.	11,726	
65-71-1567	5-113	961	do	do	Nov. 8, 1935	98	do	8,067	5,718
65-71-5737	5-76	1640	do	do	Dec. 31, 1935	100	Completed May 1936.	26,649	3,962
65-71-5729	5-71	1643	do	do	Nov. 25, 1935	100	do	42,611	6,909
65-71-5735	5-63	2536	Construct swimming pool	do	Feb. 27, 1936	55	October 1936	68,625	1,250
65-71-2114	5-112	2600	Wrecking school building	do	Mar. 19, 1936	80	August 1936	32,975	200
65-71-1044	5-57	834	Repairs in and to main library	do	Nov. 5, 1935	60	Suspended	94,191	1,750
65-71-1815	5-80	1055	Repair and rehabilitate branch library	do	Nov. 12, 1935	60	do	32,830	2,000
65-71-1267	5-91	1008	do	do	do	50	do	35,909	975
65-71-3193	5-34	1838	Addition to Central Avenue library	do	Dec. 6, 1935	95	July 1936	13,628	1,852
65-71-5292	5-94	1810	Repairing booths, used for election	do	Dec. 6, 1935	90	August 1936	29,709	800
65-71-1777	5-65	993	Completing remodeling detention home	do	Nov. 4, 1935	90	July 1936	33,470	1,700
65-71-278	5-8	1854	Revamping boilers and electric lights	do	Dec. 2, 1935	100	June 1936	8,626	38,021
65-71-1198	5-98	617	Paint city-engineer oil plants	do	Nov. 15, 1935	65	November 1936	20,771	990
65-71-5155	5-167	1751	Maintaining recreational facilities	do	Nov. 22, 1935	43	March 1937	122,452	4,860
65-71-5504	5-208	2779	School-grounds improvements	do	Apr. 30, 1936	10	November 1936	57,085	42,357
65-71-4411	5-66	2780	do	do	May 4, 1936	60	September 1936	2,721	1,053
65-71-5728	5-109	2884	Installation of sprinkling system	do			Not started	71,750	8,418
65-71-350	5-26	90	Beautification of parks	do	Sept. 22, 1935	75	December 1936	2,269,921	40,500
65-71-1564	5-99	1636	Road repairs	do	June 8, 1936	20	September 1936	16,149	300
65-71-245	5-30	291	Repair and extension of waterwork project	do	Oct. 14, 1935	80	February 1937	240,116	5,750
65-71-6375	5-247	2847	Sewer construction	do	May 4, 1936	2	March 1938	23,692	24,539
65-71-5282	5-186	2125	Installation of sewers	do	Dec. 30, 1935	55	February 1937	83,671	5,002
65-71-244	5-22	292	Sewer and drain repair	do	Nov. 4, 1935	80	October 1936	98,455	3,025
S-26 U-6242	5-260	2446	Repairs and beautification of armories	do	Feb. 3, 1936	95	June 1936	7,928	796
65-71-5228	5-161	1293	Operate a project for "shut-ins"	do	Nov. 12, 1935	98	Suspended June 1936.	6,715	500
65-71-6201	5-246	1918	Educational	do	Dec. 2, 1935	75	August 1936	92,793	
65-71-3029	5-198	771	Analysis of all pay rolls	do	Nov. 4, 1935	36	May 1937	19,019	3,500
65-71-5238	5-69	946	Revision of lists of tuberculosis cases	do	do	58	December 1936	8,091	2,275
65-71-1363	5-95	949	Transcription of musical scores	do	Nov. 18, 1935	43	February 1937	7,987	100
65-71-1355	5-39	951	Modernization of records department of hospital admission, division of relief.	do	Nov. 6, 1935	55	December 1936	19,294	650
65-71-5026	5-143	1206	Clerical, Hennepin County probate office	do	Nov. 13, 1935	63	October 1936	2,574	347
65-71-5024	5-142	1267	Clerical and stenographic	do	Nov. 12, 1935	60	do	4,290	372
65-71-4236	5-178	1528	Clerical, modernizing maps, etc.	do	Nov. 25, 1935	23	September 1937	63,267	453
65-71-5752	5-130	1765	Clerical, board of park commissioners	do	Nov. 26, 1935	98	July 1936	25,573	1,392
65-71-5373	5-168	1766	Clerical, bring records up to date	do	Nov. 25, 1935	39	March 1937	24,468	2,160
65-71-5304	5-158	1781	Indexing and cataloging city comptroller's accounts.	do	Dec. 3, 1935	50	December 1936	80,803	15,280
65-71-6679	5-70	2269	Modernizing relief department files	do	May 11, 1936	4	June 1937	31,900	2,575
65-71-8885	5-89	2293	Inventory of educational equipment	Minneapolis public schools	Feb. 13, 1936	21	do	77,819	14,350
65-71-6100	5-48	2440	Clerical, research, main campus at university	Minneapolis	Feb. 6, 1936	20	March 1937	151,737	
65-71-420	5-45	323	Augmentation of service rendered to indigent sick.	Minneapolis General Hospital.	Oct. 21, 1935	35	July 1937	182,669	
65-71-1055	5-93	1389	Nursing, free and indigent patients	Minneapolis	Nov. 19, 1935	88	July 1936	33,680	
65-71-5237	5-13	1782	Laboratory work and other public-health research	Minneapolis	Nov. 25, 1935	50	December 1936	69,286	30,280
65-71-354	5-36	91	To extend the facilities for Central Library	do	Sept. 24, 1935	61	September 1936	100,782	2,000
65-71-6396	5-151	2268	Library extension work in 8 rural Hennepin	do	Feb. 10, 1936	9	June 1937	22,297	280
65-71-6614	5-251	2270	Library extension work in settlement houses	do	Mar. 23, 1936	10	September 1936	29,797	280
65-71-6894	5-253	2449	Museum project, Minneapolis Public Library	do	do	1	June 1937	4,874	100
65-71-5878	5-236	1908	Statistical	do	Dec. 6, 1935	84	July 1936	258,077	17,700
65-71-6518	5-135	2823	Survay of major land-line boundaries	do	May 12, 1936	4	June 1937	65,340	
65-71-1879	5-47	1762	Analysis of traffic survey	do	Nov. 25, 1935	65	September 1936	70,836	2,300
65-71-6417	5-219	2280	Hot lunch for school children	Hopkins	Jan. 13, 1936	30	April 1936	18,128	4,940
65-71-4216	5-215	1784	Resurvey of rural Hennepin County	Minneapolis	Nov. 27, 1935	50	July 1937	36,148	5,600
8-98-7002	5-279	2773	Research and placement for handicapped persons	do	Apr. 13, 1936	26	December 1936	13,815	
65-71-6920	5-255	2827	Comprehensive compilation of records of the division of relief.	do	May 1, 1936	17	June 1937	46,945	2,800
65-71-2144	5-254	2843	Gathering historical data	do	do	1	do	6,989	200
65-71-6072	5-243	1969	Recreational facilities	do	Dec. 2, 1935	78	July 1936	103,819	
65-71-6073	5-242	1975	Public school recreational facilities	do	Dec. 13, 1935	70	August 1936	36,154	
65-71-6311	5-244	2072	Recreational project	County-wide	Dec. 20, 1935	84	July 1936	47,108	
65-71-6568	5-43	2265	Home demonstration	Minneapolis	Jan. 28, 1936	38	September 1936	24,365	375
65-71-6909	5-257	2605	Transcribe Braille for use of blind	do	Mar. 26, 1936	29	December 1936	5,910	
65-71-4839	5-228	1300	Sewing center	Golden Valley	Nov. 18, 1935	70	August 1936	14,733	360
65-71-4673	5-137	1315	do	Robbinsdale	Nov. 12, 1935	41	May 1937	49,855	1,200
65-71-5157	5-183	1356	Sewing center board of public welfare	Minneapolis	Nov. 25, 1935	75	November 1936	259,242	
65-71-6938	5-258	2694	Sewing center project	Plymouth Township	Mar. 23, 1936	87	June 1936	5,052	
65-71-4190	5-140	1154	Establish sewing control	Minneapolis	Nov. 4, 1935	76	August 1936	315,089	5,243
65-71-5126	5-172	1812	Clean and grade Bassett Creek	do	Nov. 25, 1935	60	December 1936	1,018,207	4,500
65-71-6905	5-155	2557	Cut weeds on city dumps	do	Mar. 6, 1936	40	January 1937	174,076	312
65-71-372	5-9	1622	Beautification of grounds, State soldiers' home	do	Nov. 15, 1935	85	July 1936	18,592	450
65-71-5863	5-222	2824	Grading, filling, and surfacing cemetery grounds	do	Apr. 27, 1936	30	November 1936	34,676	1,500
				ISANTI COUNTY					
65-71-197	2-35	158	City park	Cambridge	Open	30	June 30, 1937	$8,091	$2,506
65-71-1097	2-220	834	Courthouse painting	do			Completed	339	168
65-71-4526	2-704	1845	Road construction	County-wide	Open	78	Mar. 31, 1937	13,097	3,250
65-71-938	2-214	1605	School building construction	District no. 49, Stanford Township.	do	94	July 7, 1936	4,035	3,184
65-71-5681	2-959	2028	Irrigation system	Epileptics Colony, Cambridge.	July 30, 1936	22	Nov. 30, 1936	37,235	1,064

W. P. A. projects in operation or authorized for work—Continued

ISANTI COUNTY—continued

Official project no.	State serial no.	Work project no.	Description	Location	Starting date	Percent of completion to date	Estimated date of completion	Federal funds	Sponsor funds
65-71-6038	2-406	2363	"C" type dam	Green Lake, Cambridge	Open	77	July 22, 1936	$7,740	$727
65-71-6432	2-837	2252	Hot lunches	Braham			Completed	385	126
65-71-1572	2-293	674	Courthouse lawn repairs	Cambridge			do	511	517
65-71-454	2-108	1635	Road repairs	Dalbo Township			do	2,816	890
65-71-1096	2-228	833	Clerical, registrar of deeds office	Cambridge			do	297	
65-71-5337	2-611	2837	School library book repair	do	Oct. 1, 1936	0	May 30, 1937	1,980	104

WASHINGTON COUNTY

65-71-614	4-65	426	Road repairs	Lincoln	Oct. 24, 1935		Completed	$8,588	$2,014
65-71-475	4-74	369	do	Stillwater	do	79	July 2, 1936	5,856	2,321
65-71-1806	4-102	828	Street repairs	Forest Lake	Nov. 4, 1935	65	Sept. 2, 1936	9,379	1,670
65-71-1664	4-103	1579	do	Mahtomedi	Jan. 1, 1936	31	Apr. 2, 1937	12,434	3,299
65-71-2035	4-185	2000	Retaining wall	Marine	Dec. 23, 1935	40	Oct. 2, 1936	6,710	180
65-71-4240	4-223	1417	Roadside beautification	Stillwater	Nov. 11, 1935	62	Aug. 2, 1936	27,390	10,597
65-71-615	4-75	427	Road repairs	do	Oct. 24, 1935	58	Feb. 2, 1937	23,172	5,744
65-71-4838	4-267	1509	Sidewalk and streets	St. Paul Park	Nov. 26, 1935	61	Oct. 2, 1936	9,895	500
65-71-5108	4-174	1580	Street repairs	Newport	Dec. 23, 1935	42	Jan. 2, 1937	7,148	450
65-71-1469	4-141	846	Courthouse repairs	Stillwater	Dec. 2, 1935	55	Nov. 2, 1936	14,572	535
S-26-6251	4-402	2856	Armory repairs	do	May 18, 1936	22	May 2, 1937	9,440	870
S-26-1171	4-108	627	Park improvements	do	Nov. 6, 1935	55	Nov. 17, 1936	12,982	675
S-26-2081	4-181	2553	do	Forest Lake	Apr. 1, 1936		Completed	3,462	549
S-26-1468	4-140	945	Clerical, county records	Stillwater	Nov. 4, 1936	43	Jan. 2, 1937	10,494	200
S-26-4455	4-184	1542	Clerical	do	Dec. 2, 1935	7	June 30, 1937	23,672	
S-26-6851	4-393	2606	Recreational	do	Mar. 16, 1936	24	Feb. 2, 1937	8,863	
S-26-4454	4-78	1462	Sewing project	do	Nov. 15, 1935	75	Sept. 2, 1936	16,834	200
S-26-1170	4-107	636	Oil treating of gravel	do	Nov. 4, 1935	62	do	19,470	1,175
S-26-1470	4-146	729	Crushing gravel	do	Nov. 26, 1935	62	Aug. 2, 1936	8,087	3,190
S-26-6214	4-360	1917	Educational	Forest Lake	Dec. 2, 1935	25	Closed, not to reopen.	3,087	

DESCRIPTION OF SOME THIRD DISTRICT W. P. A. PROJECTS

I wish to describe briefly some of the W. P. A. Third District projects approved at Washington.

Anoka County

State serial no. 2-668.
Official project no. 5397.
Federal funds, $57,540.
Sponsors' contribution, none.
Total funds, $57,540.
Location: Anoka, Anoka.
Total man-years of work, 91.
Persons taken from relief rolls, 175.
Total paid from Federal funds, 182.
Federal expenditure, $632.31.

General repairs and improvements to town roads, none of which are Federal-aid highways or State highways, Anoka County, exclusive of that work which has been requested on individual project proposals submitted by the following: Burns, Ramsey, Bethel, Linwood, Ham Lake, and Grow Townships.

Streets, Columbia Heights

State serial no. 2-94—not a new project.
Supplement no. 1—original official project no. 499.
Federal funds, $6,606.
Sponsors' contribution, none.
Total funds, $6,606.
Location: Anoka County, Columbia Heights.
Total man-years of work, 5.
Persons taken from relief rolls, 33.
Total paid from Federal funds, 33.
Federal expenditure, $1,201.

This application supplements official project 65-71-499. Approved on Presidential Letter No. 357, described as follows: "Subgrading Forty-second Avenue West, Central Avenue to University Avenue."

Columbia Heights Tannery

State serial no. 2-64.
Official project no. 5873.
Federal funds, $47,218.43.
Sponsor's contribution, none.
Total funds, $42,218.43.
Location, Anoka County, St. Paul.
Total man-years of work, 46.16.
Persons taken from relief rolls, 43.16.
Total paid from Federal funds, 46.16.
Federal expenditure per man-year of labor, $1,022.76.

Tanning of F. S. R. C. cowhides to be carried on in an abandoned tannery located at Columbia Heights, Minn. There is an apparent need for this tannery, as there is only one other cowhide tannery within the State of Minnesota. This is an emergency in order to preserve hides on hand and is a continuation of an existing E. R. A. project.

Anoka County Ditches

State serial no. 2-642.
Official project no. 3169.
Federal funds, $24,450.
Sponsor's contribution, none.
Total funds, $24,450.
Location, Anoka County, Anoka.
Total man-years of work, 47.5.
Persons taken from relief rolls, 56.
Total paid from Federal funds, 57.
Federal expenditure per man-year of labor, $514.73.

Regrade, excavate, and clean out county ditch no. 44 and lateral ditches nos. 1 and 2.

Anoka Game Refuge

State serial no. 2-337.
Official project no. 4763.
Federal funds, $21,762.18.
Sponsor's contribution, $3,100.
Total funds, $24,862.15.
Total man-years of work, 16.60.
Persons taken from relief rolls, 48.91.
Total paid from Federal funds, 49.81.
Federal expenditure per man-year of labor, $1,310.84.
Carlos Avery Game Refuge:

Construction of one addition to warden's cottage 14 by 24 feet, one 2-car garage 20 by 26 feet, one 5-room house 22 by 26 feet, one 3-room cottage 24 by 30 feet, one 4-car garage 26 by 45 feet, one storage building and workshop 20 by 80 feet, one incubation building 150 by 30 feet, 200 brooder coops, weeding around young trees, construction of new firebreaks and reconstruction of old firebreaks, collection and distribution of bird food. This work to be done on Carols Avery Game Refuge located in N½ of SE¼, sec. 6, T. 32 N, R. 22 W., in Anoka County.

Chisago County

State serial no. 2-336.
Official project no. 1264.
Federal funds, $27,327.
Sponsors contribution, $1,366.66.
Total funds, $28,693.66.
Location: Chisago, St. Paul.
Total man-years of work, 51.33.
Persons taken from relief rolls, 77.
Total paid from Federal funds, 77.
Federal expenditure, $532.34.

(1) Reroof eight cottages; (2) rebuild over porches on cabins; (3) move two buildings to South Park; (4) make shutters for eight buildings; (5) construct Imhoff tank and tile disposal line; (6) paint eight buildings; (7) grade parking area in North Park, also in South Park; (8) construct guard rail around parking area and pot holes; (9) plant trees and shrubs in South Park picnic area; (10) construct foot trails.

Lindstrom Parks

State serial no. 2-373.
Official project no. 1687.
Federal funds, $10,464.
Sponsors contribution, $506.50.
Total funds, $10,970.50.
Location: Chisago County, Lindstrom.
Total man-years of work, 21.33.
Persons taken from relief rolls, 31.
Total paid from Federal funds, 32.
Federal expenditure, $490.50.
Construction of three parks and playgrounds, and landscaping, leveling, and improving a municipally owned cemetery in the village of Lindstrom.

Chisago Chain of Lakes

State serial no. 2-728.
Official project no. 4184.
Federal funds, $264,390.
Sponsors' contribution, $5,000.
Total funds, $269,390.
Location: Chisago County, St. Paul.
Total man-years of work, 416.
Persons taken from relief rolls, 414.
Total paid from Federal funds, 416.
Federal expenditure per man-year of labor, $635.52.
This project proposes to divert water from the Sunrise River, near Kost, to the Chisago chain of lakes. This will require the construction of a channel and pumping plant.

Hennepin County

State serial no. 5-184.
Official project no. 5029.
Federal funds, $19,569.
Sponsor's contribution, $5,117.
Total funds, $24,686.50.
Location: Hennepin, St. Louis Park.
Total man-years of work, 24.61.
Persons taken from relief rolls, 96.43.
Total paid from Federal funds, 96.43.
Federal expenditure per man-year of labor, $795.22.
The village of St. Louis Park desires to provide a public park and recreational facilities. The work will consist of grading, driveway construction, drainage, planting of trees and shrubs and the building of tennis courts, field house and athletic fields. This is known as project A and is located on Brunswick Avenue, 1,200 feet north of Excelsior Boulevard.

St. Louis Park Recreational Facilities

State serial no. 5-209.
Official project no. 3186.
Federal funds, $16,925.
Sponsor's contribution, $6,790.50.
Total funds, $23,715.50.
Location: Hennepin, St. Louis Park.
Total man-years of work, 20.8.
Persons taken from relief rolls, 86.
Total paid from Federal funds, 88.
Federal expenditure per man-year of labor, $812.08.
The village of St. Louis Park desires to provide recreational facilities for the public use. The work will include grading, drainage, planting of trees and shrubs, walk and drive construction, etc. This is known as project B and is located on the new State Highway No. 7 and Minnesota Boulevard.

Hennepin County Lake Shore Lines

State serial no. 5-217.
Official project no. 5240.
Federal funds, $503,580.60.
Sponsor's contribution, none.
Total funds, $503,580.60.
Location: Hennepin County, Minneapolis.
Total man-years of work, 600.1.
Persons taken from relief rolls, 705.
Total paid from Federal funds, 721.
Federal expenditure per man-year of labor, $838.14.
The cleaning up of approximately 365 miles of public shore line on 58 lakes in rural Hennepin County, as said cleaning to consist of cutting and burning of brush and noxious weeds and trimming of trees under direction of competent landscape engineers. The work herewith contemplated specifically excludes any and all work included on applications previously submitted.

Elm Creek, Champlin

State serial no. 5-224.
Official project 4488.
Federal funds, $10,320.
Sponsor's contribution, $4,119.50.
Total funds, $14,439.50.
Location: Hennepin County, Champlin.
Total man-years of work, 13.25.
Persons taken from relief rolls, 52.
Total paid from Federal funds, 53.
Federal expenditure per man-year of labor, $778.86.
Replace dam on Elm Creek at Champlin and clean out creek and lake bed for a distance of 2 miles above the dam.

Robbinsdale Parks

State serial no. 5-117.
Official project no. 2056.
Federal funds, $11,454.50.
Sponsor's contribution, $3,709.50.
Total funds, $15,164.
Location: Hennepin County, Minneapolis.
Total man-years of work, 15.
Persons taken from relief rolls, 43.
Total paid from Federal funds, 45.
Federal expenditure per man-year of labor, $763.63.
This project consists of trimming and planting of trees along all the village streets and parks of the village of Robbinsdale.

Hopkins Storm Sewer

State serial no. 5-147.
Official project no. 5026.
Federal funds, $11,375.
Sponsor's contribution, $14,220.
Total funds, $25,595.20.
Location: Hennepin County, Hopkins.
Total man-years of work, 15.
Persons taken from relief rolls, 33.
Total paid from Federal funds, 36.
Federal expenditure per man-year of labor, $758.33.
Hopkins storm sewer on following streets: Intersection of Excelsior Avenue and Seventh Avenue, on Seventh to First Streets south to Thirteenth Avenue, south thence through open ditch to Ninemile Creek.

Isanti County

State serial no. 2-801.
Official project no. 2992.
Federal funds, $30,100.
Sponsor's contribution, $2,500.
Total funds, $32,600.
Location: Ramsey County-Isanti County.
Total man-years of work, 28.
Persons taken from relief rolls, 50.
Total paid from Federal funds, 56.
Federal expenditure per man-year of labor, $1,075.
Reconstruction of Highways Nos. 56, 95, 118 in Isanti County, not on Federal-aid system.

Washington County

State serial no. 5-92.
Official project no. 994.
Federal funds, $15,202.
Additional amount approved, $9,402 on supplement no. 1.
Sponsors' contribution, $1,971.
Total funds, $17,173.
Location: St. Paul Park.
Total man-years of work, 19.
Persons taken from relief rolls, 54.
Total paid from Federal funds, 56.
Federal expenditure per man-year of labor, $822.
Grade 1 mile and gravel 23 miles of streets in St. Louis Park, per appendage attached to application.

Mahtomedi Streets

State serial no. 4-103.
Official project no. 1664.
Federal funds, $11,304.50.
Sponsor's contribution, $3,299.95.
Total funds, $14,604.45.
Location: Washington County, Mahtomedi.
Total man-years of work, 20.33.
Persons taken from relief rolls, 19.
Total paid from Federal funds, 20.33.
Federal expenditure per man-year of labor, $21.33.
Village street improvements and repairs in village as listed on proposal.

Bayport Street Improvements

State serial no. 4-186.
Official project no. 1947.
Federal funds, $14,139.
Sponsor's contribution, $2,802.
Total funds, $16,941.
Location: Washington County, Bayport.
Total man-years of work, 23.3.
Persons taken from relief rolls, 22.25.
Total paid from Federal funds, 23.30.
Federal expenditure per man-year of labor, $605.95.
Street improvements: Grade and gravel streets as designated and located on W. P. A. form 301; gravel balance of streets as graded on S. E. R. A.; enclose creek bed on Third Avenue between Third and Fourth Streets, a distance of 167 feet, with reinforced concrete slat on concrete footings, surfacing over same; grade and fill area at foot of Central Avenue and construct stone and concrete retaining wall at end, size 8 by 500 feet.

W. P. A. EDUCATIONAL, CULTURAL, AND RECREATION PROJECTS

Some fine service has been rendered by the Federal W. P. A. cultural projects, such as the Federal music project, recreation projects, adult and workers' education.

FEDERAL MUSIC PROJECT

The Federal music project was created to employ, retrain, and rehabilitate those musicians who because of the depression faced loss of employment and resulting deterioration of skill. By March 21, 1936, 15,639 of such people were on W. P. A. pay rolls in the United States.

This is truly a cultural reclamation project. It includes instrumentalists, vocalists, composers, teachers, librarians, copyists and arrangers, tuners, and music binders. There have been 163 approved symphony and concert W. P. A. orchestras, 51 bands, a composers' project, 15 chamber music ensembles, 22 choruses and quartets, 69 popular orchestras, 146 teachers' projects; opera and operetta projects, and 1 folk-song project to preserve early Kentucky hills music. State universities and local boards of education cooperate with the W. P. A. in this work.

MINNESOTA W. P. A. MUSIC PROJECT

As of May 28, 1936, there were 269 people working on the Minnesota W. P. A. music project, 244 of these from relief rolls. There were 52 teachers giving 307 classes weekly, with an enrollment of 3,439 pupils. There were 33 performances during 1 week, at which an attendance of 13,875 was reported. A series of concerts was being planned at the University of Minnesota sponsored by the Federal music project. A composers' forum laboratory was to be organized. We must not permit the depression to demobilize American culture.

I was happy to aid in securing approval of the Federal music project. For some time the project was held up in Washington. I received a wire from the St. Paul Musicians' Association asking assistance. We kept in constant touch with the W. P. A. at Washington until the project was approved. The St. Paul Musicians' Association, Mr. Edward P. Ringius, secretary-treasurer, wrote me a letter with reference to this project, in which he stated:

DEAR MR. LUNDEEN: I read your circular letter to our local at their monthly meeting held Saturday, June 9, and I was instructed to acknowledge receipt of same and to let you know that our organization appreciated this information and commends you very highly for your work. With best wishes for your future success, we are,

Sincerely and fraternally yours,

ST. PAUL MUSICIANS' ASSOCIATION,
By EDW. P. RINGIUS, *Secretary-Treasurer.*

STILLWATER MUSIC PROJECT

During February there were W. P. A. piano classes at Stillwater and Mahtomedi. An address on music, at Stillwater High School, regarding the value of rural music education, was given; 300 persons were present. A chorus was formed at Stillwater, Welander, and Marine. A community music meeting was held at Stillwater with 200 people present.

DOWLING SCHOOL SWIMMING POOL

One W. P. A. project of which we were very pleased to receive approval is the swimming pool at the Michael Dowling School for Crippled Children, in Minneapolis (project 5735).

We had difficulty in obtaining approval of this project. The W. P. A. at first considered the cost per man-year too high. On September 30, 1935, I received a letter from Mrs. George B. Palmer stating: "It looks as though you will have to be our savior if anything is done about getting a swimming pool for these poor little fellows who really need a helping hand."

Original plans called for a total cost of $51,351 for the swimming pool. As finally approved, we will have a $69,875 project. Construction was begun on February 27, 1936. There was a celebration at Dowling School when the work got under way. I received an invitation on February 25, 1936, stating:

The culmination of the individual and collective efforts of the large number of friends of the crippled children in Minneapolis, in the procuring of a swimming pool and therapeutic center at the Dowling School for Crippled Children, Thirty-ninth Street South, and River Road West, will be realized by the breaking of ground for the construction of this center on Friday morning, February 28, 1936, at 10 o'clock.

You have taken such a personal interest in this project that it gives us great pleasure to extend to you a most cordial invitation to be present at this momentous ceremony.

Very sincerely yours,

CHARLES R. DRAKE,
President, the Board of Education,
Minneapolis, Minn.

WORKERS' EDUCATION

Minnesota educators and labor organizations are tremendously interested in having the workers' education project continue. This year there was a long delay in getting the project started. This was true in every State with the exception of Wisconsin. We protested against the delay and assisted in bringing about approval of the Minnesota workers' education project. The project was finally started, giving employment to teachers and new educational opportunities for workers. The Minnesota State Department of Education, under the able direction of Dr. John G. Rockwell, has cooperated in every way to make the program a success.

We are assured by the W. P. A. officials at Washington in charge of this splendid program that it will be continued next year. Plans are being made to enlarge and improve the program, and there is every indication that next year's workers' education project will be even more beneficial than before.

THIRD DISTRICT W. P. A. PROJECTS APPROVED AT WASHINGTON BUT NOT YET STARTED

The W. P. A. projects listed above as approved at Washington is longer than the list of projects authorized for work by the W. P. A. administrator for Minnesota. This means that we have secured approval of a large number of projects at Washington which have not yet been started by the Minnesota W. P. A. office. In order to start these projects, the W. P. A. must be granted sufficient funds by Congress. We have now appropriated a large sum for the continuation of W. P. A. activities. In addition to funds, we need the cooperation of local, county, and State officials, and other interested citizens. Let them express an interest in these projects, and see that they are started. Local and county officials, and other citizens at home must cooperate with the Representatives and Senators at Washington in order that projects may be started. The Congressman's main service on projects is to secure approval at Washington.

CHISAGO CHAIN OF LAKES PROJECT

One of these projects approved at Washington, but not yet started, is the Chisago chain of lakes. Citizens of Chisago County are greatly interested in the raising of beautiful Chisago chain of lakes. In my speech on the floor of the House on January 18, 1934, I gave full information concerning this project. The lakes are less than half the size they were 15 years ago. The cost of raising them to their former level is estimated at about $320,000.

Last fall we secured approval of the W. P. A., President Roosevelt, and the Comptroller General at Washington of the Chisago chain of lakes project, and it appears on the list of approved projects furnished us by the W. P. A. at Washington. The Federal funds are available. The matter of funds for upkeep is still in debate. It is possible that an appropriation might be obtained from the State legislature to cover this cost.

This is again a case where the cooperation of local, county, and State government officials is badly needed. Federal funds have been set aside for the Chisago chain of lakes project, and we hope that the difficulties preventing work on this project will be removed in the near future.

On March 10, 1936, we received a letter from Walter S. Olson, director of the Division of Drainage and Waters of the Minnesota State Department of Conservation, to whom the Minnesota W. P. A. office has referred the Chisago chain of lakes project for recommendation. Mr. Olson stated:

Some 2 months ago a delegation of 10 or 15 men from this district called on Mr. Willard with regard to this project, and at

which conference I was present. The project as presented stipulated that the control, operation, and maintenance of the project after its completion by W. P. A. was to be taken over by some local governmental agency. This is in accordance with the procedure of W. P. A.

When it was called to the attention of these people at the conference that the pumping costs alone on this project would run to approximately $10,000 for every foot of water placed from the proposed diversion, no one indicated a willingness or authority to assume this responsibility. It was suggested at that time by them that the State take over the operation of the project. However, we know of no means whereby the State could do so unless the legislature appropriated sufficient funds.

Since that time there has been no evidence of local interest in the project. There will be many things to clear up before it can be in such shape as W. P. A. could start construction, such as obtaining commitments, and also field works and design, and possibly some legal phases such as satisfying the power interests on the Sunrise River below the point of diversion.

The matters to be "cleared up" in order that construction on the Chisago chain of lakes project could begin are matters handled successfully in connection with numerous other water projects.

CHISAGO CHAIN OF LAKES WILL BE RESTORED

Personally, I see no difficulties which cannot be overcome. Right now the local officials, organizations, and other citizens of Chisago and neighboring counties would do much to advance this project by calling on the State division of drainage and waters, and the officials of the State department of conservation, proving that Chisago County is interested in this project. Federal funds have already been approved. Our work in Washington on this project has been done, and we are going to continue working with State and county government officials so that this project may be started. There is no good reason why the Chisago chain of lakes cannot be restored to their original state.

FEDERAL RELIEF IN MINNESOTA

Federal funds have also been disbursed to Minnesota through the Federal Emergency Relief Administration. We do not have the amounts provided by the Federal Relief Administration to the Third District counties, but we do have the total amounts for the State during the years 1933, 1934, and 1935.

Amount of obligations incurred for emergency relief in Minnesota

States and quarters	Obligations incurred for emergency relief						
	Total amount	Federal funds		State funds		Local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
MINNESOTA							
1933							
First quarter	$2,316,259	$1,427,008	61.6	$1,834	0.1	$887,417	38.7
Second quarter	2,078,065	1,143,127	55.0	6,760	.3	928,178	44.0
Third quarter	2,043,555	935,181	45.8	5,353	.2	1,103,021	54.5
Fourth quarter	2,613,903	1,291,085	49.3	5,217	.2	1,317,601	50.3
Total 1933	9,051,782	4,796,401	53.0	19,164	.2	4,236,217	46.8
1934							
First quarter	3,126,537	1,990,767	63.7	454,015	14.5	681,755	21.8
Second quarter	7,872,735	6,780,033	86.1	350,271	4.5	742,431	9.4
Third quarter	9,912,601	8,830,105	89.1	136,228	1.4	946,268	9.5
Fourth quarter	14,281,099	10,945,333	76.7	1,004,122	7.0	2,331,644	16.3
Total 1934	35,192,972	28,546,238	81.1	1,944,636	5.5	4,702,098	13.4
1935							
First quarter	14,839,210	11,617,115	78.3	1,222,030	8.2	2,000,065	13.5
Second quarter	14,648,329	12,279,877	83.8	963,639	6.6	1,404,813	9.6
Third quarter	8,483,167	6,826,865	80.5	380,520	4.5	1,275,776	15.0
Fourth quarter	6,440,943	3,711,277	57.6	932,097	14.5	1,797,569	27.9
Total 1935	44,411,649	34,435,134	77.5	3,498,292	7.9	6,478,223	14.6
Total 1933, 1934, and 1935	88,656,403	67,777,773	76.4	5,462,092	6.2	15,416,538	17.4

The above figures include obligations incurred for relief extended under the general relief program under all special programs, and for administration. Beginning April 1934 these figures also include purchases of materials, supplies, and equipment, rental of equipment (such as team and truck hire), earnings of nonrelief persons employed, and other expenses incident to the emergency work relief program.

HOUSING

There are many Federal Government agencies concerned with homes and housing. I have already mentioned the work of the P. W. A. in connection with the Sumner Field housing project in North Minneapolis. Other agencies dealing with homes and housing are the Home Owners' Loan Corporation and the Federal Housing Administration.

FEDERAL HOUSING ADMINISTRATION

Following are the amounts of Federal funds obtained for Minnesota and the Third Congressional District through the Federal Housing Administration:

Volume of Federal Housing Administration business in the State of Minnesota

FOR THE ENTIRE STATE OF MINNESOTA

Modernization notes insured through Apr. 30, 1936		Mortgages accepted for insurance through Mar. 31, 1936	
Number	Amount	Number	Amount
14,337	$5,457,343.12	797	$2,625,684

FOR THE FOLLOWING COUNTIES

	Modernization notes insured through Apr. 30, 1936		Mortgages accepted for insurance through Mar. 31, 1936	
	Number	Amount	Number	Amount
Anoka	68	$17,127.86	9	$24,285
Chisago	16	5,244.03	2	3,800
Hennepin	4,915	2,040,160.75	369	1,367,371
Isanti	9	6,327.24	1	2,500
Washington	105	40,977.48	3	12,225
Total	5,113	2,109,837.36	384	1,410,181

The funds advanced were made available entirely through private banking and lending institutions. The release of such a large volume of credit has directly stimulated modernization, repair, and construction activity, thereby giving employment to thousands of workers in Minnesota. In addition, through the instrumentality of the Federal Housing Administration, substantial progress has been made in building a sounder and more economical structure of mortgage loans, enabling an increasing number of individuals to own homes of their own.

WORKERS' HOUSING PROJECT

Another project now under consideration by the Federal Housing Administration is the so-called workers' housing project for 500 low-cost dwellings, sponsored by several Minneapolis cooperative and labor organizations, including the Minneapolis Central Labor Union, the City Planning Commission, the Northern States Cooperative League, the Junior Association of Commerce, the Building Trades Council, the Mayor's Housing Committee, and other citizens of Minneapolis interested in constructing a low-cost non-profit housing project for the city of Minneapolis.

We have discussed this project with Mr. Miles L. Colean, Director of the Low Cost Housing Division of the Federal Housing Administration, and many other Government officials and have been given encouragement for the project. At the present time the sponsors of the project are having difficulty in procuring the site and furnishing the sponsor's share

of funds. We hope these difficulties can be worked out and that north Minneapolis and the Third Congressional District will have another large housing project in the not distant future.

EMPLOYMENT IN CONSTRUCTION INDUSTRY

Often there were times when pressure was needed at Washington to release Federal Housing Administration funds for Minnesota. Mr. Albert O. Larson, president of the Minnesota Association of Architects, who also had charge of the Housing Corporation office in Minnesota, has written me:

As president of the Minnesota Association of Architects I wish to express appreciation for your stand in behalf of the building trades in the support of legislation designed to help the building industry. So far the New Deal has helped this industry but little, and it is our hope that the work of the Housing Corporation and the Federal Housing Administration may proceed effectively and immediately.

Your realization that the construction of better housing, hospitals, and schools not only provides much needed employment but adds to the capital wealth of the country should bring you satisfaction when this program is actually under way.

Your part in this program should bring you loyal support from those who appreciate the importance of building activity to business recovery.

Sincerely,

ALBERT O. LARSON,
President, Minnesota Association of Architects.

HOME OWNERS' LOAN CORPORATION

I voted to create the Home Owners' Loan Corporation and provide it with funds to help save the American home—CONGRESSIONAL RECORD, page 2584, April 28, 1933.

During the past 2 years we have handled hundreds of Home Owners' Loan cases, and sometimes we were able to save the homes of people who were about to lose them. Following are the number of home loans to citizens of the Third Congressional District:

Refinancing operations completed by the Home Owners' Loan Corporation as of Jan. 2, 1936

TOTAL LOANS CLOSED FOR THE ENTIRE STATE OF MINNESOTA

Number	Amount
20,163	$46,042,849

TOTAL OF LOANS CLOSED FOR THE FOLLOWING COUNTIES

	Number	Amount
Anoka	280	$483,677
Chisago	57	103,164
Hennepin	7,100	18,817,589
Isanti	57	93,662
Washington	249	420,325
Total	7,743	1,991,847

These loans, representing long-term obligations, were granted at low rates of interest to those who were in urgent need of funds for the protection and preservation of their homes, and who were unable to procure the needed credit through the normal channels. A great majority of the distressed individuals, taking advantage of the assistance offered by this Federal agency, were helped to refinance defaulting mortgages and save their homes from foreclosure.

RESETTLEMENT ADMINISTRATION

Another Government agency through which Federal funds have been obtained for Minnesota and the Third Congressional District is the Resettlement Administration. Following are the amounts received from this source:

Loans and grants made by Rural Rehabilitation Division of the Resettlement Administration as of Apr. 30, 1936

FOR THE STATE OF MINNESOTA

	Families receiving farm management loans		Families receiving emergency rehabilitation loans		Families receiving emergency grants		Total amount of loans and grants
	Number	Amount	Number	Amount	Number	Amount	
Total	5,324	$3,924,129.00	1,729,218	$2,284,114.23	7,528	$513,411.12	$6,721,654.52
TOTALS FOR THIRD DISTRICT COUNTIES							
Anoka	51	$21,399.00	348	$19,149.00	127	$9,492.00	$50,040.00
Chisago	45	19,559.00	281	8,168.60	45	2,923.00	30,950.60
Hennepin	56	25,904.90	589	24,489.66	131	9,561.20	59,955.76
Isanti	69	26,279.73	798	56,161.76	115	7,658.77	90,100.26
Washington	54	31,234.87	123	7,257.80	66	5,060.00	43,552.67
Total	275	124,677.50	2,139	115,226.82	484	34,694.97	274,599.29

This Federal money was distributed throughout the State in an effort to restore farm families, in the destitute and low-income groups, to a self-supporting basis; to reestablish their credit so that loans could be secured from commercial banks and the Farm Credit Administration; to improve their standards of living; and generally to increase their value to the communities as self-respecting citizens. Guidance in carrying on approved farm practices, provided for in the farm-management plans, also helped considerably toward improving the status of rehabilitation clients.

The distress of the recipients of these loans and grants was caused by circumstances beyond their control, such as war, drought, crop failure, and generally depressed agricultural conditions.

FARM CREDIT ADMINISTRATION

Many Third District farmers have applied for loans from the Farm Credit Administration. Following are the total amounts received from this source:

Number and amount of crop and feed loans and drought-relief loans made by the Farm Credit Administration, Jan. 1, 1933, through Sept. 30, 1935

FOR THE ENTIRE STATE OF MINNESOTA

	Crop and feed loans		Drought-relief loans	
	Number	Amount	Number	Amount
Total	35,776	$4,050,638	[1] 27,111	[1] $6,677,890
TOTALS FOR THIRD DISTRICT COUNTIES				
Anoka	649	$65,960	229	$42,596
Chisago	375	23,290	166	22,384
Hennepin	443	41,930	237	31,376
Isanti	1,441	130,908	560	98,559
Washington	214	19,605	133	24,876
Total	3,122	281,693	1,325	219,791

[1] 1934–35.

Other Farm Credit Administration loans were made through the Federal land bank and Land Bank Commissioner.

Number and amount of Federal land bank and Land Bank Commissioner loans closed, by counties, in Minnesota, by the Federal land bank, for the period May 1, 1933, through Dec. 31, 1935

FOR THE ENTIRE STATE OF MINNESOTA

	Federal land bank		Land Bank Commissioner		Total (bank and Commissioner)	
	Number	Amount	Number	Amount	Number	Amount
Total	22,143	$88,036,300	24,866	$52,738,000	47,009	$140,824,300

TOTALS FOR THIRD DISTRICT COUNTIES

Anoka	212	$400,400	315	$432,900	527	$842,300
Chisago	327	831,565	347	538,600	674	1,370,165
Hennepin	378	975,765	400	741,500	778	1,717,265
Isanti	370	761,065	446	665,600	816	1,426,665
Washington	259	831,165	239	453,800	498	1,284,965
Total	1,546	3,808,960	1,747	2,832,400	3,293	6,641,360

PRODUCTION CREDIT CORPORATION

Another Farm Credit Administration agency is the Production Credit Corporation. This Corporation made loans totaling $8,497,001 to Minnesota from May 1, 1933, through December 31, 1935. We do not have the separate figures for the Third Congressional District.

A. A. A. PAYMENTS

As a result of participation in A. A. A. contracts, Minnesota and Third District farmers received the following amounts:

Rental and benefit payments made by the Agricultural Adjustment Administration to Minnesota farmers from May 12, 1933, through Dec. 31, 1935

FOR THE ENTIRE STATE OF MINNESOTA

	Total	Wheat	Tobacco	Corn-hogs	Sugar
Total	$32,817,104	$4,900,723.80	$93,080.07	$26,890,577.67	$932,722.46

TOTALS FOR THIRD DISTRICT COUNTIES

Anoka	$51,259.56	$1,584.02		$49,675.54	
Chisago	37,921.17	2,866.11		35,055.06	
Hennepin	104,420.89	16,444.12		83,158.93	$4,817.84
Isanti	32,255.83	792.68		31,463.15	
Washington	82,057.13	25,235.64		56,821.49	
Total	307,914.58	46,922.57		256,174.17	4,817.84

GRASSHOPPER-CONTROL APPROPRIATION

These are the Federal agencies which have disbursed funds to Third District and Minnesota farmers. In order for these payments to be made it was necessary for Congress to appropriate funds. Special appropriations have been made by Congress from time to time for farmers. For instance, there were the grasshopper-control funds which had to be appropriated in an emergency. Congress passed a special grasshopper-control bill, appropriating funds for eradication of grasshoppers menacing the crops of Minnesota and other States. This bill had to be rushed through without delay, and cooperation of many Congressmen and Senators was needed. I supported the grasshopper-control appropriation. After the bill was passed I was pleased to receive a letter from Mr. A. G. Ruggles, State entomologist, and Minnesota's representative on the Northwest Grasshopper Control Committee, stating:

DEAR MR. LUNDEEN: I am writing this letter to express the appreciation of myself and all of us here with your efforts to secure the Federal grasshopper appropriation. Although you had so many other matters of importance on hand that at times must have seemed of greater significance, I can assure you that your efforts in behalf of this particular appropriation are very deeply appreciated.

We already have the organization under way in Minnesota, and the passing of the grasshopper bill has given the workers in Montana and the Dakotas heart to carry on the control campaign * * *.

Very truly yours,

NORTHWEST GRASSHOPPER CONTROL COMMITTEE,
By A. G. RUGGLES.

In connection with this and other farm measures, Mr. M. W. Thatcher, legislative representative of the Farmers National Grain Corporation, wrote me:

MY DEAR CONGRESSMAN: I am very grateful for your kind letter of March 27 in which you renew your assurance of support to the Farmers Union and our cooperative grain corporation.

We have always received militant and intelligent support from you, and it is profoundly appreciated. I only wish your constituents understood your high degree of service and the great energy which you consistently devote to the interests of the masses.

Sincerely yours,

M. W. THATCHER,
Farmers National Grain Corporation.

RECONSTRUCTION FINANCE CORPORATION LOANS

Another Federal agency making loans to Minnesota is the Reconstruction Finance Corporation. Following are the amounts loaned to Minnesota and the Third Congressional District by this agency:

Loans made by the Reconstruction Finance Corporation in Minnesota as of Feb. 29, 1936

LOANS MADE TO ALL COUNTIES IN MINNESOTA

Amount authorized	$37,026,235.12
Amount disbursed	31,279,329.62

TOTAL LOANS MADE THIRD DISTRICT COUNTIES

	Amount authorized	Amount disbursed
Anoka	$108,000.00	$73,300.00
Chisago	275,000.00	177,400.00
Hennepin	10,552,600.00	9,926,831.49
Isanti	129,000.00	128,200.00
Washington	31,000.00	31,000.00
Total	11,095,600.00	10,336,731.49

C. C. C. CAMPS

As of June 10, 1936, it is estimated that the Emergency Conservation Work will have spent $43,554,000 on C. C. C. camps in Minnesota. Up to April 30, 1936, it is estimated that Minnesota boys had sent home to their dependent relatives approximately $8,877,000.

From the beginning of Emergency Conservation Work through June 30, 1936, it is estimated that 43,297 Minnesota men have been enrolled in the C. C. C., and that approximately 4,993 additional men have held jobs for varying periods of time as camp commanders, camp superintendents, technical men, educational advisers, skilled and unskilled laborers, and so forth. During the month of May 1936 an average of 10,047 enrolled men were working in C. C. C. camps in Minnesota.

HENNEPIN COUNTY C. C. C.

We have C. C. C. Camp SP-8 in Hennepin County. This camp started operations during the summer of 1935 and is still operating. Camp Army-1, Fort Snelling, Minn., started operations in the summer of 1934 and ceased operating about October 1, 1935.

RIVER AND HARBOR PROJECTS

The two most important river and harbor projects affecting the Third Congressional District of Minnesota are the North Minneapolis Harbor and the Red Wing Dam, which will give a 9-foot channel on the St. Croix River to the city of Stillwater. These are both connected with the Mississippi River 9-foot channel project now under construction.

RED WING DAM UNDER CONSTRUCTION

The lock at Red Wing, Minn., is already under construction. It is expected to be completed by about the end of this year, 1936. A sum of $2,496,000 was allotted for the lock in 1935, and recently an additional $3,000,000 has been allotted to complete the dam. On July 31, 1936, the War Department will advertise for bids for construction of the dam.

In my speech of January 18, 1934, on the floor of the House of Representatives I stated:

Dam no. 3 on the Mississippi River, above Red Wing, will give the beautiful city of Stillwater a 9-foot channel to the center of that industrial city. This dam must be constructed, and we mean to see that it is constructed. There is plenty of money available for this and other Minnesota projects, and we demand our full share for the North Star State. We want shipping up the St. Croix River with a 9-foot channel, there being no locks necessary between the third dam mentioned above Red Wing until shipping reaches the city of Stillwater. What a splendid thing this will be for Washington County and Stillwater, the county seat.

Well, we won our fight for Stillwater, Washington and Chisago Counties, in the great, friendly valley of the

beautiful St. Croix. Six million dollars was expended among our citizens, and in a few months barges and shipping will move into Bayport, Stillwater, and other Washington and Chisago County points, and harbor facilities will be improved. We aim to have a perfect channel; commerce and prosperity will bring happiness and health to our people.

The St. Croix River Improvement Association, under the leadership of Ira C. King, Edward Thelen, and other citizens of Washington County, have cooperated with us in every way in bringing pressure to bear upon Congress and the War Department at Washington, to the end that the Red Wing Dam is now being constructed.

NORTH MINNEAPOLIS HARBOR

For many years public-spirited organizations of Minneapolis have worked for the construction of a harbor on the Mississippi River at North Minneapolis. This fine harbor will serve Minnesota and the Northwest. On more than one occasion we have had the pleasure of arranging appointments with the War Department engineers for delegations of Minneapolis officials. I will continue my fight for this great Northwest project.

In the recent hearing on the North Minneapolis Harbor before the Board of Engineers at Washington every objection of the engineers was answered by capable representatives of the Minneapolis city government and Minneapolis industry. The War Department engineers are at the present time giving serious consideration to this project. They have requested further data and are making a restudy of the proposal. We are expecting to have their report in the near future. There are no objections from an engineering standpoint. By persistent, organized effort we will obtain a great harbor for Minneapolis.

MINNEAPOLIS NEEDS A HARBOR

The completion of the 9-foot channel to the door of St. Paul will not benefit Minneapolis unless we have a 9-foot channel and adequate harbor facilities in Minneapolis. The present Minneapolis terminal does not provide adequate space even for existing industries. Minneapolis is the metropolis of the Northwest and the greatest railroad center in the Northwest. It is the largest center for storing grain in the United States. It is the greatest milling center in the country. Minneapolis has diversified industries of many kinds. Savings of water transportation are of vital importance to the entire city. The cost of constructing the North Minneapolis Harbor is estimated at around $5,000,000.

STANDARD OHIO LOCKS NEEDED

When the North Minneapolis Harbor is constructed we must demand that standard Ohio locks, 110 by 600 feet, be constructed at St. Anthony Falls. Engineers have stated that the pool above St. Anthony Falls has possibilities of being the finest inland harbor in the United States. We must have adequate shipping facilities to the north limits of Minneapolis, and in time the harbor can be extended to Coon River Dam, north of Minneapolis. A 9-foot channel to Minneapolis means to the north limit of Minneapolis, and we cannot permit any other construction.

SUPERIOR-ST. CROIX CANAL

Twenty-five years ago, when a member of the Minnesota State Legislature, I voted for a resolution authorizing a survey of the proposed Superior-St. Croix Canal, to extend from Lake Superior down the St. Croix River. After the Red Wing Dam is completed, there will be a 9-foot channel to Stillwater, and the Superior-St. Croix Canal will continue this 9-foot channel from Stillwater to Lake Superior. This project deserves the consideration of Washington County residents and the War Department at Washington. All of Minnesota and the Northwest will be made prosperous by the flow of commerce through this trade artery of the future. We need intelligent national planning, and the Superior-St. Croix Canal must hold a prominent place in any great Northwest plan.

LAC QUI PARLE PROJECT

There are many projects outside the Third Congressional District which benefit the entire State of Minnesota. My speech of January 18, 1934—CONGRESSIONAL RECORD, page 894—mentions many of these projects.

The Lac Qui Parle Reservoir project, which is now under construction in southwestern Minnesota, is one that took years to put in operation. Even citizens who would directly benefit by the project at times became discouraged to the extent that they ceased to make an effort for it. In November 1933 supporters of the project were greatly discouraged. On November 19, 1933, I wrote a letter to Mr. Elwood Mills, editor of the Montevideo American, and many other Minnesota editors, as follows:

DEAR MR. MILLS: The Flood Control Committee of Congress is very much interested in the Lac Qui Parle project, and I wish to assure your community, as a member of the Flood Control Committee, that I am entirely at your service and will aid in every possible way the promotion of this great project which means so much to your community and Minnesota.

I have already discussed the matter with the Public Works Administration, and will do so again in the future. Should you send individuals or committees to Washington to present this matter, these gentlemen are welcome to use my office, 1022 New House Office Building, and I will join any group that comes to Washington to put over this very important and commendable enterprise.

Will be pleased to hear from you as to developments in your neighborhood, and any resolutions and message you wish communicated to the Public Works Administration or any other department I will be glad to communicate, and will appreciate a duplicate for my files.

Sincerely yours,

ERNEST LUNDEEN.

I wrote letters to the press in the vicinity of this project, and I appealed to the officials of the various counties to go forward in spite of all, to the end that Minnesota might profit from the construction of the great Lac Qui Parle Reservoir.

In my speech of January 18, 1934, I devoted considerable attention to the Lac Qui Parle project. Through the combined cooperation of Minnesota citizens and public officials at Washington, the Lac Qui Parle project is now under way. It will prevent floods and maintain water levels in Minnesota, where this work is badly needed.

ST. LAWRENCE WATERWAY

The St. Lawrence waterway is a major project of utmost importance to the North Star State. It will bring ocean-going vessels to Superior and Duluth, and connect Minnesota with the great Atlantic. It will furnish an ocean of light and power, which power will be thrown into the superpower system that some day will interlace the entire country.

From the very beginning I have supported and fought for the St. Lawrence waterway. I have joined with any and all organizations supporting the project, and will continue my efforts until we accomplish the digging of this great canal and make possible hydroelectric energy for millions of people. Minnesota produces an abundance of raw materials and finished goods which must be shipped great distances. The St. Lawrence waterway will be one great outlet for the energy and goods of our people.

VETERANS' PROJECTS

During the present session of Congress we passed a bill which will create a national cemetery for the State of Minnesota. Veterans' organizations have for years been working on this project. They secured the cooperation of Senators and Representatives at Washington. Hearings were held by congressional committees, and, as a result of recent legislation, Minnesota will have a national cemetery to be located near the Twin Cities.

Upon sending a copy of the national cemetery bill to National Commander Samuel R. Van Sant, of the Grand Army of the Republic and twice Governor of Minnesota, I received a post card stating:

DEAR FRIEND: Thanks for copy of bill on more cemeteries for ex-soldiers. More are needed. You have always favored legislation for the ex-soldiers. With best wishes,

Cordially yours,

S. R. VAN SANT.

Dr. John E. Soper, chairman of the Minnesota National Cemetery Committee, wrote me on May 26, 1936:

MY DEAR CONGRESSMAN: I wish to take this opportunity of thanking you for your wonderful help in appearing before both committees of Senate and House and making a splendid talk for

our bill. It is only by a united action that we can hope to attain its final passage. You have always stood by my buddies when called upon for help, and I trust we can always have your valuable help.

Yours most sincerely,

JOHN E. SOPER,
Chairman, Minnesota National Cemetery Committee.

There are other veterans' projects pending in the Veterans' Administration and the W. P. A. We are endeavoring to obtain additional construction and improvement of facilities at the Veterans' Administration hospital at Fort Snelling.

VETERANS' BONUS

The greatest sum of Federal money going to Minnesota and the Third Congressional District is in the form of adjusted-service certificate payments. The Veterans' Administration informs me that the face value of certificates held by 83,619 World War veterans of Minnesota as of March 31, 1936, is $81,230,321. The amount due on these certificates, as estimated by Congressman WRIGHT PATMAN, is approximately $52,789,520.36. Amounts for the Third Congressional District counties are divided as follows:

Anoka	$381,374.65
Chisago	273,144.19
Hennepin	10,723,327.35
Isanti	250,197.51
Washington	512,634.63
Total	12,140,678.33

FIRST BONUS BILL IN 1919

It was on the Lundeen motion that the bonus bill passed the House on March 12, 1934. The first bonus bill ever presented to Congress was brought to my congressional office in 1919 by representatives of the Private Soldiers and Sailors Legion. I placed the first bonus bill before the Speaker of the House and the Vice President of the United States, who presided over the House and Senate, in 1919.

In this connection I wish to insert a short editorial appearing in a recent issue of the Minneapolis Labor Review:

VETERANS WON'T FORGET LUNDEEN

One man the veterans who are now receiving the bonus will not and should not forget is Farmer-Labor Congressman ERNEST LUNDEEN.

When the enemies of the Patman bill and even the author himself thought it was buried forever in committee, it was LUNDEEN who resurrected it through a petition for action, and who kept hammering until names enough were obtained to compel Congress to act.

So, through the determination of this Farmer-Laborite, himself a veteran of the Spanish-American War, the bonus bill was kept alive and finally passed.

The bonus bill was not a grandstand measure with Congressman LUNDEEN. It was something to be worked for in silence of oblivion as well as when the bands were playing.

Just as he worked and worked until the bonus became a reality, so LUNDEEN will work until his measure for social security for all is enacted into law.

FEDERAL GOVERNMENT OFFICIALS GIVE COOPERATION

Federal emergency agencies have done a great deal to alleviate distress in Minnesota, and in the Third Congressional District we have been able to secure the cooperation of Government officials in Washington as well as the folks back home. We have been extended every courtesy by Works Progress Administrator Hon. Harold L. Ickes and his staff of workers. They have cooperated with us in the matter of arranging appointments for Minnesota delegations who have come to Washington in the interest of some project. We have also been able to secure from them prompt information and reports on a score of projects. They have given courteous and prompt attention to our requests, whether by letter, telephone, or personal call. They have furnished us with complete, up-to-date information on our Third District projects, and that information has been included in my remarks here.

Captain Radford, in charge of Minnesota's P. W. A. office, has given us like cooperation at all times.

Hon. Harry L. Hopkins, Works Progress Administrator, in spite of his multitude of heavy responsibilities, has always given myself and my office his prompt cooperation and careful attention to Third District projects. He has furnished information and reports whenever requested. Mr. D. W. Beman and other officials under Mr. Hopkins have given us much of their time to prepare the information needed for this report, keeping us informed at all times on Minnesota projects.

I have always found both Mr. Hopkins and Mr. Ickes willing to open their offices for appointments with only a few hours' notice. On numerous occasions we have received personal attention to our more urgent requests for action or information. We also appreciate the complete information recently received on short notice from Minnesota Works Progress Administrator, Hon. Victor Christgau. We wired Mr. Christgau for this information, telling him we must have it by a certain date. He immediately put his office force to work on a Third Congressional District report, and we received it by air mail on the date set.

The same prompt, courteous service was received from Mrs. Anna Dickie Olesen, Minnesota's director for the National Emergency Council, who furnished us by air mail much information concerning funds disbursed through Federal agencies to Minnesota and the Third Congressional District.

TEAMWORK NEEDED

At all times local government bodies, organizations, and other individuals should keep their representatives at Washington informed of projects being started locally, so that these projects can be followed up by the Congressmen and Senators from the very first. No one official and no one organization can accomplish what has been accomplished and what will be accomplished in Minnesota and the Third Congressional District in the way of utilizing the funds made available by Congress to alleviate unemployment, build useful public projects, and carry on educational and cultural activity. Experience and teamwork count.

EXPERIENCE COUNTS

Government at Washington is complicated. There is much red tape to unwind and much to learn about Federal agencies before the proper method of securing action can be learned. An individual who comes to Washington endeavoring to secure action on some project unaided finds himself in a maze of offices. He is passed from one clerk to another and often leaves the city with practically nothing accomplished. Congressmen and Senators and their office forces are here to serve, to advise, and to guide citizens in these matters; to make appointments for them; to secure the information needed.

Congressmen and Senators must study and learn the best ways of securing information and action. This knowledge comes after years of intensive application to the job. I have learned much along this line in dealing with these numerous projects. The more we learn the more effective we become in dealing with these matters. This applies to legislative matters as well as public projects. With this added experience, my office at Washington is now able to serve more effectively than ever before. We welcome inquiries and requests for assistance. I will remain in Washington for several weeks, so that I may give personal attention to these matters.

ORGANIZATION AND PRESSURE NEEDED AT HOME

Whenever we have been able to secure approval of some large Government project or grant, we have had the cooperation not only of Government officials at Washington but of public-spirited, active citizens of Minnesota and the Third District. I cannot emphasize too strongly the importance of cooperation of city, county, and State officials on these matters. The Hennepin County commissioners and the Minneapolis aldermen have held conference after conference with Congressmen, Senators, and other Federal Government officials during the past 3 years.

Congressmen and Senators at Washington act as a continuous moving force behind these projects. Interested citizens at home must make their pressure felt through their local and county officials, and their own letters, wires, committees, and personal calls. Local organizations and local institutions play a great part in bringing to the North Star State her just share of these Federal funds.

Federal funds obtained for Hennepin County and Third Congressional District
[Estimated, 1933–36—not complete]

Third District counties	P. W. A. allotments as of May 1936	W. P. A. allotments as of Feb. 29, 1936	F. C. A. crop, feed, and drought loans (Sept. 30, 1935)	F. H. A. modernization notes, Apr. 30, 1936	H. O. L. C. loans as of Jan. 2, 1936	Resettlement Administration loans as of Apr. 30, 1936	R. F. C. loans as of Feb. 29, 1936	Adjusted-service certificates	Federal land bank loans as of Dec. 31, 1935	A. A. A. payments to Dec. 31, 1935	Total for each county
Anoka	$12,150	$496,335	$108,556	$17,127.86	$483,677	$50,040.00	$108,000	$381,374.65	$842,300	$31,239.56	$2,530,820.07
Chisago	31,967	440,657	45,674	5,244.03	103,164	30,950.60	275,000	273,144.19	1,370,165	37,921.17	2,613,586.99
Hennepin	9,618,891	25,995,737	73,306	2,040,160.75	18,817,589	59,955.76	10,552,600	10,723,327.35	1,717,265	104,420.80	79,703,252.75
Isanti	212,310	138,068	229,467	6,327.24	93,662	90,100.26	129,000	250,197.51	1,426,085	32,255.83	2,608,052.84
Washington	76,432	338,375	44,481	40,977.48	420,325	43,552.67	31,000	512,634.63	1,284,965	82,057.13	2,874,849.91
Total	9,951,800	27,409,172	501,484	2,109,837.36	19,918,417	274,599.29	11,095,600	12,140,678.33	6,641,360	307,914.58	90,350,862.56

PATMAN-ROBINSON ANTI-CHAIN-STORE BILL—PROTECT INDEPENDENT MERCHANTS AND INDEPENDENT BANKERS

Mr. LUNDEEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUNDEEN. Mr. Speaker, I am supporting the Patman-Robinson anti-chain-store bill. The independent merchant and the independent banker must be protected against the growing menace of chains. Chain stores and chain banks transfer local funds to great financial centers. We pour billions of dollars of relief into local communities, and through chain stores these funds are poured back again into financial centers of the East. Losses are suffered not only by the local banker and the local merchant, but also by the whole community.

The people of this country cannot be prosperous and happy if chains are permitted to drain local communities of their wealth. The independent merchant and the independent banker are only pawns in the game. They do not suffer alone from the effects of monopoly. The whole Nation becomes impoverished.

PREVENTS DISCRIMINATION

A few rich, powerful corporations have forced manufacturers to sell goods at a lower price than sold to independent merchants. The purpose of this bill is to prevent price discrimination in favor of these monopolistic corporations. It prohibits, under certain conditions, the payment of brokerage fees to dummy brokers. It prohibits pseudo-advertising allowances. It gives the Federal Trade Commission additional powers in order that discrimination against independent dealers may be prevented. There is nothing in the measure to penalize, shackle, or discourage efficiency or to reward inefficiency. There is nothing in it to fix prices or limit the freedom of price movements in response to changing market conditions. It strengthens existing antitrust laws and preserves competition in interstate commerce. No business institution conducting its business honestly and without the use of unfair trade practices has any reason to fear the anti-chain-store bill.

HUGE SALARIES OF CHAIN-STORE OFFICERS

A few powerful organizations, by reason of their size, have forced manufacturers to give them special prices for the same quantities of goods. With the profit made by unfair trade practices these huge corporations are able to pay their executive officers million-dollar salaries and bonuses. Underpaid employees of these great corporations do not profit from price discriminations. The chains are the worst exploiters of labor that we have. Labor unions know that.

Evidence has been brought out in the committee and on the floor of the House to show that one large corporate chain paid a comparatively few of its officers and directors $1,996,000 a year, paid several of them over $100,000 a year, one of them $180,000, another $140,000, another $52,000, and another $25,000. The same concern received $8,000,000 during the same year in secret rebates and in special discounts that the independent merchants of this country did not receive. They must keep their rebates secret in order that these huge salaries can be paid.

Chain stores undersell independent merchants in order to drive them out of business; then boost their prices again when the independent merchant is destroyed. To make up for losses incurred by underselling, higher prices are charged in areas where the chains already have a monopoly.

GROWING MONOPOLY

In the District of Columbia in 1933 the chains did 96.1 percent of the variety store business, 60.6 percent of the shoe store business, 79.9 percent of the grocery store business, 56.1 percent of the filling station business, and 62.7 percent of the drug store business. In every line of business, there was an increase from 1929 in the percentage done by chain stores, according to the figures of the United States Census Bureau.

At first, variety stores were the principal line of chains. Then came groceries, shoes, drugs, and others. When a chain is successful in one line, it expands into others. The continued growth of chains means absentee ownership of business throughout America. Some of our prominent economists estimate that the present rate of concentration by 1970 all business in this country will be controlled by 200 giant corporations. Already 200 corporations control the financial life of this Nation. These 200 corporations are controlled by a few superfinanciers.

CONCENTRATION OF WEALTH INCREASING

When the United States was first organized as a nation 2 percent of the people owned only 5 percent of the wealth and the other 98 percent owned 95 percent of the wealth. (Farmers' Union Herald, July 1935, quoting Hon. Charles A. Lindbergh, Sr.) Today it is estimated that 2 percent of the people own 80 percent of the wealth, instead of 5 percent at the beginning. We, the people, are beginning to lose the ownership of our country. We must prevent the spread of absentee ownership. Government is instituted among men to protect the weak and restrain the strong. Chain stores have been made strong by price discriminations and other unfair practices. Underpaid clerks receive no advantages from the huge profits of chains.

INDEPENDENT MERCHANTS AND INDEPENDENT BANKERS MUST BE SAVED

I am glad to serve on the steering committee of the Patman-Robinson anti-chain-store bill. I have always maintained that the independent merchant and the independent banker must be protected against the menace of chains.

Chain banks threaten to make character loans to merchants a thing of the past. The independent merchant today must deal with the agent of some huge banking chain. Chain banks have no personal interest in the needs of the local merchant. There is no bond of sympathy there. The independent merchant and the independent banker are facing the same enemy, monopolistic control. Chain monopolies are fast reducing them to the rank of clerk. Labor knows that the chains are notorious exploiters of labor. Labor unions are joining with independent merchants and independent bankers in their fight against monopoly.

I will support any organized effort to curb the chains, and I am glad to see some action taken in Congress to help the corner grocery, the drug store, the small merchant in general, and the independent banker. These men have helped

build our communities. They have extended a helping financial hand to deserving debtors. To eliminate them from American life would end a mighty chapter of community building and strike down a sturdy, independent American character.

LAKE CHAMPLAIN BRIDGE COMMISSION

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 262, granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission. A similar House joint resolution was passed a moment ago, and I shall ask that the proceedings by which it was passed be vacated.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved, etc., That the consent of Congress is hereby granted to the States of New York and Vermont to enter into the amendatory agreement executed on April 1, 1936, by the commissioners duly appointed on the part of such States, amending the original agreement entered into by such States for the creation of the Lake Champlain Bridge Commission, which original agreement was consented to by Congress by Public Resolution No. 9, Seventieth Congress, approved February 16, 1928, and every part and article of such amendatory agreement is hereby ratified, approved, and confirmed: *Provided*, That nothing therein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of such amendatory agreement; which amendatory agreement is as follows:

Whereas the States of New York and Vermont heretofore and on the 11th day of May 1927, entered into an agreement or compact, duly authorized by law, creating the Lake Champlain Bridge Commission; and

Whereas the legislatures of said States have authorized their respective commissioners to enter into an agreement of compact amending said existing agreement or compact: Now, therefore,

The said States of New York and Vermont do hereby enter into the following agreement, to wit:

The agreement heretofore made between the State of New York and the State of Vermont, pursuant to chapter 321 of the Laws of 1927 of the State of New York, entitled "An act authorizing designated authorities in behalf of the State of New York to enter into an agreement or compact with designated authorities of the State of Vermont for the creation of the Lake Champlain Bridge Commission, the establishment of the Lake Champlain Bridge Commission, and the defining of the powers and duties of such commission and making an appropriation for such purposes", and no. 139 of the acts of 1927 of the State of Vermont entitled "An act ratifying a proposed agreement or compact between the State of Vermont and the State of New York relating to the creation of the Lake Champlain Bridge Commission and providing for carrying out the provisions of said agreement or compact", as the same was amended by the agreement or compact entered into the 30th day of March 1935, by and under the authority of chapter 201 of the Laws of 1933, as amended by chapter 355, of the Laws of 1935 of the State of New York, and by and under the authority of no. 209 of the acts of the General Assembly of the State of Vermont of 1935, entitled "An act authorizing an agreement or compact between the State of Vermont and the State of New York to amend the existing agreement or compact between said States creating the Lake Champlain Bridge Commission, in relation to the construction of a new bridge across Lake Champlain, the issuance of bonds by said Commission, and providing for the payment of said bonds", approved by the Governor February 27, 1935, as amended by no. 210 of the acts of 1935 of the General Assembly of the State of Vermont, approved by the Governor March 21, 1935, is hereby amended by adding thereto the following articles:

ARTICLE XXXVI

The Lake Champlain Bridge Commission shall have power and is hereby authorized to issue its negotiable bonds in addition to those issued prior to March 1, 1933, for the purpose of refunding its bonds issued before said date: *Provided, however*, That the aggregate principal amount of such bonds so issued to pay off and refund its bonds issued before said date shall not exceed the aggregate principal amount of the bonds so retired.

ARTICLE XXXVII

Such commission shall have power and is hereby authorized to call for payment and to pay its bonds issued before March 1, 1933, in accordance with the terms under which said bonds were issued and for such purposes to use any funds which it has or shall have in reserves and sinking fund and investments at the time said bonds are called for payment, notwithstanding any provision heretofore set forth in this or any previous compact or agreement.

ARTICLE XXXVIII

The bonds issued under authority of article XXXVI shall be authorized by resolution of such commission and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, not exceeding 5 percent per annum payable semiannually, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption as such resolution or resolutions may provide. Said bonds may be sold at public or private sale for such price or prices as such commission shall determine, provided that the interest cost to maturity of the money received for any issue of said bonds shall not exceed 5 percent per annum.

2. Neither the members of such commission nor any person executing said bonds shall be liable personally on said bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

3. The bonds issued under the authority of article XXXVI shall constitute a first lien upon the property, tolls, and revenues pledged to secure the bonds issued by such commission prior to March 1, 1933, and subject to the terms of any agreement made or to be made with holders of bonds issued by such commission under article XXVI of the amendments to this compact shall be a lien upon the tolls and revenues of the bridge referred to as the Rouses Point Bridge, and in accordance with subdivision 4 of article XXVI of the amendments to this compact any of such tolls and revenues which would otherwise have been payable into the State treasuries of the two States may be pledged to the payment of said bonds.

4. Said bonds shall not be a debt of the State of New York or of the State of Vermont and neither State shall be liable thereon, nor shall they be payable out of any funds other than those of such commission.

5. Said bonds shall be exempt from taxation and are hereby made securities in which all public officers and bodies of each State and of its municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loans associations, executors, administrators, guardians, trustees, and all other fiduciaries in each State may properly and legally invest the funds within their control.

6. Such commission shall have power out of any funds available therefor to purchase any bonds issued by it at a price not more than the redemption price thereof at the time of such purchase with accrued interest.

ARTICLE XXXIX

Such commission shall have the power to apply to the Congress of the United States or any department of the United States for consent or approval of this compact as amended, but in the absence of such consent by Congress and until the same shall have been secured, this compact, as amended, shall be binding upon the State of New York when ratified by it and the State of Vermont when ratified by it without the consent of Congress to cooperate for the purposes enumerated in this agreement and in the manner herein provided and for all purposes that it legally may be.

In witness whereof, by and under the authority of chapters 73 and 219 of the Laws of 1936, of the State of New York, and by and under the authority of Public Act No. 19 of the acts and resolves passed by the General Assembly of the State of Vermont at the special session 1935-36, approved by the Governor December 14, 1935, we have signed this compact or agreement, in duplicate, this 1st day of April 1936.

SEC. 2. The right to alter, amend, or repeal this joint recolution is hereby expressly reserved.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. Without objection, the proceedings by which House Joint Resolution 582 was agreed to will be vacated.

There was no objection.

House Joint Resolution 582 was ordered to lie on the table.

GENERAL LEAVE TO PRINT

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent, at the request of the gentleman from Arkansas [Mr. MILLER], that all Members may have 5 legislative days in which to extend their remarks on the so-called chain-store bill.

The SPEAKER. Is there objection?

There was no objection.

CONTEMPT PROCEEDINGS AGAINST DR. TOWNSEND—MY VIEWS—REASON FOR VOTE AGAINST ADOPTION OF RESOLUTION

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, frequently important matters are voted upon in the House without a record vote. In such cases, where the question is decided by voting without a roll call, there is no record that will indicate the manner in which any particular Member of the House has voted.

Realizing that there are a great many interested in the matter of how Members of Congress voted with respect to the resolution holding Dr. Townsend to be in contempt of the House of Representatives for having allegedly refused to testify before a special committee of the House investigating the so-called Townsend plan for old-age pensions, I have deemed it proper to make known my vote upon that occasion and the reason therefor, as no record vote was had.

I voted "no." My reason for having done so was based upon the thought that Dr. Townsend had not been treated fairly nor as considerately as he should have been by the committee when he appeared before them.

I am well aware that the dignity and the orderly procedure of the House requires that individuals, when properly summoned, must submit themselves before the House or any committee authorized and appointed by the House for the investigation of any particular matter. In the case of Dr. Townsend there was no refusal upon his part to appear before the duly authorized committee of the House that had been charged with the duty of investigating the so-called Townsend plan. In fact, he testified before the committee for 2 or more days. During this time he answered questions in a frank and straightforward manner. There was no attempt to hide, conceal, or evade anything that had a direct or indirect bearing upon the subject. The same was equally true of other witnesses who testified before the committee.

After Dr. Townsend had submitted himself for a long time before the committee and had answered innumerable questions addressed to him by committee members and the attorney representing the committee, he asked the privilege of reading into the record a prepared statement that would present in full his views and opinions, the aims and objects sought by the movement of which he is the head, and also information of a general character that would enable the committee to have full, complete, and comprehensive information on the subject. Dr. Townsend was of the opinion that such a plan of presentation would provide a more intelligent view of the entire matter than could be obtained by answering every conceivable question propounded by different members and which often had no relationship to one another. This method of examination produced a disjointed, disconnected, and necessarily incomplete and certainly unsatisfactory presentation.

I am of the opinion that the plan of procedure suggested by Dr. Townsend would have proved much more helpful in gaining accurate and complete knowledge than the course pursued by the committee. The adoption of the suggestion made by Dr. Townsend would not have prevented the committee from conducting a cross-examination after he had completed his prepared statement. Furthermore, the request that was made by Dr. Townsend was no different from that frequently made by witnesses appearing before congressional committees who desire to present a complete statement before interruption. I have never known such a request to be refused by any committee of which I have been a member. Dr. Townsend did not refuse to testify. He had already done so for a long time extending, if I remember correctly, into and possibly beyond a period of 2 days. It was only after having done so and having seen how unsatisfactory the procedure was in obtaining the real information sought that he made his request. It was reasonable from every standpoint. It should have been granted. If the committee had done so, there would have been no such issue as was presented to the House.

I am, therefore, of the opinion that even though there may have been, technically speaking, no legal right for Dr. Townsend to leave the presence of the committee without its consent; yet I am convinced that there was no wrongful intent upon his part in doing so. I can readily understand that he was exasperated at what he considered the unfriendly attitude of the committee and a procedure that prevented a full and intelligent expression of his views, and that he took the course which he did only as a last resort. Again, I repeat that if the committee had granted his request it would not have curtailed its right to question Dr. Townsend after he had completed his statement; and if the committee had done so, the dignity of the committee and of this House would not have been detrimentally affected but, in fact, greatly enhanced.

It was for these reasons, which to me seemed fair and just, when the resolution to hold Dr. Townsend in contempt and authorizing and directing the United States District Attorney for the District of Columbia to institute legal proceedings therefor was brought before the House I voted "no."

PETITION TO DISCHARGE COMMITTEE

Furthermore, I wish to take this means of making known the fact that I signed the petition on the Clerk's desk of the House to discharge the committee of the McGroarty bill (Townsend plan) in order that the same might be brought before the House for consideration and vote.

As a Member of the House I have always been strongly of the opinion that any legislation that has a considerable number of citizens interested in its enactment should be brought upon the floor of the House for decision. To me, it seems fundamentally wrong that a few members of a committee should have the power to withhold action upon important matters of legislation and thereby preclude the membership of the House from the right to record its vote in favor of or against the proposed legislation.

This shall continue to be my course of action. It is based upon a principle of representative government that should find expression in all matters of legislation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DRISCOLL, for 2 days, on account of important business.

To Mr. POWERS (at the request of Mr. BACHARACH), for 3 days, on account of illness in family.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 4511. An act to amend section 641 of the Code of Law for the District of Columbia; to the Committee on the District of Columbia.

S. 4512. An act to amend section 641 of the Code of Law for the District of Columbia; to the Committee on the District of Columbia.

S. J. Res. 251. Joint resolution granting the consent of Congress to the city and county of San Francisco to construct a causeway and highways on Yerba Buena Island in San Francisco Bay, and for other purposes; to the Committee on Naval Affairs.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 11108. An act to advance a program of national safety and accident prevention.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 11108. An act to advance a program of national safety and accident prevention.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.) the House adjourned until tomorrow, Friday, May 29, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

855. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 26, 1936, submitting a report, together with accompanying papers, on a preliminary examination of a ship canal connecting Lake Superior and Lake Michigan from Lake Au Train in Lake Superior to Little Bay de Noc in Lake Michigan, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

856. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 26, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Cedar Run Creek, N. J., from the Main Channel to Wire Creek, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

857. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 26, 1936, submitting a report, together with accompanying papers on a preliminary examination of Obion and Forked Deer Rivers, and South Fork of Forked Deer River, Tenn., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

858. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 26, 1936, submitting a report, together with accompanying papers, on a preliminary examination of, and review of reports on, Greens Bayou and Pass Palacios (Cotton Bayou), Tex., authorized by the River and Harbor Act approved August 30, 1935, and requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 21, 1935; to the Committee on Rivers and Harbors.

859. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 26, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Goldsborough Creek in Mason County, Wash., with a view to the control of its floods, authorized by act of Congress approved August 22, 1935; to the Committee on Flood Control.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COLDEN: Committee on the Disposition of Executive Papers. House Report 2833. Report from the Committee on Disposition of Useless Papers in the Department of the Interior (Rept. No. 2833). Ordered to be printed.

Mr. KELLER: Committee on the Library. H. R. 6731. A bill to create a United States Board of Awards and to provide for the presentation of certain medals; without amendment (Rept. No. 2839). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H. R. 1995. A bill to provide for the selection of certain lands in the State of California for the use of the California State park system; with amendment (Rept. No. 2840). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 11176. A bill increasing the penalty for making false oaths for the purpose of bathing at the Government free bathhouse at Hot Springs, Ark.; with amendment (Rept. No. 2841). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 12426. A bill authorizing the payment of certain salaries and expenses of employees of the General Land Office; without amendment (Rept. No. 2842). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEARIN: Committee on the Public Lands. House Joint Resolution 496. Joint resolution for the erection of a memorial to Dr. Samuel Alexander Mudd; without amendment (Rept. No. 2843). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on the Public Lands. S. 1871. An act granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School; without amendment (Rept. No. 2844). Referred to the Committee of the Whole House on the state of the Union.

Mr. MONTET: Committee on Military Affairs. S. 4252. An act to provide for the modification of the contract of lease entered into on June 12, 1922, between the United States and the Board of Commissioners of the Port of New Orleans; without amendment (Rept. No. 2858). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. House Joint Resolution 608. Joint resolution extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1938, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter; without amendment (Rept. No. 2862). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on Roads. H. R. 12745. A bill to aid the several States in making certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes; with amendment (Rept. No. 2863). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. House Joint Resolution 554. Joint resolution authorizing distribution to the Indians of the Blackfeet Indian Reservation, Mont., of the judgment rendered by the Court of Claims in their favor; with amendment (Rept. No. 2864). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. House Joint Resolution 557. Joint resolution authorizing distribution to the Gros Ventre Indians of the Fort Belknap Reservation, Mont., of the judgment rendered by the Court of Claims in their favor; with amendment (Rept. No. 2865). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 12870. A bill to aid in defraying the expenses for the celebration of the bicentennial of the birth of Patrick Henry to be held at Hanover Courthouse, Va., July 15, 16, and 17, 1936; without amendment (Rept. No. 2866). Referred to the Committee of the Whole House on the state of the Union.

Mr. PARSONS: Committee on Coinage, Weights, and Measures. H. R. 12604. A bill to authorize the coinage of 50-cent pieces in commemoration of the four hundredth anniversary of the journey and explorations of Francisco Vasquez de Coronado; with amendment (Rept. No. 2867). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 606. Joint resolution amending section 5 of Public Resolution No. 6, Seventy-fourth Congress, approved March 4, 1935; without amendment (Rept. No. 2869). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEAVER: Committee on the Judiciary. H. R. 12. A bill to amend an act entitled "An act to divide the eastern district of South Carolina into four divisions and the western district into five divisions" by adding a new division to the eastern district and providing for terms of said court to be held at Orangeburg, S. C.; with amendment (Rept. No.

2870). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 229. Joint resolution providing for the contribution by the United States to the expenses of the celebration by the State of Arkansas of its admission to the Federal Union; with amendment (Rept. No. 2871). Referred to the Committee of the Whole House on the state of the Union.

Mr. FREY: Committee on Foreign Affairs. H. R. 6612. A bill authorizing the appropriation of funds for the payment of claims of certain foreign governments under the circumstances hereinafter enumerated; with amendment (Rept. No. 2872). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HOUSTON: Committee on Claims. H. R. 6743. A bill for the relief of Mojo Schey Co., Inc.; with amendment (Rept. No. 2845). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 7743. A bill for the relief of Mrs. David C. Stafford; with amendment (Rept. No. 2846). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. H. R. 9006. A bill for settlement of claim of Allen Holmes; with amendment (Rept. No. 2847). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 9008. A bill for the relief of Milo Milliser; with amendment (Rept. No. 2848). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. H. R. 9111. A bill for the relief of Evanell Durrance; with amendment (Rept. No. 2849). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 10258. A bill for the relief of A. D. Hampton; with amendment (Rept. No. 2850). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 10277. A bill for the relief of George E. Wilson; with amendment (Rept. No. 2851). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 10916. A bill for the relief of Carl Hardin; with amendment (Rept. No. 2852). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 10995. A bill for the relief of Elbert Arnold Jarrell; with amendment (Rept. No. 2853). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 11262. A bill for the relief of Brooks-Callaway Co.; with amendment (Rept. No. 2854). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 11861. A bill for the relief of Cleveland L. Short; without amendment (Rept. No. 2855). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 12166. A bill for the relief of Mary Daley; with amendment (Rept. No. 2856). Referred to the Committee of the Whole House.

Mr. PARSONS: Committee on Coinage, Weights, and Measures. S. 3770. An act to award a special gold medal to Lincoln Ellsworth; with amendment (Rept. No. 2859). Referred to the Committee of the Whole House.

Mr. PARSONS: Committee on Coinage, Weights, and Measures. H. R. 12388. A bill to provide for the recognition of the heroic conduct and devotion to duty of Matthew A. Hensen, one of the survivors of the polar expedition of Admiral Peary, and to provide a life pension for the said Matthew A. Hensen; with amendment (Rept. No. 2860). Referred to the Committee of the Whole House.

Mr. PARSONS: Committee on Coinage, Weights, and Measures. House Joint Resolution 123. Joint resolution to provide for the coinage of a medal in commemoration of the achievements of Amelia Earhart Putnam; with amendment (Rept. No. 2861). Referred to the Committee of the Whole House.

Mr. KELLER: Committee on the Library. H. R. 4641. A bill authorizing the President to present a gold medal to George M. Cohan; without amendment (Rept. No. 2868). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 10440. A bill for the relief of certain officers of the Foreign Service of the United States, who, while in the course of their respective duties, suffered losses of personal property by reason of war or other causes; without amendment (Rept. No. 2873). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 7244. A bill for the relief of John E. T. Clark; with amendment (Rept. No. 2874). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 8330. A bill for the relief of William Blakley; with amendment (Rept. No. 2875). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 10330. A bill for the relief of the estate of John E. Callaway; with amendment (Rept. No. 2876). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 10746. A bill for the relief of Matt Burgess; with amendment (Rept. No. 2877). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 11597. A bill for the relief of L. A. Peveler; with amendment (Rept. No. 2878). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 3080. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard; without amendment (Rept. No. 2879). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3600. An act for the relief of S. C. Eastvold; without amendment (Rept. No. 2880). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3768. An act for the relief of E. W. Jermark; without amendment (Rept. No. 2881). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3850. An act for the relief of Mrs. Foster McLynn; without amendment (Rept. No. 2882). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3956. An act for the relief of Jacob Kaiser; with amendment (Rept. No. 2883). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 4116. An act for the relief of Grant Anderson; with amendment (Rept. No. 2884). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 4119. An act for the relief of Bernard F. Hickey; without amendment (Rept. No. 2885). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 4542. An act authorizing the Comptroller General of the United States to settle and adjust the claim of the Merritt-Chapman & Scott Corporation; without amendment (Rept. No. 2886). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. Senate Joint Resolution 61. Joint resolution to repeal an act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", and to provide for the relief of William Saenger, chairman liquidating committee of the Beaumont Export & Import Co. of Beaumont, Tex.; without amendment (Rept. No. 2887). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BACON: A bill (H. R. 12884) to repeal the Silver Purchase Act; to the Committee on Ways and Means.

By Mr. BURDICK: A bill (H. R. 12885) to amend paragraph 1798 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. DINGELL: A bill (H. R. 12886) to provide for the award of an air-mail service medal of honor; to the Committee on the Post Office and Post Roads.

By Mr. MERRITT of New York: A bill (H. R. 12887) to authorize the coinage of 50-cent pieces in connection with the world's fair to be held in the city of New York, State of New York, in 1939, in commemoration of the one hundred and fiftieth anniversary of the inauguration of the first President of the United States of America and of the establishment of the Federal Government in the city of New York; to the Committee on Coinage, Weights, and Measures.

By Mrs. NORTON: A bill (H. R. 12888) to provide for the erection of a building to be used exclusively for the recorder of deeds; to the Committee on the District of Columbia.

By Mr. CHANDLER: A bill (H. R. 12889) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal section 76 thereof and all acts and parts of acts inconsistent therewith; to the Committee on the Judiciary.

By Mr. COLMER: A bill (H. R. 12890) extending the benefits for veterans of the Spanish-American War, including the Philippine Insurrection and the China Relief Expedition, to contract veterinarians; to the Committee on Pensions.

Also, a bill (H. R. 12891) granting the consent of Congress to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge across the Pascagoula River at or near Wilkerson's Ferry, Miss.; to the Committee on Interstate and Foreign Commerce.

By Mr. CARMICHAEL: A bill (H. R. 12892) to quiet title and possession with respect to certain lands in Lawrence County, Ala., to wit, all of fractional section 25 which lies south of the Elk River Shoals Canal and the northwest quarter of section 36, township 3 south, range 7 west, Huntsville meridian; to the Committee on the Public Lands.

By Mr. DIMOND (by request): A bill (H. R. 12893) for the protection of oyster culture in Alaska; to the Committee on Merchant Marine and Fisheries.

By Mr. HILDEBRANDT: A bill (H. R. 12894) to transfer the duties, powers, and functions of the Secretary of Commerce under the Air Commerce Act of 1926, as amended, to the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Washington: A bill (H. R. 12895) to authorize completion, maintenance, and operation of certain facilities for navigation on the Columbia River, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. McCORMACK: A bill (H. R. 12896) to provide for the transfer of the surplus decommissioned Lightship *No. 82* to U. S. S. Constitution Post No. 3339, Veterans of Foreign Wars; to the Committee on Merchant Marine and Fisheries.

By Mr. MAIN: A bill (H. R. 12897) providing a special tax on retail liquor sales in the District of Columbia to establish there a suitable home for inebriates; to maintain dependent wives and minor children of inebriates; to provide home relief for widows and orphans of inebriates; and to pay adjudicated claims for injury or death caused, in part or major degree, by persons under the influence of intoxicating liquors within the District of Columbia; to the Committee on the District of Columbia.

By Mr. BROWN of Michigan: A bill (H. R. 12898) granting the consent of Congress to the Mackinac Straits Bridge Authority, to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the lower peninsula of Michigan; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTE HILL: A bill (H. R. 12899) to authorize completion, maintenance, and operation of certain facilities for navigation on the Columbia River, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. CHURCH (by request): A bill (H. R. 12900) to amend section 4898 of the Revised Statutes; to the Committee on Patents.

By Mr. McSWAIN: A bill (H. R. 12901) to grant United States mail franking privilege to Reserve officers in official correspondence; to the Committee on the Post Office and Post Roads.

Also (by request), a bill (H. R. 12902) to provide a commissioned strength for the Corps of Engineers, United States Army, for the efficient performance of military and other statutory duties assigned to that corps; to the Committee on Military Affairs.

By Mr. CONNERY: Resolution (H. Res. 533) providing for the consideration of House Resolution 49, a resolution requesting the Secretary of Labor to compile a list of the labor-saving devices, and for other purposes; to the Committee on Rules.

By Mr. DICKSTEIN: Resolution (H. Res. 534) to authorize payment of expenses of investigation authorized by House Resolution 527; to the Committee on Accounts.

By Mr. LUCKEY: Joint resolution (H. J. Res. 609) to establish a policy of national defense; to the Committee on Military Affairs.

By Mr. KOPPLEMANN: Joint resolution (H. J. Res. 610) authorizing the President of the United States of America to proclaim October 11, 1936, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. GILCHRIST: Concurrent resolution (H. Con. Res. 51) providing for the printing as a House document of the opinions of the Supreme Court of the United States (including dissenting opinions and separate concurring opinions) on various cases; to the Committee on Printing.

By Mr. KRAMER: Concurrent resolution (H. Con. Res. 52) creating a joint committee of the Senate and the House of Representatives to determine the practicability of the purchase of Lower California from the Republic of Mexico; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BERLIN: A bill (H. R. 12903) granting an increase of pension to Mary E. Woods; to the Committee on Invalid Pensions.

By Mr. CLARK of Idaho: A bill (H. R. 12904) validating a town-lot certificate and authorizing and directing issuance of a patent for the same to Ernest F. Brass; to the Committee on the Public Lands.

By Mr. DEROUEN: A bill (H. R. 12905) for the relief of certain purchasers of lots in Harding town site, Florida, and for the relief of the heirs of Lewis G. Norton; to the Committee on the Public Lands.

By Mr. LEHLBACH: A bill (H. R. 12906) granting a pension to Mary Averbeck; to the Committee on Invalid Pensions.

By Mrs. NORTON: A bill (H. R. 12907) for the relief of Paul Glick; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

11005. By Mr. COLDEN: Resolution adopted by the San Pedro Civic Council, of San Pedro, Calif., urging the appropriation or allocation of funds for the construction of the proposed Great T Tunnel for the purpose of connecting the highways of the Los Angeles and Long Beach Harbor districts, shortening distances and speeding up and facilitating

traffic between points in said districts now isolated by water, and to and from communities adjacent thereto; to the Committee on Roads.

11006. By Mr. PLUMLEY: Resolution of Council No. 15, Sons and Daughters of Liberty, deploring existing conditions which if not curbed threaten the very existence of our American Republic, opposing enactment of the Kerr bill and favoring the Reynolds-Starnes bill; to the Committee on Immigration and Naturalization.

11007. By the SPEAKER: Petition of the International Brotherhood of Paper Makers, International Falls, Local No. 159; to the Committee on Ways and Means.

11008. Also, petition of Mother's Day, Inc., Philadelphia; to the Committee on the Judiciary.

11009. Also, petition of the United Brotherhood of Carpenters and Joiners of America, Local No. 1445; to the Committee on Banking and Currency.

11010. Also, petition of the city of Buffalo, N. Y.; to the Committee on Banking and Currency.

SENATE

FRIDAY, MAY 29, 1936

(Legislative day of Tuesday, May 12, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, May 28, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bill and joint resolution of the Senate:

S. 4533. An act granting the consent of Congress to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge across the Pascagoula River at or near Wikerson's Ferry, Miss.; and

S. J. Res. 262. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 8442. An act to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes;

H. R. 11916. An act to authorize the transfer of a certain piece of land in Muhlenberg County, Ky., to the State of Kentucky; and

H. J. Res. 589. Joint resolution to authorize the Secretary of the Treasury to permit the transportation of bonded merchandise by other than common carriers under certain conditions.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Brown	Connally	Gibson
Ashurst	Bulkley	Coolidge	Glass
Austin	Bulow	Copeland	Guffey
Bachman	Burke	Couzens	Hale
Bailey	Byrd	Davis	Hastings
Barbour	Byrnes	Dieterich	Hatch
Barkley	Capper	Duffy	Hayden
Benson	Caraway	Fletcher	Holt
Bilbo	Carey	Frazier	Johnson
Black	Chavez	George	Keyes
Borah	Clark	Gerry	King
La Follette	Minton	Reynolds	Townsend
Loftin	Murphy	Robinson	Truman
Lonergan	Murray	Russell	Tydings
Long	Neely	Schwellenbach	Vandenberg
McAdoo	Norris	Sheppard	Van Nuys
McGill	O'Mahoney	Shipstead	Wagner
McKellar	Overton	Smith	Walsh
McNary	Pittman	Steiwer	Wheeler
Maloney	Pope	Thomas, Okla.	White
Metcalf	Radcliffe	Thomas, Utah	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Mississippi [Mr. HARRISON] are absent because of illness, and that the Senator from Washington [Mr. BONE], the Senator from Oklahoma [Mr. GORE], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from Ohio [Mr. DONAHEY], and the Senator from New Jersey [Mr. MOORE] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent.

The VICE PRESIDENT. Eighty-three Senators having answered to their names, a quorum is present.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF COMMERCE (S. DOC. NO. 255)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the Department of Commerce, fiscal year 1937, amounting to $50,000 (salaries and expenses, General Committee of the Accident Prevention Conference), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, BUREAU OF PLANT INDUSTRY (S. DOC. NO. 256)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year ending June 30, 1936, to remain available until June 30, 1937, for the Bureau of Plant Industry, Department of Agriculture, amounting to $100,000, for the purchase of land and equipment and construction of buildings required in connection with sugarcane investigations, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of South Carolina, which was referred to the Committee on Agriculture and Forestry:

Concurrent resolution memorializing Congress, the President of the United States, and the Secretary of Agriculture to liberalize the terms of the National Soil Conservation Act so as to permit farmers in areas wherein drought has prevented germination or growth of their principal money crop until it is too late to produce such crops, even if rain should come, to withdraw a greater percentage of such soil depleting crops from cultivation and to plant same to soil building or soil improving crops as outlined in the terms of said act

Whereas there is now and has been for well-nigh 2 months a serious drought affecting certain States of the Nation, particularly South Carolina, North Carolina, Georgia, Tennessee, Virginia, and portions of Alabama, Florida, and other States so vitally and adversely as to make the growing of certain crops, such as cotton, tobacco, corn, and so forth, almost impossible for the year 1936, due to the lateness of the season; and

Whereas these crops are largely the money crops of the affected areas and vitally influence the business life of the said States and the individuals dependent upon them for sustenance, as well as the economic life of the Nation as a whole; and

Whereas, if some measure of relief is not devised for the farmers of the affected areas, the likelihood is that the relief rolls in these areas will be greatly augmented this fall as a result of money crop failures: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the General Assembly of South Carolina hereby strongly petitions, urges, and recommends to the national Congress, the President of the United States, and the Secretary of Agriculture that the National Soil Conservation Act be so liberalized or amended as to allow a greater percentage of soil depleting crops to be withdrawn from cultivation and planted to soil building and soil improving crops than is now allowable under the said act, such increased percentage of soil depleting crops to

be allowed only to farmers in the aforementioned drought areas as may, because of such drought, desire to withdraw a greater acreage of their principal crops than they may now by law retire; be it further

Resolved, That a copy of this resolution be sent the President of the United States, the Houses of the National Congress, and the Secretary of Agriculture, as well as to the chairman of the Agriculture Committee of the Senate and of the House.

The VICE PRESIDENT also laid before the Senate resolutions adopted by the Council of the City of Los Angeles, Calif.; the Board of Aldermen of the City of Louisville, Ky.; and the Council of the City of Schenectady, N. Y., favoring the enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which were referred to the Committee on Education and Labor.

Mr. CAPPER presented a resolution adopted by the Sheep Creek (Nebr.) union of the Woman's Christian Temperance Union, favoring the enactment of the bill (S. 541) to prohibit the transportation in interstate commerce of advertisements of intoxicating liquors, and for other purposes, which was referred to the Committee on Interstate Commerce.

REPRESENTATION IN CONGRESS AND ELECTORAL COLLEGE FOR THE DISTRICT OF COLUMBIA

Mr. CAPPER. Mr. President, I present a petition on behalf of residents and organizations of the District of Columbia urging the passage of Senate Joint Resolution 12.

Early in the first session of the Seventy-fourth Congress it was my privilege to introduce in the Senate a joint resolution (S. J. Res. 12) proposing an amendment to the Constitution of the United States. This proposed amendment would empower the Congress to grant unto the residents of the District of Columbia voting representation in the Senate and House of Representatives, the vote for President and Vice President, and the same rights to sue and be sued in the courts of the United States as possessed by the citizens of a State.

It was my expectation at that time to press for action this matter of plain American justice, but because of the urgent national issues engaging the attention of Congress the opportunity has been lacking.

These voteless and unrepresented fellow Americans are politically in a most difficult position, completely lacking any participation in the councils of their Nation. Their situation has been particularly distressing during the present Congress. They are absolutely dependent upon Congress for all legislation and for the appropriation of the funds, which are raised in greater part from their own taxation, for the support of the District. This is particularly true at the present time, when there is serious disagreement between the two Houses and there is no adequate remedy which these voteless and unrepresented ones can apply.

It must be remembered that the Congress is both the local and the National Legislature of the District of Columbia, with the very peculiar condition that the District residents are not represented in their own legislature.

These, our fellow Americans of the National Capital, in numbers exceed the population of each of eight States, and during the last fiscal year paid in Federal internal-revenue taxes an amount greater than that paid by each of 23 States, and more than the combined payment of 9 States. In such Federal taxes the per-capita payments of the District exceeded those of 38 States.

Here at the very heart of the Nation are half a million as good Americans as are to be found any place under the Stars and Stripes. They are intelligent, public spirited, loyal, and patriotic, and are always to be found meeting all of the obligations of American citizenship, both in war and in peace. In measuring up to these obligations of citizenship they are excelled by no other American citizens, but when it comes to their possession and enjoyment of vital and fundamental rights they are rated in the same class as the criminal, the idiot, and the lunatic.

These people, being subject to all laws enacted by Congress, are as vitally affected by and interested in all national legislation as are the citizens of the States, yet they are deprived of the right to participate in the enactment of those laws.

Mr. President, the plight of these fellow Americans of the Capital community is, indeed, a sad one, which is clearly violative of the principals expounded in the Declaration of Independence. Were these people satisfied to rest content in this deprivation of their natural-born rights, they would be unworthy of the name American. They realize fully that they suffer a grave injustice through the inaction of their fellow Americans in the States. They know that in fact and in truth they are really the subjects rather than the recognized equals of the other citizens of their country. They know full well that the only possible relief from their anomalous situation is to be found through the constitutional amendment proposed in Senate Joint Resolution 12.

I have the honor to present to the Senate, with a request that it be printed in the CONGRESSIONAL RECORD, this petition of the citizen organizations of the District of Columbia for the passage of Senate Joint Resolution 12.

This proposal in no way lessens the power of exclusive legislation exercised by Congress over the seat of the Federal Government. It does not, in the least particular, change the present form of the government of the District. It does, however, propose to give to the legal residents of the District of Columbia the right to participate, through their duly elected representatives, in the councils of their National Government. The Senate joint resolution is a just measure deserving favorable action by Congress and ratification by the States.

This petition is truly representative of the people of the District through their principal organized bodies. They thus speak to the Congress through their chief officers with the official authority of the organizations in question. No matter of legislation affecting the District has ever been presented to Congress with a more united front. These organizations represent the plain citizen, the businessman, working people, the veterans, the women, trade, labor, and welfare, and other groups. These local bodies have the support of a growing number of influential national, regional, and State organizations.

I appeal to my colleagues to give this question their attention and study, with a view to granting this boon to our fellow but voteless and unrepresented Americans of the District of Columbia, in the Seventy-fifth Congress.

I ask unanimous consent that the petition be appropriately referred and printed in the RECORD, including the signatures of the 38 officers of the 38 organizations that have signed the petition, together with the accompanying argument.

There being no objection, the petition was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, with the signatures attached, and the accompanying argument, as follows:

To the Congress of the United States:

Your petitioners, the Citizens' Joint Committee on National Representation for the District of Columbia, and the presidents of its constituent and cooperating organizations, whose names are subscribed below, hereby reaffirm the principles previously announced by the founders of our Republic that "taxation without representation is tyranny"; that "governments derive their just powers from the consent of the governed"; and in order that "government of the people, by the people, and for the people" may become an accomplished fact for all the people of the United States, respectfully represent:

That the one-half million totally disfranchised people of the District of Columbia, who obey national laws, pay more national taxes than many of the States; who oversubscribed every wartime fund—including the Red Cross and all Liberty bond issues; who supplied to the Army and Navy of the United States nearly 18,000 men in the World War—a larger number than any one of seven of the States—and who are now living under an anomalous condition in which they have no voice in the National Government, are entitled to representation in Congress and in the electoral college, with access to the Federal courts upon the same terms as those enjoyed by other citizens of the Republic.

We, therefore, respectfully petition the adoption of Senate Joint Resolution 12 and House Joint Resolution 461, both proposing a constitutional amendment empowering Congress to grant to residents of the District of Columbia representation in House, Senate, and electoral college, with the same rights before the Fed-

eral courts as are enjoyed by the residents of the States; and in support of this petition we submit the appended argument:

Theodore W. Noyes, chairman, Citizens' Joint Committee on District of Columbia National Representation; Edgar Morris, president, Board of Trade; Robert E. Buckley, president, District of Columbia Building and Loan League; Thos. E. Lodge, president, Federation of Citizens' Associations; Mrs. William Kittle, president, District of Columbia League of Women Voters; John Locher, president, Central Labor Union; Ford E. Young, president, Merchants' and Manufacturers' Association; Ray H. Everett, president, Monday Evening Club; Walter M. Bastian, president, Bar Association; Jos. P. McCurdy, president, Maryland State and District of Columbia Federation of Labor; Theodore W. Noyes, president, Association of Oldest Inhabitants; William McK. Clayton, president, District Delegate Association; Evan H. Tucker, president, Northeast Washington Citizens' Association; F. Eliot Middleton, president, Washington Real Estate Board; Norman C. Kal, president, Advertising Club of Washington; Beatrice A. Clephane, president, Woman's Bar Association; Hazel Fenning, president, Twentieth Century Club; Mrs. Harvey W. Wiley, president, Woman's City Club; Mrs. Lloyd W. Biddle, president, Federation of Women's Clubs; Fred A. Emery, president, Society of Natives of the District of Columbia; Mrs. Louis Ottenberg, president, Washington Section, National Council of Jewish Women; P. Julian Brylawski, president, Motion Picture Theater Owners' Association of the District of Columbia; E. Emerson Snyder, president, Associated Retail Credit Men of Washington, D. C.; Julian J. Chisolm, II, president, Washington Florists' Association; Elmer F. Neagle, president, District of Columbia Chapter, Rainbow Division Veterans; Clifford J. Cook, president, Hotel Greeters of America, Chapter 31; E. B. Woodruff, president, Newcomers Club; Ella C. Werner, president, Soroptimist Club; Thos. E. Lodge, chairman, Interfederation Conference; J. B. Dickman, Jr., president, Washingtonians; Edward H. Inman, department commander, Department of District of Columbia, Veterans of Foreign Wars; Joseph J. Malloy, department commander, Department of District of Columbia, American Legion; Amos E. McCalip, president, Federation of Business Men's Association of the District of Columbia; Raymond J. Walter, president, Young Democratic Clubs of the District of Columbia; John F. Costello, Democratic National Committeeman for the District of Columbia; E. H. Colladay, Republican National Committeeman for the District of Columbia; Gardner Jackson, president, Washington Branch, American Civil Liberties Union; Albert E. Conradis, president, Washington Junior Board of Commerce.

AMERICANIZE THE WASHINGTONIAN BY GRANT OF VOTING REPRESENTATION IN HOUSE, SENATE, AND ELECTORAL COLLEGE

ARGUMENT

The 486,869 Americans of the District of Columbia (1930 census) constitute the only community in all the expanse of the continental United States—populous, intelligent, public spirited, of adequate resources—which is denied representation in the National Government.

National representation is a distinctive basic right of the American citizen—in a government of the people, by the people, for the people—in a government which roots its justice in consent of the governed—in a representative government which inseparably couples taxation and arms bearing as a soldier with representation.

Since the 486,869 Americans of the District pay national taxes, obey national laws, and go to war in the Nation's defense, they are entitled on American principles to be represented in the National Government, which taxes them, which makes all laws for them, and which sends them to war.

In recognition and reaffirmation of the above-stated American principle we urge most earnestly the approval by Congress of House Joint Resolution No. 461 and Senate Joint Resolution No. 12, both proposing a constitutional amendment empowering Congress to grant representation in House, Senate, and Electoral College to residents of the District of Columbia.

We propose amendment of the Constitution of the United States by inserting at the end of section 9, article IV, the followng words:

"The Congress shall have power to admit to the status of citizens of a State the residents of the District constituting the seat of the Government of the United States created by article I, section 8, for the purpose of representation in the Congress and among the electors of President and Vice President, and for the purpose of suing and being sued in the courts of the United States under the provisions of article III, section 2.

"When the Congress shall exercise this power, the residents of such District shall be entitled to elect one or two Senators, as determined by the Congress, or such other representative in the Senate as Congress may provide for; Representatives in the House according to their numbers as determined by the decennial enumeration; and Presidential electors equal in number to their aggregate representation in the House and Senate, or as Congress may provide.

"The Congress shall provide by law the qualification of voters and the time and manner of choosing the Senator or Senators, the Representative or Representatives, and the electors herein authorized.

"The Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing power."

We urge with confidence the approval by Congress of this amendment for these reasons:

First. Because we ask at this time merely that Congress shall be given a new constitutional power, without committing Congress as to when or how it shall exercise this power. We ask two-thirds of Congress to vote to give a majority of Congress a new power which harmonizes with and equitably rounds out the existing constitutional powers of Congress. No good reason can be assigned why Congress should not unanimously approve this proposal to enlarge on logical, wholesome lines its own powers.

Second. Because Congress, if and when in the future it shall exercise this power, will deservedly bestow upon the Americans of the District the highest privilege, right, and power of American national citizenship, and will relieve the Nation of the shame of un-American, totally nonrepresentative government in the Capital City, under the Nation's exclusive control, without disturbing in the least that exclusive control, without creating a new State, without altering the form of local municipal government, and without the surrender by Congress of a single power in respect to the Capital which it now possesses.

The Constitution as it stands either gives or empowers Congress to give national representation to the State and the Territory, or incipient States; in fact, to the whole area of the Republic except the seat of government, the National Capital. When the pending amendment is ratified the power of Congress to grant national representation will be rounded out and perfected and extended to every part of the Republic.

The District, with its 486,869 Americans, intelligent, public spirited, patriotic, is not merely the only area in the contiguous and continental United States which is without national representation and which does not participate in the National Government. It is also the only area in the whole expanse of the Republic to which Congress cannot extend the right of national representation.

This amendment corrects Congress' lack of power. It does not correct the District's lack of power. It empowers Congress to grant this national representation, and does not direct it or fix any time limitation within which the power must be exercised.

Why should any Congressman vote against giving Congress this new power? The power asked is not to commit a crime or a misdemeanor, or to do an injury, but to extend an equitable American right, and to harmonize and reconcile two great American principles—first, the principle that in our representative Republic, subject to limitations and conditions uniformly applied, all national Americans ought to have the opportunity to participate in the National Government which taxes them, makes laws for them, and sends them and their sons to war; and, second, the principle laid down by the forefathers as a national necessity that the Nation, through Congress, should have exclusive control of the Nation's Capital.

We think we can convince you that the District of today, with its 486,869 Americans, is in resources, population, intelligence, and patriotic Americanism, so well equipped that if Congress had now the power which we ask for it to grant District national representation, it could safely and wisely exercise that power at once.

But assuming that there are some Senators or some Representatives who are not yet convinced, who are not entirely satisfied that in resources and in population the District is today fully fit for national representation, they ought not on that account to vote against our amendment, for it is to be noted that they are not asked in voting for the amendment to declare that the District is now fit for such representation, but only that they empower themselves to grant such representation when in their judgment the District has become thus fitted.

And so we say that to deny or vote against our amendment is to declare not merely that the District is not now fit for representation, but that the defective and delinquent residents of the District will never become thus fitted, though the District multiply its resources and a population of a million or more be collected in it.

To vote for this amendment commits Congress to nothing. To vote against this amendment is a denial of the possibility of District representation, even though the District attain the resources and population and the other requisites of statehood which make it surpass a dozen of the States.

So even those who doubt whether the District will ever be fit for national representation should not vote against this amendment. Give the District a sporting, fighting, American chance at national representation. In our Republic majorities govern. Amend the Constitution so that a majority of Congress may, if it wishes, in the future, when it is convinced of the fitness of the District, give national representation to District residents. Give the people of the seat of government the same possibility of national representation that Hawaii and Alaska now possess.

Why should any Senator or Representative vote against an amendment which merely enlarges an existing power of Congress on equitable and wholesome lines, and which simply empowers Congress to remedy a political inequity whenever, if ever, it is disposed to do so? Why should Congress oppose the grant to itself of any new constitutional power with which those affected are ready to trust it? Surely Congress does not mistrust itself.

We seek national representation as a distinctive basic right of the American citizen—in a government of the people, by the people, for the people—in a government which roots its justice in consent of the governed—in a representative government which inseparably couples taxation and arms-bearing as a soldier with representation.

So far as we 486,869 residents of the District are concerned, the American Government is not a government of all the people by all the people. It is a government of all the people by a part of the people. The 486,869 District residents are among the people who are governed, but not among the people who govern.

The 486,869 Americans of the District do not give their consent to their National Government through elected representatives in accordance with American principles like all other Americans of the continental and contiguous United States.

In respect to the 486,869 Americans of the District, representation is divorced from taxation and soldier service. We bear all the national burdens of citizens of a State in national taxes, in subjection to national laws, and as national soldiers sent to war. In genuine representative government, rights and obligations are inseparably wedded. We meet fully the national obligation. We bear cheerfully our share of the national burden. We are entitled to all vital national rights and privileges.

We are meeting the same national obligation as Americans who are citizens of a State.

In the recent days of exalted Americanism Washingtonians were in the front rank of devoted Americans. They have ever been foremost when Americanism meant loss instead of benefit; when to be Americans meant to place both sacrifice of treasure and blood sacrifice upon the Nation's altar.

Washingtonians have paid their proportion of every national tax, direct or indirect, from the birth of the Nation. The only national taxes that fall directly and in ascertainable amounts upon the Americans are the internal-revenue taxes, including the excise and income taxes. In the fiscal year 1934–35 the District of Columbia contributed to these taxes $12,638,144, exceeding 23 of the States, though it exceeded in population only 8 of them. Its contribution was greater than those of 9 of the States combined.

Washingtonians have risked life and shed their blood in every national war. To preserve the Union the first volunteers came from the Capital, and Washingtonians supplied a greater percentage of troops in excess of their quota than nearly every State in the Union. In the War with Spain they sent to Cuba a fine regiment, exceeding their quota in numbers. The same response was made when the summons to the Mexican border came. At that time the percentage of men of military age enrolled in the Organized Militia was greater in the District than in any State of the Union. Washington sent more soldiers to the border than 22 of the States.

In the World War no other American community responded more enthusiastically and effectively to the call to arms and universal service. They were eager volunteers of money for war through the Red Cross and other agencies and of personal service through enlistment in Army, Navy, National Guard, or Home Defense League. They showed patriotic readiness to bear the burden of conscription, whether in the shape of taxes imposed on lines which caused the District of Columbia (1918–19) to contribute more than any one of 15 of the States and more than 5 of the States combined; or in the shape of universal personal service and the selective draft.

In the war with Germany the District of Columbia has made a record of which the Nation should be proud. The total voluntary enlistments in the Army, Navy, and Marine Corps for the District was 8,314, a number greater than that in 7 States, namely, Nevada, Delaware, Arizona, Wyoming, Vermont, New Mexico, and New Hampshire, and only a trifle less than 3 other States. The number of men inducted into the Army under the first and second registrations was 9,631, making a total of voluntary enlistments and inductions into the service of the Government of 17,945. In other words, the percentage of voluntary enlistments was 46.33 percent of the total inductions into the service.

The proportion which the voluntary enlistments bear to the total number of enlistments and inductions by way of registration was greater for the District of Columbia than for every State of the Union except Rhode Island, Oregon, Washington, California, and Maine, and more than one-third greater than the percentage for the country as a whole.

To every demand of devotion and self-sacrifice made upon Americans, Washington has rendered, is rendering, and will always render full, hearty, and unstinted response.

In notable particulars we are deprived of the rights and privileges of Americans who are citizens of a State.

As a suitor in the courts of the United States the District resident has, the Supreme Court says, a lower standing than an alien.

In relation to national laws the sole function of the District residents is to obey. They take no part in making the laws which they must obey.

In relation to national taxes their sole function is to pay. They have nothing to say, like other taxpayers, concerning the amount and kind of taxes they shall pay and how the tax money shall be spent.

In relation to national war their sole function is to fight in obedience to command. They have no voice, like other Americans, in the councils which determine war or peace. They have no representation in the Government which requires them to fight, bleed, and perhaps to die.

Since the 486,869 Americans of the District pay national taxes, obey national laws, and go to war in the Nation's defense, they are entitled on American principles to be represented in the National Government, which taxes them, which makes all laws for them, and which sends them to war.

The favorable report of the Senate District Committee in 1922 admirably summarizes the characteristics of our proposed amendment when it says:

"Summarizing, we find and report:

"The proposed constitutional amendment does not reduce the power of Congress in respect to the Capital, but adds a new power; it does not propose the admission of the District into the Union as a sovereign State; it does not propose the destruction of the 'ten miles square' provision of the Constitution; it does not lessen in the smallest degree the control by the Nation through Congress of what remains of the 'ten miles square'; it does not disturb in any way the financial relation of Nation and Capital; it is not based upon either the abolition or retention of the half-and-half law; it does not propose or involve changes in the municipal government of the District.

"It plans to bestow upon the 486,869 Americans of the District a distinctive basic right of the American citizen—in a government of the people, by the people, for the people—in a government which roots its justice in consent of the governed—in a representative government which inseparably couples taxation and arms-bearing as a soldier with representation.

"This distinctive American privilege decorates the American with a badge of honor and arms him with power. Its lack slurs the Washingtonian as unfit and defective, and slurs the Nation as in this respect un-American and impotent.

"What the amendment proposes is equitable in itself and compulsory in accordance with American principles and traditions.

"It gives to residents of the District rights and privileges which, under our scheme of government, belong to all who pay national taxes and fight as national soldiers.

"It gives to residents of the District a self-protecting power in the national councils which is denied to the resident of no other community in all of the mainland and contiguous United States from Maine to Texas and from New York to California.

"In the matter of access to the Federal courts it raises District residents from a lower plane than that of aliens to the status of citizens of a State.

"National representation of the District will remove from the Nation the shame of impotency.

"It will proclaim to the world that the great Republic is as devoted to the principles of representative government and as capable of enforcing them as other republics with capitals in nation-controlled districts, like Mexico, Brazil, and Argentina. These nations have not found themselves impotent to give full national representation to the people of their capitals.

"It will proclaim to the world that the people of Washington are as fit to participate in national representative government as the people of Rio de Janeiro, Buenos Aires, and Mexico City. Washington will cease to be the only capital in all the world whose people, slurred as tainted or defective, are unworthy to enjoy the same national representation as that enjoyed by all other cities of the Nation.

"Washington will cease to be the only American community—numerous, intelligent, prosperous, public spirited, and patriotic—in all the expanse of continental and contiguous United States whose fitness to exercise national privileges as well as to bear national burdens is denied.

"National representation will clothe the Washingtonian with a vital American privilege to which he is undeniably in equity entitled, will cleanse him of the stigma and stain of un-Americanism, and, curing his political impotency, will arm him with a certain power.

"It will relieve the Nation of the shame of un-Americanism at its heart and of impotency to cure this evil.

"It will inflict no injury or hardship upon either Nation or Capital to counteract these benefits."

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Education and Labor, to which was referred the bill (S. 4370) to repeal a proviso relating to teaching or advocating communism in the public schools of the District of Columbia, and appearing in the District of Columbia Appropriation Act for the fiscal year ending June 30, 1936, reported it without amendment and submitted a report (No. 2126) thereon.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which was referred the bill (H. R. 7025) authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes, reported it without amendment and submitted a report (No. 2127) thereon.

He also, from the same committee, to which were referred the following bill and joint resolution, reported them each with amendments and submitted a report thereon as indicated:

S. 4528. A bill to regulate the conduct of elections in Puerto Rico; and

S. J. Res. 270. Joint resolution to provide for the appointment of a committee to study the question of Puerto Rican independence (Rept. No. 2128).

Mr. HAYDEN, from the Committee on Territories and Insular Affairs, to which was referred the bill (H. R. 1392) to extend the provisions of certain laws to the island of Puerto Rico, reported it with amendments and submitted a report (No. 2130) thereon.

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 4352) to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Clinton, Okla., reported it without amendment and submitted a report (No. 2129) thereon.

Mr. BURKE, from the Committee on the Judiciary, to which was referred the joint resolution (H. J. Res. 377) to enable the States of Maine, New Hampshire, New York, Vermont, Massachusetts, Rhode Island, Connecticut, Pennsylvania, West Virginia, Kentucky, Indiana, Illinois, Tennessee, and Ohio to conserve and regulate the flow of and purify the waters of rivers and streams whose drainage basins lie within two or more of the said States, reported it without amendment and submitted a report (No. 2133) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (H. R. 11140) to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States, reported it with an amendment and submitted a report (No. 2131) thereon.

He also, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 4709. A bill authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the Delaware River between points in the village of Barryville, Sullivan County, N. Y., and the village of Shohola, Pike County, Pa. (Rept. No. 2136); and

S. 4710. A bill authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the West Branch of the Delaware River between a point in the vicinity of the village of Hancock, Delaware County, N. Y., and a point in the town of Buckingham, Wayne County, Pa. (Rept. No. 2137).

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (H. R. 10785) for the relief of John B. H. Waring, reported it without amendment and submitted a report (No. 2132) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (S. 4293) for the relief of George W. Middleton, reported it with an amendment and submitted a report (No. 2144) thereon.

Mrs. LONG, from the Committee on Claims, to which was referred the bill (H. R. 2501) for the relief of Mrs. G. A. Brannan, reported it without amendment and submitted a report (No. 2134) thereon.

She also, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 5368) to provide for the addition of certain lands to the Chalmette National Monument in the State of Louisiana, and for other purposes, reported it with amendments and submitted a report (No. 2135) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4581. A bill authorizing the payment of certain salaries and expenses of employees of the General Land Office (Rept. No. 2138);

S. 4707. A bill for the relief of certain purchasers of lots in Harding town site, Florida, and for the relief of the heirs of Lewis G. Norton (Rept. No. 2139); and

H. R. 7930. A bill to eliminate certain lands from the Craters of the Moon National Monument, Idaho (Rept. No. 2140).

Mr. WAGNER also, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 4393. A bill to authorize the revision of the boundaries of the Snoqualmie National Forest, in the State of Washington (Rept. No. 2141);

H. R. 11791. A bill to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky. (Rept. No. 2142); and

H. R. 12220. A bill to authorize the adjustment of the boundary of the Fort Marion National Monument, Florida, in the vicinity of Fort Marion Circle, and for other purposes (Rept. No. 2143).

Mr. KING, from the Committee on the District of Columbia, to which was referred the joint resolution (H. J. Res. 465) to amend the joint resolution of July 18, 1935, relating to the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in September 1936, reported it without amendment.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

S. 4616. A bill for the relief of G. A. Trotter (Rept. No. 2145); and

H. J. Res. 415. A joint resolution to carry out the intention of Congress with reference to the claims of the Chippewa Indians of Minnesota against the United States (Rept. No. 2146).

Mr. THOMAS of Oklahoma, also from the Committee on Indian Affairs, to which was referred the bill (S. 4152) validating certain conveyances by Kickapoo Indians of Oklahoma, made prior to February 17, 1933, providing for actions in partition in certain cases, reported it with amendments and submitted a report (No. 2147) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the joint resolution (S. J. Res. 207) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes" (44 Stat. L. 807), reported it with amendments and submitted a report (No. 2148) thereon.

REPORT OF SPECIAL COMMITTEE TO INVESTIGATE RECEIVERSHIP AND BANKRUPTCY PROCEEDINGS, ETC.

Mr. McADOO, from the Special Committee to Investigate Receivership and Bankruptcy Proceedings and the Administration of Justice in United States Courts, submitted a preliminary report (accompanied by hearings held before the special committee) relative to the activities of the committee, pursuant to Senate Resolution 78, Seventy-third Congress, and Senate Resolutions 72 and 170, Seventy-fourth Congress, which was ordered to be printed as Senate Report No. 2125.

AMENDMENT OF SEAMEN'S ACT

Mr. COPELAND. Mr. President, I desire to report from the Committee on Commerce a substitute for order of business on the calendar 2163, being the bill (H. R. 8597) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to maintain discipline on shipboard; and for other purposes.

We found defects and mistakes in the original report, and I am instructed by the committee to present a substitute for the bill now on the calendar.

The VICE PRESIDENT. Without objection, the report will be substituted for the one now on the calendar.

PRINTING REVISED EDITION OF SENATE RULES

Mr. HAYDEN. From the Committee on Printing I report back favorably without amendment Senate Resolution 303, and ask unanimous consent for its immediate consideration.

There being no objection, the resolution (S. Res. 303), which had been reported by Mr. NEELY from the Committee on Rules on the 21st instant, was considered and agreed to, as follows:

Resolved, That the Committee on Rules be, and it is hereby, directed to prepare a revised edition of the Senate Rules and Manual for the use of the Seventy-fifth Congress, and that 1,700 additional copies shall be printed and bound, of which 1,200 copies shall be for the Senate, 200 copies for the use of the Committee on Rules, and the remaining 300 copies shall be bound in full morocco and tagged as to contents and delivered as may be directed by the committee.

PRINTING OF TAX HEARINGS BEFORE FINANCE COMMITTEE

Mr. HAYDEN. From the Committee on Printing I report back favorably without amendment Senate Resolution 305, and ask unanimous consent for its immediate consideration.

There being no objection, the resolution (S. Res. 305), submitted by Mr. KING (for Mr. HARRISON) on the 26th instant, was considered and agreed to, as follows:

Resolved, That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Finance of the Senate be, and is hereby, empowered to have printed for its use 1,000 additional copies of the hearings held before the said committee during the current session on the bill the Revenue Act of 1936.

PRINTING OF HEARINGS RELATIVE TO COTTON COOPERATIVES

Mr. HAYDEN. From the Committee on Printing I report back favorably without amendment Senate Concurrent Resolution 39, and ask unanimous consent for its immediate consideration.

There being no objection, the concurrent resolution (S. Con. Res. 39), submitted by Mr. MCKELLAR on the 15th instant, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Appropriations of the Senate be, and is hereby, empowered to have printed 2,000 additional copies of the hearings held before the subcommittee of said committee of the Senate during the first session of the Seventy-fourth Congress, pursuant to the resolution (S. Res. 185) authorizing the Committee on Appropriations to conduct an investigation of the expenditures by the Federal Government for the cotton cooperatives, etc. These 2,000 copies are to be divided as follows: Fifteen hundred copies of volume no. 1 and 500 copies of volume no. 2.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT—CONFERENCE REPORT

Mr. MCKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11687) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered (8).

That the House recede from its disagreement to the amendments of the Senate numbered (1) (4) (5) (6) (7) (9) (10) (11) (12) and (13); and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered (2), and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$14,000,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered (3), and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$14,000,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: By substituting in lieu of said amendment 14 the following:

"SEC. 10. (a) That all taxes levied by any State, Territory, or the District of Columbia upon sales of gasoline and other motor-vehicle fuels may be levied, in the same manner and to the same extent, upon such fuels when sold by or through post exchanges, ship stores, ship-service stores, commissaries, filling stations, licensed traders, and other similar agencies, located on United States military or other reservations, when such fuels are not for the exclusive use of the United States. Such taxes, so levied, shall be paid to the proper taxing authorities of the State, Territory, or the District of Columbia, within whose borders the reservation affected may be located.

"(b) The officer in charge of such reservation shall, on or before the fifteenth day of each month, submit a written statement to the proper taxing authorities of the State, Territory, or the District of Columbia within whose borders the reservation is located showing the amount of such motor fuels not sold for the exclusive use of the United States during the preceding month."

And the Senate agree to the same.

KENNETH MCKELLAR,
CARL HAYDEN,
LYNN J. FRAZIER,
Managers on the part of the Senate.

WILBURN CARTWRIGHT,
LINDSAY C. WARREN,
WILLIAM M. WHITTINGTON,
JESSE P. WALCOTT,
(except as to amendment no. 5),
C. MURRAY TURPIN,
Managers on the part of the House.

The report was agreed to.

ENROLLED JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on May 27, 1936, that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 209) authorizing the presentation of silver medals to the personnel of the Second Byrd Antarctic Expedition.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

A bill (S. 4714) to complete the Point Pleasant Battle Monument, Point Pleasant, W. Va.; to the Committee on Military Affairs.

By Mr. MCADOO:

A bill (S. 4715) for the relief of Mr. and Mrs. Charles F. Carter, parents and guardians of Louise Marie Carter, a minor; to the Committee on Claims.

By Mr. CLARK:

A bill (S. 4716) for the relief of Daniel B. Meador (with accompanying papers); to the Committee on Claims.

A bill (S. 4717) for the relief of Auguste C. Rabenau; to the Committee on Finance.

By Mr. BARBOUR:

A bill (S. 4718) to authorize the award of a decoration for distinguished service to William M. E. Hess; to the Committee on Naval Affairs.

By Mr. NORRIS:

A bill (S. 4719) for the relief of the Bridgeport Irrigation District; to the Committee on Irrigation and Reclamation.

By Mr. BYRD:

A bill (S. 4720) to aid in defraying the expenses for the celebration of the bicentennial of the birth of Patrick Henry to be held at Hanover Courthouse, Va., July 15, 16, and 17, 1936; to the Committee on the Library.

Mr. REYNOLDS. Mr. President, I ask consent to introduce a bill to amend the Social Security Act so as to provide that its benefits shall not accrue to any alien in the United States.

The VICE PRESIDENT. The bill will be received and appropriately referred.

By Mr. REYNOLDS:

A bill (S. 4721) to amend the Social Security Act so as to provide that its benefits shall not accrue to any alien illegally in the United States; to the Committee on Finance.

By Mr. SHEPPARD:

A bill (S. 4722) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. WHEELER:

A joint resolution (S. J. Res. 277) to investigate corporations engaged in the manufacture, sale, or distribution of agricultural implements and machinery; to the Committee on Interstate Commerce.

By Mr. O'MAHONEY:

A joint resolution (S. J. Res. 278) to modify and extend the act entitled "An act to include sugar beets and sugar cane as basic agricultural commodities under the Agricultural Ad-

justment Act, and for other purposes", approved May 9, 1934, as amended, and for other purposes; to the Committee on Finance.

HOUSE BILL AND JOINT RESOLUTION

The following bill and joint resolution were each read twice by their titles and ordered to lie on the table or referred as indicated:

H. R. 8442. An act to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes; to the table.

H. J. Res. 589. Joint resolution to authorize the Secretary of the Treasury to permit the transportation of bonded merchandise by other than common carriers under certain conditions; to the Committee on Finance.

INTERNAL-REVENUE TAXATION—AMENDMENT

Mr. HAYDEN submitted an amendment intended to be proposed by him to the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENT TO FIRST DEFICIENCY APPROPRIATION BILL

Mr. ASHURST submitted an amendment intended to be proposed by him to House bill 12624, the first deficiency appropriation bill, 1936, which was ordered to lie on the table and to be printed, as follows:

On page 6, line 3, to insert the following:

"UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

"For carrying out the provisions of the public resolution entitled 'A joint resolution to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes', approved ———, 1936, $200,000, to remain available until expended."

REPORT OF COUNSEL, SPECIAL COMMITTEE TO INVESTIGATE RECEIVERSHIP AND BANKRUPTCY PROCEEDINGS, ETC.

Mr. McADOO submitted the following resolution (S. Res. 308), which was referred to the Committee on Printing:

Resolved, That the report of Percival E. Jackson, the legal counsel in New York, submitted to the special committee of the Senate appointed to make an investigation of the administration of bankruptcy and receivership proceedings and the administration of justice in the United States courts, be printed as a document.

BICENTENNIAL CELEBRATION OF THE BIRTH OF PATRICK HENRY

Mr. GLASS. Mr. President, there has just been sent to the Senate from the House of Representatives a bill passed by the House authorizing an appropriation of $10,000 to aid in the celebration of the birth of Patrick Henry. I should like to have the bill acted on now in order that an appropriation may be provided in the deficiency bill. That cannot be done unless we take this action, and the appropriation would not be available until after the date of the celebration if the item were not included in the pending deficiency bill.

The VICE PRESIDENT laid before the Senate the bill (H. R. 12870) to aid in defraying the expenses for the celebration of the bicentennial of the birth of Patrick Henry to be held at Hanover Courthouse, Va., July 15, 16, and 17, 1936, was read twice by its title.

Mr. GLASS. I ask unanimous consent that the Senate proceed to the consideration of the bill at this time.

There being no objection, the Senate proceeded to consider House bill 12870.

The bill was ordered to a third reading, read the third time, and passed.

COLLECTION OF REVENUE FROM INTOXICATING LIQUORS—ADDITIONAL SENATE CONFEREES

Mr. KING. Mr. President, the bill (H. R. 9185) to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes, is in conference. A number of conferees have been appointed by the House, and three conferees have been appointed by the Senate. I ask that two more Members be added to the Senate conferees.

The VICE PRESIDENT. Without objection, it is so ordered. The Chair appoints the Senator from Missouri [Mr. CLARK] and the Senator from Wisconsin [Mr. LA FOLLETTE] as additional conferees on the part of the Senate.

POLITICAL AND ECONOMIC CONDITIONS—ADDRESS BY SENATOR BORAH

Mr. GIBSON. Mr. President, last evening the senior Senator from Idaho [Mr. BORAH] delivered over the Columbia Broadcasting System an able, instructive, and statesmanlike address dealing with the current political situation in the country. I ask unanimous consent that his address may be inserted in the CONGRESSIONAL RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, no extensive contact with the voters of this country is necessary to convince one that the bitter experience through which the American electorate has passed in recent years has left its deep impress upon their hearts and minds. One reaches this conclusion even from a limited opportunity to see them and to hear them and from the deluge of mail coming to one's desk. I feel that this is one contest in which that which the voter thinks he will record by his ballot. There are always some who will be controlled by mere partisan feelings, some by the sinister influence of political machines, but when jobs and homes and farms and families are in the balance we may anticipate with what sincerity of purpose this high duty of the citizen will be discharged. The people are not always right, but it is a comforting fact to those who pin their faith to constitutional government, after debate and time for reflection, as American history amply proves, that, in their final judgment, they are seldom wrong. They have heard much debate. They will hear more. They have had many sad years in which to reflect on all matters pertaining to their interests—to them this election is something more than a mere party contest, and they constitute a tribunal from which there is no appeal. There are some whose conception of party loyalty will probably cause them to doubt my sincerity when I say I want to see the cause of the Republican Party placed before this tribunal in a way best calculated to win its approval. I may be in error as to the best way, but I hope to give ample proof that I believe in that way. No one familiar with the situation, as indicated by the poll books in the different States, can doubt that the party has reached a crisis in its history where "flattery and falsehood can no longer deceive and simplicity itself can no longer be misled."

In speaking of the position of the party with reference to public questions, as I do in the following remarks, it is not my view that its position can be determined, or even fully defined, by the platform alone. In this campaign, extraordinary as it undoubtedly will be in all its phases, the candidates of the respective parties will be the platforms. We shall find, in my opinion, the people will accept no other. It is undoubtedly right and proper and according to old custom to make platforms. But these platforms have no high standing at the present time in the minds of the American people. After all is said and done in this respect, the position of the party and the possibilities of success will be determined by the candidates. The old school of military leaders conceded that Napoleon was winning all the battles, but insisted he was violating all the established rules of military science in doing so. The tactics of the winner of victories were born of his own fertile and restless brain as he maneuvered in sight of the enemy. As seldom before, this campaign will be a campaign of candidates, and the attitude of the party on public questions can only be fully known when both platform and candidates are fully known and understood.

Owing to the situation in Europe, I feel justified in saying something about our foreign policy. This country needs peace; above all things, it needs peace. Without peace we cannot hope to adjust our domestic affairs. The nearest approach to a practical guaranty of peace for the people of this country is to remain wholly aloof from any and all foreign controversies or political commitments. No wiser words ever fell from human lips touching this subject than from those of Thomas Jefferson: "Peace, commerce, and honest friendship with all nations, entangling alliances with none." In spite of all the propaganda manufactured at home or abroad, in spite of all the sophistry of learned, or, rather, I should say, educated men, the policy enunciated in these words is as applicable to world conditions and as vital to the peace and happiness of the American people at the present hour as when the policy was announced. The Republican Party has trifled a long time with the question of surrendering our traditional foreign policy and all to its utter discredit. It has had neither the courage to wholly reject nor to wholly defend this policy—invaluable to the welfare of the American people and indispensable to the perpetuity of American institutions. It was the boast of Roman epicures that they could at one and the same time and in the same vessel roast half the pig and boil the other half. How palatable was the dish we do not know.

But the meal which our political epicures have dished up for the American people on this vital question of our foreign policy, half international and half American, is a mess. It is to be hoped that the position of the party will no longer be left in doubt, and that

all schemes, with whatever plausible pretense presented, designed to draw us into foreign controversies and foreign wars, will be put at rest. We want no part in any foreign wars. We want to devote the energy and patriotism of our own people to our own problems at home. I am particular to stress this matter, since we are advised that the League is to be remodeled with a view of inducing the United States to become a member. No league, no legal department of the League, euphoniously called the Court, no subtle, shadowy deception under the name of peace, calculated to involve us in foreign matters, can be anything but detrimental, and even dangerous, to the American people.

Undoubtedly important questions relating to government and the integrity of our Constitution will be debated before the voters during the coming campaign. There are those who seem to feel that these questions will be a determining factor in the coming election. I hope that anything I may say upon this subject will not leave an impression with you that I do not fully appreciate the importance of all questions which relate to the preservation of constitutional government in all its integrity. That subject is one to which I all too readily recur when it is up for consideration. I have expressed myself so often upon this phase of current happenings that even my severest critics understand and sometimes concede the correctness of my view. But we ought not to forget—indeed, we will not be permitted to forget—in this campaign that to the destitute share-cropper of the South, to the jobless millions in the North, to all who still live by help of the Government, to the farmer wrestling with his debts and taxes in the shadow of a threatened diminishing market, to independent business everywhere, to men and women all over the land, in business or in the professions, anxious to know how long they can carry the ever-increasing burdens of government—city, State, and National—to all these, debates over constitutional government and the integrity of the courts may seem strangely remote from their personal problems. No intelligent and effective presentation of the problems of maintaining our free institutions can be presented in this campaign or, in my opinion, at any time unaccompanied by an effective proposal which will relieve the citizen of his personal problems.

In the modern world social and economic problems are inextricably intertwined with all questions of government. If it was ever true in the world, and it has always been true, that economic and political freedom go hand in hand, it is true now. If we are not prepared as a party to strike down monopoly and price fixing and all monopolistic practices, to take this action in order that men may enjoy economic freedom, that purchasing power may be restored to the masses, the answer to the farmer hunting for a market and labor hunting for a job, if we are not prepared to deal with this issue, which means bread and clothing and opportunity to millions, we will get nowhere with the discussion of political liberty or of constitutional government as a campaign issue. These social and economic problems are bound up not only in the open field of endeavor but also in the hearts and minds of the people with the questions of government. It is so elsewhere. It is no different under our own flag.

We have witnessed in our own generation the effect of social unrest and economic distress upon government to an extent that we ought not to be indifferent to the effect of these things at home. The swift, incredible change in Russia, culminating in the Soviet regime; the Fascist coup in Italy, establishing a plutocratic government; the successive revolutions in Germany, a most conservative people, leading at last to Nazi Hitlerism, full of unsolved political riddles; these things cannot be wholly ignored when we are discussing the relation of social questions to government. I am neither prophesying nor defending revolution. I am saying that in the modern world social and economic problems are associated in the popular mind with the wisdom and efficiency of any form of government, republican or autocratic.

If one-quarter of 1 percent of all the corporations in the United States, as they have and do, control one-half of all corporate wealth and fix prices on many of the most essential things in our daily living, then, as to the most vital things in life, the means and standard of living, concentration of economic power is already established, and, if continued, concentration of governmental power to meet the situation will inevitably follow. Will we long, as a people, be able to maintain a situation under a Constitution which declares you may not fix prices on the farm or in the home because of State lines, but private corporate interests may fix prices throughout the entire country regardless of State lines? I mention these things, not to carry forward a discussion which might be supported by a multitude of facts equally applicable but to indicate my belief that underlying any and all questions touching the preservation of constitutional democracy are the economic problems which are now undermining democracy.

When the National Recovery Act, now held unconstitutional, was proposed, it was supported almost by the entire Nation, by 90 percent of the press, by an overwhelming majority of Congress, by the Executive. It is believed now that had this law become permanent it would have wrought fundamental changes in our form of government. Only five men stood in the way of its permanent adoption. Behind this measure at the time—and which alone made it possible—was business chaos, hunger, and threatened starvation. Something had to be done. How near we were to a most fundamental change in our whole constitutional structure! And why were we so near—because of economic and financial conditions that had become intolerable? What brought about these conditions? It was an economic and financial set-up that reduced one-half of our people to the ragged edge of want.

Ten years had gone by since the war. Our national income was over eighty billion. Neither drought nor famine had visited our people. Yet something was basically wrong. Monopolistic greed had robbed millions of a decent living or even an opportunity to make a decent living. All of this reacted upon the most fundamental principles of constitutional government and with practical approval of the entire Nation. No government can indefinitely withstand the attrition or the eternal urge of hunger or economic distress. When we take our constitutional problems to the voters we must be prepared to tell them how we propose to deal with the conditions, and the only conditions, which really imperil constitutional government. With anything like economic justice in this country, this Government and the great principles upon which it rests are not in the slightest danger of fundamental change.

On my desk is a letter from an independent oil company which says: "The Standard Oil and four other companies are out to secure the monopoly of the world's oil production. They have it now in the United States. We who are known as independents are permitted now to follow the oil business with the grace of the Standard Oil Co. and its associates." These oil companies, or some of them, have been extremely active in this preconvention campaign. Their representatives will sit in the convention. Some of us shall be interested to know where they throw their influence. If the Republican Party can find no way to control the economic power which these companies exert upon every person in the land, regardless of State lines, shall we hope to make effective with the voters our argument that State rights under the Constitution must be maintained? These oil companies are now, as private corporations, exerting a power over the private citizen in the respective States which the Constitution has declared the Government does not possess.

The Supreme Court has declared the Federal Government has no power to control production nor any way to affect farm prices on the farm. That, it is declared, is a matter with which the States alone may deal. But five corporations, in no wise hindered by State lines, may, and do, control production and affect farm prices by fixing prices on the implements without which production cannot go forward. What the Government may not do affirmatively, or negatively, may not do for want of power, private corporations are permitted to do regardless of State lines or State rights.

There are no State lines and no State rights and no private rights apparently as against the practices and exploitation of combines and monopolies. As to them this is one vast consolidated empire, the richest prey that human greed ever seized upon. They sweep across State lines, defy State sovereignty, and undermine and destroy the prosperity of the citizen upon which the whole State rests. They shut the door of opportunity to millions and fix the prices that every housewife in the State must pay to maintain the family. The Federal Government cannot send an agent within the State to interfere, either for weal or woe, with the daily affairs of the people, and upon such principle alone can a Federal union endure. But we cannot long maintain a government with 48 States for purposes of government and an empire for purposes of exploitation. If we are to repossess the confidence of the people of this country, we must advise them in no uncertain terms what we are going to do about it, and do it. This Government was made for, and can be adapted only to, free men and free women, men and women with equal opportunities in life, with freedom to choose an avocation, or profession, and pursue it under general, just, and equal laws, and regimentation, private or public, means inevitably a change in the whole structure of government. Our Government will not work under either scheme.

This depression was something more than an economic breakdown. It was also a warning—a warning that an economic set-up which leaves one-half the Nation, in the midst of vast plenty, with the bare necessities of life is compatible neither with sound economics nor free government. What is the party going to do about it? Will it, under the malign influence of organization politics backed by corporate and monopolistic interests, disregard this question or seek to circumvent straight and effective action? Or will it meet it in the open?

The high place in the counsels of the party which corporate and monopolistic interests have long occupied is known to all the world. At one time these influences were challenged by a great Republican leader. They have again been able, however, to bring about a condition where the supreme party problem is this: Can and will the party drive these forces from its councils, disregard their satellites, and break their grip upon its policies and its deeds? If we are in this respect prepared to disregard the supreme interests of the people, it will be vain during the campaign to discuss constitutional questions and the validity of constitutional government or to offer direct insult to the people's understanding by telling them we are not able to protect them. The party has paid dearly for the demoralizing presence of these influences. At the beginning of this great campaign it is enjoying less power in national affairs than at any time in its history. In the name of the people and in the name of the party, the time is ripe for an accounting and a dissolution of the partnership.

Recently I received a letter from a distinguished person, in which he said: "Why keep up this fight against monopoly? You cannot win. Assuming you are right, you cannot succeed. The forces against you are stronger than you have any idea." Let us not be so sure we cannot win. Public opinion can do anything in this country. And public opinion, like the great Mississippi, may have its source among the pebbles.

In 1856, in a speech in Chicago, Abraham Lincoln declared: "Our Government rests in public opinion. Whoever can change public opinion on any subject can change the Government." We can all contribute our part, however small, to forming public

opinion. At the time this declaration was made the slave power was in control of the Government, from the bootblack on the steps of the Capitol to the Supreme Court of the United States. Eight years later public opinion had changed the whole situation, and the same slave power was on the brink of ruin. There was a time when the Republican Party was the most aggressive, progressive political organization in the history of party politics. But the insidious, deadening coils of monopolistic and corporate interests drained away its energy, its courage, hindering and embarrassing every effort within the party to meet the pressing problems of social justice, until today it is fighting for its very life. Public opinion can and will right these wrongs. It may not be today or tomorrow, but it is as inevitable as truth and justice. It is my hope that we will within a few days take a decisive step to separate the party from this body of death and reinaugurate, as Lincoln said in the same speech, "the good old central ideas and ideals of the Republic." No one need tell me that this great wrong may not be made to bend to the public will. A great political party, united and determined, can direct the public will to consummate victory.

The preconvention Republican campaign may or may not have determined the strength of the respective candidates for the Presidency. So far as I am individually concerned, that is and has been at all times a secondary proposition. But it has revealed beyond doubt that millions of men and women who have heretofore believed in and supported the party have registered their votes elsewhere, and at this time propose to cast them elsewhere. The combined vote or showing of all the candidates discloses but a remnant of that strength which the party has in previous campaigns displayed. The voters will tell you, and they do tell you, wherever you go throughout the country, to an extent as depressing as it is alarming, that they no longer accept or believe in the political views or the economic theories of the dominating influences of the party. The registration books, even in hitherto Republican strongholds, confirm these private statements. The supreme question is, How to repossess their confidence and to secure their support?

Talk to the farmer, to the independent businessman, to labor, and to the people generally, and they will tell you: "We are not satisfied with this or that, but we are not going back to the old conditions." You may speak of a balanced Budget and they will approve. You may speak of waste, of taxes, and debts, and the manner in which relief is being administered, and to all these things they may seriously object. But they will tell you, "We are not going back."

An effort is being made to convince the people that to vote for the Republican Party does not mean we are going back. But that depends. If the men who have dominated the party in recent years and who are seeking to dominate it still continue to control the party, it is a challenge to the common sense of the voters of the country to tell them we are not going back in case we are given power. We will go back. They do not know anywhere else to go.

Why is this fight being made by Mr. Hilles, Mr. Roraback, Mr. Schorr, and Mr. Brown, and the powerful financial and corporate interests behind them, except for the very purpose of going back? That is their great objective. Has anyone a right to assume that they have changed their political views or policies? On the contrary, we know that they have not. And if they have not, is there a single principle or tenet to be found in their whole political creed to which the average man or woman can pin his or her faith or rest a single hope for the future? The Republican Party has met more than one crisis in its history. It has held more than one convention of tremendous moment. But it has never met a crisis nor held a convention of greater moment than the one which will convene in a few days at Cleveland.

So far as I am personally concerned, there is nothing the convention may do, no action it may take, which will leave its impress upon me 1 hour after it shall have finally closed its doors. I have sought to make this plain from the beginning. But believing as I do, that the suffering of millions of American people during recent years is to be attributed in major part to the remorseless exactions of monopoly, believing as I do it is this which is imperiling our whole vast fabric of free government, its Constitution, and its courts, and the liberty of the people, the attitude of the party on this question, as evidenced by its platform and its candidate, must transcend all matters of a personal nature. I have watched the growth of monopoly and called attention to its effect for many, many years. The evidence is now all about us. We cannot be uninformed as to the situation. What the party does under present conditions, therefore, I must regard as final.

My friends, in conclusion, I venture to say that there is a political creed lying about in the hearts and minds of the American people which some political party will yet gather up and adopt. And when it does it will sweep the country. It is the creed of simple, sincere, loyal Americanism—the Americanism which covets the friendship of all nations, eager for advancement and progress in all things, capable of grasping and applying the highest conceptions of the human mind, and gathering the richest fruits of civilization, but always acting upon and within true and sound American principles. Saddened and tormented by a war which was none of their own, disheartened and impoverished by years of economic distress through no fault of theirs, baffled and confused by the constant narrowing of their rights and privileges, resentful as they see the opportunities of life more and more controlled by great economic power, there is, in my opinion, a rekindling among the people of the old-fashioned faith in American principles and an increasing belief in the American way and in the whole scheme of American life. There lies our great hope.

ARRIVAL OF THE POLISH SHIP "BATORY"—ADDRESS BY SENATOR GUFFEY

Mr. DUFFY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered at Hoboken, N. J., last night by the junior Senator from Pennsylvania [Mr. GUFFEY] in honor of the arrival of the Polish ship *Batory*.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In Lafayette Park, in the center of Washington, stands a beautiful monument erected to the memory of that great Polish soldier, Kosciusko.

Another monument, erected to the memory of Count Pulaski, stands by the principal thoroughfare of this Nation's Capital.

These monuments commemorate the heroic sacrifices which were made by these great men for a nation yet unborn.

They also express the gratitude of that nation, grown great, for their aid in its hour of need.

The supreme sacrifice of Pulaski and the heroic conduct of Kosciusko cemented a friendship between two great peoples that has endured for more than a century and a half.

The end of the Great War saw the rebirth of Poland.

It was fitting, remembering the deeds of Kosciusko and Pulaski, that our wartime President should have contributed to the reunion of the Polish people.

It is equally fitting that this first maritime venture of the new Poland should join the shores of these ancient friends. We celebrate tonight the second step in the achievement of a worthy ambition of this new-old nation.

The arrival of the *Pilsudski* some months ago and now the *Batory* express the firm determination of the Polish people to resume an honor place among maritime nations.

This, therefore, is not a new venture on untried waters for our Polish friends.

We commemorate tonight a return to the sea by a people with a long and honored record of achievements in maritime affairs.

Indeed, this vessel, in which we dine tonight, bears the name of a Polish king who inaugurated three centuries of sea experience for his people.

He built a great port upon the Vistula and created a merchant fleet to carry abroad Polish products under the Polish flag.

That period of sea power is just as dear to the memory of the Polish people is as the period of the clipper ships to the memory of every American.

The ambition of the Polish Nation to have an outlet to the sea was therefore not a thing born overnight. It had its roots in memories that were centuries old. It was a part of the nation itself and was re-created with the nation.

When the peace treaty created the Polish Corridor, the will to build a great port and a new merchant fleet was already in existence.

It was an inheritance handed down from generation to generation.

As a result, the port of Gdynia and the Gdynia-American Line became realities with a rapidity that has astonished the world.

This beautiful ship, the *Batory*, came from a port that had no existence but yesterday.

Already it boasts of great docks and warehouses to handle its commerce, and spacious business buildings and beautiful homes to house its 50,000 inhabitants.

Thousands of ships visit its piers carrying annually over 7,000,000 tons of freight into and out of Poland and its neighbors to the southward.

Some of these vessels fly the American flag and carry thousands of tons of cargo to and from American shores.

We take pride, tonight, in having assisted in the upbuilding of this great new port, both with our ships and our products.

Ever since I was a boy I have had profound respect and admiration for the Polish people and have been in sympathy with their aspirations for their own beloved country.

This feeling on my part arose during my youth when I read my first great historical novel, Thaddeus of Warsaw. The impression I received from reading that story of Polish heroism and patriotism has always remained with me.

Moreover, in my own State of Pennsylvania we number thousands of Polish-American citizens, and I am proud to say that many of these fine people are my personal friends.

They are splendid citizens, and our State of Pennsylvania is proud to have them; and I am sure they join with me in wishing every success to this national venture which we commemorate tonight.

In welcoming the *Batory* to our shores, we renew old friendships and associations.

At the same time we give expression to new hopes and aspirations both for our friends and for ourselves.

Like the Polish people, we of America have sea traditions of which we are very proud, and we have ambitions for greater achievements in ocean transportation and commerce.

We welcome your Polish vessels as friendly rivals for our trade, and we feel assured our vessels will be welcomed in the same spirit when they seek cargoes in the ports of Poland.

May I wish the management of the Gdynia-American Line the success their great efforts merit, and the officers and crew of the

Batory a happy stay in America and a pleasant voyage back to the homeland. May there be many prosperous voyages of this ship and other Polish ships to and from America.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

Mr. McNARY obtained the floor.

The PRESIDENT pro tempore. The clerk will state the next amendment reported by the committee.

The CHIEF CLERK. On page 28, line 24, after the word "farmers", it is proposed to insert the words "and livestock growers."

REGULATION OF COMMODITY EXCHANGES

Mr. SMITH. Mr. President——

Mr. McNARY. Mr. President, I have the floor, and was simply awaiting the attention of the Chair.

Yesterday on account of the unavoidable absence of the Senator from South Carolina [Mr. SMITH] the unfinished business was temporarily laid aside. In a colloquy with the Senator from Arkansas [Mr. ROBINSON] I consented to that order on account of the absence of the Senator from South Carolina. I observe he is present this morning. Therefore I think the Senate should dispose of the unfinished business, the commodities exchange bill, and I now ask for the regular order.

Mr. ROBINSON. Mr. President, I call for the regular order.

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity-futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes.

Mr. SMITH. Mr. President, on account of a minor but unpleasant illness, which I had no power to avert, it was impossible for me to be here yesterday, and because of my physical condition I should not be here today; but for fear of the possible attitude of some generous and philanthropic people throughout the country, I was afraid the situation might be misunderstood, and hence I am here.

Mr. President, it was significant that the Senators, both Republican and Democratic, who attended the hearings were in favor of the amendments proposed. Those who were not present, of course, were more or less amenable to certain influences and gave the benefit of the doubt to the insistent and far-flung propaganda. But one's opinion of the truth does not change the truth, and one's opinion of a fact does not change the fact. The amendments which I have offered though have created a situation which menaces what many think is the salvation, in part at least, of the terrible condition in which agriculture finds itself. I do not care to enter upon the role of one endeavoring to defeat what others believe is a good thing, by insisting upon adequate relief for those whom I represent.

"A little knowledge is a dangerous thing." I never appreciated the full force of that old adage until we came to discuss this question. I think "a little knowledge" is the most dangerous thing, particularly in politics and in principle, that enters into the deliberations of this body. There seems to exist in some quarters just enough knowledge of the pending subject to become the element that turns the judgment of men in the most disastrous direction that can be imagined.

Mr. President, it seems to be the custom of this body that no measure shall be passed unless it has the baptism of approval of a department. Oh, no! If we have the "well done" of a department, then all is well.

I deplore the lack of knowledge on the part of those who come from States which produce cotton of the technical and involved manner in which it is marketed. They have no right, unless we abolish the exchanges and write different rules of sale and delivery, to question those of us who have spent a political lifetime in trying to understand the principle involved and to endeavor to secure the enactment of the just and adequate legislation which is needed. That is what I have endeavored to do, and so long as I am here I shall still fight to do it. I know that if my colleagues from the cotton-producing States were to take the same trouble as to cotton as those representing the grain States have taken in relation to grain, we would have had proper and adequate legislation without a word of protest.

Mr. President, I send to the desk a statement prepared by myself which I ask to have read by the clerk, and next a letter from the Department of Agriculture, signed by the Honorable Henry A. Wallace. With the reading of these I am through with this fight for this session, but Senators will take note that I am not through with it beyond this session, nor shall I, until my term of office expires, cease my efforts to secure the enactment of proper legislation on this subject.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

MAY 29, 1936.

I regret that owing to illness, I was unable to appear yesterday before the Senate to make this statement regarding my position on the cotton amendments, which have been before the Senate since Monday.

After consultation with my colleagues in the Department of Agriculture and the leadership of the Senate, I have after careful consideration decided for several reasons, among which are that the Senate and the Department of Agriculture apparently need additional opportunity to study further cotton legislation and the evidence obtained in the recent cotton investigation before the Senate Agriculture Committee, to withdraw the cotton amendments to H. R. 6772, beginning with section 12, line 14, on page 31. I, however, still maintain that so imperative is the need of this legislation in addition to that which will now be provided in the General Commodity Act, that not only these amendments but the more elaborate and enlarged legislation originally proposed by me to the Committee on Agriculture deserve enactment at this session of Congress. I want at this time to serve notice that at the next session of Congress I propose to introduce the legislation originally presented by me to the Committee on Agriculture.

I do this because I am fully convinced that our cotton exchanges need this legislation and that the General Commodity Act about to be passed does not give it to them. The purpose of this legislation will be to make it as certain as the law possibly can that the cotton futures exchanges of this country whose trading fixes the price received by our cotton farmers for every pound of cotton they grow, will function more freely in their interest than they have in recent years due to their domination by the large interests who have for years manipulated and controlled them to the great injury and detriment of the cotton farmers and the rest of the cotton trade.

E. D. SMITH.

DEPARTMENT OF AGRICULTURE,
Washington, May 27, 1936.

Hon. E. D. SMITH,
United States Senate.

MY DEAR SENATOR SMITH: My attention has just been called to the fact that you are considering the withdrawal of your cotton amendments to H. R. 6772, beginning with section 12, line 14, on page 31. The elimination of these controversial issues at this time will probably have the effect of assuring the passage of this important legislation, in which the Department has such a vital interest. We understand that cotton is now included as one of the commodities in section 3 of the bill and I am happy to learn that its inclusion, in the light of your contemplated action, now meets with your approval.

During the interval between this session of the Congress and the convening of the next, the Department will give thorough and sympathetic consideration to testimony developed before your committee as well as to our own experience in the administration of this act as it applies to cotton, should the bill become law.

Should a new bill be introduced at the next session of Congress dealing with any special problems relating to cotton, the Department feels that the study of these matters which it contemplates making in the meantime will place it in a position to be helpful to your committee should its judgment be desired on any such legislation.

Your contemplated action on this matter is deeply appreciated, and I feel that you will thereby render a distinct service to the farmers of the country.

Sincerely yours,

H. A. WALLACE, *Secretary.*

Mr. SMITH. Mr. President, just a few words more and I am through. A careful reading of the bill, which now doubtless will become a law, will disclose that there is a provision in it which allows the Secretary of Agriculture, at his discretion, to permit straddles and spreads. Everyone who is familiar with the business knows that if there ever was a joker in a bill that constitutes one.

Another one is the unlimited privilege of so-called legitimate hedging. I said the other day, and I now repeat, that whenever a hedge is made, the person buying the hedge buys the commodity, and the person who sells the hedge may be very often both a broker and a merchant. So there are left in the bill two things that leave it wide open for the monopolists to have their sweet will. Of course, when we come here again, we may be met with the same propaganda which I understand now is directed against leaving cotton in the bill at all.

That is all I have to say.

Mr. CONNALLY. Mr. President, am I to understand that the Senator from South Carolina has withdrawn the amendment?

Mr. SMITH. I have.

Mr. CONNALLY. Is unanimous consent required to do that, or may the Senator withdraw it without obtaining unanimous consent?

The PRESIDENT pro tempore. The Chair inquires of the Senator from South Carolina whether he desires to withdraw others of the amendments which are printed in the bill.

Mr. CONNALLY. I understand it is all one amendment. It starts on page 31.

Mr. SMITH. It is all one amendment.

The PRESIDENT pro tempore. The amendments relate to the same subject, but they are in different sections of the bill.

Mr. SMITH. Starting on page 31, I withdraw all the remainder of it.

The PRESIDENT pro tempore. Without objection, all the amendments on page 31 and following are withdrawn.

Mr. POPE. Mr. President, the last section of the bill provides that the effective date of the measure shall be 90 days after its passage and approval. I submit an amendment which I ask to have read with reference to that particular section.

The PRESIDENT pro tempore. The amendment offered by the Senator from Idaho will be stated.

The CHIEF CLERK. On page 42 it is proposed to strike out lines 10 and 11 and to insert in lieu thereof the following:

SEC. 18. All provisions of this act authorizing the registration of futures commission merchants and floor brokers, the fixing of fees and charges therefor, the promulgation of rules, regulations, and orders, and the holding of hearings precedent to the promulgation of rules, regulations, and orders shall be effective immediately. All other provisions of this act shall take effect 90 days after the enactment of this act.

Mr. POPE. Mr. President, I think the numbering should be changed in the light of the withdrawal of the amendments by the Senator from South Carolina. I believe the amendment should be section 13.

The PRESIDENT pro tempore. Without objection, the clerk will correct the numbers of the sections.

Mr. POPE. From the reading of the amendment, I think its purpose is clear. The bill will go into effect 90 days after its enactment. Certain things will have to be done before the 90 days elapse. For instance, forms should be prepared and distributed, certain regulations should be made, and hearings should be had. The amendment merely provides that, prior to the 90 days, those preliminary matters may be attended to, so that when the bill goes into effect the officials may enter upon its administration in a proper way. For instance, 91 days after the bill is enacted, commission merchants and floor brokers will be acting illegally if they transact business without registering. These preliminary matters should be disposed of, so that these persons may be registered and comply with the law immediately upon its going into effect. That is the only purpose of the amendment. I will say that the amendment is requested by the Department, and the reasons I have given are the reasons for offering it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Idaho.

The amendment was agreed to.

Mr. NORRIS. Mr. President, before the bill is disposed of, I wish briefly to insert in the RECORD some information which I think will be of general interest to the Congress and also to the public.

I have before me a list of traders having open accounts in wheat and corn futures on the Chicago Board of Trade at the close of business September 29, 1934. Neither I nor the Department can vouch in every respect for the accuracy of the list, although it does give a bird's-eye view of the vast amount of business that is done on the Chicago Board of Trade, and gives us a knowledge of the occupations of the different men and women who operate on the board of trade. The list has been taken from the books at the close of business September 29, 1934, for the purpose of giving this kind of a view. No attempt, of course, has been made to identify any trader, but the effort has been to give the nature of the business which the traders themselves give, and which is part of the records of the Chicago Board of Trade.

The date is taken at random. It is believed to be a fair sample. The total number of traders on that day was 18,783. The total number of occupations or professions was 593.

For instance, there were two abstractors. There were 119 accountants and auditors. There were 397 attorneys.

It is interesting to note the list of bankers. There was 1 bank appraiser; there were 9 bank cashiers, 1 bank director, 7 bank employees, 2 bank examiners, 1 bank executive, 2 bank managers, 6 bank officers, 10 bank presidents, 3 bank secretaries, 9 bank vice presidents, and 75 bankers.

There were 431 brokers, 17 butchers, 2 butlers, 1 buttermaker, 124 capitalists, 21 carpenters, 1 cartoonist, 16 chain-store operators and officials, 24 chemists, 1 cigar maker, 5 city employees, 1 clergyman—rabbi—5 clergymen—priests—18 clergymen—unclassified—56 coal dealers, 1,085 commission houses, 186 contractors, and so on.

There were 1,976 farmers, 100 retired farmers, 12 stock farmers, 5 farmers and bankers, 1 farmer who was a county officer, 1 farmer who operated a gin, 1 farmer-physician, 1 farmer-teacher, 1 farmer-undertaker, and 1 farmer in South Africa.

I shall not, of course, attempt to give the entire list.

There were 1,820 grain companies and elevators, 106 grain-elevator officials and employees; as I now remember the list, there were 3 Senators and 1 retired Senator; there were 523 physicians, 15 postal employees, 20 printers, 114 traders unclassified, 1,510 persons whose occupations were not given, 2 waiters, 1 watchman, 11 widows; but I believe there were no orphans. There were 6 writers, 1 employee of the Y. M. C. A., and 2 yardmasters.

Mr. President, I have given only a few of those included in the list. I ask unanimous consent that the entire list be printed as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Traders having open accounts in wheat and corn futures on the Chicago Board of Trade at the close of business Sept. 29, 1934

Total number of traders	18,783
Total number of occupations or professions	593
Abstractors	2
Accountants and auditors	119
Actors	2
Adding machine company employee	1
Adjustor	1
Administrators	3
Advertising	55
Agricultural and county agents	7
Ambassador	1
Ambassador (former)	1
Amusement agent	1

Traders having open accounts in wheat and corn futures on the Chicago Board of Trade, etc.—Continued

Antique dealer	1
Apartment-house owners	6
Apple business	1
Appraisers	2
Architects	13
Armorer	1
Army officers	10
Army officers (retired)	8
Art studios and supplies	4
Artificial flowers	2
Artists	4
Artists, commercial	4
Athletic directors	5
Attorneys	397
Auctioneers	7
Author	1
Automobile mechanic	1
Automobile manufacturers and agents	101
Aviation executives	5
Aviators	3
Aviators, Government	2
Backing and ties	1
Bag companies	3
Bailiff, United States court	1
Bakeries	23
Bakery equipment	1
Band leader	1
Bank appraiser	1
Bank cashiers	9
Bank director	1
Bank employees	7
Bank examiners	2
Bank executive	1
Bank managers	2
Bank officers	6
Bank presidents	10
Bank secretaries	3
Bank vice presidents	9
Bankers	75
Banker association secretary	1
Barbers' supplies	3
Barbers	24
Bartender	1
Baseball players	4
Battery agencies	2
Beans	1
Beauty-parlor operators	11
Beer taverns	8
Beer wholesaler	1
Belting	1
Beverage companies	9
Bicycle shop	1
Billiard-parlor operators	10
Bitumen paving	1
Blacksmiths	5
Board of Education member	1
Boat business	1
Boat line	1
Boat manufacturer	1
Boat rental	1
Boilermaker	1
Bond dealers	12
Bondholders' committee secretary	1
Book agents	2
Book-store operators	6
Bookers	4
Bookkeepers	45
Booth-company owner	1
Bottler	1
Box makers	3
Boys' work	1
Brewers	6
Brick-and-tile company official	1
Bricklayers	4
Bridge manufacturers and designers	2
Bridge tender	1
Broadcasting-company official	1
Brokers, insurance	29
Brokers, stocks, bonds, etc	431
Builders	15
Building-elevator operator	1
Building managers	11
Bulb buyer	1
Bulb grower	1
Business-college owners	2
Butchers	17
Butlers	2
Butter-and-egg dealers	10
Butter maker	1
Button manufacturers	2
Buyer, underwear department	1
Buyers	6
C. W. A. district supervisor	1
Cab-company proprietors	2
Cable-company manager	1
Cafe owners	18
Campaign manager	1
Can-company officials	2
Candy-company officials	2
Candy-store proprietors	12
Canners	11
Capitalist and ex-Governor	1
Capitalist and politician	1
Capitalist and rancher	1
Capitalists	124
Caretaker, match company	1
Carpenters	21
Carpet and drapery companies	2
Carton manufacturers	2
Cartoonist	1
Cash-register company	1
Cashiers	6
Casket company	1
Caterer	1
Cedar-chest manufacturer	1
Cement-company director	1
Cemetery proprietor	1
Chain-store operators and officials	16
Chamber of commerce secretary	1
Chamber of commerce officials	2
Chauffeurs	5
Cheese dealer	1
Chefs	2
Chemists	24
Chemical-company officials	9
Chicken business	1
Chiropractors	5
Cigar dealers	9
Cigar maker	1
City commissioner	1
City employees	5
City marshal	1
Civilian Conservation Corps official	1
Clam digger	1
Clay products	1
Cleaning and dyeing business companies	6
Clergyman (rabbi)	1
Clergymen (priests)	5
Clergymen (unclassified)	18
Clinic managers	2
Clothing merchants	33
Club owner	1
Coal dealers	56
Cocoa dealer	1
Coffee dealers	2
Cold storage	3
Collectors	7
College employees	5
Commerce Commission agent, Interstate	1
Commission houses	1,085
Comptrollers	3
Concessionaires	5
Conductors, railroad	12
Constable	1
Construction officials and employees	23
Contractors, construction, etc	186
Cooperative association manager	1
Cotton and cottonseed dealers	77
County clerks	2
County officials and employees	11
Court clerks	4
Creamery operators	24
Credit men	8
Custodians (lodge)	2
Customers' men	3
Dairy business	32
Dairy equipment	1
Dance-hall proprietor	1
Dealers	4
Deceased	6
Decorators	6
Dentists	112
Dental assistants	6
Department-store managers and employees	16
Detective-agency owner	1
Diamond dealer	1
Dilettante	1
Directors, miscellaneous	4
Dispatcher	1
Distillers	6
Domestic	1
Draftsmen	4
Drainage superintendent	1
Dredging	2
Dress cutter	1
Dress designers	2
Dress shops	2
Dressmakers	6
Dried-fruit dealer	1
Drillers, well	2

Traders having open accounts in wheat and corn futures on the Chicago Board of Trade, etc.—Continued

Drivers, bus	3
Drivers, cab	3
Drivers, truck	7
Druggists	86
Drygoods dealers	16
Duck raiser	1
Dye business	1
Economists	4
Editors	13
Educational director	1
Educators	3
Egg and poultry dealers	2
Electric company officials and employees	28
Electricians	10
Employment agency operators	2
Engineers, chemical	2
Engineers, consulting	5
Engineers, construction	6
Engineers, civil	11
Engineers, drainage	2
Engineers, electrical	5
Engineer, gas	1
Engineer, heating	1
Engineers, highway	5
Engineer, industrial	1
Engineers, locomotive	13
Engineers, mining	6
Engineers, mechanical	6
Engineers, miscellaneous	87
Engineers, oil	3
Engraver	1
Entomologist	1
Estimator	1
Examiner	1
Excavator	1
Executives, miscellaneous	60
Explosives	1
Exporters	12
Express agent	1
Farm hands	8
Farmers	1,976
Farmers, retired	100
Farmers, stock	12
Farmers and bankers	5
Farmer and blacksmith	1
Farmer and clerk	1
Farmer and county officer	1
Farmer and ginner	1
Farmer and physician	1
Farmer and teacher	1
Farmer and undertaker	1
Farmer, South Africa	1
Farmers and druggists	2
Farmers and feeders	55
Farmers and grain	20
Farmers and merchants	13
Feed dealers	25
Feeders	19
Fence factory	1
Ferry-company employee	1
Fertilizer dealer	1
Fiduciary official	1
Finance and loan companies	29
Financial directors	3
Financiers	14
Firemen	4
Firemen, city	2
Firemen, railway	2
Five-and-ten-cent-store manager	1
Florists	11
Flour and feed	21
Foods	6
Forecasters	2
Foreign	30
Foremen	5
Foundry companies	2
Fox farmers	2
Fruit wholesalers and dealers	30
Fuel companies	3
Fur dealers	6
Furniture	30
Garage owners and employees	31
Gardeners	10
Gas and oil	18
Geologists	10
Ginners	6
Glass-company officials	2
Golf-course operators	3
Golfers, professional	4
Government employee (Canadian)	1
Government employees (miscellaneous)	16
Grain companies and elevators	1,820
Grain-elevator officials and employees	106
Grain inspector	1
Gravel business	1

Traders having open accounts in wheat and corn futures on the Chicago Board of Trade, etc.—Continued

Greenhouse	1
Grocers	120
Guard	1
Guard, bridge	1
Guard, reformatory	1
Gymnasium operator	1
Hair treatment	3
Handyman	1
Hardware dealers	80
Harness shops	2
Hatchery operators	10
Hay and feed	4
Heating business	4
Hides	3
Hog buyers	5
Holding companies	5
Horse and mule business	3
Hosiery-mill operators	2
Hospital officials and employees	8
Hospital technician (psychopathic)	1
Hostess	1
Hotel doorman	1
Hotel operators and employees	53
Housekeepers	6
Housewives	1,025
Ice-cream business	9
Ice manufacturers and dealers	11
Ice skater, professional	1
Implement dealers	36
Importer, chinaware	1
Importer, coffee	1
Importers, miscellaneous	8
Importers, silks and rugs	2
Industrialists	4
Inspector, cattle	1
Inspector, grain	1
Inspector, plumbing	1
Inspector, Veterans' Bureau	1
Inspector, dining car	2
Inspector, miscellaneous	10
Instructor, cooking school	1
Instructors	4
Insurance	197
Insurance adjusters	5
Insurance department agent, State	1
Internal-revenue deputy clerk	1
Internal-revenue agents	7
Investment mining company	1
Investment business	179
Iron and metal company	1
Jail builder	1
Janitors	6
Jewelers	22
Jewish synagogue attendant	1
Jobbers	2
Journalists	2
Judge, court of appeals	1
Judges	7
Just fizzles around	1
Justice of the peace	1
Keeley Institute manager	1
Knife sharpener	1
Kodak Co. superintendent	1
Labels	1
Laborers	32
Lace business	1
Landowners	12
Laundryman	1
Laundry proprietors	15
Leather business	9
Letter service	1
Librarians	2
Linotype operator	1
Liquor dealers	3
Livestock raisers, buyers, etc	127
Locomotive company official	1
Lumber business	100
Lunchroom operators	2
Machinery dealers	8
Mail carriers	17
Mail-order business	1
Mail-order company official	1
Mail-order employees	6
Manicurists	19
Manufacturers' agents	6
Manufacturers, miscellaneous	245
Mariner	1
Market service	2
Masons	2
Masseurs	2
Mattress-factory employee	1
Mayors	4
Meat markets and packers	28
Mechanics	32

Traders having open accounts in wheat and corn futures on the Chicago Board of Trade, etc.—Continued

Medical supplies	1
Members	342
Merchants	506
Messengers	2
Metal business	8
Millers	438
Miner	1
Mining business	14
Miscellaneous employees	6
Mortgage business	15
Movie director	1
Munitions-corporation official	1
Musical director	1
Musicians	22
N. R. A. official	1
Naval officers	3
News agent	1
Newspaper employee	1
Newspaper officials and employees	43
Night-club operators	2
Nursery business	5
Nurses	18
Nut business	1
Office managers and employees	23
Officers	3
Oil business	188
Oil-company employee	1
Opticians	9
Oriental goods	1
Osteopaths	3
Ostrich feathers	1
Oxo-acetylene plants	2
Oxygen business	1
Oyster-shell business	1
P. W. A. employee	1
Packing-company employees and officials	29
Paint-company employees and officials	10
Painters	9
Paper dealers	6
Partners	18
Patent consultor	1
Pattern makers	2
Paving-company manager	1
Pawnbrokers	2
Paymaster	1
Peanut corporation	1
Pecan grower	1
Photoengraver	1
Photographers	12
Physicians	523
Physiotherapeutics	1
Pilot, unclassified	1
Plasterers	2
Plumbers	8
Plumbing supplies	8
Police chiefs	3
Policemen	5
Polisher	1
Politicians	3
Postal employees	15
Poultry dealers	23
Pressmen	1
Printers	20
Printing business	14
Probation officer	1
Produce dealers	50
Professional gambler	1
Professors	35
Prohibition officer	1
Pugilist, retired	1
Purchasing agents	8
Radio dealers	7
Radio operator	1
Radio technicians	2
Railway agents	24
Railway officials and employees	89
Ranchers	36
Real-estate brokers	8
Real-estate dealers, agents, etc	352
Refrigerator dealers	2
Reporters, court	8
Reporters, newspaper	5
Reporters, unclassified	4
Research director	1
Restaurant operators	63
Retired, miscellaneous	793
Rooming-house operators	5
Rotary club executive	1
Rubber-company employees and officials	7
Clerks, miscellaneous	188
Custodian, cemetery	1
Sales agents	3
Salesladies	6
Salesman, airplane	1

Traders having open accounts in wheat and corn futures on the Chicago Board of Trade, etc.—Continued

Salesman, burial vault	1
Sales managers	20
Salesmen, auto	14
Salesmen, bond	9
Salesmen, fertilizer	3
Salesmen, flour	8
Salesmen, insurance	22
Salesmen, miscellaneous	391
Salesmen, securities	4
Salesmen, shoe	3
Salesmen, traveling	16
Saloonkeeper	1
Salvaging	1
Sandwich shop	1
Sausage makers	2
School employees	6
Scientist	1
Seaman	1
Secretaries	74
Security dealers and officials	22
Seed dealers	32
Senators	3
Senator, retired	1
Service-station operators and employees	39
Sewing-machine company manager	1
Sexton	1
Sheriffs	5
Sheriffs, deputy	2
Shoe business	15
Sign companies	2
Silk business	3
Soap business	4
Social workers	3
Solicitors, miscellaneous	24
Speculators, unclassified	31
Spinster	1
Sporting-goods dealer	1
State employees, miscellaneous	12
Stationery business	4
Statisticians	15
Steamship agent	1
Steamship company, vice president	1
Steel business	14
Stenographers	30
Steward, dining car	1
Steward, hotel	2
Steward, private yacht	1
Stewards, unclassified	2
Stock-exchange member	21
Stonecutter	1
Storage companies	3
Stove-repair company	1
Students	36
Stylists	2
Sugar dealers	8
T. V. A. employee	1
Tailors	24
Tank business	2
Tanner	1
Taxi operators	2
Teachers	128
Telephone and telegraph company agents	3
Telephone and telegraph company employees	57
Textile business	2
Theater operators and employees	32
Ticket agent	1
Tile layers	2
Timekeepers	2
Tire-company operators and employees	10
Tobacco dealers and employees	27
Tombstone works	1
Tool makers and employees	8
Tour manager	1
Tourist-camp manager	1
Tractor-company manager	1
Traders, unclassified	114
Traffic managers	11
Transfer business	5
Travel agent	1
Truckers	18
Trustees of estates	2
Typewriter repairman	1
United States Department of Agriculture agent	1
Undertakers	18
Underwear-company president	1
Unemployed widows	4
Unemployed	530
Unknown	1,510
Upholsterer	1
Utility-business officials and employees	11
Vending-machine business	1
Veterans' Bureau rating chairman	1
Veterans' Bureau examiner	1

Traders having open accounts in wheat and corn futures on the Chicago Board of Trade, etc.—Continued

Veterinarian	16
Wagons	1
Waiters	2
Waitress	1
Warehouse operators	10
Watchmakers	6
Watchman	1
Watchman, night	1
Welders	5
Welfare-union manager	1
Widows	11
Wool dealers and employees	4
Writer	6
Y. M. C. A. employee	1
Yardmasters	2
Yeast company	1

Mr. BORAH. Mr. President, before the bill is voted on, I wish to ask a question or two. On page 26 is a provision giving the Secretary of Agriculture the right—

To make and promulgate such rules and regulations as, in the judgment of the Secretary of Agriculture, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of this act.

I do not find anywhere in the bill any provision which would make a violation of the rules thus established by the Secretary of Agriculture punishable as a criminal act. Nor am I able to find in the original law any provision which would make the violation of such rules subject to criminal prosecution. Am I correct in assuming that there is no provision which would make the violation of the rules and regulations established by the Secretary a criminal act, or which would attempt to do so? If there is such a provision, I should want to be heard upon the question of whether such latitudinous power should be given to the Secretary. If there is no provision in the bill making a violation of the rules and regulations a crime, I have no objection to the provision; but if there is a provision making it a crime, I should have serious objection to it.

Mr. POPE. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. POPE. In my study of the bill I have not found any penalty provision which to my mind was broad enough to cover those who might violate the rules and regulations promulgated under the section to which the Senator has referred. That is my judgment of the matter.

Mr. BORAH. That is my opinion.

Mr. NORRIS. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. NORRIS. I may be wrong about this, but I am satisfied that no punishment of fine or imprisonment is provided for violation of the rules and regulations to which the Senator refers, but there are other provisions in the bill which would give the Secretary the power to deprive operators, for instance, of certain privileges, and so forth, and so on. I do not think there is any provision making violation of the rules and regulations a crime.

Mr. BORAH. Mr. President, that being true, I have no objection to the provision. I would not want to see a penalty attached to the violation of rules and regulations.

Before I take my seat, I desire to ask what commodities are now incorporated in the bill. Does the bill cover wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, eggs, and potatoes?

Mr. POPE. Yes.

The PRESIDENT pro tempore. If there be no further amendments to be offered, the question is, Shall the amendments be engrossed and the bill be read the third time?

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDENT pro tempore. The question now is, Shall the bill pass?

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BILBO (when his name was called). I have a general pair with the senior Senator from Iowa [Mr. DICKINSON], and in his absence I withhold my vote.

Mr. GLASS (when his name was called). "Here."

Mr. SCHWELLENBACH (when Mr. BONE's name was called). My colleague the senior Senator from Washington [Mr. BONE] is necessarily detained from the Senate. On the pending bill he has a pair with the senior Senator from Illinois [Mr. LEWIS]. If my colleague were present, he would vote "yea." I understand that if the senior Senator from Illinois [Mr. LEWIS] were present he would vote "nay."

Mr. McNARY (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who is unavoidably absent. I am advised that if he were present he would vote as I am about to vote. I vote "yea."

The roll call was concluded.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], and the Senator from Nevada [Mr. McCARRAN] are detained from the Senate by illness.

I also announce that the junior Senator from Virginia [Mr. BYRD] is detained in a meeting of the Committee on Finance.

I further announce that the Senator from Ohio [Mr. DONAHEY], the Senator from Utah [Mr. KING], the Senator from Oklahoma [Mr. GORE], the Senator from Illinois [Mr. LEWIS], and the Senator from New Jersey [Mr. MOORE] are unavoidably detained from the Senate.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. LOGAN], who is unavoidably detained. I understand that if present he would vote as I am about to vote. I vote "yea."

Mr. FRAZIER. My colleague the junior Senator from North Dakota [Mr. NYE] is absent. He is paired on this question with junior Senator from New Jersey [Mr. MOORE]. If my colleague were present, he would vote "yea", and I understand that if the Senator from New Jersey [Mr. MOORE] were present he would vote "nay."

The result was announced—yeas 62, nays 16, as follows:

YEAS—62

Adams	Chavez	La Follette	Pope
Ashurst	Clark	Loftin	Reynolds
Bachman	Connally	Lonergan	Robinson
Bailey	Couzens	Long	Russell
Barkley	Davis	McAdoo	Schwellenbach
Benson	Dieterich	McGill	Sheppard
Black	Duffy	McKellar	Shipstead
Borah	Fletcher	McNary	Steiwer
Brown	Frazier	Minton	Thomas, Okla.
Bulkley	George	Murphy	Thomas, Utah
Bulow	Gibson	Murray	Truman
Burke	Guffey	Neely	Vandenberg
Byrnes	Hatch	Norris	Van Nuys
Capper	Hayden	O'Mahoney	Wheeler
Caraway	Holt	Overton	
Carey	Johnson	Pittman	

NAYS—16

Austin	Gerry	Maloney	Tydings
Barbour	Hale	Metcalf	Wagner
Coolidge	Hastings	Radcliffe	Walsh
Copeland	Keyes	Townsend	White

NOT VOTING—18

Bankhead	Dickinson	King	Norbeck
Bilbo	Donahey	Lewis	Nye
Bone	Glass	Logan	Smith
Byrd	Gore	McCarran	
Costigan	Harrison	Moore	

So the bill was passed.

FIRST DEFICIENCY APPROPRIATIONS

Mr. ROBINSON. Mr. President, I ask that the Senate resume consideration of the deficiency appropriation bill.

There being no objection, the Senate resumed the consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The next amendment was, on page 28, line 24, after the word "farmers", to insert "and livestock growers."

The amendment was agreed to.

The next amendment was, on page 29, line 4, after the word "appropriation", to strike out the colon and the following proviso:

Provided further, That the lists of employable persons for work in the continental United States under the Works Progress Administration shall not knowingly contain the name of any alien illegally within the limits of the continental United States. It shall be the duty of the Works Progress Administration to make every reasonable effort consistent with prompt employment of the destitute unemployed who are not of the class hereinbefore mentioned to ascertain whether such lists contain the names of any such aliens and where disclosed they shall not be employed, and if employed and their status as such alien is disclosed they shall thereupon be discharged.

And to insert the following:

The President shall cause to be made a survey of the lists of employable persons for work in continental United States provided for by the appropriations made available in this act and shall not knowingly permit to remain upon said lists any alien who is illegally within the limits of the United States or who has not filed a declaration of intention to become a citizen of the United States, and wherever such a person has been employed he shall be dismissed.

Mr. AUSTIN. Mr. President, I am opposed to the pending amendment. My opposition is not directed specifically to the amendment on page 29, but is directed against all of title II—Relief and Work Relief. I voted for the emergency relief act of 1935 after it had been recommitted to the committee and after changes had been made in it which I then considered transformed it from a measure attempting to appropriate money to a person into one appropriating money to certain uses to be carried out by an agency, which in this case was the President of the United States. Since that time, events have changed my position relating to that method of relief. As my former vote shows, I favor relief. At the time the former bill was enacted we were under the impression that approximately $2,000,000,000, would be adequate for the first year, and approximately $2,000,000,000 would be adequate for the present year.

Events have shown that that was a fairly good estimate. The Director of the Budget, however, now indicates, as shown by the Senator from Virginia [Mr. BYRD] yesterday, that these funds are likely to be increased in the future. I refer to RECORD page 8401, quoting from the Senator from Virginia [Mr. BYRD], as follows:

The Budget Director says that for the current fiscal year we shall spend $9,915,709,874, less bonus, $2,237,000,000, net for ordinary expenses and for relief $7,678,709,874. For the current fiscal year our deficit will be approximately $6,000,000,000. For the appropriation year starting next July the Federal Government proposes to spend $8,272,554,370, an increase of nearly $600,000,000 over the present year. This means that we shall spend nearly $1,000,000,000 more than in 1935, and $3,000,000,000 more than in 1933; yet conditions today are greatly improved, and the need for relief and governmental expenditures much less than in these previous years.

In view of this experience, I feel that our policy must have been wrong, and that we should change it; and, as I have observed and studied it, I believe that probably the Vandenberg amendment will accomplish the type of change that should be made in the direction of economy and also in the direction of the efficient application of these funds to those for whom they are really appropriated.

Another reason why my position is different today than it was with reference to the emergency relief measure of last year is that there have been made applications of the authority which I think show that we were mistaken in believing that the law was specific in respect to the uses. We are in the position that either our legislation was bad because it was not specific and the uses were not designated, or the administration of the act by the President has been wrong, or the performance under the act has been unlawful.

We have one piece of evidence tending to prove, I think, very clearly that there has been an exercise of power which was not granted by the act of 1935. I believe that the Resettlement Administration is an instrument of power that was not granted by the act and not intended to be comprehended by implication or interpretation of the categories of that act. In order to consider whether the Congress would have granted that authority if it should have entertained the least notion that it was comprehended in the language of the act, I briefly refer to what ought to be as good evidence as can be offered to show what was done in the creation of this instrument of public power, namely, a statement issued by Mr. Tugwell on the birthday anniversary of the establishment of the Resettlement Administration. Mr. Tugwell made this statement as of the date of April 30, 1936, and in it he recounted some of the things that have been done under the Resettlement Administration. He said:

We have loaned this year nearly $100,000,000 to some 300,000 farm families in this way.

Again he said:

Incidentally we have been carrying on a program of debt adjustment for farmers all over the country who have come out of the depression with overwhelming debts contracted when prices were high.

Again he said:

Seventeen thousand farmers have taken advantage of this service and have secured a reduction of $16,000,000 in their debts.

Again he said:

So we made a start, while carrying on our urgent rescue work, in the retirement from farming of those poor lands upon which people are starving, land which is good for trees, for grass, for parks or wildlife, but not for arable agriculture.

We have accepted options on 10,000,000 acres and have finished the buying of 2,000,000. On these areas we are carrying on a reconstruction program. We are taking these lands on which people cannot make a living and making of them parks and playgrounds for city and country people alike. We have planted trees and grass; we have stocked them with game, and made refuges for the Nation's fast disappearing wildlife. We have created new forests, protected streams and set up camps by the wayside.

For the people on them we have provided new opportunities elsewhere. We have bought them out and enabled them to move to better land, or we have made them a loan, or we have placed them on a new farm from which some other farmer was ready to retire.

These are the things we have done during our first year. We have lent a helping hand, by loans or grants, to some 600,000 farmers and their families. We have bought 2,000,000 acres of poor land and optioned 8,000,000 more.

Again Mr. Tugwell said:

We have planned and are building 20,000 new home and work places for the people who were on the land we have purchased. This is the merest fraction of the numbers who would like to be relocated, but it is all we could do with our time and money.

Mr. President, this is the statement of the man who is in charge of this political power created by the President of the United States.

In order that there may be no doubt whatever that this is the responsibility of the President, I call attention to the order creating this public power. Executive Order No. 7027 provides, among other things:

By virtue of and pursuant to the authority vested in me under the Emergency Relief Appropriation Act of 1935, approved April 8, 1935 (Public Res. No. 11, 74th Cong.), I hereby establish an agency within the Government to be known as the Resettlement Administration, and appoint Rexford G. Tugwell, Under Secretary of Agriculture, as Administrator thereof, to serve without additional compensation.

In another order, no. 7200, the President prescribes the functions and duties of the Resettlement Administration to be performed by the Administrator, as follows:

To administer approved projects involving rural rehabilitation, relief in stricken agricultural areas, and resettlement of destitute or low-income families from rural and urban areas, including the establishment, maintenance, and operation in such connection, of communities in rural and suburban areas.

Mr. President, so far as I am concerned, if I had had any idea that there was to be set up such an instrument of public power as is described by the Executive order and as is illustrated by the birthday speech of Professor Tugwell, I will say that I would not have voted for that measure.

Another reason why the situation is different today than it was when we adopted the relief measure of 1935 is that the status of that emergency relief appropriation act has entirely changed. It has changed before the people of the

United States and it has changed before the Congress of the United States. This particular instrument of power came under the consideration of one of our highest courts, a court that is entitled to great consideration, a court whose judgment is often final. Probably in this case the decision will be taken to the Supreme Court of the United States, but, until it has been overturned by that greatest of all judicial tribunals, the decision of the United States Court of Appeals for the District of Columbia is the law of this land. A House of the Congress that is considering an appropriation bill so like the bill held to be unconstitutional by that court as to repeat the essential defects in it, should not take an incautious or intemperate position. So far as I am concerned I cannot in conscience take such position.

That court held not merely that the Resettlement Administration set up by the President under the terms of a law which I claim did not justify it, is unconstitutional and in violation of any right we have to grant, but it also held that all and every part of the act of 1935 was so vague, so lacking in specification of use, so lacking in the laying down of any rule to guide the discretion of the Executive, that the whole act is unconstitutional.

I invite attention to but two brief excerpts from the opinion which express those two ideas. On page 11 of Senate Document 242, which contains the opinion of the United States Court of Appeals for the District of Columbia in the case to which I have just referred, appears this statement:

> Turning now to the Emergency Relief Appropriation Act of 1935 and examining it in the light of the principles laid down in the decisions in the Panama and Schechter cases, it appears that, insofar as this case is concerned, there is a clearly unconstitutional delegation of legislative power.

Let us see what the Court said about the whole act. On page 12 of the same document appears the following, referring to the President:

> He is at liberty to set up agencies and to prescribe such rules of conduct and fix such standards as he may deem proper. There is no criterion to govern his course as to housing and the various other projects enumerated in the act.

That is, all of them.

> The only possible guide or policy laid down by Congress is in the words "in order to provide relief, work relief, and to increase employment by providing for useful projects", which appear at the beginning of the act. But this declaration of purpose is even more general and vague than the declaration of policy rejected in the Panama and Schechter cases. The act is silent as to any determination of facts by the President or by any administrative agency which he may create to carry out any of the projects set forth.

Mr. President, in view of that decision and the great amount and weight of authority cited in the decision, in view of the rationality of it, I feel that, so far as I am concerned, I could not do today, in the case of this particular proposed legislation, what I did with respect to the act of 1935. No matter how great the emergency, no matter how much a bill might appeal to our emotions and our desire to hold out a helping hand to an unfortunate citizen, we should not, and I could not, vote for a measure which has received a denunciation such as that uttered by one of the greatest courts of our land.

But, Mr. President, there is another reason why the bill should not pass; at any rate, title II of the bill. There are changes in it which, if not written in defiance of the judgment of this court, certainly are written without consideration of the reasonableness of the decision and of all the authorities cited in it and which support it.

Perhaps it will be remembered by Senators who are present that during the consideration of the act of 1935 I was interrogated with respect to the term "miscellaneous projects." I refer to the CONGRESSIONAL RECORD of March 11, 1935, at page 3342, where the following appears:

> We realize that in the decision of the Supreme Court in the Petroleum Code case the Court said this:
> "When the President is invested with legislative authority as the delegate of Congress in carrying out a declared policy, he necessarily acts under the constitutional restriction applicable to such a delegation."
> And if there are phrases contained in this amendment which leave to discretion the determination of what particular project within a category shall be adopted, we have the assurance so recently given by the Supreme Court that it is the duty of the President to save the people's rights and to make that allocation according to his constitutional obligation. So when we have such a phrase as that which has been inquired about heretofore, namely, "miscellaneous projects," to consider, I must say that, although I would prefer not to have the ambiguity raised by the inclusion of those words in this amendment, the danger of them is not sufficient to cause me to oppose the amendment, because I believe that, under the Constitution, the President must interpret those words according to the generic terms "work relief" and "relief"; and that he must also adhere to the specific terms that are the setting for the words, "miscellaneous projects." "Miscellaneous," according to the Standard Century Dictionary, means "consisting of a mixture, diversified, promiscuous." Those are the primary meanings of that word, and this phrase I interpret to mean—and I had some part in its drafting—miscellaneous projects within the classifications "sanitation, prevention of soil erosion, reforestation, forestation, flood control, and miscellaneous projects." For example, take "prevention of soil erosion." What projects could be comprehended under that term? There could be wind erosion, river erosion, coastal erosion, avulsion, accretion, and all the other phases and aspects of soil erosion, the prevention of which would be comprehended within the term "miscellaneous projects."

Mr. President, the text of the bill before us has been changed in a material particular. Undoubtedly, the statement which I have read from the RECORD of a year ago excited the change which I find in this bill today. Under the original act the language was this—and, by the way, it was covered by the same sublettered paragraph, "(h)":

> Sanitation, prevention of soil erosion, prevention of stream pollution, seacoast erosion, reforestation, forestation, flood control, river and harbor, and miscellaneous projects.

It is a well-known rule of interpretation that when such general terms as "miscellaneous projects" are thrown into a phrase, which specifies certain categories and certain uses without being separated from them by any punctuation, the interpretation of the words "miscellaneous projects" must be governed and absolutely controlled by the category in which the words are used.

What do we find the present bill saying? The same letter "h" is put before the words "miscellaneous projects." There is absolutely nothing to qualify or define or specify the use that is to be made of the amount of $71,250,000 under this grant of legislative authority. Somebody, somewhere along the line, must decide upon the policy of the Government with respect to the expenditure of those seventy-odd million dollars. Somebody, somewhere, must legislate and define the use, or we shall have done a futile thing, and that is, an attempt to appropriate money to a person without any use.

For that reason, and for many others relating to the text of the bill and the changes made in it from the original act, I find myself today in a position where I cannot again vote for the proposal. I desire to make clear to the Senate my position with respect to my vote. I shall oppose title II of the bill, and, if it is not taken from the bill, I shall oppose the entire bill.

Mr. FLETCHER. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. POPE in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Radcliffe
Ashurst	Connally	King	Reynolds
Austin	Coolidge	La Follette	Robinson
Bachman	Copeland	Loftin	Russell
Bailey	Couzens	Lonergan	Schwellenbach
Barbour	Davis	Long	Sheppard
Barkley	Dieterich	McAdoo	Shipstead
Benson	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Borah	George	Maloney	Thomas, Utah
Brown	Gerry	Metcalf	Townsend
Bulkley	Gibson	Minton	Truman
Bulow	Glass	Murphy	Tydings
Burke	Guffey	Murray	Vandenberg
Byrd	Hale	Neely	Van Nuys
Byrnes	Hastings	Norris	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Carey	Holt	Pittman	White
Chavez	Johnson	Pope	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

Mr. DAVIS. Mr. President, I send to the desk an amendment which I think is agreeable to the Senator in charge of the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 29, line 19, after the word "act", it is proposed to insert a comma and the following:

and a separate list of persons who, because of illness or advanced age, are unemployable.

Mr. BYRNES. Mr. President, we are still considering the committee amendments, and I make the point of order that that is not a committee amendment.

The PRESIDING OFFICER. It is an amendment to the committee amendment.

Mr. BYRNES. Very well.

Mr. ADAMS. I have no objection to the amendment.

The amendment to the amendment was agreed to.

Mr. COPELAND. Mr. President, may I ask the chairman of the committee the meaning of the language on page 30, beginning at line 11? What is the significance of that language?

Mr. ADAMS. Mr. President, I suggest that if the junior Senator from Georgia is present, he can better explain the provision, because he is the author of that particular language.

Mr. BYRNES. Mr. President, this section is not the pending business.

Mr. COPELAND. This is the matter before the Senate now, is it not?

The PRESIDING OFFICER. The pending business is the amendment on page 29, which is to strike out part of the original text.

Mr. COPELAND. Then the language to which I have referred is not before the Senate at the moment?

The PRESIDING OFFICER. It is not.

Mr. LA FOLLETTE. Mr. President, as I understand the situation, the pending amendment is to strike out certain language and to insert.

The PRESIDING OFFICER. The Chair is advised that the Senator from Wisconsin is correct.

Mr. COPELAND. Then, if I may repeat my question, What is the meaning of the provision?

Mr. LA FOLLETTE. Mr. President, I understand an amendment is to be offered to perfect the language, and I think the question would come better at that time.

Mr. BYRNES. My only reason for making the suggestion was that this section has not been reached, and when it is reached there will be an attempt to amend it in two or three particulars, which may possibly meet the objection of the Senator from New York.

Mr. COPELAND. I am glad to hear that.

Mr. WAGNER. Mr. President, will my colleague yield to me?

Mr. COPELAND. I yield.

Mr. WAGNER. I was equally apprehensive about this section, and so, with others, I conferred with the author of the amendment, who, I understand, proposes to modify it so as to limit it merely to administrative employees.

Mr. COPELAND. I am glad of that, because otherwise it would mean there would be dumped on local communities thousands of persons, and perhaps with no possibility of taking care of them.

Mr. WAGNER. Exactly.

Mr. COPELAND. In view of the explanation which has been made, I shall not proceed further with the matter.

Mr. FLETCHER. Mr. President, the War Department could not operate if this section remained in the bill. It would be thoroughly disorganized. But the Senator from Georgia proposes, I believe, to except the War Department from the provisions of the section.

Mr. WAGNER. It would affect transient workers, and if that language were permitted to remain in the bill as it is, Florida would be one of the worst-hit States.

Mr. FLETCHER. I think the entire provision ought to go out.

Mr. COPELAND. I can see that it would be the most inhumane amendment that could possibly be offered, and I am glad to hear that the machinery is operating with the prospect of turning out some better product than this particular amendment.

Mr. BYRNES. Mr. President, if the Senator will yield to me, I will say that in the meeting of the full committee the amendment was offered, and it was offered for the purpose of applying only to administrative employees. The Senator who offered it is not upon the floor at this time, but he has indicated his entire willingness to agree to a modification expressing clearly the intent, and removing any occasion for the fears the Senator from New York may have with reference to the amendment.

Mr. COPELAND. I am glad to hear that, because otherwise I should have to stand here as long as possible to protest against the language as written.

Mr. BYRNES. I should join with the Senator.

Mr. COPELAND. Very well.

Mr. WAGNER. Mr. President, in my conference with the Senator who offered the original amendment he expressed very clearly the idea that he did not intend to do anything so inhumane as what my colleague has described, throwing transients off any relief roll. He intended merely to provide that the administrative officers in each State should be residents of the particular State.

Mr. HALE. Mr. President, I desire to offer an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed on page 113, line 13, before the word "certified", to insert the words "and Private Act No. 192, approved February 14, 1933 (47 Stat., pt. 2, p. 1719),".

Mr. HALE. Mr. President, this amendment proposes to correct an error in the bill. The money has already been provided in the bill, but the reference was incorrect. I talked the matter over with the chairman of the subcommittee in charge of the bill, and I think he is agreeable to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BARBOUR. Mr. President, relief in America has heretofore been localized. The system was very simple. Those members of the community who had funds took care of those who did not, individually or through some central relief agency. Throughout the years these forms of relief have been coordinated, so that the municipal community chest has become an American institution.

There are three general classes of unemployed. There are the habitually unemployed. There are also those willing but unemployable persons who, by reason of physical or mental misfortune, are disbarred, perhaps permanently, from gainful employment. Finally, there are the willing and able who have been forced out of employment but who are anxious to return.

Of these three classes of unemployed, the first two cannot be accommodated in private employment under any system or any form of government. Charity cannot change their situation in the slightest. The one never does, the other cannot, work.

The third class—or the members of it at any particular time—are only temporarily unemployed. It is this class which offers the real relief problem. This group traditionally was taken care of by local means.

In the W. P. A. research monograph, The Transient Unemployed, this localized charity is given its historic background. The report states that it is—

The tradition in this country that each locality is responsible only for the care of its own needy citizens. The tradition is written into the statutes of most of the States, and has governed the poor-relief practices in all of them. The doctrine of local responsibility for relief has a long history reaching back to English poor-relief practices in the sixteenth century, when its avowed intent was to protect each parish from the inroads of "stalwart rogues" and "sturdy beggars."

The merit in a local system of relief is that each community is far better able to separate the wheat from the chaff among its own prospective relief recipients than is the State or Federal Government. To local officials, applicants for relief in a community are people, human beings. To the far-away administrators in Washington they are merely names on a card.

When local relief breaks down through a deficiency in brotherly love, or a nearly bankrupt treasury, something has to come from without. But so long as relief can be handled locally it will be in general applied more efficiently and economically than it ever can be from a distance.

I am only paraphrasing what President Roosevelt said on June 14, 1933, when the Governors and State emergency relief administrators came to Washington to learn how the new $500,000,000 relief money was to be distributed. He said then:

The Emergency Relief Act is an expression of the Federal Government's determination to cooperate with the States and local communities with regard to financing emergency relief work. It means just that. It is essential that the States and local units of government do their fair share. They must not expect the Federal Government to finance more than a reasonable proportion of the total.

The New Deal, therefore, began its relief policy by recognizing the importance of local responsibility and built its first structure on that foundation. In his report of July 1, 1933, Administrator Hopkins described the first relief act in these terms:

Under the terms of the Federal Emergency Relief Act of 1933, Congress made available $500,000,000 to be expended through the States as a means of cooperating with them in meeting the relief needs of the unemployed. This fund is divided into two parts. The first $250,000,000, under subsection (b) of section 4 of the act referred to, is made available to the States on a matching basis. One dollar from Federal relief funds is provided for each $3 of public moneys from all sources spent in the State during the preceding 3 months. The second $250,000,000, under subsection (c) of section 4, is a discretionary fund from which grants can be made to those States whose relief needs are so great and/or whose financial resources are so depleted that grants must be made without regard to the matching provisions of subsection (b).

Brave attempts may have been made to keep this policy a reality, but, with Federal money available, some States began to rest on their oars. At the end of December 1933, Mr. Hopkins was forced to report:

The Federal Emergency Relief Administration has followed the clear intent of the act by financing different proportions of the unemployed relief load in different States. In some States it has supplied only the matching funds provided under section 4 (b). In other States grants have been made from the discretionary fund to meet a temporary failure to act on the part of the State, but it has been insisted that, after the lapse of a reasonable time for the passage of legislation, these States should supply their proper share. In still other States the Federal Government has supplied proportions varying up to the point at which it has paid practically the total cost of unemployment relief.

As soon as the Federal Government began making outright grants to the States, and local sources of relief concurrently began to dry up, policies and practices that had once been determined locally came to be dictated by the Federal administrators.

Any initiative which communities and States might have shown to provide relief for their own unemployed was thwarted by the Federal Government. The Relief Administration in Washington had the money, and where the money is there the power lies also. So far as relief is concerned, the States delivered themselves into the hands of the Federal Government.

All during the year 1933 the share that the States furnished dwindled, particularly that portion which was distinctly local, and the Federal Government was forced to increase its share in proportion.

While the general average for December 1933 showed that local relief sources furnished 18.6 percent of the total, the States 33.2 percent, and the Federal Government 48.2 per cent, a more startling picture is revealed when we look at the record of individual States.

Local relief accounted for only three-tenths percent in South Carolina, seven-tenths percent in Arkansas, and 1 percent in Mississippi, and in those Commonwealths, State relief had broken down entirely. Numbers of other States were unable to furnish any appreciable amount of relief through either local or State agencies. Those States in which the Federal Government furnished more than 90 percent of the relief funds were New Mexico, 92.6 percent; Florida, 92.9 percent; Texas, 94.2 percent; Kentucky, 94.4 percent; Georgia, 95.1 percent; West Virginia, 95.2 percent; Tennessee, 97.1 percent; Alabama, 97.2 percent; Louisiana, 97.8 percent; Mississippi, 99 percent; Arkansas, 99.3 percent; South Carolina, 99.7 percent.

At the other end of the scale we find another story. The Federal Government was providing only 10.5 percent in Connecticut, 13.7 percent in Wyoming, 14.9 percent in Maine, 18.9 percent in Massachusetts, 23.1 percent in New Jersey, and 24.8 percent in Vermont.

I am not charging that the New Deal relief program deliberately demoralized the State relief agencies, but I do contend that such demoralization inevitably followed when the Federal Government turned on its tremendous streams of relief money. That it became impossible to withhold relief funds from States, despite their refusal to appropriate any money themselves, is admitted by Mr. Hopkins.

In his letter to the Senate Committee on Appropriations on May 4, 1935, Mr. Hopkins stated:

It is not the function of the Federal Emergency Relief Administrator to dictate within States to what standards of living they shall adhere. Nevertheless, when in the estimation of the Administrator the State is making inadequate effort to meet its responsibility, he may withdraw Federal funds. This is a threat neither easy to make nor easy to carry out. There are States where the stoppage of Federal funds as a means of forcing officials to do their duty would have no other result than to reduce the people on relief rolls to starvation.

It was that colossus of relief, C. W. A., which spent $900,000,000 in 4 months, which was responsible for the practically complete break-down of local and State relief systems. It was then that the Federal Government took all the unemployed in its fatherly embrace and told them the story of Santa Claus. The Baltimore Sun of January 24, 1934, had this to say about C. W. A.:

The Director now denounces the whole business. He charges waste, graft, and inefficiency. He lays the blame partly upon the politicians, partly upon the businessmen, partly upon our own people. The money will be exhausted February 15. He asks $300,000,000 to continue in a greatly reduced way until May 1. Then he urges abandonment. But at that notion there is an enormous howl. Governors, mayors, and communities violently protest. They say it is impossible for the Government to shift this burden back. To stop in May will be to throw 4,000,000 men and women, with their families, out on the streets to starve. Neither the States nor the cities are in condition to take care of them. They are all about broke. Private charity has dried up as a result of the dole policy. Industry could not possibly absorb any considerable number of these people. They beg for another and more adequate appropriation.

Following the short-lived C. W. A. experiment, the Federal Government was in the relief business to the hilt. Moreover, it could not withdraw, because the States had lumped everything with the Federal Government, and all attempts to distinguish between sources of relief funds were virtually abandoned. During 1934 and the early part of 1935 there was only one recognized source of relief—Washington.

According to many observers, the presence of Santa Claus in Washington was a factor in the success of the present administration at the polls in November 1934. Whether or not it considered that the concentration of activities in the Capital had accomplished its purpose, the New Deal early in 1935 made one of those dazzling reversals of policy which have always characterized it. It suddenly plumped into the laps of State governments the direct-relief problem for 1935–36. This turn-about is described in a recent report of Administrator Hopkins, as follows:

The passage of the Emergency Relief Appropriation Act of 1935 marked a new phase in delineating the responsibility of the Federal Government for the solution of the relief problem. Under the division of responsibility postulated by this act, the Federal Government recognized and assumed the obligation of caring for a large majority of the great group of persons in need as the result of industrial unemployment, while to the State and local governments was left the primary responsibility for the care of

other families in need of aid. This latter group represents for the most part unemployable persons and comprises the types of dependency to which local governments have traditionally provided assistance. To assist the State and local governments in meeting the increasing burden of the latter group, provision was made in the Social Security Act for grants-in-aid for two large groups of persons in need—the aged and women with dependent children.

The present proposal to continue W. P. A. envisions the perpetuation of this policy of State relief for unemployables and Federal relief for the able-bodied unemployed.

One of the results of a federally administered work-relief program is its mesmerizing effect on the tax-consciousness of communities and their citizens. When a municipality takes money from its citizens and uses it for public improvements, the citizen is in a good position to judge whether he is getting value for what he is providing. When the citizen sees the mighty Government in Washington shipping out money to his particular bailiwick, he loses all sense of personal liability for the blessings, and believes it is manna from Heaven. This curious deadening of the taxpayers' instinctive caution against unwise and unnecessary expenditure of the public moneys is manifesting itself all over the United States.

We have all of us seen a situation in a community where a public improvement is suggested by a handful of citizens. The community in general immediately condemns it as not worth the cost. Were it a case of local responsibility, the whole matter might stop there. However, with the Government apparently furnishing the funds, the little coterie who first suggested the improvement begins its manipulations. Contractors, architects, and builders' supply houses are given glowing accounts of the new project. The whole company begins to assail local politicians, whose resistance breaks down under the assault, and who then seek the cooperation of those higher up. From hand to hand the "buck" is passed. until the Federal Government is asked to approve the project, allocate the necessary funds, and to begin construction.

Perhaps the Federal administrator also turns down the project as unwarranted. Then comes a manifestation of hurt civic pride. Aroused and stung by the slur, the same citizens who first condemned the project now join in the common wail, "They can't do that to us", and the present administration, being particularly sensitive to partisan political pressure, very likely approves the project on second thought. Thus comes into being something that only a handful wanted at first and for which all will pay over a period of many years.

The relief administrators have always maintained that their made-work projects were important and valuable because they were sponsored by communities which were unable to undertake them themselves. There is evidence that the demand for these projects frequently do not originate with the communities themselves, nor do the communities always consider them desirable.

I have in mind an experience in my own State of New Jersey. The city of Summit is a community of about 15,000 population, with a reputation for managing its own affairs very capably. It has preserved its credit throughout the depression. Recently it successfully floated an issue of $600,000 in bonds at 3¾ percent. As I am informed, there is no pressing need for school construction at the present time. Whenever it feels it should expand in that direction it does so within its own financial set-up.

Sometime ago W. P. A. representatives, so it is reported, offered the School Board of Summit $25,000 of Government funds if the city would provide $75,000. This money was to go for school construction. The school board examined into the matter and declined the offer as being of no advantage to Summit. W. P. A. then raised its offer to $35,000, and this was likewise declined. These offers had been on the basis of loans at 5-percent interest but with 25 percent of the sum as a gift.

The next move on the part of the W. P. A. was to raise the offer to $45,000 and to reduce the interest charge from 5 to 3½ percent. I understand that there was an intimation that the sum offered could be increased if the city of Summit was interested. The city, however, did not want the money and washed its hands of the whole affair.

Upon receipt of the above information, I wrote the mayor of Summit, Hon. J. W. Bancker, as to the city's attitude. In return I have a letter from which I quote:

> The school board and I have been opposed to the Federal plan of offering bait of this kind, which in many cases has been swallowed and debt incurred for plant not really needed. I am opposed to the plan for the further reason that I think nothing should be done to encourage Federal participation in activities that should be entirely a function of local government. The present financial mess has resulted from too many participations of this kind.
>
> I have stated my position many times locally and have no objection to your using this letter if you so desire.

This is an illustration of the Government practically coercing a community into doing something it believes unmerited.

When Mr. Hopkins set up the C. W. A. in the latter part of 1933, he erected a banquet table for all the parasites in the land. He did not do this deliberately, of course. The strange thing is that he was surprised when the parasites appeared. In February 1934, before a Senate Appropriations Committee, Mr. Hopkins said of C. W. A.:

> I am perfectly frank to say that when this enterprise was started it did not occur to me that people would do this kind of petty chiseling.

This experience with C. W. A. may have chilled somewhat Mr. Hopkins' inherent belief that all men are noble and upright. However, the lesson of that unfortunate experience appears to have been missed, for we find Mr. Hopkins before the Appropriations Committee of the House on April 8 of this year still protesting that he is astounded at manifestations of political manipulations in W. P. A. I give you a portion of his testimony:

> Ever since I first became identified with relief in New York State, I have found that some local politicians attempt to use this relief * * * for political purposes, and attempt to spread the word around the town that in order to get a job "I am the fellow that you have got to come to." Well, that pleases his vanity and his ego, and he will make loose statements like that. But we do not employ our men that way. One of the problems that we have to contend with is that of people who have nothing whatever to do with our administration trying to make the public and the voters believe that they are the people who need to be seen.

This is Mr. Hopkins being extremely naive. Recognizing as he does that relief is being used to further political ends, what does he do? He issues a series of orders to administrators in the field advising them, in effect, that they must not administer relief along political lines. That is about as effective an attack on the problem as the handshake that precedes a boxing match.

In the New York Times of Thursday, April 23, 1936, there appeared an editorial entitled "Proposing a Solution", from which I quote, as follows:

> The Economy League estimates that during the first quarter of last year, before W. P. A. was launched, the cost of the mixed system of work relief and home relief then being directed from Washington by F. E. R. A. amounted to $28.45 a month for each case on the relief rolls. At this rate it would cost $1,707,000,000 annually to carry 5,000,000 cases. If one-half of this sum were met by the States and local governments their share would be $853,500,000. Considered as a lump sum this is substantially more than they spent last year, but in this connection it must be remembered that many States and municipalities contributed so little to a solution of the problem in 1935 that their combined expenditures for relief amounted to less than 10 percent of the total sum spent for this purpose within their borders. It is fair to ask for a larger contribution. And if their contribution amounted to as much as one-half of a total relief bill of $1,707,000,000 the Federal Government would be able to shoulder the remaining half without difficulty. In fact, such a division of costs would automatically bring the Federal Budget closely into balance.
>
> Apparently the line of least resistance in Washington in dealing with this greatest of all current governmental problems is to muddle along with the present program simply because there appears to be "no alternative to it" and "nothing else to do." But here in this proposal of the National Economy League or some variation of it is an alternative, and a constructive one. It offers a method of decentralizing responsibility which ought not to be centralized in Washington of restoring local authority and of putting relief on a basis which will not risk Federal credit by an apparently endless addition of new billions to the national debt.

Division of responsibility in the administration of employment relief between the States and the Federal Government most certainly makes for inefficiency and waste. It is a duplication of effort. The States must maintain their own force of administrators and relief workers. The Federal Government must continue its large administrative and clerical staffs in Washington and in the field. With bulging bureaus and all the paraphernalia of forms, requisitions, and questionnaires it is no wonder that the Federal relief monster eats up much of the substance intended for the unemployed.

It appears to me that the remedy for all this confusion, duplication, and wastefulness lies in the proposal which the Senator from Michigan [Mr. VANDENBERG] makes in his amendment to the pending bill.

Under the provisions of the amendment, the Federal Government becomes the medium through which the larger proportion of relief money becomes available to the States. This is an answer to any argument that many States are unable to find sufficient revenue to furnish adequate relief within their own borders and that the Federal Government, with its greater revenue-raising powers, must be the chief fountain-head of relief funds.

The amendment sets up standards so that a uniform system is brought into being for the distribution of the relief appropriation to the States. It provides an elasticity that would permit payments to States under emergency conditions over and above the regular allocations on a matching basis. It leaves to the States themselves the mechanics of furnishing relief, thereby restoring local initiative and preventing duplication of effort and the inefficiency attendant upon relief centralized in the Federal Government. Under it State sovereignty again has some meaning.

The amendment also specifically prohibits—in fact penalizes—any attempt to make relief a political football.

Since the New Deal began its relief activities with an acknowledgment that in the States themselves lay the proper field for administering relief, and since it has, after a period of absolute centralization, returned to a partial recognition of this principle, it would seem to me logical that the present administration would welcome this amendment.

The New Deal has always taken the position that federally administered relief was to endure only so long as an emergency persisted; that with the return to normal conditions, the Federal Government would step out of the relief picture entirely; that it would step out not only from the administration of relief, but from providing the funds.

Normal conditions, of course, are not yet achieved. It is not yet time for the Federal Government to stop further grants to the States. The amendment of the Senator from Michigan does not propose that this be done. It does, however, provide for "breaking the jump" between centralized Federal relief and the ultimate return of the problem to the States.

To continue federally administered relief is to admit that there has not been sufficient recovery to restore to the States their traditional prerogatives. This premise is one a new dealer could hardly afford to admit, since the present boast of the administration is that recovery is practically at hand.

I intend to support the amendment of the Senator from Michigan, and I urge its adoption by the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 12870) to aid in defraying the expenses for the celebration of the bicentennial of the birth of Patrick Henry to be held at Hanover Courthouse, Va., July 15, 16, and 17, 1936, in which it requested the concurrence of the Senate.

CONSTITUTION SESQUICENTENNIAL COMMISSION

Mr. ASHURST. Mr. President, inasmuch as I purpose to ask the Senate to grant me the privilege of having considered at this time a joint resolution now on the calendar, I shall make a brief statement as to the nature of the joint resolution. I refer to Order of Business No. 2119, being the joint resolution (H. J. Res. 525) to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes.

It will be remembered that this Commission is composed of the President of the United States; on the part of the Senate, of the Senator from Arkansas [Mr. ROBINSON], the Senator from Indiana [Mr. VAN NUYS], the Senator from Idaho [Mr. BORAH], the Senator from Oregon [Mr. MCNARY], and one HENRY F. ASHURST; on the part of the House of Representatives, of Hon. SOL BLOOM, of New York; Hon. CHARLES F. MCLAUGHLIN, of Nebraska; Hon. FRANK J. G. DORSEY, of Pennsylvania; Hon. GEORGE P. DARROW, of Pennsylvania; and Hon. JOHN TABER, of New York.

In addition there are Presidential Commissioners, who are C. O'Conner Goolrick, of Virginia; Daniel J. Tobin, of Indiana; William Hirth, of Missouri; Maurice E. Harrison, of California; and Harry Augustus Garfield, of Massachusetts.

As passed by the House the joint resolution authorized an expenditure of $200,000 for the purpose of making appropriate arrangements for the celebration. The Senate Committee on the Judiciary reported the joint resolution with an amendment to increase the appropriation to $250,000, but in view of the fact that the time is short and it is necessary to have this authorization become a law so that the appropriation may be included in the deficiency appropriation bill, if I can secure consent to have the joint resolution now considered, I purpose asking that the amendments recommended by the Senate Committee on the Judiciary be rejected and that the joint resolution be passed in the form in which it came from the other House.

The PRESIDING OFFICER (Mr. LOFTIN in the chair). Is there objection to the request of the Senator from Arizona?

Mr. MCNARY. Mr. President, I tried to follow the historical statement of the Senator. As I understand, the joint resolution authorization has passed the other House?

Mr. ASHURST. It has.

Mr. MCNARY. In an amount of $200,000?

Mr. ASHURST. Yes.

Mr. MCNARY. Then the Senate committee reported the measure with an amendment increasing the amount to $250,000?

Mr. ASHURST. Yes. The Senate committee reported the House joint resolution with an amendment increasing the amount $50,000.

Mr. MCNARY. The Senator now proposes to ask that the amendment be rejected so the joint resolution will carry the original amount provided by the House?

Mr. ASHURST. The Senator has correctly grasped the situation. There is another amendment proposed by the Senate committee, but if I can secure permission for the consideration of the measure, I shall ask the Senate to reject that amendment also, so the House joint resolution may be passed without amendment.

Mr. President, I ask unanimous consent for the present consideration of the House joint resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 525) to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 6, after the word "individuals", to insert the words:

And if the participation of other nations in the commemoration be deemed advisable, to communicate with governments of such nations.

And on page 4, line 13, to strike out "$200,000" and insert in lieu thereof "$250,000", so as to make the joint resolution read:

Resolved, etc., That the United States Constitution Sesquicentennial Commission, established for the celebration of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States by the joint resolution entitled "Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States", approved August 23, 1935 (hereinafter referred to as the

Commission), is authorized and directed to prepare and publish certain historical and educational material, as specified in the approved plans of the Commission, for distribution to libraries, schools, and organized study groups, as well as to Constitutional State and local commissions and individuals; and if the participation of other nations in the commemoration be deemed advisable, to communicate with governments of such nations.

SEC. 2. (a) The Commission is authorized and directed to (1) prepare and provide for the general distribution of photolithographic copies of a painting of the Signing of the Constitution accepted by the Commission; and (2) prepare reproductions of approved portraits of the signers and the history of the Constitution, and of its time, together with their facsimile signatures and appropriate biographical sketches, for distribution to libraries, schools, organized study groups, Constitution State and local commissions, and other proper sources.

(b) To carry out the provisions of this section, the Commission is authorized to have printing, binding, photolithography, and other work done at establishments other than the Government Printing Office, as provided for in section 12 of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 14), as amended by the act of July 8, 1935 (49 Stat. 475): *Provided*, That nothing in this act shall preclude the furnishing of the necessary number of copies of all such publications for the use of the Library of Congress, and for international exchange, as required by the United States Code, title 44, sections 139, 139a, and 228.

SEC. 3. The Commission, in order to execute the functions vested in it by law, is authorized to employ, without regard to the civil-service laws, and fix the compensation, without regard to the Classification Act of 1923, as amended, of a historian and such assistants as may be needed, for stenographic, clerical, and expert services, in the District of Columbia and elsewhere.

SEC. 4. The Commission is authorized to prepare, and provide for the general distribution of, suitable medals and certificates for commemorating the celebration of the one hundred and fiftieth anniversary of the formation of the Constitution.

SEC. 5. In carrying out the provisions of this resolution or any other provision of law relating to the celebration of the one hundred and fiftieth anniversary of the formation of the Constitution, the Commission is authorized to procure advice and assistance from any governmental agency, including the services of technical and other personnel in the executive departments and independent establishments, and to procure advice and assistance from and cooperate with individuals and agencies, public or private. The Superintendent of Documents shall make available to the Commission the facilities of his office for the distribution of publications, posters, and other material herein authorized, if so requested.

SEC. 6. The Commission shall have the same privilege of free transmission of official mail matter as other agencies of the United States Government.

SEC. 7. The members and employees of the Commission shall be allowed actual traveling, subsistence, and other expenses incurred in the discharge of their duties.

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000 for the purpose of carrying out the provisions of this joint resolution, and such sum when appropriated shall remain available until expended.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were rejected.

The joint resolution was ordered to a third reading, read the third time, and passed.

Mr. ASHURST. Mr. President, the Director of the Bureau of the Budget approved the proposed increase of $50,000 in the measure just passed. I ask that his letter may be incorporated in the RECORD. I am glad, even in a small and modest way, to help bring about a reduction of appropriations.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BUREAU OF THE BUDGET,
Washington, May 15, 1936.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

MY DEAR SENATOR ASHURST: On May 8, 1936, you transmitted to me informally through your secretary a copy of House Joint Resolution 525, "To enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes", and requesting information concerning its relation to the program of the President.

I have taken this matter up with the President, and he has directed me to advise you that the proposed legislation would not be in conflict with his program.

Very truly yours,

D. W. BELL, *Acting Director.*

INSTRUCTION AND INFORMATION ON CRIME CONTROL

Mr. ASHURST. Mr. President, the bill (S. 4673) to authorize the Attorney General to provide instruction and information on the subject of crime control was introduced by the chairman of the Senate Committee on the Judiciary at the request of the Attorney General of the United States. The bill has been considered by the Senate Committee on the Judiciary and reported favorably unanimously. A misconception as to the purport of the bill prevails on the part of some newspapers. I, therefore, ask that the bill, and the report of the Committee on the Judiciary in favor of the bill, may be printed in the RECORD at this point.

There being no objection, the bill and report were ordered to be printed in the RECORD, as follows:

S. 4673

A bill to authorize the Attorney General to provide instruction and information on the subject of crime control

Be it enacted, etc., That authority is hereby given to the Attorney General of the United States to provide instruction and information in methods of cooperation between the Department of Justice of the United States and the law-enforcement agencies of the several States, the subdivisions and municipalities thereof, and to provide for the collection and dissemination of information on the subject of crime prevention and control and identification.

SEC. 2. There is hereby authorized to be appropriated from the Treasury of the United States such amount as may be necessary to carry out the provisions hereinabove set forth.

[S. Rept. No. 2111, to accompany S. 4673]

The Committee on the Judiciary, to whom was referred the bill (S. 4673) to authorize the Attorney General to provide instruction and information on the subject of crime control, after consideration thereof, report the bill favorably to the Senate with the recommendation that it do pass with the following amendment:

On page 1, line 9, after the words "and control", strike out the period and insert the words "and identification."

DEPARTMENT OF JUSTICE,
Washington, D. C., May 26, 1936.

Hon. HENRY F. ASHURST,
Chairman, Committee on the Judiciary,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Supplementing my oral statement to the Senate Judiciary Committee yesterday, with reference to S. 4673, permit me briefly to state the principal reasons for the passage of the bill, as follows:

Section 1 of the proposed bill would supply basic and specific authority for the following:

1. The maintenance of the system now in vogue in the Federal Bureau of Investigation in connection with the training of special agents.

2. The maintenance in the Federal Bureau of Investigation of the police school, which has already met with great success, and which should, in my judgment, be supported and strengthened. Under this system, training of the same type and character as that given to our special agents is supplied to carefully selected representatives of various police departments. This is a highly important work, not only of instruction but in furthering our program of cooperation, as it affords intimate contact with police agencies throughout the country and tends to the dissemination of information as to the technique, qualifications, and system approved by the Department of Justice.

3. The maintenance of the civil fingerprint section already established in the Federal Bureau of Investigation, and which has become an important adjunct thereto. At the present time there are 130,000 fingerprints in this particular section, and the possibility of valuable work along this line is easily visualized.

4. The maintenance in the Federal Bureau of Prisons of the present system of training guards and other members of its administrative staff, with authority to extend this type of instruction to selected and specially qualified groups.

5. The supplying of instruction and information in methods of coordinating our activities, improving our standards, and in promoting a better understanding between the representatives of the Department of Justice and other law-enforcement agencies.

6. The collection and dissemination of information on the subject of crime prevention and control: This touches not only the highly important matter of the effective cooperation of all law-enforcement agencies—Federal, State, and local—upon which the success of the effort to deal with the crime problem is immediately dependent, but it would enable the Department of Justice, as a clearing house of information, to supply valuable data in connection with the work going on in various parts of our country in the matter of crime prevention. The Department is constantly in receipt of requests for information on this highly important subject, and efforts in this direction have the support of practically all competent authorities on the subject of criminal-law administration.

S. 4673 does not contemplate any reallocation of authority in the Department of Justice, or any radical departure from the existing practices and program. It is a constructive measure designed to support and justify the activities already under way, to make them more effective and to place the Department of Justice in a position to gather and supply information upon all aspects of the crime problem.

Very respectfully yours,

HOMER CUMMINGS, *Attorney General.*

PROTECTION AGAINST LOSS OF CHECKS IN THE MAILS

The PRESIDING OFFICER (Mr. HATCH in the chair) laid before the Senate the action of the House of Representatives on certain amendments of the Senate to House bill 9496, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
May 22, 1936.

Resolved, That the House recede from its disagreement to the amendment of the Senate no. 1 to the bill (H. R. 9496) to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration and concur therein; and

That the House insist upon its disagreement to the amendment of the Senate no. 2 to said bill.

Mr. McKELLAR. There was a conference report and an agreement on House bill 9496. The Senate adopted the conference report, but when it went back to the House the House disagreed to the conference report and agreed to the amendment of the Senate no. 1, but insisted upon its disagreement to Senate amendment no. 2, increasing the salaries of certain Assistant Postmasters General. In order that we may have prompt disposition of the bill, I move that the Senate recede from its amendment no. 2.

The motion was agreed to.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

Mr. JOHNSON. Mr. President, because of a communication I have just received from the executive director of the United States Conference of Mayors, and because the subject matter is one of very great importance to the cities of the country, I desire to inquire of the distinguished Senator from Colorado [Mr. ADAMS] in charge of the bill, if there is any warrant for the fears expressed by those who represent the organization referred to and whether or not direful consequences will ensue from an amendment which appears in the bill. May I read the statement so the question will be understandable:

In view of the provisions of that portion of the deficiency appropriation bill pertaining to P. W. A. loans and grants, which provision reads as follows:

"*Provided*, That not more than 30 percent shall be granted on any such project the cost of which is more than $100,000, and in no case shall the grant exceed 45 percent",

the United States Conference of Mayors believe it necessary to call to the attention of the United States Senate the following statement of facts:

This proposal alters fundamentally the basis upon which the applications from the major cities of the United States were submitted to the Federal Emergency Administration of Public Works. Practically all the projects from this group of cities, as indicated in the list submitted to the Senate by P. W. A. Administrator Ickes and printed on pages 377–443 of the Senate hearings, were prepared and filed on the assumption that a 45-percent grant would be authorized. If the proposal now before the Senate is adopted, reducing the amount of the Federal grant from 45 to 30 percent, I am authorized to state on behalf of a substantial number of the major cities having project applications included in the already approved list that these cities will be unable to carry out their responsibilities and thus will be unable to participate in the W. P. A. program.

This inability to proceed on a 30-percent basis arises from the following:

1. In those cases where funds are available for the city share of 55 percent of the project, it is impossible overnight to secure the additional 15 percent required if a Federal grant of only 30 percent is authorized.

2. In those cases where the city share has been predicated on the incurring of debt to the extent of 55 percent of the cost of the project, the existing constitutional, statutory, and charter debt limitation renders it legally impossible to increase the city indebtedness up to 70 percent of the cost of the project.

3. A third group of cities involved are those which have by referendum vote of their citizens approved bond issues for 55 percent of the cost of the project or projects. These referendums have practically all been based on the proposition that a 45-percent grant would be authorized. The reduction of the grant to 30 percent invalidates most of these referendums, thus necessitating new elections. The time required under the various laws to hold new elections completely eliminates any possibility of participation due to the provision in the Senate bill requiring projects to be undertaken immediately.

The Conference of Mayors specifically points out that almost without exception the approved applications before the P. W. A. from the large industrial cities of the country involve amounts over $100,000. It is only in the small towns, villages, and rural areas where the projects consistently run under $100,000. Therefore, if the provision reducing the amount of the grant is adopted, it simply means the shutting out of participation on the part of those metropolitan areas in which the bulk of unemployment exists. The very purpose of the P. W. A. program is thereby defeated.

In view of the above the Members of the Senate should know that in approving the present P. W. A. loan-and-grant provision in the deficiency bill, the important cities in their States which have approved applications included in the list now before the Senate will be unable to carry out any responsibility and will of necessity have to withdraw their applications.

It is submitted:

1. That no logical reason is apparent for discriminating between the various projects on the basis outlined in the bill (namely, those over $100,000 and those under $100,000) in regard to the amount of the grant to be given.

2. It should be made clear that if the 30-percent grant feature is retained, the great majority of applications from the large industrial cities having the bulk of unemployment will have to be withdrawn, thus defeating the goal of the P. W. A. program.

The Conference of Mayors believes once this situation is brought to the attention of the Senate, the changing of rules in the middle of the game, at a time when the cities do not even have an opportunity, due to legal and financial limitations, of learning the new rules, will not be authorized. The P. W. A. program, waiting to go into operation only for the release of further appropriations, can only be preserved and carried out if the basis upon which the applications were filed, namely, a 45-percent Federal grant, is continued.

PAUL V. BETTERS,
Executive Director,
United States Conference of Mayors.

WASHINGTON, *May 29, 1936.*

I inquire of the Senator from Colorado if these results will follow the amendment which is referred to by the mayors of the larger cities of the country?

Mr. ADAMS. Mr. President, I think the gentlemen who constitute the conference of mayors have overlooked the actual situation.

The bill which came before this body from the House did not contain a single cent for public works. What we are putting in the bill is an additional grant. We are giving an opportunity which did not exist under the House bill. That is, the mayors are complaining of an increased beneficence on the part of the Government. There are no limitations whatsoever in the bill in reference to the W. P. A. appropriation. There is an appropriation of $1,425,000,000 which is turned over to the President. If he sees fit, with that money he may make 100-percent grants to these cities. There is no limitation. In the bill itself is a specification for buildings and other work relief.

The conference of mayors refer to the list of approved projects. They refer to the votes they have taken. All those approved projects, all those votes, were with reference to projects to be carried out under the $4,800,000,000 appropriation, which we are not now considering. We are providing an additional appropriation. If the mayors have a complaint, it is because they did not come within the original appropriation. The 45-percent grant which they are looking for was the rule adopted by the Administrator of Public Works in the distribution of the public-works funds.

It is not intended in this bill, as the Senate committee seeks to amend it, to tie the hands of the Administrator to this list. This list of projects—and I speak a little frankly—was gathered up hurriedly. It was gathered up at the time the $4,800,000,000 act was under consideration, to impress upon the Congress the necessity for making that great, and in my judgment that unwarranted, appropriation. It was not a carefully considered list. Some $800,000,000 have been approved; votes have been taken; but we have here an increase over the bill as passed by the House which will amount to $300,000,000.

The purpose of the committee in providing what is the equivalent of a new appropriation for this purpose was to make the money go as far as possible. If we permit 45-percent grants, we shall not put as many people to work as if we make 30-percent grants. In other words, take a $100,000 project: If the Government gives 45 percent, the money will run out sooner than if it makes 30-percent grants; and the

thing we have in mind in this bill is the employment of those in need. If we take off this limitation, we shall simply reduce the efficiacy of the appropriation.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. JOHNSON. Permit a word in response, just for a moment.

I thank the Senator from Colorado for his explanation, but I am unable to follow him in what he says about adding employment; for, after all, the big problem that presents itself to us today is employment. If up to this time 45-percent grants have been the rule; if the bill changes the 45-percent grant to a 30-percent grant; if it be true that elections have been held in the large cities of the country upon the theory of a 45-percent grant, then it seems to me that we are disrupting the trend of the endeavor to reemploy and, instead of giving more opportunity for employment, we are not only destroying what now has been entered upon or endeavored to be entered upon, the preliminary stages of which have been complied with, but we are making it more and more impossible for the larger cities to contribute the amount that is thus demanded, and thereby we increase unemployment.

Mr. ADAMS. Mr. President, the Senator from California speaks of changing the rule. When the original act was passed appropriating $3,300,000,000, all of which was put in the hands of the then emergency administrator, the 30-percent grant was the rule that was applied in all the projects at that time. The 45-percent grant has been applied only in a much smaller amount, and that is in the allocation of some $400,000,000 or less out of the $4,800,000,000. That is, we are going back to the rule which was applied in the larger appropriation for public works, and which, in my judgment, operated satisfactorily.

So far as large cities, small cities, and rural districts are concerned, I am unable to see why there is or can be a necessity for discrimination. We are doing this, I will say to the Senator, and I know he will agree with that, because he thinks these matters should all be on the larger-grant basis: We are limiting the construction of projects to those that can be completed within 1 year. Necessarily, that limits construction to smaller projects. It was the hope of the committee to multiply the number of projects by putting a limit upon the cost involved in their construction; so if the Senator has in mind great city constructions, the type of constructions where bond issues will be authorized, they are not feasible under the 1-year limitation.

Mr. JOHNSON. That is all the more reason, I think, for the elimination of the 1-year limitation; but it does not answer the problem we are just considering.

Suppose, as I understand the Senator—and, of course, he knows the statistics; I do not—$400,000,000 of projects upon a 45-percent basis have been agreed upon. Some of those are now in process of construction. Some of them have passed merely the preliminary stages. If the bill changes the amount of grant that is accorded to those projects, it seems to me only confusion can result.

Mr. ADAMS. Mr. President, there is no change in the grant to any project which is under construction. The bill does not apply to any project that is under construction. It applies only to new projects to be authorized. For all the projects that have been authorized, the money is now allocated, obligated, set aside. This provision is merely dealing with projects to be authorized after this money is made available.

Mr. JOHNSON. Oh, yes; but there are many projects where the construction perhaps has not been undertaken nor the contracts made, but where elections have been held upon the theory, and the theory of the Government itself, that the grant was to be 45 percent. Now it is proposed to change it to 30 percent, and it makes confusion; it does not tend to diminish unemployment; and it seems to me it cannot accomplish any beneficial results.

Mr. ADAMS. If I may add one word, the Senator says the 30-percent basis does not increase employment. I think the mathematics of the situation is against him. If the Government gives $300,000 upon condition that $700,000 be provided by a city for a waterworks, there is a million dollars which will be expended, which will furnish employment. There will be left for another employment $150,000 which would not be available if the grant were 45 percent. In other words, we are spreading the money further, and in my judgment more persons will be employed.

Mr. BULKLEY. Mr. President, will the Senator yield?

Mr. JOHNSON. I yield to the Senator from Ohio.

Mr. BULKLEY. That conclusion is based on the assumption that the municipality can put up 70 percent. Suppose the municipality is so hard up, or so bound by debt limitations, that it cannot put up 70 percent. Then, in order to obtain the employment, the Government will have to have recourse to the W. P. A., and will be putting up 100 percent. That is the very suggestion the Senator himself made, that the W. P. A. is available for these projects.

I contend, with the Senator from California, that employment will be increased by a 45-percent grant. Furthermore, there is no doubt that in the form in which this provision appears it is a discrimination against the larger projects in the larger cities. The larger cities are the very places where unemployment is most distressful, and why there should be a discrimination against the larger cities is something that I do not think the Senator has explained.

Mr. ADAMS. I will say to the Senator that approximately one and a half billion dollars is available to meet unemployment wherever it exists. Necessarily the larger cities, where greater unemployment exists, will have the larger share of that amount. In this instance, a comparatively small amount is involved. It is an effort to encourage a different type of public-works improvement, a type which I think is less available to the great cities than to the smaller cities and the rural communities, where it is a question whether it would be better to have $600,000,000 for construction or a billion dollars for construction.

Mr. BULKLEY. We are asking to have it made available on terms that the cities can meet. I am sorry this matter has come up in such a hurry that I have not the specific facts; but I know in my own city there are embarrassments due to debt limitations, that there is difficulty in going up to these high percentages, and that we are very much distressed right now and obliged to keep a large number of otherwise unemployed persons on the W. P. A. rolls, which cost the Government 100 percent.

Mr. ADAMS. Of course, I cannot understand that a donation from the Government would be an embarrassment.

The question is, How much shall the Government donate? Shall it donate one amount or another? It seems to me the donees ought to be a little more grateful and say, "Well, now, 30 percent will be helpful, though, of course, we should like more." I think, however, the Treasury has an interest in the matter; I think the unemployed of the country as a whole have an interest in the matter; and I think those interests will be subserved by imposing these limitations. If I were given my own choice in the matter, I should put the 30-percent limitation on all the projects.

Mr. JOHNSON. Why do you not?

Mr. ADAMS. I could not get votes enough in the committee, I will say.

Mr. JOHNSON. That is a good reason. I will not quarrel with the mathematics of the Senator from Colorado. I do not feel that I am able to cope with him in mathematics. The only thing in which I was "cinched" when I was in college was higher mathematics.

Mr. ADAMS. I doubt that very much, because, as I have observed the Senator on the floor of the Senate, nobody has dealt more in higher mathematics than has the Senator from California.

Mr. JOHNSON. Is it not obvious to the Senator that a policy has been started by the Government and that policy has been followed? The Senator says there are $400,000,000 of projects under that policy in connection with which communities which are hard put to it financially today have been able to pass, by the votes of their people, laws providing for participation in a policy of the Government. I am not

discussing that now, and I am not saying whether grants of one sort or grants at all should be accorded, but after these hard-put communities have voted upon the subject suddenly they are told, "Your vote is null. We will destroy its effect entirely. You must begin again. You must attempt again to do the thing you sought to do under the aegis of the Government. You must begin to do it all over."

Mr. GLASS. Mr. President, will the Senator from California inform the Senate how many such projects are involved in this matter?

Mr. JOHNSON. I do not know.

Mr. GLASS. Do the mayors tell us how many?

Mr. JOHNSON. No; the communication I have received, which came only today, does not say how many.

Mr. GLASS. Do they know how many there are?

Mr. JOHNSON. Please do not ask me; I do not know. I was calling attention to a matter which was brought to my notice only today, and I was seeking information about it. I assume they do know, and, with time sufficient to ascertain, undoubtedly the information could be furnished to the Senator and to the Senate. I have no doubt on that score.

Mr. ADAMS. Mr. President, I will say to the Senator that the information as to the various projects which were submitted under the former appropriations is in the record. The point I have been unable to make the Senator understand is that we are starting something new. This is a new bill; it is not part of that which has gone before. The projects which have been voted, the bond issues which have been authorized, have no relationship to the appropriation which is now under consideration.

Mr. BYRNES. Mr. President, may I ask what the pending amendment is?

The PRESIDING OFFICER. The clerk will state the pending amendment.

Mr. FLETCHER. Mr. President, I suggest that the amendment on page 29, down to line 24, be agreed to.

Mr. BYRNES. My inquiry is, What is the pending amendment?

Mr. FLETCHER. That is the pending amendment.

The PRESIDING OFFICER. The clerk will state the amendment now pending.

The CHIEF CLERK. The pending amendment is, on page 29, line 4, after the word "appropriation", to strike out down to and including line 15, and to insert the amendment of the committee on page 29, beginning with line 16 and ending with line 23, as amended.

Mr. FLETCHER. Mr. President, one amendment to the amendment has been offered and agreed to.

Mr. BYRNES. Mr. President, the clerk stated that the question was on the amendment of the committee "as amended." How has it been amended?

The PRESIDING OFFICER. The clerk will state the amendment which has been offered and agreed to.

The CHIEF CLERK. The Senator from Pennsylvania [Mr. DAVIS] offered an amendment, on page 29, line 19, after the word "act", to insert the words "and a separate list of persons who, because of illness or advanced age, are unemployable."

Mr. FLETCHER. Why can we not agree to the amendment down to line 24?

Mr. BYRNES. Mr. President, I do not know that I am going to agree to that amendment to the amendment. I did not hear the amendment offered.

Mr. JOHNSON. Mr. President, will the Senator from South Carolina yield to me for just a moment?

Mr. BYRNES. I yield.

Mr. JOHNSON. I wish to apologize to the Senator, if he is interested in the pending amendment, for breaking in in the fashion in which I interrupted. I called the attention of the Senator from Colorado to the particular matter which had come to me, and asked him if I might interrogate him upon it. I did not desire to disturb the progress of the bill.

Mr. BYRNES. Mr. President, in a very few moments we will reach the section in which the Senator is interested, and then we might act on it, if an amendment is to be offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

Mr. BYRNES. Mr. President, I should like to ask what amendment to the amendment has been agreed to.

The PRESIDING OFFICER. The amendment offered by the Senator from Pennsylvania will be stated again.

The CHIEF CLERK. On page 29, line 19, after the word "act", the Senator from Pennsylvania proposed to insert the words "and a separate list of persons who, because of illness or advanced age, are unemployable."

Mr. BYRNES. Mr. President, I was not in the Chamber at the time that amendment was offered, and I move to reconsider the vote by which the amendment to the amendment was agreed to. It has no relevancy to this particular section, so far as I can see. The amendment reported by the committee provides for a survery of unemployable persons and restricts the list to persons who are citizens of this country, or, if aliens, they must have filed declaration of intention to become citizens, and they must not have illegally entered the country.

As I understand the amendment as it has been read by the clerk amends that section so as to provide that a list of persons who are sick or of advanced age be made, and the rest of the section would provide that from such a list of persons who are sick or of advanced age should be stricken those who are aliens. It does not seem to me that that would make good sense at all.

Mr. McNARY obtained the floor.

Mr. REYNOLDS. Mr. President, will the Senator yield to me with particular reference to the matter before us?

Mr. McNARY. Not for the moment. I am advised that the senior Senator from Pennsylvania offered the amendment to the amendment which was adopted earlier in the day.

Mr. BYRNES. Mr. President, I understood that; and that is why I have moved to reconsider the vote.

Mr. McNARY. The Senator from Pennsylvania is now absent from the Chamber, and I do not care to have any proceedings taken regarding the amendment during his absence.

Mr. BYRNES. Mr. President, I shall be glad to withdraw my motion temporarily, until the Senator from Pennsylvania returns, but I do not want the amendment to be adopted in the form in which it is at this time.

Mr. McNARY. The Senator will have 2 days in which to move to reconsider the vote.

Mr. BYRNES. I will ask that the amendment be passed over until the Senator from Pennsylvania returns to the Chamber.

Mr. REYNOLDS. Mr. President, prior to the departure of the Senator from Pennsylvania [Mr. DAVIS] he talked with me in regard to this particular amendment to the amendment of the committee, at which time I understood from him that the acceptance of his amendment to the amendment of the committee was agreeable. As a matter of fact, if I do not misinterpret the construction of the words the Senator has added, they merely provide that when any person is disqualified for work under the amendment there shall be made for future reference a list of those who are not employable by reason of illness or old age or other disqualifications. That was the explanation given to me of the Davis amendment.

Mr. GLASS. Mr. President, that is simply asking for a factual statement, but it does not prevent the elimination of those people from the relief rolls.

Mr. BYRNES. If the Senator will take the language and read it, he will find that it has no reference to this particular section. I may be in hearty accord with the amendment offered by the Senator from Pennsylvania, but it certainly seems to me that it has no relevancy to the language of this particular section. However, I shall ask that no action be taken until the Senator from Pennsylvania returns.

The PRESIDING OFFICER. The request is that the amendment, as amended, be passed over for the time being?

Mr. BYRNES. That is my request.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will state the next amendment passed over.

The CHIEF CLERK. It is proposed, on page 29, after line 23, to insert the following:

No Federal project shall be undertaken or prosecuted with funds provided for in this appropriation unless and until an amount sufficient for its completion has been allocated and irrevocably set aside for its completion, and the President is hereby authorized to restore to the Federal Emergency Administration of Public Works out of the funds hereby appropriated any sums which after December 28, 1934, were, by order of the President, impounded or transferred to the Federal Emergency Relief Administration from appropriations heretofore made available to such Federal Emergency Administration of Public Works and allocated by such Administration to public-works projects.

Mr. ROBINSON. Mr. President, I desire to offer an amendment to the committee amendment. I had prepared the amendment so that it should come after line 10, on page 30, understanding that the paragraph to which reference is now being made was a single amendment. I offer the amendment to the amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 30, after line 10, it is proposed to insert the following:

That the President of the United States is authorized to appoint two boards of three members each, one to be known as the Florida Canal Board and the other as the Passamaquoddy Board, the members of which shall be qualified members of the engineering profession who are not employees of the United States, or of the State of Florida, or of the State of Maine, and who have in no manner been connected with or have any financial interest, present or prospective, in what are known as the Atlantic-Gulf Ship Canal project, Florida, and the Passamaquoddy tidal power project, Maine.

The Florida Canal Board shall review the reports heretofore rendered in connection with the project for a sea-level ship canal across the State of Florida, with particular reference to the questions of (a) whether the construction of such a canal across the State of Florida between the St. Johns River and the Withlacoochee River would create any consequential or irremediable disturbance of the ground water levels of the State of Florida; (b) the estimated costs of constructing, maintaining, and operating such a canal; and (c) the justification for the expenditure of the Federal funds estimated to be required. The board shall make such further study of these and other pertinent questions relating to this project as it may deem necessary.

The Passamaquoddy Board shall review the reports heretofore rendered in connection with the Passamaquoddy tidal power project in the State of Maine, with particular reference to the questions of (a) the engineering feasibility of the project; (b) its justification, including the possibilities with respect to the establishment of industries requiring electric power in eastern Maine; (c) its scientific value from the knowledge and experience to be gained with respect to tidal-power development; and (d) estimated costs of construction, operation, and maintenance. The board shall make such further study of these and other pertinent questions relating to this project as it may deem necessary.

Each of the aforementioned boards shall report its findings and recommendations to the President on or before July 20, 1936. Should the conclusions of such boards be favorable to the continuance by the Federal Government of the two projects hereinbefore mentioned, or either of them, the President is hereby authorized to make allotments for carrying forward such project or projects during the fiscal year ending June 30, 1937, from any funds now or hereafter available for relief and work relief on useful projects, as follows:

For a ship canal across the State of Florida, not to exceed $10,000,000: *Provided*, That the total estimated capital cost of such canal shall not exceed $150,000,000, including all funds previously allotted thereto.

For the Passamaquoddy tidal-power project, Maine, not to exceed $9,000,000: *Provided*, That the total estimated capital cost of such project shall not exceed $42,000,000, including all funds previously allotted thereto.

The members of the boards herein authorized to be appointed shall receive compensation at the rate of $50 per day for each day of service, including Sundays and holidays, together with their necessary traveling expenses, and each board is authorized to employ and fix the compensation of such personnel as it may find necessary to assist in the performance of its functions, without regard to civil-service laws and regulations or the Classification Act of 1923, as amended, and to pay their necessary traveling expenses. The expenditures authorized by this section shall be paid from funds heretofore or hereafter appropriated for examinations, surveys, and contingencies of rivers and harbors.

The Secretary of War and the Administrator of the Federal Emergency Administration of Public Works shall make available to the boards herein authorized all reports, records, plans, estimates, or other data and information in their possession which in any manner relate to the two projects hereinbefore mentioned and shall render such aid and assistance as said boards may request in connection with the duties imposed upon them by this joint resolution.

Mr. ADAMS. Mr. President, the chairman of the subcommittee in charge of the deficiency bill, throughout consideration of the bill, had to perform the somewhat disagreeable duty of making points of order. A good many proposals have come before our subcommittee which the subcommittee declined to put upon the bill, regardless of their merit, because they constituted what we regarded as legislation on an appropriation bill. We have endeavored to apply that rule uniformly. By reason of the direction contained in the rules of the Senate Appropriations Committee and by reason of the rules of the Senate, I feel obliged to raise what I regard as a point of order against the amendment. It seems to me that it is legislation upon an appropriation bill. Further, it seems to me that it is not germane to the section to which it is applied.

Let me illustrate what I mean. The amendment opens with the provision:

That the President of the United States is authorized to appoint two boards of three members each.

The amendment describes their duties and their functions. It seems to me that is clearly legislation. In years past appropriation bills were subject to many abuses. In many instances the necessity for the passage of the appropriation bills led to the coercion of Congress into acceptance of amendments. General legislation not dealing directly with the appropriation was placed upon appropriation bills. The result was that the Senate, in the course of a long experience, out of its wisdom, provided rule XVI, which forbids the inclusion of new or general legislation in an appropriation bill and provides that no amendment may be made which is not germane.

No one is more reluctant than am I to make points of order against various matters which have come before the committee; but, in view of the fact that points of order were made against project after project, against amendment after amendment, it seems to me I am obliged to make a point of order in the present case; and I therefore make a point of order against the pending amendment.

Mr. ROBINSON. Mr. President, it is recognized that the Senator from Colorado has full right to make the point of order. However, I point out the fact, which appears to me to be incontrovertible, that the point of order is not well taken, for the reason that the committee has inserted in the bill a provision of general legislation which my amendment seeks to amend or modify.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. CLARK. Does the Senator take the position that the adoption of an amendment by a committee invalidates the rule of the Senate—in other words, that a committee can make an amendment in order on a general appropriation bill which would otherwise not be in order?

Mr. ROBINSON. No, Mr. President; certainly not. However, the Senator from Colorado has not made the point of order to the committee amendment.

Mr. CLARK. I was about to say, if the Senator will permit me, that the amendment which the Senator from Arkansas has offered seems to me one of the most remarkable ever presented to the Senate, because it is not only in contravention of the ordinary rule of the Senate against legislation on an appropriation bill, but it is even legislation in the second degree. In other words, I think clearly the committee amendment is subject to a point of order because it is legislation; and on the principle that two wrongs do not make one right, it seems to me the Senator from Arkansas cannot logically argue against the point of order made by the Senator from Colorado simply by reason of the fact that no Senator has as yet seen fit to make the point of order against the committee amendment.

Mr. ROBINSON. Mr. President, if the Senator will permit me to state the case I think I can convince him that the position he has just announced is not well taken.

The committee has proposed the insertion of an amendment to the bill which itself is legislation, and the insertion of that amendment makes necessary the consideration of the amendment I have proposed, unless it is designed indirectly to prevent the allotment of funds appropriated in the bill for the two projects carried in my amendment.

The language which the committee has offered is:

> No Federal project shall be undertaken or prosecuted with funds provided for in this appropriation unless and until an amount sufficient for its completion has been allocated and irrevocably set aside for its completion—

And so forth.

Mr. ADAMS. Mr. President, will the Senator permit me to interrupt him in order to make an inquiry?

Mr. ROBINSON. Yes. I should like to have a chance to state my case, but I will yield to the Senator from Colorado.

Mr. ADAMS. Mr. President, I shall not interrupt the Senator if he would rather I should not do so.

Mr. ROBINSON. I yield.

Mr. ADAMS. My inquiry is directed to the particular part of the bill which the Senator was reading. It occurred to me that that was a limitation upon an appropriation rather than legislation. The Senate and the Appropriations Committee have authority, under the rules, to impose limitations upon appropriations, and I think that is the interpretation which is applicable to the section which the Senator is reading.

Mr. ROBINSON. No, Mr. President; that interpretation is not sound. Under the law which we passed last year the President made an allotment of funds for the two projects incorporated or referred to in this amendment, and he had full authority to make that allotment. The committee now proposes as an affirmative proposition to prevent the initiation of Federal projects unless the entire amount necessary for their completion is provided at the time they are initiated. That is not a limitation in the legal or proper sense of the word. It is an affirmative provision of law.

Under the existing law the President could allot any portion of the funds appropriated in this bill to carry forward the two projects which are under consideration; but the committee seeks to prevent that from being done by having enacted a provision of law that no project shall be undertaken unless all the funds that are necessary for its completion shall be supplied at once. My contention is that that is general legislation; under the indisputable precedents of the Senate it is subject to amendment; and the point of order that the amendment relates to general legislation does not lie; otherwise, the committee could violate its own rules and have immunity from the correction of such mistakes as it might be found to have made.

The committee seeks now to enact a general law on the subject of initiating projects, namely, that no project shall be commenced unless all the money necessary for its completion is provided at the time of its commencement. If that is not general legislation, if it does not come within the rule to which reference has been made, it is difficult to conceive a case in which that would occur.

So, I assume there is no question about the right of the Senate to amend this amendment. The committee cannot propose to legislate in a general appropriation bill and deny the right of the Senate to modify its proposition.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. In other words, Mr. President, if I understand the Senator's position, it is that if the point of order is to lie at all, it must lie against the committee amendment after it shall have been perfected by such amendments as Senators may desire to offer to it, whether legislative in character or not.

Mr. ROBINSON. Possibly the point of order might be made against the committee amendment itself; but the committee amendment, constituting legislation, is subject to amendment.

I have made no point of order against the committee amendment, nor has any other Senator. What the committee apparently is seeking to do, or what the Senator from Colorado is seeking to do by the committee amendment, is to enact general legislation on an appropriation bill and then take advantage of the rule of the Senate to prevent any Senator from changing or having an opportunity to change that amendment.

Mr. NORRIS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Nebraska.

Mr. NORRIS. The Senator's contention seems to me to be reasonable. The committee amendment itself is subject to a point of order. Does the Senator agree to that?

Mr. ROBINSON. Certainly; it is legislation.

Mr. NORRIS. Then I wish to ask the Senator, as a practical matter, if the committee amendment is subject to a point of order—and I make the suggestion in order to save time as much as for anything else; for the Senator's amendment, of course, will excite a great deal of discussion and consume considerable time—would we not be wasting our time, knowing that, whether the Senator's amendment shall be agreed to or not, the entire provision is going to be subject to a point of order and that a point of order will certainly be made by some Senator opposing the amendment? Would we not be wasting our time to go ahead with the amendment?

Mr. FLETCHER. Mr. President——

Mr. ROBINSON. I yield to the Senator from Florida.

Mr. FLETCHER. May I call attention to the rule, which reads:

> Or resolution previously passed by the Senate during that session; or unless the same be moved by direction of a standing or select committee of the Senate.

This amendment has been moved by a standing committee of the Senate.

Mr. NORRIS. Yes; but it is not a committee amendment. The committee is subject to the rules of the Senate, and cannot report an amendment——

Mr. FLETCHER. The amendment has been reported by a standing committee.

Mr. NORRIS. Which, if offered by a Senator, would be subject to a point of order and itself escape, the only difference being under the rules of the Senate that when the committee proposes an amendment subject to a point of order on these grounds, and the point of order is sustained, the entire bill goes back to the committee.

Mr. FLETCHER. I do not think the committee amendment is subject to a point of order, because it has been reported.

Mr. ROBINSON. The committee amendment has been reported by a standing committee of the Senate, the Appropriations Committee. The amendment to the committee amendment has also been reported by a standing committee of the Senate, the Committee on Commerce. The Senate Committee on Appropriations saw fit to incorporate legislation in this bill. Having done that, having brought in an amendment that otherwise would be subject to a point of order—that is to say, if the committee had not reported the amendment, the committee cannot now be heard to make a point of order against an amendment that is germane to its amendment.

Mr. GLASS and Mr. CLARK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON. I yield first to the Senator from Virginia.

Mr. GLASS. As chairman of the Appropriations Committee, it was my opinion, and I so stated, that the proposal was legislation and subject to a point of order, and, that under the rules of the Senate, the committee had no right to report this amendment to the bill, because when the committee acted there had been no action by any standing

committee of the Senate, and the Committee on Appropriations has no right under the practice, as I have observed it for 16 years, and under rule XVI of the Senate, to incorporate legislation in an appropriation bill.

Mr. ROBINSON. But it did do it.

Mr. GLASS. I know it did, and, therefore, in my judgment, it is subject to a point of order.

Mr. LA FOLLETTE. Mr. President——

Mr. ROBINSON. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. The provision concerning general legislation is to be found in paragraph 2 of rule XVI and has nothing whatever to do with whether or not it is proposed by a standing committee of the Senate. The rule is absolutely explicit, and, if the Senator from Arkansas will pardon me, I should like to read that paragraph. It is as follows:

> The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation, and if an appropriation bill is reported to the Senate containing amendments proposing new or general legislation, a point of order may be made against the bill, and if the point is sustained, the bill shall be recommitted to the Committee on Appropriations.

There is not a line in that paragraph dealing with general legislation which mentions the fact that it shall be reported by a standing committee of the Senate. That reference is found in paragraph 1 in relation to amendments proposing to increase items of appropriation.

Mr. GLASS. That is the very point I made as chairman of the committee, but the committee disregarded my views.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield to the Senator from Kentucky.

Mr. BARKLEY. The truth is that the entire title II of the House bill as it came to the Senate deals with general legislation. It carries provisions that are legislative and not simply appropriations; and, in view of the fact that the entire title deals with legislative matters which are beyond the scope of mere appropriations, it cannot be held that an amendment to that title, which deals with a legislative matter, is, therefore, out of order.

Mr. ROBINSON. That is the point I am attempting to make, provided the amendment is germane.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBINSON. Yes; I yield.

Mr. CLARK. I do not wish to interrupt the argument of the Senator from Arkansas, but it has been interrupted so much that, with his consent, I will trespass upon his good nature for one more suggestion. According to the argument of the Senator from Kentucky, any matter of legislation would be in order as an amendment to the committee amendment. In other words, many measures of great importance are pending in this body, and, for instance, the Wagner-Costigan antilynching bill would be in order as an amendment to this appropriation bill, if the contention of the Senator is correct; and a measure which has been pending in several committees of the Senate for the last year and a half to take the profit out of war also would be in order on this amendment.

Mr. ROBINSON. Mr. President, I think the correct test is whether my amendment is germane to the provision that is in the bill, whether it is germane to the committee amendment. I make no issue on that phase of the point of order which is raised by the Senator from Colorado [Mr. ADAMS]. I think it is germane, and will proceed to argue that point when I have the opportunity to do so; but I do not think the point of order lies that it constitutes general legislation.

Mr. CLARK. Mr. President, I may say to the Senator that as soon as I can get the floor in my own right I intend to make a point of order against the committee amendment; and if the point of order be overruled, in conformity with the latest contention of the Senator from Arkansas—not the one he was making a few moments ago—then I intend to offer the Wagner-Costigan bill as an amendment to the committee amendment; and if that shall be voted down, I intend to offer other bills as amendments to the committee amendment.

Mr. ROBINSON. Of course, the Senator from Missouri may take his own course about that, but I hardly think it is appropriate during the time I am addressing the Senate on the point of order for him to say what he proposes to do if the Senate does not agree with him in the conclusion he reaches. He may take any course he pleases.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Michigan?

Mr. ROBINSON. I yield.

Mr. VANDENBERG. The Senator from Arkansas and the Senator from Florida [Mr. FLETCHER] both partially rely upon the fact, they say, that the proposed amendment is in the form reported by a standing committee of the Senate. Is it not a fact that it is not in the form reported by the Commerce Committee?

Mr. ROBINSON. It is almost in the identical form.

Mr. VANDENBERG. "Almost" is not enough under the rule, is it?

Mr. ROBINSON. Yes. I think it is substantially in that form. The only change that has been made in the amendment is with reference to the time of the report of the board. Of course, if the Senator chose to be that technical, I could very easily remove that objection by changing the amendment so as to conform to the exact date carried in the resolution. However, I do not anticipate anyone here wishes to pursue that course.

Mr. GLASS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Virginia.

Mr. GLASS. I am not a parliamentarian. I have been here 34 years, and I do not know any more about parliamentary practice today than when I came, and therefore I am asking the Senator from Arkansas the question. Is it competent for the Appropriations Committee of the Senate to make a point of order against a provision in a House bill passed by the House?

Mr. ROBINSON. No.

Mr. GLASS. Therefore, we did not make the point of order against title II of the bill. It did not originate with the Senate committee. It came over from the House.

Mr. ROBINSON. But the Senator from Virginia is in error about that. I had not referred to the general legislation which is carried in the original House bill. I had referred to and had taken note of the general legislation which the Senator from Virginia reported when he reported the pending bill.

Mr. GLASS. I understood that was the position taken by the Senator from Arkansas, but my friend the expert parliamentarian from Kentucky, Mr. BARKLEY, took the position that the whole title was subject to a point of order.

Mr. BARKLEY. Oh, no, Mr. President. I did not take that position. I said that because the House included title II, which is legislation, the amendment to that legislative matter brought forward by the Senator from Arkansas is not subject to a point of order.

Mr. ROBINSON. If the other body incorporates general legislation, and general legislation comes here in an appropriation bill, it is subject to amendment in this body. The only valid question that can be raised is whether the proposed amendment is germane to the provision in the bill. I have said that over and over again, and yet for some reason there are those on the floor of the Senate who do not seem to understand my position as I am endeavoring to define it.

That is not the point upon which I rely. The point upon which I rely is that, aside from any question as to whether the rule which has been invoked contemplates that the Appropriations Committee can report in a general appropriation bill a provision for general legislation without subjecting itself to the danger of the penalty provided in the rule against general legislation in appropriation bills, the committee has reported a provision which does constitute general legislation, and under every rule, both the rules of the

House of Representatives and the rules of the Senate, we have the right to modify that provision. The only legal limitation on that right found in our rules is whether the proposed modification is germane to the provision which it is sought to modify.

I do not know how to make the matter any more clear. I avert and avoid questions as to whether a point of order would lie to the original provision reported by the Appropriations Committee because that question is not here. I am directing my argument to the point of order made by the Senator from Colorado [Mr. ADAMS]. His point is that I have offered a provision of general legislation to a general appropriation bill. My reply to him is that the provision sought to be amended is itself general legislation and, therefore, subject to amendment. The only limitation on the right to amend is whether the proposed amendment is germane to the provision which is under consideration. I have never gotten far enough to state why I think it is germane.

Mr. LA FOLLETTE. Mr. President——

Mr. ROBINSON. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. As I understand, the precedents are unbroken, particularly since the time of Vice President Marshall, that once the House enters a field of general legislation in an appropriation bill which it passes, then the provision of the Senate rules providing against general legislation on a general appropriation bill cannot be invoked to stop either the Senate committee or the Senate itself from continuing in that field of general legislation which has been invaded by the House.

Mr. ROBINSON. So long as the continuation is germane.

Mr. LA FOLLETTE. Yes; so long as the continuation is germane. I think an examination of the precedents will show that they are unbroken. I am certain they are unbroken since the time Vice President Marshall presided over this body.

Mr. ROBINSON. I think that is true.

Let me state now why I think the second feature of the point of order made by the Senator from Colorado does not lie, namely, that my amendment is not germane to the provisions to which it relates. I am seeking to amend the proposed general legislation reading as follows:

No Federal projects shall be undertaken or prosecuted—

And so forth. The provision has been read a number of times and I shall not again complete the reading of it. But for that provision the President, so far as the law is concerned, could make the allocation contemplated by my amendment, namely, $10,000,000 for the Florida ship canal and $9,000,000 for the Passamaquoddy power project. If that provision remains in the bill unchanged, he cannot do it.

The object is to change the law. The purpose of the provision which I am seeking to amend is to make it impossible for an allotment to be made on the two projects to which my amendment has reference. If the committee provision is not incorporated in the bill, if the law is not changed, it is still possible for the President, if he chooses to do so, to do substantially what he did in the beginning, namely, allot from the work-relief fund sums for carrying on the construction of the Florida ship canal and the Passamaquoddy power project. Is there any Senator who disputes that? But for this proposed change in the law, the proposed change to be made at the instance of the committee, the projects might be carried forward under this bill; but if that change is made in the law which the committee amendment contemplates, there can be no allocation of funds for either the Florida ship canal or Passamaquoddy. I like that name. There is something rather soothing about the name "Passamaquoddy." [Laughter.]

Mr. GLASS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Virginia.

Mr. GLASS. Mr. President, I should not like to permit to pass unchallenged the Senator's statement that the amendment of the Appropriations Committee was intended to preclude any allocation either to the Florida ship canal or to the Passamaquoddy project. Neither of them was mentioned, and I do not think either one of them entered the mind of any member of the Appropriations Committee.

Mr. ROBINSON. Well, the Senator does not doubt that the legal effect of the language is as I have stated. I do not mean to imply that it was intended that the provision should be limited to these two projects. It is a general provision of law which would apply to all projects.

Mr. GLASS. That was intended; but we had not in mind Passamaquoddy or the Florida canal, because when we acted we had not any idea that those projects would be revived.

Mr. HALE. Mr. President, will the Senator yield?

Mr. ROBINSON. Yes; I yield.

Mr. HALE. I should like to state that when the amendment which now appears in the bill was before the Appropriations Committee I moved to lay it on the table for the very reason that I thought it would block any appropriation that might be made for one or the other of these two projects. My motion, however, was rejected.

Mr. ROBINSON. I thank the Senator from Maine. The Senator from Maine, then, when the amendment was under consideration in the committee, recognizing its effect on these two projects, sought to lay the amendment on the table; and it is not, perhaps, of first materiality what was in the minds of the proponents of the provision, if it was not expressed. It is sufficient to say that the legal effect of the provision is to prevent an allotment for either of these projects.

Mr. HALE. I may say that at the time this matter came up, my impression is that the Senator from Virginia [Mr. GLASS] was not in the committee room.

Mr. GLASS. I certainly was not, because not during the consideration of the deficiency bill did I hear of Passamaquoddy or the Florida ship canal. I voted for the Florida ship canal, so far as that is concerned.

Mr. ROBINSON. Yes; I know it.

Mr. GLASS. But I thought the amendment was subject to a point of order, and so stated in the general committee.

Mr. HALE. I am very sure the Senator from Virginia was not present.

Mr. ROBINSON. I unqualifiedly accept the statement of the Senator from Virginia that he did not have in mind these particular projects, and that he opposed the amendment; but the truth of the matter is that if the amendment should be agreed to it would so change the general law that these projects could not be carried on, and if it should not be agreed to they still could be carried on.

In my judgment, that is a complete answer to the point of order made by the Senator from Colorado [Mr. ADAMS] that the amendment offered by myself is not germane to the provision to which it is sought to be attached. If the amendment I have proposed should be agreed to, it would modify the committee amendment so that as to these two projects already commenced it might be possible to continue them. It is true that their continuance is not made certain by the provisions of the amendment, but it is also true that if the boards proposed to be created, after they have made their studies, report that the projects are feasible and worthy—if, in other words, the reports of the boards are favorable—then the President will have an authorization for these projects to the extent that he may allot $10,000,000 for the one and $9,000,000 for the other for expenditure during the fiscal year.

I do not know why I should take more of the Senate's time in discussing the point of order. It seems to me clearly established that the Senate has the right to amend this provision if it chooses to do so; that it would be unreasonable to say that the committee may report an amendment constituting general legislation, as almost everyone concedes, and that that provision should not be subject to modification by the Senate itself. It is the well-established rule that even though general legislation may be incorporated in a measure by this House or the other House, or by a committee of this body, if the provision does constitute legislation it is subject to amendment just like any other

provision. The only limitation on the right to change it is that the changes must be germane to the subject matter of the proposed legislation.

Mr. CLARK. Mr. President, I desire to enter a point of order against the committee amendment.

The PRESIDING OFFICER (Mr. HATCH in the chair). The point of order made by the Senator from Missouri against the committee amendment is overruled.

Mr. CLARK. I respectfully appeal from the decision of the Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Johnson	Pittman
Ashurst	Clark	Keyes	Pope
Austin	Connally	King	Radcliffe
Bachman	Coolidge	La Follette	Reynolds
Bailey	Copeland	Loftin	Robinson
Barbour	Couzens	Lonergan	Russell
Barkley	Davis	Long	Schwellenbach
Benson	Duffy	McAdoo	Sheppard
Bilbo	Fletcher	McGill	Shipstead
Black	Frazier	McKellar	Smith
Borah	George	McNary	Steiwer
Brown	Gerry	Maloney	Thomas, Okla.
Bulkley	Gibson	Metcalf	Thomas, Utah
Bulow	Glass	Minton	Townsend
Burke	Guffey	Murphy	Truman
Byrd	Hale	Murray	Vandenberg
Byrnes	Hastings	Neely	Wagner
Capper	Hatch	Norris	Walsh
Caraway	Hayden	O'Mahoney	Wheeler
Carey	Holt	Overton	White

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. CLARK obtained the floor.

The PRESIDING OFFICER. Before the Senator from Missouri takes the floor, will he permit the Chair to make a statement as to his ruling?

Mr. CLARK. Certainly.

The PRESIDING OFFICER. The Senator from Missouri made the point of order that the committee amendment amounted to general legislation. The Chair overruled the point of order made by the Senator from Missouri because title II of the bill as it came from the House of Representatives contained many matters of general legislation, and in such a case the rule laid down by Vice President Marshall is stated thus:

> Notwithstanding the rule of the Senate to the effect that general legislation may not be attached to an appropriation bill, still when the House of Representatives opens the door and proceeds to enter upon a field of general legislation which has to do with a subject of this character, the Chair is going to rule—but, of course, the Senate can reverse the ruling of the Chair—that the House having opened the door the Senate of the United States can walk in through the door and pursue the field.

In view of that ruling, the Chair announced that the point of order made by the Senator from Missouri was overruled. From the ruling of the Chair the Senator from Missouri has appealed to the Senate.

Mr. CLARK. Mr. President, I desire very briefly to discuss the appeal.

I had great affection in his lifetime and have great respect for the memory of Vice President Marshall. I cannot forget, however, that at one time when I was familiar with proceedings of that sort, and was parliamentarian of the other House, that great Vice President was overruled nine times in 1 week by the Senate of the United States, and therefore I do not think the matter is necessarily settled. Furthermore, it does not seem to me that the ruling of Vice President Marshall is in any way applicable to this situation.

The Chair holds, and holds properly, that title II of the bill does contain some legislation. Many appropriation bills come over here from the House that contain some item of legislation; but from the present ruling of the Chair it would follow that if any general appropriation bill contained any item of legislation, therefore any other item of legislation would be in order in the Senate on a general appropriation bill.

I do not believe that is sound. In other words, it seems to me the necessary application of the ruling of Vice President Marshall, which the Chair has just read, would be to the particular provision which it was sought to amend, and that from the ordinary artifice of dividing a bill into titles, it does not follow that if a particular title happened to contain matter of legislation it would open up the whole title to any other item of legislation. In other words, the question should be whether or not the provision sought to be stricken out by the pending Senate amendment is legislation, and whether that should be opened up by the Senate amendment.

Mr. President, I am thoroughly in favor of the general purpose of the Senate committee amendment, and there is no difficulty about making the committee amendment in order on any general appropriation bill by some very simple transformation in language turning it into a limitation. The committee had in mind to make this amendment as a limitation on this appropriation bill, but they have not done it in the apt terms of limitations on appropriation bills according to the text of the rules which for a generation have been established both in the House of Representatives and in the Senate. The proponents of the amendment to the committee amendment seek to take advantage of the fact that the committee amendment itself is not in the aptest language to open up the general field of legislation. Therefore it seems to me that if the point of order which I have made should be overruled, the Senate should in all good conscience repeal rule XVI, and open up general appropriation bills to any sort of legislation which any Senator desires to offer at any time.

Mr. ADAMS. Mr. President, I am not an expert on parliamentary law, but I know the intent of the Senate committee in reference to this provision to be that which the Senator from Missouri describes. It was an effort to put a limitation upon the use of the particular appropriation contained in the bill. It is not general legislation, it is not new legislation. We merely state that the money appropriated by this bill shall be so used that any project to which it is allocated shall be completed within the limits of this appropriation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. CLARK. As I have said, I am in entire sympathy with what I conceive to be the purpose of the Committee on Appropriations. Does not the Senator agree with me that if advantage be taken of a possible inappropriateness in language, converting this committee amendment from a limitation in a general appropriation bill into an excuse for opening up the committee amendment to amendments of a general legislative character, it opens the door wide to any sort of legislation which may be contemplated by any Member of the Senate?

Mr. ADAMS. I am thoroughly in accord with the decision of the Chair, but I beg to differ with the reasoning. My understanding of the terms "new legislation" and "general legislation" is that they should be construed to mean something alien to an appropriation bill. In other words, title II does not contain within it that which I think can be correctly defined as new or general legislation. Every part of an appropriation bill is legislation. An appropriation bill is legislation. What the rule seeks to forbid is attaching to an appropriation bill legislation upon other subjects which are new, and which are matters of general legislation, rather than the regulation, the control, and the direction of the particular appropriation. In that sense I do not believe that a limitation, however inaptly framed, which is directed exclusively to the appropriation made by the bill, is either to be termed "new" or "general" legislation. Therefore, it has seemed to me that the premise upon which the Senator from Arkansas argues is unsound.

I should be willing to concede that if this be legislation opening the gates, it would open them to germane legislation, and to germane legislation only. I cannot see that proposed legislation providing for the appointment of a commission, that commission to go out and engage in scientific undertakings, scientific investigations, to determine the commercial feasibility of a project, is germane to an appropriation bill.

The PRESIDING OFFICER. The Chair has not ruled on the question as to whether or not it must be germane. The only question on which the Chair ruled was the point of order made by the Senator from Missouri.

Mr. ADAMS. I wanted it made clear that my original point of order was submitted on the ground that the amendment of the Senator from Arkansas was general legislation and that it was not germane to the bill.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. GLASS. Mr. President, what is the decision of the Chair on the point of the germaneness or nongermaneness of the proposal?

The PRESIDING OFFICER. The Chair has not passed on that question, and the Chair cannot pass on the question of whether or not it is germane. That must be submitted to the Senate. The Chair has ruled only on the point of order made by the Senator from Missouri.

Mr. CLARK. I ask for the yeas and nays.

The yeas and nays were ordered.

Mc McNARY. Mr. President, I was just about to express my approval of the ruling of the Chair, which does not indicate that I am at all favorable to the project on its merits.

Mr. ADAMS. Mr. President, may I ask the Chair to make a further explanation? There seems to be a good deal of misunderstanding among Senators about me as to what the issue is.

The PRESIDING OFFICER. The question raised by the point of order made by the Senator from Missouri goes only to the committee amendment. The Chair overruled the point of order made by the Senator from Missouri, holding that, while the amendment did amount to general legislation, nevertheless title II of the bill itself contained many items of general legislation, and under the ruling of Vice President Marshall, the Chair, having been advised that that ruling has been uniformly followed, held that the House of Representatives having opened the door, the Senate could go in. Those were the words of Vice President Marshall. A vote to sustain the ruling of the Chair should be in the affirmative; a vote against the ruling of the Chair should be in the negative.

Mr. BILBO. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BILBO. My understanding is that if the Chair is overruled in his position, that would send the bill back to the committee.

The PRESIDING OFFICER. The Senator is correct. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BILBO (when his name was called). I have a general pair with the senior Senator from Iowa [Mr. DICKINSON]. I transfer that pair to the Senator from Alabama [Mr. BANKHEAD] and vote "yea."

Mr. McNARY (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who is unavoidably absent. I am advised that if he were present he would vote as I am about to vote. I vote "yea."

Mr. METCALF (when his name was called). Owing to the absence of the Senator from Maryland [Mr. TYDINGS], with whom I have a pair, I withhold my vote, not knowing how he would vote if present.

The roll call was concluded.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from South Carolina [Mr. SMITH] are detained from the Senate on account of illness.

The Senator from Arizona [Mr. ASHURST], the Senator from North Carolina [Mr. BAILEY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Georgia [Mr. GEORGE], and the Senator from Connecticut [Mr. LONERGAN] are detained in important committee meetings.

The Senator from Washington [Mr. BONE], the Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr. GORE], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from New Jersey [Mr. MOORE], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained.

Mr. FRAZIER. My colleague the junior Senator from North Dakota [Mr. NYE] is necessarily absent. If present, he would vote "yea."

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. LOGAN], who, I understand, if present, would vote as I am about to vote. I vote "yea."

The result was announced—yeas 53, nays 19, as follows:

YEAS—53

Adams	Davis	McGill	Russell
Bachman	Duffy	McKellar	Schwellenbach
Barkley	Fletcher	McNary	Sheppard
Benson	Frazier	Maloney	Steiwer
Bilbo	Gibson	Minton	Thomas, Okla.
Black	Guffey	Murray	Thomas, Utah
Brown	Hale	Neely	Truman
Bulkley	Hayden	O'Mahoney	Wagner
Bulow	Johnson	Overton	Walsh
Byrnes	Keyes	Pittman	Wheeler
Caraway	La Follette	Pope	White
Chavez	Loftin	Radcliffe	
Connally	Long	Reynolds	
Copeland	McAdoo	Robinson	

NAYS—19

Austin	Capper	Glass	Norris
Barbour	Carey	Hastings	Shipstead
Borah	Clark	Holt	Townsend
Burke	Couzens	King	Vandenberg
Byrd	Gerry	Murphy	

NOT VOTING—24

Ashurst	Dickinson	Hatch	Moore
Bailey	Dieterich	Lewis	Norbeck
Bankhead	Donahey	Logan	Nye
Bone	George	Lonergan	Smith
Coolidge	Gore	McCarran	Tydings
Costigan	Harrison	Metcalf	Van Nuys

So the decision of the Chair was sustained.

Mr. CLARK. Mr. President, by the vote just taken the Senate has to all intents and purposes repealed rule XVI and thrown open the door to any sort of legislation on a general appropriation bill. In other words, the Senate has complete jurisdiction to construe its rules in any way it pleases. However, it certainly seems, in view of the action just taken by the Senate, that the argument of the Senator from Arkansas against the point of order of the Senator from Colorado is entirely sound, and therefore the point of order of the Senator from Colorado ought to be overruled, because if the committee amendment proposing legislation is not subject to a point of order, then clearly the amendment offered by the Senator from Arkansas, or any other amendment on any other legislative subject, is not subject to a point of order under the recent ruling of the Senate.

The VICE PRESIDENT. The Chair understands from the Parliamentarian that the question before the Senate is, Is the amendment of the Senator from Arkansas to the committee amendment germane to the committee amendment?

Mr. CLARK. The Senator from Colorado, as I understood, made two points of order. The first point of order, unless the Senator has withdrawn it—and if he withdrew it I failed to hear him do so—was that the amendment was legislation on a general appropriation bill and in contravention of rule XVI. His second point of order was that the amendment was not germane to the committee amendment.

The VICE PRESIDENT. The Senate has just voted on the question whether or not the amendment proposed by the Appropriations Committee to the bill is in order. The Senate decided, by a vote of 53 to 19, that it was in order. The question now is whether or not the amendment offered by the Senator from Arkansas to the committee amendment is germane to the amendment held by the Senate to be in order. The Chair understands that that is the parliamentary situation.

Mr. CLARK. Mr. President, I desire again to call the attention of the Chair to the fact that the first point of order made by the Senator from Colorado against the amendment

of the Senator from Arkansas was that it amounted to general legislation on an appropriation bill. His second point of order was that the amendment was not germane. The mere submission of the question of germaneness, which under the rules of the Senate must be submitted to the Senate, does not dispose of the first point of order made by the Senator from Colorado; and I am now inquiring whether the Senator from Colorado adheres to the first point of order.

Mr. ADAMS. Mr. President, my point of order is based upon two grounds: First, that the amendment of the Senator from Arkansas constitutes general legislation, in that it provides for the creation of boards, describes their powers and their functions, delegates to the boards the power to make scientific investigations and economic researches, and provides an appropriation contingent upon the reports which the boards make. The second point of order is that the amendment of the Senator from Arkansas is not germane to the amendment of the committee.

Upon the question just voted on, I must say that I voted to sustain the ruling of the Chair. I disagreed with the reasons which the Chair gave. I think the amendment to which the point of order was made was a limitation upon an appropriation bill; that it was not general legislation.

I think the contention that it is general legislation cannot be justified by reason of anything contained in the provision. The Senator who preceded the Vice President in the chair felt that the amendment was general legislation, but was justified by other things in the bill. My own judgment is that his ruling was correct but that the reasoning upon which it was based was incorrect.

The VICE PRESIDENT. The present occupant of the chair understands that the Senate voted to sustain the ruling of the Chair, which was that the amendment in question was legislation, but that it was justifiable on account of the general legislative propositions contained in the bill as passed by the House.

Mr. GLASS. But, Mr. President, that decision related solely to the committee amendment, and not to the amendment proposed by the Senator from Arkansas.

The VICE PRESIDENT. The Chair is not referring to the amendment now proposed to the amendment of the committee. He is merely stating his understanding of the situation with respect to which the Senate just voted. The point of order was made, and the Chair held that, while the amendment in question was legislation, it was in order, and the Senate sustained the ruling of the Chair. Now the Senator from Colorado makes a point of order that the amendment offered by the Senator from Arkansas is general legislation and, in addition thereto, that it is not germane to the amendment of the committee.

Mr. FLETCHER. Mr. President, the whole of title II is, in effect and in many respects, general legislation. It comes that way from the House to us. It has been held by the Senate that we have a right to amend it. The Senate has held that the committee amendment is in order. Now the question is whether the amendment offered by the Senator from Arkansas is germane. It certainly is germane, and it certainly is relevant to the committee amendment. That being true, the point of order should not be sustained.

Mr. ROBINSON. Mr. President, I presented my views on the point of order at length while another than the Vice President was occupying the chair. I do not wish to repeat what was then said, but will point out to the Vice President that the language which is sought to be amended is as follows:

> No Federal project shall be undertaken or prosecuted with funds provided for in this appropriation unless and until an amount sufficient for its completion has been allocated and irrevocably set aside for its completion—

And so forth. That amendment would have the effect of changing the law, or preventing the allotment of funds which may be hereafter appropriated to the two projects that are referred to in the pending amendment to the committee amendment. If it were not adopted, the President could still, as a matter of law, if he chose to do so, make allotments from the funds in this bill.

What the pending amendment seeks to accomplish is to modify the committee amendment so that if the boards to be created under the authority of the amendment to the amendment shall report favorably on the projects, after making certain specific investigations called for by the language of the amendment, the President may then have authority to make additional allotments to the Passamaquoddy project and the Florida ship canal project, notwithstanding the general provision contained in the committee amendment that no project shall be initiated unless at the time of its initiation a sufficient amount of money shall be provided for its contention. Plainly to me, it is a provision which the Senate has a right to amend, and, unless it can amend it, the committee would have the right to incorporate provisions of law in appropriation bills without any opportunity to the Senate to change the language or to modify the effect of the provisions.

The VICE PRESIDENT. Let the Chair once more state his understanding of the parliamentary situation. The present occupant regrets he was not in the chair at the time the original point of order was made. The Senate by a vote of 53 to 19 has determined that the committee amendment to the appropriation bill is in order. Therefore, any amendment that is germane to the legislation is in order. The question of germaneness of the amendment offered by the Senator from Arkansas is the question now before the Senate.

Apparently, as the Chair is advised by the Parliamentarian, whoever drew the rules of the Senate was not willing to trust the presiding officer to determine the germaneness of an amendment of this kind, as, under the rules, the Chair does not have the right to determine the germaneness of an amendment to legislation on an appropriation bill. The Chair, therefore, submits to the Senate the question, Is the amendment of the Senator from Arkansas germane to the amendment of the committee?

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BILBO (when his name was called). I have a pair with the senior Senator from Iowa [Mr. DICKINSON]. Not knowing how he would vote, I transfer that pair to the Senator from Alabama [Mr. BANKHEAD], and will vote. I vote "yea."

Mr. DAVIS (when his name was called). Making the same announcement as on the previous roll call with reference to my pair and its transfer, I vote "yea."

Mr. McNARY (when his name was called). Again referring to my pair with the Senator from Mississippi [Mr. HARRISON], I vote "yea."

The roll call was concluded.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. McCARRAN], and the Senator from South Carolina [Mr. SMITH] are detained from the Senate on account of illness.

The Senator from Arizona [Mr. ASHURST], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Connecticut [Mr. LONERGAN] are detained in important committee meetings.

The Senator from Washington [Mr. BONE], the Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr. GORE], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from New Jersey [Mr. MOORE], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained.

The result was announced—yeas 53, nays 21, as follows:

YEAS—53

Bachman	Couzens	McKellar	Schwellenbach
Bailey	Davis	McNary	Sheppard
Barkley	Duffy	Maloney	Shipstead
Benson	Fletcher	Minton	Thomas, Okla.
Bilbo	Frazier	Murray	Thomas, Utah
Black	George	Neely	Townsend
Borah	Gibson	Norris	Truman
Brown	Hale	Overton	Wagner
Bulow	Hatch	Pittman	Walsh
Byrnes	Johnson	Pope	Wheeler
Caraway	La Follette	Radcliffe	White
Chavez	Loftin	Reynolds	
Clark	Long	Robinson	
Connally	McAdoo	Russell	

NAYS—21

Adams	Capper	Hayden	Murphy
Austin	Carey	Holt	O'Mahoney
Barbour	Copeland	Keyes	Vandenberg
Bulkley	Gerry	King	
Burke	Glass	McGill	
Byrd	Hastings	Metcalf	

NOT VOTING—22

Ashurst	Dieterich	Logan	Smith
Bankhead	Donahey	Lonergan	Steiwer
Bone	Gore	McCarran	Tydings
Coolidge	Guffey	Moore	Van Nuys
Costigan	Harrison	Norbeck	
Dickinson	Lewis	Nye	

So the Senate decided Mr. ROBINSON's amendment to be germane to the amendment reported by the committee.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 1252. An act for the relief of Odessa Mason;

H. R. 4148. An act for the relief of the Thomas Marine Railway Co., Inc.;

H. R. 6163. An act for the relief of Mrs. Murray A. Hintz;

H. R. 9125. An act for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs. G. C. Oliphant, Amelia A. Daimwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire, Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, Dr. E. O. Arnold, and Jennie Chapman; and

H. R. 10565. An act for the relief of Mr. and Mrs. William O'Brien.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 267) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 2, 16, and 71 to the bill, and concurred therein, and that the House had receded from its disagreement to the amendments of the Senate numbered 85 and 86, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had concurred in Senate Concurrent Resolution 38, as follows:

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January next.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 4533. An act granting the consent of Congress to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge across the Pascagoula River at or near Wilkerson's Ferry, Miss.;

H. R. 4148. An act for the relief of the Thomas Marine Railway Co., Inc.;

H. R. 9125. An act for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs. G. C. Oliphant, Amelia A. Daimwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire, Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, Dr. E. O. Arnold, and Jennie Chapman;

H. R. 12120. An act to provide for the further development of vocational education in the several States and Territories;

H. R. 12527. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes;

H. R. 12870. An act to aid in defraying the expenses for the celebration of the bicentennial of the birth of Patrick Henry, to be held at Hanover Courthouse, Va., July 15, 16, and 17, 1936; and

S. J. Res. 262. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. ROBINSON] to the amendment reported by the committee.

Mr. ROBINSON. Mr. President, I should perhaps make an explanation of the amendment. During the course of the debate on the parliamentary questions which were raised, there were references to some of the provisions of this amendment. If I may have the undivided attention of Senators, I should like to condense my discussion of the amendment as much as may seem practicable.

It is perhaps not necessary to state the circumstances which have prompted the introduction of this subject at this time. Every Member of the Senate, probably, is familiar with the essential features which are involved in the questions raised by the amendment.

Last year the Congress passed a large work-relief bill, and gave the President authority to initiate the construction of projects with one controlling purpose in mind, namely, to provide employment for a large number of persons who were on the relief rolls. Among the projects which were initiated under that authority were two very large ones, namely, the one pertaining to the Florida ship canal and the other relating to the Passamaquoddy tidal-power plan. The completion of these projects, it appears from the record, would require, in the case of the first project, the Florida ship canal, approximately $150,000,000, including the amount that has already been expended under the allotment made by the President; and as to the second project, Passamaquoddy, the total is estimated to approximate $42,000,000.

There was no question as to the legal right of the Executive to initiate the projects. So far as my information goes, no question has ever been raised of the legal right to initiate

the two projects. Questions have arisen which involve the subjects of public policy, the feasibility of the projects, their adaptability to the purposes for which they are to be constructed, and other related questions.

The time is approaching when the question must be determined whether work on the projects shall be suspended or continued. The object of presenting the amendment at this time is to resort to a method by which a conclusion may be reached as to those questions. If the amendment should be agreed to it would result either in a continuation of the work or an abandonment of the projects. In all probability the latter outcome would be the result if the report contemplated by the amendment should be unfavorable to the project. While the Executive would have the power, unless the law is changed, to make new allotments, I am sure he would hesitate to do so on the state of the record as it now exists.

It has seemed to me fair and proper to present the questions involved in the amendment for the consideration of the Senate, inasmuch as unless something is done great confusion will result. There are now something like 5,000 laborers employed at Passamaquoddy and approximately 6,000 engaged in work on the Florida ship canal. If the work is to be continued it should be done, of course, without interruption or with as little interruption as may be permissible.

In an effort to work out the controversy fairly it is proposed that the President shall appoint two boards consisting of three members each, all the members of the boards to be engineers. In order to insure impartial reports, reports not biased or prejudiced by conclusions heretofore reached, it is also provided that no one who is employed by the Government of the United States or by either the State of Florida or the State of Maine, or who has an interest direct or indirect, present or prospective, in the financial transactions incident to the two projects, shall be eligible to membership on either board.

It is also contemplated that if the boards shall be created and constituted as just stated, they shall discharge certain functions. They would have available, of course, for their study all the investigations and findings which have been made heretofore either by the engineers under the jurisdiction of the War Department or by those connected with the Works Administration. In addition to that they would have certain functions which would be specially imposed upon them.

With respect to the Florida ship canal, there are four aspects of the duties of the members of the board to which attention is now directed.

First, the board is to consider whether the construction of the canal would create disturbance of the ground-water levels of the State of Florida. One of the objections urged to the project is that it will disarrange the ground-water levels of the State; and this new board will be expected to give special attention to that phase of the matter.

The second function relates to the estimated cost of construction, operation, and maintenance.

The third is a very broad one and an important one insofar as the future fate of these projects is concerned. It relates to the justification of the expenditure of the Federal funds necessary in connection with the project.

The fourth requirement is that the board shall make such further study of these and other pertinent questions as it may deem necessary.

The President's view is that it will be informative and helpful to have the study and the advice of a board whose judgment may be relied upon as unbiased and unprejudiced in determining these fundamental questions, which have relationship to the merits of the projects and which should govern in determining whether they should be carried forward.

With respect to the Passamaquoddy project, while the duties of the board to be created to consider that project are somewhat different from those of the board to study and report on the Florida ship canal, the duties are closely analogous.

First, the board is charged with the direct duty of passing on the feasibility of the project from an engineering standpoint. Certainly this phase of the inquiry has been involved either directly or indirectly in all the examinations that have been heretofore made; but it is believed, in view of the contentions that have been raised respecting the proposed tidal-power project, that it would be advantageous to have the matter studied and passed upon by such a board as the amendment contemplates.

The second duty of the Passamaquoddy board relates to the justification of the project, including the possibilities relating to the establishment of industries requiring electric power in eastern Maine. In the debates here much of the controversy has revolved around this question, and it seems appropriate and helpful to have definite information relating to it.

The third obligation on the board involves a study of the scientific value from the knowledge and experience to be gained with respect to an experiment in tidal-power development. At this time it does not appear to be necessary to elaborate upon that aspect of the subject. It involves a field inviting to research. It is a subject that is intimately connected with the development in a large portion of the State of Maine where development apparently is greatly needed.

The fourth task of the board will be to estimate the cost of construction, operation, and maintenance; and it is also provided in the amendment that unless the estimates come within a certain limit—a limit of $150,000,000 with respect to the Florida ship canal, including the amounts already expended, and $42,000,000 as to the Passamaquoddy project, including the amounts spent there—the allotments may not be made by the Executive under the authority of this measure.

Fifth, as in the case of the ship canal, the Passamaquoddy board is authorized to make such further studies as it may find necessary to the proper performance of its duties. In the original joint resolution, which was referred to the Committee on Commerce and reported a few days ago by that committee to the Senate, it was provided that the reports should be made on or before June 20, 1936. I doubted at the time whether that limitation gave sufficient opportunity for the boards to complete their tasks; and in this amendment the time has been extended until July 20. While it is desirable that the boards shall have full opportunity to study and reach conclusions concerning the specific questions that are submitted to them under the amendment and the other general subjects which they are at liberty to inquire into, it is also desirable that the issue should be brought to a conclusion as speedily as circumstances reasonably permit.

As already indicated, there are approximately 11,000 persons at work on these two projects. If the projects should be suspended indefinitely, it would be necessary as to many of those laborers to provide other employment, and to break up the organization and then reestablish it, as would have to be done if the reports were unduly delayed, which would, from the standpoint of every person, be undesirable. So the policy of the amendment is to invite and to cause as prompt a decision as the circumstances will permit.

It is provided in the amendment that if, as to the projects or either of them, the report is favorable, the President may make allotments from the funds in this bill for carrying on work on the project that has been so approved. In the one case, the Florida ship canal, the allotment that would be authorized is $10,000,000; in the case of Passamaquoddy it is $9,000,000; those sums being sufficient for present requirements.

There are other provisions in the amendment of comparatively slight importance. All the departments which have information on these subjects are required to supply that information to aid the boards in the discharge of their duties. They are also instructed to render any assistance the boards may request.

In view of the controversy and present status of these projects, it seems to me that the amendment provides a fair and satisfactory way to determine the issues which have arisen. I should hope that the Senate will keep the projects

alive by adopting the amendment. There would thus be given a further opportunity to study them, with the assurance that they would not be carried forward unless the reports justified that course, and with the assurance that they will be carried on if the facts appear to justify doing so.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. COPELAND. As I have understood the matter, in our discussions in the committee it was distinctly understood that, whatever might be the fate of the proposal here today, it has no bearing upon any future action the Congress may take. In other words, if there should be favorable action upon the amendment, the action would not bind the Congress in any sense, and it is not to be considered as an authorization of the ultimate completion of these two projects. Does the Senator from Arkansas agree with me in that statement?

Mr. ROBINSON. Mr. President, clearly, as a matter of law, there is no express authorization of the projects in the amendment. Such a provision would be inconsistent with the purpose of the amendment. As to how any Senator would regard the action of Congress in authorizing an allotment for these projects to be expended during the next fiscal year, the Senator from New York is as able to reach a conclusion as am I. I agree with him that there is no legal obligation on the Congress to make additional appropriations.

Mr. HALE obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. COPELAND. Mr. President, may I complete my colloquy with the Senator from Arkansas?

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from New York? He desires to further inquire of the Senator from Arkansas.

Mr. HALE. Certainly.

Mr. COPELAND. Mr. President, it is our practice in connection with river and harbor projects and water-control projects, after due consideration by the appropriate committees of the Congress, to make a definite authorization for the completion of a project. I want it distinctly understood that the testimony brought out before the Committee on Commerce—and, as I understand the Senator from Arkansas today, he confirms this statement—if the Congress should take favorable action and vote $10,000,000 and $9,000,000, respectively, for these projects, such action would not bind in any sense the present Congress or any future Congress in the sense in which a Congress may be bound by the ordinary appropriation for a river and harbor or water-control project.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

The VICE PRESIDENT. The Senator from Maine has the floor. After the Chair recognized the Senator from Maine the Senator from New York said he desired further to interrogate the Senator from Arkansas. The Senator from Maine has the floor. Does the Senator yield; and if so, to whom?

Mr. HALE. I will yield if it will not take any considerable time.

Mr. VANDENBERG. I thank the Senator. I am going to permit the Senator to proceed immediately, if he will just permit me a moment.

I do not want the statement just made by the Senator from New York to stand, even for one moment, without my distinct and complete dissent. I think it would be perfectly absurd to take any action which would authorize another year's work upon these projects unless the Congress is prepared to see them through to the finish. Therefore, this decision is a conclusive decision, and no amount of camouflage and no amount of weasel-worded arguments can make it anything else.

Mr. HALE. Mr. President, in view of the fact that there is no possible connection of any kind between the two projects included in the amendment of the Senator from Arkansas [Mr. ROBINSON] I am about to ask that the amendment be divided, and before doing so I wish to address the Senate briefly, giving my reasons for asking for a division.

The situation in regard to the Passamaquoddy project is as follows:

Under the powers given him in the $4,880,000,000 relief bill, which became a law in 1935, the President started and has already spent on the Passamaquoddy project in the neighborhood of $6,000,000. Extensive surveys have been made, lands and options have been acquired, buildings for the employees have been built, and improvements in the grounds connected with the buildings have been made. An actual start has been made on the construction of one of the main dams, and two of the smaller dams have already been constructed. The peak of employment was some 5,000 employees, largely taken from the relief rolls.

When the War Department appropriation bill came before the Congress last March along with it came a Bureau of the Budget recommendation for an appropriation of $29,000,000 for the Passamaquoddy and four other projects, including the Florida ship canal project. The House refused to include the appropriation because, as its Committee on Appropriations stated, these projects had never been authorized by the Congress. The appropriation for Passamaquoddy, as recommended by the Budget Bureau, was $9,000,000.

When the bill came before the Senate, the friends of Passamaquoddy, on the ground that the President had the authority to start the project, that he had started it, and had in his hands the necessary funds for carrying it on and, therefore, needed no further legislation for carrying it on, asked the Committee on Appropriations to leave out the $9,000,000 for Passamaquoddy, should the committee decide to adopt the Budget Bureau's recommendations.

The committee accepted our recommendation to leave out the $9,000,000 for Passamaquoddy, and thereupon turned down the Budget Bureau's recommendation for the remaining four projects. Later, on the floor of the Senate, when a floor amendment was offered to take care of the other four projects, and which still left out the nine million for Passamaquoddy, the floor amendment was beaten. Subsequently, a similar amendment, but leaving out appropriations for both Passamaquoddy and the ship canal, was adopted by the Senate. The bill, as enacted, included the final amendment passed by the Senate providing appropriations for the three other projects.

As a result of the tactics of the friends of Passamaquoddy, no action was taken by the Congress on the project other than the action of the House Committee on Appropriations, which refused to approve the Budget Bureau's recommendation for the five projects because none of them had previously been authorized directly by the Congress. The appropriation asked for was a direct congressional appropriation, and not a relief allotment.

The Florida ship canal project, on the other hand, while still open to an allocation to it of relief funds by the President, as the Senator from Arkansas has stated this afternoon, has against it the adverse vote in the Senate.

I cannot see that the situation has changed so far as Passamaquoddy is concerned. The President has full power to take care of it if he sees fit so to do. I regret that pending amendment has been offered.

Much abuse has been heaped on the Passamaquoddy project. Senators have referred to it repeatedly with scorn and ridicule. It is no matter for scorn or ridicule. Long before the depression hit our country, great power interests in this country were considering the very practical question of harnessing the tides on both the American and the Canadian shores of Passamaquoddy Bay to develop a great tidal power, through the use of private funds. For that purpose these power interests, cooperating with the originator of the project, Mr. Dexter Cooper, a prominent engineer, the brother of the Cooper who built the great dam at Muscle Shoals, had expended nearly a half million dollars in preliminary soundings and surveys, and the purchase of abutments and land options.

A charter had been secured from the State of Maine in 1925, and from the Government of Canada in 1926 to erect and operate a great tidal electric plant. This tidal plant would produce, it was estimated, from a million to a million and a half horsepower, and produce it at a very low cost per kilowatt-hour.

The development on the Canadian side of the project was held up on account of a possible injury to Canadian fishing interests, and a commission was appointed by the two countries to investigate the question of injury. That was in the winter of 1930, as I recall. I was instrumental in getting legislation through Congress authorizing the investigating commission. This, of course, was long before any question of the Government's financing the proposition had been suggested.

The commission held lengthy hearings on the question of injury to the Canadian fishing industry, and made a report which was somewhat unfavorable, but not conclusive; and more time was asked by both governments to go on with the investigation. No further survey has since been made. In the meanwhile the parties interested went ahead to develop, through the use of private capital, a smaller unit on the American side.

The hope of the whole eastern section of Maine and the adjacent Canadian territory is to get this international power project started; and, had it not been for the depression, it might well have been started with private capital by this time. Always there has been a question in the minds of many persons whether power can actually and practically be developed by the tides. The engineers are agreed that it can be developed. A practical demonstration through the starting of the smaller Passamaquoddy power would give the real impetus that is needed to get the greater international project started, and the one proposition would fit into the other.

The region where the plant is located is settled by as fine a class of people as we have in the State of Maine—people whose families have been on the land for more than a hundred years. Many of them come of seafaring stock. In the days of wooden ships this was a great shipbuilding community, but with the passing of the wooden ship that industry has gone; and so it is with the lumber industry, the sardine industry, and other industries in which these hard-working, thrifty people once flourished. I know of no locality in the country which would better warrant rehabilitation than this county on our extreme eastern frontier or which would pay better dividends for rehabilitation. That a great developed power in this vicinity, in connection with their excellent harbor facilities, will bring manufactures from other parts of the country to Eastport and its vicinity is the expectation of those who favor the project. The work that has already been done has been of infinite value to the community and to the State at large.

That the present project by itself is a low-cost power unit, I do not claim. That by itself, unless one credits to relief a considerable part of the cost of the installation, it is warranted economically, I do not claim; but as an initial step toward the starting of a much larger and much more beneficial private project I believe it is most certainly warranted.

I have favored the Passamaquoddy project from its inception. I favor it now, and I wish to have an opportunity to cast my vote in its favor. Unfortunately, under the amendment offered by the Senator from Arkansas, the project is linked up with another project in which I do not believe, and against which I have cast my vote in the Senate. It has been estimated that this second project, the Florida ship canal, will cost the Government upward of $150,000,000. It has been suggested to me by friends of Passamaquoddy that in order to insure the legislation for its continuance I should change about on the ship canal and also vote for its continuance.

Mr. President, I cannot reconcile myself to any such change of front. I will have no part in saddling on our Government an ultimate expenditure of more than $150,000,000 for a project in which I do not believe in order to save the Maine project, dearly as I should like to see the latter put through. If the two projects are coupled together, therefore, I must vote against the amendment.

Mr. President, I ask that a separate vote may be had on the two questions at issue. Under rule XVIII I believe I am entitled to such division. I ask that the amendment be divided.

The PRESIDING OFFICER (Mr. JOHNSON in the chair). The Senator from Maine asks for a division of the amendment. In the opinion of the Chair, he is entitled to a division.

Mr. ROBINSON. Mr. President, inasmuch as the vote is not to be had now, I suggest that we meet that question when we reach it. Consideration of that question may properly be deferred until we are ready to vote.

Mr. HALE. Under rule XVIII, I have a right to a division, have I not?

Mr. ROBINSON. It is merely suggested that we can determine that question when we are a little nearer ready to vote. There is no use going into it this evening.

Mr. HALE. Is it not the ordinary procedure to determine the question when the request is made?

The PRESIDING OFFICER. The parliamentarian advises the Chair that under rule XVIII it is the right of the Senator from Maine to have a division of the question. No action need be taken by the Senate upon it.

Mr. ROBINSON. The question will arise again when we reach the point of voting. The Senator need not raise the question now, unless the Senate is ready to vote.

Mr. McNARY. Mr. President, unquestionably rule XVIII accords the Senator the right to demand a division of the question. The demand can be made at any time before the vote. The Senator from Maine desires to raise it at this time. I think the proper attitude on the part of the Chair is to declare that there shall be a division of the question.

The PRESIDING OFFICER. The opinion of the Chair is that no action need be taken at the present time. The Senator from Maine has a right to a division of the question.

Mr. FLETCHER. Mr. President, the amendment is before the Senate and will be voted upon in due course. Any Senator has a right to raise the question suggested by the Senator from Maine, but not beforehand and not until a vote is reached. We have not reached the point of agreeing or disagreeing to the amendment. When action is to be taken upon the amendment, then the request of the Senator will be in order. I do not see any need of raising the question at this time.

Mr. McNARY. It is plainly the right of the Senator from Maine, under rule XVIII, to demand a division of the question. It becomes pertinent at this time because, as the Senator stated, he favors the Passamaquoddy project and is opposed to the Florida canal project. Consequently, there is no need of doubling the argument when he wants to state clearly his position with respect to one of the projects on the motion. I think it would be proper for the Chair to declare that the Senator from Maine has a right to a division of the question and, therefore, set at rest any issue about the matter.

The PRESIDING OFFICER. The ruling of the Chair, as has been stated twice, is that the Senator from Maine has the right absolutely to a division of the question.

Mr. HALE. I call for that division.

The PRESIDING OFFICER. There is no further action to be taken at this time.

Mr. ROBINSON. Is the Senator from Maine ready to vote now?

The PRESIDING OFFICER. There is no necessity for calling for a division now. Notice has been given. The present occupant of the chair rules that the Senator has a right to a division of the amendment, and the matter rests there until the question comes before the Senate for a vote and then the question will be divided.

Mr. HALE. I want the amendment to come before the Senate. The amendment is going to be debated. Of course,

I want to have something further to say about the Passamaquoddy project.

Mr. ROBINSON. It happens Passamaquoddy comes last in the amendment.

Mr. HALE. Not in my request for a division.

Mr. ROBINSON. The Senator may present his request if he desires to do so, but he cannot have a vote upon the amendment while it is being discussed.

The PRESIDING OFFICER. May the Chair state that in the opinion of the Chair, according to the amendment, the first question to be voted upon is the Florida ship canal.

Mr. HALE. I have simply gone about it in the other way, and have stricken out the provision relating to the Florida ship canal, leaving Passamaquoddy to be acted upon.

The PRESIDING OFFICER. The amendment which has been presented obviously applies first to the Florida ship canal. Upon that amendment, in the opinion of the Chair, the vote will first be taken on the Florida ship canal and subsequently upon Passamaquoddy.

Mr. HALE. Very well.

Mr. METCALF. Mr. President, today the Finance Committee agreed to report what I believe will prove to be the worst tax bill the Senate has ever been called upon to consider. I will modify that statement slightly by saying that I think probably the worst tax bill ever presented was the one which came to us from the other House.

Now we are trying to see how much money we can spend; not doing it in a legislative way, but by turning it over to some individuals to do with just as they wish. Is it not time that we went back to proper legislative procedure and that Congress should know where and how the money is to be spent?

Students will some day study the past 4 years of American history with wonder and amazement. It has been a period of chaos and political upheaval. I say the past 4 years, because it began with the party conventions of 1932. Immediately following those conventions, the present occupant of the White House made a series of vital speeches in which he entered into a solemn contract with the people of this country. We had every reason to believe that this contract would and should govern the course of events in this Nation during the 4 years which were to follow his inauguration.

These policies were outlined in the following solemn remarks made in the campaign of 1932:

> I regard reduction in Federal spending as one of the most important issues in this campaign. It is the most direct and effective contribution that Government can make to business.

In September he solemnly promised:

> I shall use this position of high responsibility to discuss up and down the country, in all seasons, at all times, the duty of reducing taxes. * * * This I pledge you, and nothing I have said in the campaign transcends in importance this covenant with the taxpayers of this country.

In October 1932 Governor Roosevelt said:

> Federal extravagance and improvidence bear a double evil; our whole people and our business cannot carry its excessive burdens of taxes.

In Chicago Candidate Roosevelt outlined his views on bureaucracy by saying:

> We must merge; we must consolidate subdivisions of Government; we must abolish useless offices.

In July 1932 Governor Roosevelt said:

> Let us have the courage to stop borrowing to meet deficits. Stop the deficits!

And he added:

> Too often in recent history liberal governments have been wrecked on the rocks of loose fiscal policy.

I call the attention of the Senate to the phrase "liberal governments."

Upon the pledges and program roughly outlined in these speeches, the American people went to the polls in November 1932, and placed the present administration in complete control of the economic and social policies of this country.

On the date of the anniversary of the Russian revolution, President Roosevelt is said to have cabled to Soviet President Kalinin the following words:

> I am happy to extend sincere felicitations on this memorable anniversary.

Very soon the Democratic Party will celebrate the anniversary of its nomination of the President of the United States. Will a return greeting be sent by President Kalinin? Most certainly the placing in a powerful W. P. A. position of Katherine Kellock, wife of the propaganda agent for the Soviet Embassy, should please the heart of the Russian President. Certainly the adherence to socialistic doctrines on the part of the administration merits the felicitations of a Communist government. Surely the fight on the part of Secretary Perkins to retain radical aliens in this country should merit the approval of a Nation openly, instead of secretly, communistic; and surely the vast destruction of capital and private property through deliberate waste and extravagance merits a kind word from Communists all over the world.

It is a long, long way from the promises of the Democratic candidate in 1932 to legislation such as we have before us today. We were promised economy, and we have received extravagance. As the able Senator from Maine [Mr. HALE] pointed out yesterday, relief appropriations up to the next fiscal year will total $13,187,675,000. We are now about to appropriate nearly $2,500,000,000 for the C. C. C., for general public works, and for boondoggling. Instead of reducing taxes, we have been working 4 months on a billion-dollar tax bill; and we are faced with the probability of enacting a tax law which no one can understand, which few businesses can withstand, and which is much more in keeping with communism than with the individualistic beliefs of the American people.

No one really knows where this relief money is to go. We know that much of it will be wasted, and we know that much of it will be used for political purposes. Old Boondog will take most of it for useless and silly projects.

The boondog bays. He tears crazily through the country on his mission of boondoggling, dragging the political tin can tied to his tail by General Farley and feeding on the few remaining assets of a fast-disappearing race of taxpayers. Mr. President, I am afraid he has the rabies.

Old Boondog took Wigwam Brook at West Orange, N. J., in an unguarded moment, and left $14,962 of taxpayers' money to pave the bed of Wigwam Brook:

> How peacefully should the waters sleep,
> With Boondog's mattress in her deep!

Harry Hopkins sent his Old Boondog into Allentown, Pa. He should have known that a boondog afflicted with rabies would dash straight to the nearest institution for mental observation, and so he did. When he left Allentown, the W. P. A. started giving facials, manicures, and hair waves to the patients in the Allentown State Hospital. So gratifying was Old Boondog's sense of well being that he announced beauty treatments would be given to the inmates of the Philadelphia General Hospital and the Torrance State Hospital; and all at the expense of the taxpayers.

Mr. President, I have heard of W. P. A. schools for tap dancing, for opera, for housemaids, and sewing circles, but this adventure within the portals of mental institutions at last brings Old Boondog into a sphere of activity more directly related to his nature.

Old Boondog had a hard day in Vermont. At Burlington he allotted $24,000 to repair the walls of the reservoir, only to find there was nothing wrong with the reservoir. How Old Boondog must have growled and tossed his froth! But he would not leave until he had taken at least one more bite out of Mr. Taxpayer. Not Old Boondog! So he allotted $62,000 to repair the community center. When he could not find a community center anywhere, he left in disgust and made a mad dash for Massachusetts.

At Waltham, Mass., $10,000 of the taxpayers' funds were left to boondoggle the water and filth from a piggery.

Five hundred thousand dollars of taxpayers' money has been allotted for a school for housemaids. Oh, how nice it will be for the hungry families on relief to have servants with Parisian finesse, who know all the delicacies of the table and how to serve them. "Friandises, Madame?"

Old Boondog is trying to find out how much of everything we eat and wear. Thousands of dollars in public funds are being spent to determine how much we have paid for crutches and hot-water bottles. I have one of the schedules. Here is what the W. P. A. worker is supposed to find out when he canvasses the American home: How many sun suits, bathing suits, pairs of drawers, shirts, ties, pajamas, rubbers, you own; what they are made of, and how much you paid for them; how much you pay for shoeshines; what your underwear is made of, and whether it is knit or woven, in suits or shirts and drawers. Old Boondog wants to know how many pairs of shoes you have, what kind of shoes they are, and how much you paid for them. How many cigarettes do you smoke, and what do you spend for candy and ice cream and whisky.

This schedule, printed as part of a W. P. A. project and costing thousands of dollars, seeks the answers to something like 700 questions about the personal habits of American families. A memorandum from the Department of Labor says this investigation will be made into the habits of all groups of people. Senators, Old Boondog may be at your front doors one of these days!

In West Virginia Old Boondog announced that the President had approved $45,066 to repair Johnny Cake and Panther Creeks and to improve 3 miles of road from Mohawk to Isban.

Espanola, N. Mex., has 314 inhabitants, and gets a W. P. A. gymnasium costing $19,000.

Mr. President, I am going to vote against this wanton extravagance. I suppose there is little possibility of doing so, but I should like to get down to the business of legislating instead of taking orders from the executive branch of the Government. All of us know that very little legislation originates on Capitol hill, and a very few of these appropriations are actually approved by us at heart. I should like to cut the deficits; to reduce the cost of government by 25 percent; to go up and down the land at all seasons and declare the necessity for cutting taxes; to carry out the pledge of absolute loyalty to the economy program; to regard Federal spending as one of the most important issues in public life; to stand by the philosophy that economy is the most direct and effective contribution that government can make to business; to adhere to the belief that nothing transcends in importance the economy covenant with the taxpayers of the country; to adopt and live under the philosophy that Federal extravagance and improvidence bear a double evil; and that our whole people and our business cannot carry its excessive burdens of taxation. I should like to accuse the present administration of being the greatest spending administration in peacetime in all our history. Mr. President, we must legislate; we must consolidate subdivisions of Government; we must abolish useless offices. Let us have the courage to stop borrowing to meet deficits. Stop the deficits!

I am indebted to President Roosevelt for many of these words. They are words out of the dead past—a past which has been forgotten, but a past which will be a skeleton in the closet of the Democratic Party for many years to come.

Mr. President, of course, we should see that no one suffers or goes hungry or cold; but why throw away the money of the taxpayers as it is being thrown away today?

Mr. BYRNES. Mr. President, earlier in the day the Senate adopted an amendment presented by the Senator from Pennsylvania [Mr. DAVIS] to an amendment of the committee, on page 29, line 19. At the request of the Senator from Oregon, I asked that the amendment as amended be passed over. Since that time I have communicated with the Senator from Pennsylvania and I have his authority to state that he has no objection to a reconsideration of the vote by which the amendment which he offered to the committee amendment was agreed to, relating to the preparation of a list of unemployables. I therefore move to reconsider the vote by which the amendment to the amendment was agreed to.

Mr. McNARY. Mr. President, I have not had opportunity to confer with the able Senator from Pennsylvania. However, I am advised that his wishes are that the motion to reconsider shall prevail. Is it not the understanding of the Senator from South Carolina that the Senator from Pennsylvania desires that the amendment be inserted at another place in the bill?

Mr. BYRNES. The Senator from Pennsylvania stated that he was vitally interested in the adoption of the amendment which he offered; therefore he did not want to have any doubt about it being included in the bill, and that he would desire to offer it at some other place in the bill. If the Senator from Pennsylvania does not return, I shall be glad to offer his amendment at another point in the bill. The Senator from Pennsylvania and I are in accord as to this matter. He is very much interested in this subject and is entirely willing to withdraw his amendment after the vote by which it was adopted shall have been reconsidered.

Mr. McNARY. I think that is very fair, and certainly would protect the Senator from Pennsylvania, which is all the interest I have in the matter.

The PRESIDING OFFICER. The Senator from South Carolina asks unanimous consent that the vote by which the amendment of the Senator from Pennsylvania [Mr. DAVIS] to the committee amendment, on page 29, line 19, was agreed to, be reconsidered. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. BYRNES. Mr. President, I have authority from the Senator from Pennsylvania to withdraw his amendment, the vote by which it was agreed to having been reconsidered.

I now desire to offer an amendment on page 29, line 21, which was offered in the Committee on Appropriations. It does not appear in the text, having been omitted through some oversight. After the word "not", on line 21, I move to insert the words "prior to the date of the approval of this act."

The amendment to the amendment was agreed to.

Mr. BYRNES. This amendment now having been perfected, I ask whether we cannot at least dispose of it this afternoon.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

Mr. McNARY. Mr. President, I should not want final action taken on this amendment today. I think it is rather understood that the Senate is to take a recess at this time.

Mr. BYRNES. Very well.

Mr. McNARY. The request of the Senator and his inquiry may well be renewed tomorrow at 12 o'clock, but I do not want further action taken this evening.

RELIEF OF CERTAIN OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE—CONFERENCE REPORT

Mr. BULKLEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 267) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 4, and agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$19,745.33"; and the House agree to the same.

Amendment numbered 3: That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$19,592.25"; and the House agree to the same.

KEY PITTMAN,
ROBERT J. BULKLEY,
WALLACE H. WHITE, Jr.,
Managers on the part of the Senate.

S. D. MCREYNOLDS,
SOL BLOOM,
HAMILTON FISH, Jr.,
Managers on the part of the House.

The report was agreed to.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the nomination of David W. Ling, of Arizona, to be United States district judge, district of Arizona, vice F. C. Jacobs, retired.

Mr. McGILL, from the Committee on the Judiciary, reported favorably the nomination of John W. Holland, of Florida, to be United States district judge, southern district of Florida, vice Halsted L. Ritter.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nominations of Harry A. McBride, of Michigan, and Herbert C. Hengstler, of Ohio, to be Foreign Service officers of class 1, consuls general, and secretaries in the Diplomatic Service.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Second Lt. John Burroughs Cary, Corps of Engineers, for appointment, by transfer, in the Regular Army, to the Air Corps.

He also, from the same committee, reported favorably the nominations of several officers for promotion in the Regular Army.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of Midshipmen Frederick R. Dowsett and Ted E. Pulos to be second lieutenants in the Marine Corps, revocable for 2 years, from the 4th day of June 1936.

Mr. COPELAND, from the Committee on Commerce, reported favorably the nominations of sundry persons to be ensigns in the Coast Guard, to rank as such from June 8, 1936.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. JOHNSON in the chair). The reports will be placed on the calendar.

If there be no further reports of committees, the first nomination in order on the calendar will be stated.

WILLIAM RIDDELL

The legislative clerk read the nomination of William Riddell, of Montana, to be register of the land office at Billings, Mont.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Saturday, May 30, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 29 (legislative day of May 12), 1936

REGISTER OF LAND OFFICE

William Riddell to be register of the land office at Billings, Mont.

POSTMASTERS

ALABAMA

Max B. Wells, Ashford.
James E. Summerour, Henagar.
Lucie L. Parnell, Maplesville.
Leslie Booker, Phenix City.

CALIFORNIA

Harry S. Sumners, Artesia.
William W. Truby, Cross Roads.
Manuel C. Joseph, Irvington.
May C. Baker, Paradise.
Thomas Budd Van Horne, Jr., Reseda.
John Ira Fiscus, Rio Vista.
Sydney W. Balding, Willowbrook.

COLORADO

Henery C. Showalter, Olathe.

GEORGIA

Robert C. Ayers, Royston.

IDAHO

James B. Poynor, Council.
Wallace H. Hanson, Shelley.

MARYLAND

Elsie V. Botts, Darlington.
Michael G. Labuda, Fort Howard.
John W. Murray, Hampstead.
Alfred F. Gough, Leonardtown.
Madeleine L. Bosher, Riverdale.

MISSISSIPPI

Luna C. Davis, Belmont.
Marshall Duell Wall, Calhoun City.
DeWitt D. McEachern, Ruleville.

MONTANA

Esther M. Evenson, Broadview.
Orion A. Tellifero, Browning.
Alfred T. James, Cascade.
Robert S. Nicholson, Darby.
Jeanette Ross, Fromberg.
William C. MacCallum, Geraldine.
William Alfred Brown, Great Falls.
John E. Brennan, Harlem.
Lewis H. Rutter, Hinsdale.
George H. Hidding, Hysham.
Henry Clay Patterson, Lima.
Ferd W. Tucker, Victor.

OKLAHOMA

Anson J. Woods, Arnett.
John J. Skinner, Cleveland.
Joseph R. Homsey, Depew.
Ernest C. Morris, Drumright.
James W. Kincaid, Glencoe.
Grace A. Phillips, Maud.
William G. Bunyard, Roff.
Sam Cunningham, Wellston.

VIRGINIA

Bard E. Fitzgerald, Gretna.
Charles F. Shumaker, Lovettsville.

WASHINGTON

Dewey Harvel Baker, Naches.
William H. Ross, Richmond Highlands.
Daisy M. McDowell, Toledo.

WEST VIRGINIA

Anna F. Cole, Hundred.
Richard Ivan Hargett, Kimberly.
Patrick J. Burke, McMechen.
Alva O. Shelton, Peach Creek.
J. Leo Holsberry, Rainelle.
Robin A. Hood, Rivesville.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 29, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Open our eyes, O Lord, that we may see wondrous things out of Thy law. Give us not the spirit of fearfulness, but of power and love and discipline. Look upon us in our limitations and transgressions with divine compassion and mercy. We rejoice that there is a God who has adapted Himself to the wants of men; that there is a ruling spirit in the center of power and wisdom that knows how to love the unlovable and will endure more and more gloriously through the ages of time. Almighty God, as sin is a rebuke to any people, we beseech Thee to shed abroad Thy peace in all this troubled world and make it radiant with righteousness, truth, and wisdom. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 12120. An act to provide for the further development of vocational education in the several States and Territories.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 4549. An act authorizing the State Highway Board of the State of Georgia to replace, reconstruct, or repair the free highway bridge across the Savannah River at or near the city of Augusta, Ga.; and

S. 4618. An act granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a free or toll highway bridge, or a railway bridge in combination with a free or toll highway bridge, and approaches thereto across the Mississippi River at or near Baton Rouge, La.

ORDER OF BUSINESS

The SPEAKER. There are two special orders this morning. With the indulgence of the gentlemen who are to be recognized under those special orders, the Chair will recognize Members to prefer unanimous-consent requests which will not involve any time.

GOOD HOUSEKEEPING URGES THE WOMEN OF AMERICA TO SUPPORT THE PEACE AMENDMENT

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that I may extend my own remarks in the RECORD and include therein a magazine article which deals with a bill I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, is the article very long?

Mr. LUDLOW. It is not. My remarks and the article will probably not consume more than a page and a half of the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, with the whole world in a state of seething restlessness; with greed and hatred fanning the flames of strife in many lands; with dictators thrumming the strings of war; with the tramp, tramp, tramp of marching feet echoing and reechoing throughout Europe, Africa, and the Orient; with portentous and unmistakable signs indicating the imminence of a conflict that may almost, if not quite, destroy civilization; are we going to sit idly by and permit this Seventy-fourth Congress to adjourn sine die without doing something of an effective nature to save our precious boys from being dragged into the slaughter pens of foreign wars?

I once knew a great man who, in spite of his patrician birth and ancestry, and his high position of wealth and distinction in society, always took compassionate interest in the problems of the poor, and the most stirring eulogy in a deluge of laudatory comment on his life and works after he had passed to the Great Beyond was a simple sentence expressed by a member of the bar of my home city:

He had a conscience that never slept.

Realizing the frightful possibilities of the world situation I cannot refrain from expressing the fervent wish that the consciences of Members of Congress would never sleep until we enact legislation at this very session of Congress to protect America from involvement in the terrible tragedies that lurk just beyond our visible horizon. If we think hard and prayerfully we will have to admit that we have done nothing worth while at this session to keep our country out of war.

The neutrality law we have enacted is so weak a four-horse team could be driven through it. It is no protection. Our well-meant McSwain bill to take the profit out of war by statute has struck the reefs and floundered in the Senate. We are driving rapidly toward the close of the Congress, leaving America pathetically exposed to war.

It is not, even now, too late to do something if we will take up and pass House Joint Resolution No. 167, the war-referendum and anti-war-profits resolution I have introduced. It provides for an amendment to the Constitution: (a) To permit the people of America to vote on a declaration of war except in the case of attack or invasion and; (b) to take the profit out of war.

Take the profit out of war and there will be few wars. The referendum part of my proposed amendment is based on the philosophy that those who have to suffer and, if need be, to die and to bear the crushing burdens and sorrows of war, shall have something to say as to whether war shall be declared.

Not through pride of authorship but from a firm conviction I am certain that this is the best proposal so far advanced to keep our country out of foreign wars. I believe that if it is adopted America will never enter another war except righteous wars of self-defense.

The magazine, Good Housekeeping, which numbers its readers by the millions, has placed its powerful influence back of my proposed peace amendment, and it has entered upon a patriotic campaign to introduce my resolution to the women of America as a measure that will serve effectively to keep America out of war. Who has a better right to vote on a declaration of war than the wives, mothers, sisters, and sweethearts of the men whose lives will be thrown into the holocaust if there is another war? Women go down into the valley of the shadow of death to bring our boys into the world. Why should they not have something to say as to whether their flesh and blood shall be hurled into the hell of foreign conflicts?

Mr. William F. Bigelow, the distinguished and wise editor of Good Housekeeping, has undertaken to point out to the women of America how very important it is that my resolution shall pass as a protection to the homes and firesides and the lives of our fine young Americans.

He is urging women all over this country to request their Members of Congress to sign discharge petition no. 28 which I have filed at the Speaker's desk as the only means available under parliamentary procedure to bring my proposed peace amendment out of committee and before the House for action at this session. The discharge petition will not become effective unless, or until, 218 Members of the House sign it.

Under the caption "Good Housekeeping Advocates a Peace Amendment" the following appears in the June issue of that magazine:

On the 14th of February 1935, Mr. LOUIS LUDLOW, Representative from Indiana, introduced the following joint resolution in Congress:

"SECTION 1. Except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress may by law provide for the enforcement of this section.

"SEC. 2. Whenever war is declared, the President shall immediately conscript and take over for use by the Government all the public and private war properties, yards, factories, and supplies, fixing the compensation for private properties temporarily employed for the war period at a rate not in excess of 4 per centum, based on tax values assessed in the year preceding the war."

The resolution was referred to the Committee on the Judiciary. A hearing on the bill was held June 19, 1935. Mr. LUDLOW has made several attempts to have the bill reported out so that it can be debated on the floor of the House, but the bill was still in committee on May 1st. A letter to your Congressman urging him, or her, to sign discharge petition no. 28 at the Speaker's desk may force the reporting of the bill. As this is the second session of the Seventy-fourth Congress, no bills will hold over; the peace amendment bill will die with all the others bottled up in committees. It will therefore be necessary for a new bill to be introduced when the Seventy-fifth Congress convenes in January 1937.

Such a bill will be introduced; we can promise our readers that. It may, probably will, be worded differently, but its chief purpose will be the same: so to amend the Constitution as to give to the people the right to pass judgment on any proposal to go to a war outside our own borders. Note that no attempt is made to curtail the authority of Congress "in the event of an invasion." No sensible person would want to delay action by our armed forces in such an emergency. We should at all times be prepared to strike, and strike hard, if we are attacked.

Now a peace amendment is not going to be passed by Congress unless voters demand that it be passed. It means giving up power that Congress has always held unrestrictedly. Many Congressmen think that that power should be given up, that no small group should hold in its hands the destiny of a people—possibly the death sentences of millions of our youth. So here is something for women to do—mothers of sons, wives, sisters, sweethearts. Men who will vote for a peace amendment—the beginning of the end of war for this country—can be elected in November—if the women say they must be.

Mr. Eby (Kerr Eby) replied as follows when we told him about the peace amendment:

"By the Lord Harry, I believe you may have nailed something! Not because such an amendment seems right and proper to me, but because it would drag the question right out into the open to be fought for and against. It is a concrete issue. Something to get hold of. It has the beauty of being truly democratic American in that it uses our own institutions in our own way. * * * Your idea is grandly democratic to me. Those who are about to die can vote on it.

"At the risk of being officious, I'd suggest that the idea of the President and Congress being wholly at liberty in defense should be heavily stressed, and (this I most sincerely believe) neither our Army nor Navy should be weakened in the least—until the time all nations acquire some sense. I'm just nut enough to believe that time will come. The world is literally dying for peace."

In its May issue Good Housekeeping published the following powerful appeal which I wish every woman in America—especially every mother—might read and ponder over:

A PEACE AMENDMENT

We are suggesting a big thing for Mothers' Day—for the Mothers' Days of all the years to come. Flowers our mothers have had in profusion, and flowers they will have as long as flowers are given as tokens of love. Another significance is becoming attached to the day: A solicitude for all mothers, that they may have the care that belongs to every woman who brings a child into the world. And now we are ready to consider the next big forward step: To say to mothers that, without the consent of the majority of the voters in a referendum, their sons and daughters may not be drafted for war purposes, unless the country is attacked or invaded. This assurance should come, can only come, through an amendment to the Constitution. Let us call it the peace amendment.

The power to declare war is, in the Constitution, given unrestrictedly to Congress. In the beginning there was nothing else to do; the people were so widely scattered, the means of communication so slow and unreliable, that it was impossible to discuss with the Nation the things that might seem to be driving it to war, and ask for a referendum vote. Now all that is changed. By means of the radio every voter may sit at the President's desk and listen to his reasons for asking a declaration of war. It is no longer necessary for a small group of men and women—531 at present—to have the power to make the decision that may mean to millions of young men that they are to be offered as bloody or gassed sacrifices to the god of war, that their bodies may be left, as useless to the world as to themselves, on foreign battlefields. They who will have to do the fighting will know, as well as do the Members of Congress, the reasons why the fighting should be done. And their lives should not be pawned without their consent.

The question as to whether Congress has ever abused its power need not enter here. It is the question of a larger right that we are discussing. There is so much evidence that all wars are useless and that they not only waste lives and livelihoods but fail to settle disputes between nations, that there is abundant reason for declaring that the people themselves should decide whether they want the Nation to go to war. That does not touch the matter of defense in case of attack. As commander in chief of the Army and Navy, the President can use these forces at any time. And in the world as it is now and seems likely to be for a long time to come, those forces should be sufficient to meet any emergency, any possible combination of nations against our own.

There is now pending before the House of Representatives a bill proposing a peace amendment. At a hearing on the bill its author, Hon. LOUIS LUDLOW, of Indiana, said: "The decision as to whether there shall be war or peace should be made * * * by the 125,000,000 people who comprise the American Nation * * *. This proposal reaches to the very fundamentals of equality as defined in the Declaration of Independence. It makes me indignant to think that a man, just because he happens to hold an official station, may order me out to be shot and killed without consulting me; and in the interest of justice, in the interest of perpetuating the principles of equality on which this Nation arose in majesty out of the oppressions of the past, it is time to revise the fundamental law of the land so that every citizen of the Republic, however poor and humble, shall have an equal right with every other citizen to decide whether or not this Nation shall go to war."

Yes, there are arguments against a peace amendment, and lots of them—perhaps as many as were raised against any amendment ever proposed or ratified. One of them is that a referendum would cause delay. Gen. Smedley D. Butler—you will remember that he was with the marines at Chateau Thierry and Belleau Wood—is for it just for that reason. "I believe it will delay action", he said, "and that therefore all these adjustments can be made. There is no necessity for fighting except in cases of invasion." And there are many more objections. But we are not so much concerned with the negatives based on the difficulty of going to war that this amendment would impose—for we think they are largely mechanical and could be solved—as we are with the fact that killing men to settle disputes is a senseless pastime, as outmoded as it is costly. This whole thing is not a question of whether power should be taken from Congress, but whether there should not be given back to the people the right to decide whether or not they are willing to have their sons killed in battle or die of wounds or disease or spend a lifetime in pain.

Women have asked Good Housekeeping what they can do to end war. We believe that work for a peace amendment promises better results than anything else they can do, for with such an amendment war, so far as this country is concerned, will be a thing of the past. The people will not vote for the United States to take war to another nation. And if we give no cause for war—and keep our powder dry—we will not be attacked.

Now, you mothers * * *.

PERMISSION TO ADDRESS THE HOUSE

Mr. YOUNG. Mr. Speaker, I ask unanimous consent that immediately after the address of the gentleman from Kansas [Mr. CARPENTER], I may address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that immediately following the remarks of the gentleman from Ohio [Mr. YOUNG], I may address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DON'T LET THEM FOOL YOU, MR. FARMER! HERE ARE THE FACTS

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. FLETCHER. Mr. Speaker, for months now we have been hearing from certain newspapers and certain politicians that as a result of the policies of this administration the plight of the American farmer has become more and more unbearable.

We are told that he has not really made any progress in the last 3½ years, and that, on the contrary, the American farmers' precious home market is being taken away from them by tariff negotiation which let in a flood of competitive farm imports.

We are subjected to sensational stories of how Chinese coolies and South American peons are unfairly competing with the American farmer in his own front yard.

LET US LOOK AT THE RECORD

Mr. Speaker, I would not for a moment deny to these sensationalists the right to make all the ridiculous statements they wish to about the policies and accomplishments of this administration, but I would humbly suggest that every once in a while in a political campaign there ought to be a breathing spell during which a few indisputable, unassailable facts could be introduced and examined by the electorate.

I believe that the people of my district wish more than anything else to know the facts on these controversial issues, and I consider it both a duty and a privilege to present these facts.

WHAT TABLE NO. 1 REVEALS

The figures I use are the official statistics made public by the Department of Commerce and analyzed by the Bureau of Agricultural Economics of the Department of Agriculture.

Table 1 shows agricultural imports classified between noncompetitive and competitive products.

Referring to the last column of competitive imports minus sugar, it will be noted that, while these imports were considerably larger in 1935 than in immediately preceding years, they were substantially smaller than in the years prior to 1931.

TABLE 1.—*Value of United States agricultural imports, 1921–35*

Calendar year	Agricultural imports				
	Total	Noncompetitive	Competitive [1]	Sugar	Competitive minus sugar
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*
1921	1,323	584	739	235	504
1922	1,638	773	865	252	613
1923	2,038	933	1,105	380	725
1924	1,918	927	991	364	627
1925	2,355	1,339	1,016	246	770
1926	2,415	1,444	971	232	739
1927	2,219	1,225	994	258	736
1928	2,106	1,145	961	207	754
1929	2,218	1,201	1,017	209	808
1930	1,468	769	699	130	569
1931	1,007	561	446	113	333
1932	668	372	296	97	199
1933	743	366	377	108	269
1934 [2]	858	408	450	118	332
1935 [2]	1,106	483	623	134	489

[1] Competitive agricultural imports include imports similar to agricultural products commercially produced in the United States or directly substituted to a significant extent for domestic agricultural products.
[2] Imports for consumption.

Foreign Agricultural Service Division. Compiled from Foreign Commerce and Navigation of the United States and official records of the Bureau of Foreign and Domestic Commerce.

The United States has for many years imported regularly and in large volume a number of competitive agricultural products, such as wool, sugar, and flaxseed. But it is not these "regularly imported" products which have aroused general interest in recent months. Most of the recent discussion in regard to agricultural imports has been concerned with such products as grain and feed, meats, dairy products, and eggs.

IMPORTS DECREASE

When the monthly statistics of imports of these latter products are examined for the period January 1934 to date, it will be found that these imports started to increase in the middle or latter part of 1934. They reached their peak, taking the groups as a whole, during the middle of 1935 and have since shown a marked recession. Generally speaking, the imports of grain, which started in 1934, declined abruptly or ceased as soon as the crops of 1935 became available. The imports of livestock products have held up longer simply because it takes more time to restore livestock numbers than to increase the production of annual crops.

WHEAT, CORN, OATS, BARLEY, RYE

TABLE 2.—*United States: Import quantity, 1922–33 and January 1934 to March 1936* [1]

SPECIFIED GRAINS

Year (ended Dec. 31) and month	Wheat, grain [2] [3]	Corn, grain	Oats, grain	Barley, malt [2]	Rye, grain [2]
	Bushels	*Bushels*	*Bushels*	*Pounds*	*Bushels*
1922	10,560,000	113,000	1,299,000	60,000	126,000
1923	8,930,000	203,000	317,000	397,000	1,000
1924	6,895,000	4,107,000	6,964,000	765,000	1,000
1925	1,308,000	1,086,000	178,000	836,000	1,000
1926	451,000	1,055,000	157,000	1,028,000	(4)
1927	21,000	5,458,000	85,000	810,000	(4)
1928	224,000	565,000	489,000	865,000	2,000
1929	36,000	407,000	112,000	1,025,000	(4)
1930	317,000	1,556,000	183,000	4,309,000	7,000
1931	54,000	618,000	576,000	39,875,000	82,000
1932	3,000	344,000	59,000	52,533,000	(4)
1933	31,000	160,000	132,000	109,183,000	8,006,000
1934:					
January	9,000	18,000	6,000	11,520,000	0
February	37,000	15,000	2,000	9,788,000	276,000
March	24,000	17,000	(4)	14,724,000	173,000
April	51,000	11,000	4,000	17,943,000	869,000
May	1,000	14,000	1,000	18,265,000	572,000
June	1,000	77,000	7,000	22,499,000	2,054,000
July	2,000	24,000	152,000	25,407,000	1,021,000
August	432,000	195,000	27,000	20,056,000	241,000
September	2,779,000	445,000	210,000	14,283,000	521,000
October	1,087,000	501,000	1,087,000	11,441,000	455,000
November	1,407,000	470,000	1,672,000	12,876,000	1,307,000
December	1,907,000	1,172,000	2,412,000	14,926,000	133,000
Total	7,737,000	2,959,000	5,580,000	193,728,000	7,622,000
1935:					
January	843,000	1,887,000	1,644,000	17,449,000	1,009,000
February	1,055,000	1,826,000	2,118,000	15,459,000	1,177,000
March	1,458,000	3,304,000	2,596,000	27,197,000	1,613,000
April	1,611,000	1,445,000	2,167,000	30,701,000	670,000
May	847,000	3,036,000	1,124,000	37,794,000	2,283,000
June	625,000	6,122,000	406,000	43,728,000	799,000
July	793,000	5,649,000	29,000	42,041,000	357,000
August	2,570,000	8,554,000	1,000	27,136,000	1,464,000
September	3,644,000	2,986,000	7,000	27,566,000	65,000
October	5,324,000	4,690,000	5,000	16,933,000	204,000
November	4,348,000	1,651,000	2,000	18,916,000	1,000
December	4,321,000	2,092,000	8,000	15,703,000	1,000
Total	27,439,000	43,242,000	10,107,000	320,623,000	9,643,000
1936:					
January	2,231,000	1,869,000	0	15,190,000	0
February	2,398,000	583,000	6,000	15,554,000	20,000
March	2,673,000	1,186,000	5,000	18,153,000	0

[1] General imports prior to 1934; beginning Jan. 1,1934, imports for consumption.
[2] Imports for consumption.
[3] For domestic consumption includes only wheat full duty paid and 10 percent ad valorem.
[4] Less than 500.

NO IMPORTS IN JANUARY

Table 2 shows the imports of certain selected products, by months, since January 1934.

It will be noted that the imports of oats began in small volume in July 1934 and reached a peak of 2,600,000 bushels in March 1935.

Imports of oats have been insignificant since July 1935, there being no imports whatever in January and only 6,000 bushels in February 1936.

A similar situation is shown in the imports of rye, which have been negligible since August 1935.

CORN IMPORTS EXPLAINED

The imports of corn continued longer than those of oats as the 1935 corn crop did not become available until November of that year.

Not only was the 1935 corn crop about 350,000,000 bushels below normal but the quality in many of the Corn Belt States was exceedingly poor, thus making a large part of it unfit for shipment.

The reduction below normal in last year's crop occurred largely in certain Corn Belt States which normally ship out considerable quantities.

Even with the reduced numbers of livestock in the United States the 1935 corn crop was inadequate, because existing stocks had to be replenished, feed requirements per animal unit were larger as a result of the severe winter, and, in addition, industrial utilization of corn increased.

FARMERS MAKE MONEY ON CORN

As a result of the above factors, domestic corn prices continued at a level sufficiently high to permit the importation of corn from Argentina, where prices were very low as a result of a record crop last year.

These imports were confined largely to the coastal regions.

Nevertheless, imports of corn have been running substantially smaller during the current marketing season than in 1934–35, and the imports in March 1936, the latest month for which figures are available, were about 65 percent less than in March 1935.

The imports of barley malt, which started to assume significant proportions in 1934 after the repeal of prohibition, showed a considerable increase in 1935.

These imports reached a peak of almost 44,000,000 pounds in June 1935, but have since fallen off, amounting to 18,153,000 pounds in March 1936.

VERY LITTLE WHEAT IMPORTED

Imports of wheat continue at a higher level than in the 1934–35 season.

This is due to the fact that our spring wheat crop in 1935 was much below domestic requirements for this type of wheat and was also of unusually poor quality because of serious rust damage.

Nevertheless, imports of wheat from the 1st of July 1935 through March 1936 totaled only 28,000,000 bushels, or a little more than 4.5 percent of our total wheat production in 1935.

Imports through March were still below the estimated deficit in our spring wheat supplies this year.

ANIMALS AND ANIMAL PRODUCTS

Turning to animal and animal products, it will be observed in the following table that imports of cattle started to increase in February 1935 and continued throughout 1935 considerably above the corresponding months of 1934.

The total imports in 1935, however, of 378,000 head were substantially less than the imports in the years 1927 to 1929.

Imports of canned beef, most of which came from Argentina and Uruguay, have for many years been substantial.

Imports in 1935, however, were larger than in any year since 1929, and imports during the first 3 months of 1936 were somewhat larger than those of a year earlier.

CATTLE AND ANIMAL PRODUCTS

Year (ended Dec. 31) and month	Cattle, live	Beef, canned [1] [2]	Butter	Tallow [1]	Egg products [3]
	Head	*Pounds*	*Pounds*	*Pounds*	*Pounds*
1922	238,000	894,000	6,957,000	1,831,000	[1] 27,768,000
1923	140,000	4,496,000	23,741,000	10,823,000	[1] 12,565,000
1924	145,000	7,026,000	19,405,000	2,440,000	19,723,000
1925	175,000	7,969,000	7,212,000	1,828,000	33,987,000
1926	221,000	21,045,000	8,029,000	13,647,000	25,737,000
1927	445,000	35,999,000	8,460,000	12,908,000	15,341,000
1928	563,000	52,748,000	4,659,000	14,239,000	23,474,000
1929	505,000	79,899,000	2,773,000	16,893,000	26,050,000
1930	234,000	56,105,000	2,472,000	591,000	16,156,000
1931	95,000	19,585,000	1,882,000	1,365,000	7,661,000
1932	106,000	24,639,000	1,014,000	502,000	3,085,000
1933	82,000	41,344,000	1,022,000	239,000	3,664,000
1934:					
January	8,000	1,568,000	58,000		255,000
February	7,000	1,344,000	59,000		223,000
March	9,000	2,995,000	45,000		221,000
April	16,000	3,782,000	55,000		151,000
May	6,000	3,470,000	69,000		216,000
June	5,000	2,519,000	74,000		239,000
July	4,000	4,279,000	74,000	0	297,000
August	1,000	6,195,000	95,000	0	342,000
September	3,000	4,227,000	114,000	5,747,000	286,000
October	1,000	4,586,000	172,000	8,515,000	304,000
November	2,000	4,440,000	189,000	16,661,000	356,000
December	4,000	7,269,000	249,000	11,890,000	288,000
Total	66,000	46,674,000	1,253,000	42,813,000	3,178,000
1935:					
January	6,000	4,142,000	539,000	14,687,000	363,000
February	38,000	4,225,000	3,071,000	16,929,000	398,000
March	53,000	7,690,000	4,929,000	28,769,000	420,000
April	51,000	9,496,000	8,860,000	28,090,000	370,000
May	49,000	7,076,000	2,665,000	33,206,000	1,022,000
June	34,000	5,911,000	1,437,000	25,635,000	1,199,000
July	18,000	5,220,000	177,000	29,290,000	790,000
August	16,000	5,740,000	149,000	16,126,000	646,000
September	14,000	7,752,000	122,000	14,236,000	602,000
October	32,000	5,379,000	108,000	16,074,000	668,000

[1] Imports for consumption.
[2] Includes corned beef.
[3] Excludes eggs in the shell.

CATTLE AND ANIMAL PRODUCTS—continued

Year (ended Dec. 31) and month	Cattle, live	Beef, canned	Butter	Tallow	Egg products
1935—Continued.	*Head*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
November	40,000	6,811,000	277,000	13,475,000	613,000
December	27,000	6,867,000	341,000	9,325,000	540,000
Total	378,000	76,309,000	22,675,000	245,851,000	7,631,000
1936:					
January	22,000	7,642,000	860,000	8,828,000	650,000
February	28,000	7,218,000	2,191,000	9,827,000	470,000
March	52,000	7,978,000	577,000	5,374,000	555,000

Foreign Agricultural Service Division. Compiled from Foreign Commerce and Navigation of the United States and official records of the Bureau of Foreign and Domestic Commerce.

TALLOW

Imports of tallow, which is also a beef product, commenced in September 1934 and rose to a peak of 33,000,000 pounds in May 1935.

Since that time imports have shown a definitely declining tendency, amounting to only 5.4 million pounds in March 1936.

BUTTER

Imports of butter were substantial during the first 6 months of 1935 but they were of very small volume during the last half of the year.

While the imports of butter in 1935 reached a relatively high level of 22,675,000 pounds, they did not equal the record imports of 23,741,000 pounds reached in 1923.

The imports of butter in the first 3 months of 1936 were 58 percent less than in the same months of 1935.

DRIED EGGS

Imports of egg products, chiefly dried eggs from China, were larger in 1935 than in any year since 1931 but were considerably smaller than in the years prior to 1931.

So far as 1935 is concerned these imports reached their peak in May and June.

This review of the principal agricultural import products shows clearly that imports are receding from the peaks reached in 1935 and in some cases are now of negligible proportions.

INSIGNIFICANT PROPORTION

While the imports of these products were larger in 1935 than in the immediately preceding years, they represented in most cases an insignificant proportion of the production of similar products in the United States.

A comparison of the imports of certain competitive products with our average production is shown in table 3.

TABLE 3.—*Volume of certain agricultural imports compared to average production*

[Average 1928–32 and year 1935]

Commodity	Unit of quantity	Production	Imports			
			Average, 1928–32		1935	
		Average 1928–32 quantity	Quantity	Percent of average production	Quantity	Percent of average production
Grain:						
Corn	1,000 bushels	2,562,147	698	0.03	43,242	1.7
Wheat	1,000 bushels	850,570	[1] 127	.01	[1] 27,439	3.2
Oats	1,000 bushels	1,217,646	284	.02	10,107	.8
Barley	1,000 bushels	282,841	[2] 688	.2	[2] 13,413	4.7
Rye	1,000 bushels	38,655	18	.1	9,643	24.9
Meats:						
Beef, canned	1,000 pounds		46,595		76,309	
Beef and veal, fresh	1,000 pounds		22,691		8,757	
Beef, pickled, etc.	1,000 pounds		4,442		1,472	
Total beef		[3] 6,884,616	[4] 143,621	2.1	[4] 201,002	3.0

[1] Includes full duty imports and imports unfit for human consumption.
[2] Grain plus malt converted to bushels of grain at the rate of 37.4 pounds of malt to 1 bushel of grain.
[3] Estimated dressed weight of total United States beef and veal slaughter. Federally inspected slaughter was 67.7 percent of this figure.
[4] Canned beef converted to meat equivalent at the rate of 2.5 pounds dressed meat to 1 pound canned.

TABLE 3.—*Volume of certain agricultural imports compared to average production*—Continued

Commodity	Unit of quantity	Production	Imports			
			Average, 1928–32		1935	
		Average 1928–32 quantity	Quantity	Percent of average production	Quantity	Percent of average production
Hogs	1,000 pounds		897		3,414	
Pork, fresh	1,000 pounds		3,088		3,923	
Hams, shoulders and bacon	1,000 pounds		2,319		5,297	
Pork, pickled, etc	1,000 pounds		1,750		1,274	
Total pork		[5] 9,270,000	[6] 7,830	0.1	[6] 13,055	0.1
Dairy products and eggs:						
Butter	1,000 pounds	2,152,160	2,560	.1	22,675	1.1
Casein	1,000 pounds	30,883	15,888	51.5	3,230	10.5
Cheese	1,000 pounds	489,055	68,742	14.1	48,933	10.0
Eggs	1,000 dozen	2,751,333	[7] 34,721	1.3	[7] 21,771	.8

[5] Estimated dressed weight, excluding lard, of total United States hog slaughter. Federally inspected slaughter was 63 percent of this figure.

[6] Hogs converted to meat equivalent at the rate of 100 pounds live weight to 75 pounds dressed weight.

[7] Includes imports of frozen eggs converted at the rate of 7 pounds frozen to 6 dozen fresh and imports of dried eggs converted on the following bases: 1 pound of dried whole eggs to 3.56 pounds liquid; 1 pound dried yolk to 2.23 pounds of liquid; 1 pound dried albumen to 7.3 pounds liquid; 35 pounds liquid to 30 dozen eggs in the shell.

Foreign Agricultural Service Division, Bureau of Agricultural Economics.

PERCENTAGE SMALL

It will be noted, for instance, that our imports of corn in 1935, amounting to 43,242,000 bushels, represented only 1.7 percent of our average corn production during the period 1928 to 1932.

Last year's imports of oats amounted to eight-tenths of 1 percent of the average production, wheat 3.2 percent of our average wheat production, and barley and barley malt 4.7 percent of our barley production.

SHORT ON RYE

Rye is the only one of the grains the imports of which reached a substantial percentage of our average domestic production.

The proportion of imports in 1935 to average production was approximately 25 percent.

The reason for these relatively large imports of rye is to be found in the fact that in both 1933 and 1934 the rye crops in the United States were less than half of our average previous production.

These very short crops, coming at a time when the repeal of prohibition led to some increase in consumption, made it necessary for the United States to import substantial quantities of rye in order to satisfy our domestic requirements.

As previously indicated, the imports of rye have been negligible since our 1935 crop became available in July of last year.

Incidentally, the production of rye in the United States in 1935 was in excess of our domestic requirements, so that we now have an export surplus of this grain.

BEEF AND PORK

With respect to meat, the total imports of beef in 1935, most of which consisted of canned beef, represented only 3 percent of our average total federally inspected production of beef and veal.

The imports of pork represented only one-tenth of 1 percent of our average total inspected pork.

In fact, these pork imports were only 11.3 percent of our reduced exports of cured pork in 1935, excluding lard.

CHEESE AND BUTTER FOR 1935

Imports of butter in 1935 were substantially greater than the average imports in preceding years but they represented only 1.1 percent of our average production of butter in this country. Imports of cheese and casein in 1935 each represented about 10 percent of our average production. It will be noted, however, that imports of both of these items in 1935 were considerably below average.

Imports of egg products, chiefly dried eggs, in 1935 were much smaller than average, although they were larger than in immediately preceding years. The imports in 1935 represented about eight-tenths of 1 percent of the average egg production of the United States.

WHAT I HAVE SHOWN SO FAR

I have shown that there was a substantial increase in the imports of certain agricultural products in 1935, compared with the immediately preceding years, that these imports have shown a definite recession, and finally that they have, in practically all cases, represented an insignificant part of our domestic production. Now let us consider in more detail the relationship of the drought of 1934 and also of the agricultural-adjustment programs to this increase in agricultural imports.

WHAT THE DROUGHT HAD TO DO WITH IT

To understand the significance of the drought in relation to imports, it is necessary to know the extent to which our production in 1934 was reduced from normal. The drought of 1934 was the most widespread and serious in the history of the United States and affected seriously the production of all of the major crops in this country except cotton and tobacco.

The products principally affected were feeds and fodder. It has been estimated by the Bureau of Agricultural Economics that the drought of 1934 caused a reduction from average in our production of feed of 50,000,000 tons.

In other words, in order to have had a normal supply of feed during the latter half of 1934 and up until the crops of 1935 became available it would have been necessary to import 50,000,000 tons.

But, as a matter of fact, the United States, during the full 18 months from July 1934, when the effects of the drought first became apparent, until December 1935, when the 1935 corn crop became available, imported less than three and one-half million tons of all types of feeds and fodder, or only 7 percent of the shortage.

BEEF CATTLE AND CALVES

A similar situation exists with respect to the imports of livestock and livestock products.

Beef cattle may be taken as an example. The number of beef cattle and calves in the United States in January 1934 was estimated to be 36,000,000 head.

The number in January 1935 was estimated at 32,000,000 head.

This reduction of 4,000,000 head may be compared with our imports of beef cattle in 1935 of only 368,000 head.

In the case of imported beef, which consists principally of canned beef, the situation is much the same. The federally inspected slaughter of cattle and calves in the United States in 1934 produced six thousand seven hundred and twenty-seven million pounds of beef and veal, compared with five thousand two hundred and sixteen million pounds in 1935, a drop of about one thousand five hundred million pounds.

Figures for both years include provisional estimates of beef produced from relief slaughter. The imports of beef and veal in 1935, including canned beef on a dressed-weight basis, were just short of 200,000,000 pounds, or 13 percent of the reduction in our Federal slaughter between 1934 and 1935.

HOW DID A. A. A. AFFECT IMPORTS?

These are only a few of numerous examples that might be cited of the tremendous decrease in production of agricultural products in the United States resulting from the drought and of the relatively small part that imports played in making up this loss in production.

The question is frequently raised, however, as to the effect of the agricultural-adjustment programs on imports.

Many people who do not realize the overshadowing importance of the drought in reducing domestic supplies of food, feed, and livestock in 1934 and 1935 seem to be under

the impression that the imports have been a direct result of the agricultural-adjustment programs.

They are unable, as they put it, to see the justification of paying American farmers to reduce production and then permitting imports to come in to take the place of American products.

A MINOR FACTOR

First of all, it must be admitted that the adjustment programs, by helping to raise American farm prices, were to some extent a factor in making the American market more attractive to imports; but they were only a minor factor, since the reduction in production that may be attributed to the adjustment programs is very much less than the reduction that may be attributed to the low yields resulting from the drought.

Furthermore, there were no production-adjustment programs with respect to certain products, such as rye, barley, oats, dairy products, beef cattle, and eggs, the imports of which showed large increases.

These facts will be best brought out by an examination of individual products.

REDUCED PRODUCTION OF WHEAT

The United States production of wheat in the crop year 1934–35 was 497,000,000 bushels, a drop of 364,000,000 bushels from the annual average of 861,000,000 bushels for the 5-year period 1928 to 1932.

Of this reduction about 310,000,000 bushels were chargeable to the drought and 54,000,000 bushels to acreage reduction, in accordance with adjustment contracts under the Agricultural Adjustment Act.

WHEAT UNFIT FOR USE

Wheat imported into the United States for consumption in 1934–35 totaled 14,000,000 bushels, or only 5 percent of the loss caused by the drought.

These imports represented only 3 percent of the United States wheat production for the crop year.

Furthermore, of this total importation of 14,000,000 bushels, over 57 percent represented wheat unfit for human consumption brought into the country chiefly as feed for livestock in the drought-affected areas.

In the 1935–36 crop year, production of all wheat in the United States totaled 603,000,000 bushels, or 257,000,000 bushels less than the 5-year—1928–32—average.

The reduction in production during this crop year was also due primarily to unfavorable weather conditions and particularly to serious rust damage in the spring-wheat States.

Imports of wheat during the first 9 months of the crop year—July through March—amounted to 28,000,000 bushels.

AT LAST FARMERS ARE MAKING MONEY

In the last analysis, the most important phase of this whole import subject is the effect of these imports upon the income of American farmers. Are imports really coming into the country in such volume as to depress our prices and result in a serious decrease in farm income?

It has already been shown that the imports since 1934 represent, in most cases, a very small part of our domestic supply.

It is for this reason that in the vast majority of cases they have had no significant effect in depressing American farm prices.

The most that can be attributed to imports is that in certain cases such as, for example, butter, seasonal imports during the period when our butter supplies are shortest in the winter prevent prices of butterfat in this country from rising as much as they otherwise would.

In other words, the tariff of 14 cents a pound on butter is, under these circumstances, effective in maintaining American prices above world prices by substantially this amount.

One way of considering the signficance of imports to farm income is to compare the value of the imports of competitive products year by year with the gross farm income of the United States for the same years.

TABLE 4.—*United States competitive agricultural imports compared with domestic farm income*

Year ended Dec. 31	Value		Value index (1921–30=100)	
	Gross income from farm production	Competitive agricultural imports [1]	Gross income from farm production	Competitive agricultural imports [1]
	Million dollars	*Million dollars*		
1921	8,927	739	82	79
1922	9,944	865	91	92
1923	11,041	1,105	101	118
1924	11,337	991	104	106
1925	11,968	1,016	109	109
1926	11,480	971	105	104
1927	11,616	994	106	106
1928	11,741	961	107	103
1929	11,941	1,017	109	109
1930	9,454	699	86	75
1931	6,968	446	64	48
1932	5,337	296	49	32
1933	[2] 6,406	377	59	40
1934	[2] 7,266	[3] 450	66	48
1935	[2] 8,110	[3] 623	74	67

[1] Competitive agricultural imports include imports of agricultural products commercially produced in the United States or directly substituted to a significant extent for domestic agricultural products.

[2] Includes income from rental and benefit payments of $278,000,000 for 1933, $594,000,000 for 1934, and $480,000,000 for 1935.

[3] Imports for consumption.

Foreign Agricultural Service Division.

AMAZING GAIN TO FARMERS

The income of farmers in the United States in 1935, when the competitive agricultural imports were valued at $623,000,000, was $8,110,000,000.

The income of farmers in the United States in 1932, when competitive imports were valued at only $296,000,000, was only $5,337,000,000, the lowest in the recent history of this country.

The table also shows that in the years prior to the depression, when imports of competitive farm products were running at a total value in the neighborhood of $1,000,000,000 a year, the income of the farmers of the United States was much larger, running between $11,000,000,000 and $12,000,000,000 a year.

In other words, the American farmer has been better off from the standpoint of total income in the years when competitive imports have been large than in the years when such imports have been small.

In the more prosperous years farm prices are high enough so that imports are attracted into the American market over the prevailing tariff wall.

In the years of very low farm income prices are so low in this country that the American market is not attractive to imports.

ANOTHER WAY OF LOOKING AT IT

Another way of considering the significance of imports is to relate the changes in volume of imports to the prices received by American farmers. Just as in the case of gross farm income, the prices received by farmers have been higher during periods of large imports than they were when imports were small.

A few specific examples will suffice to make this clear. The average farm price of wheat in the United States in both the calendar years 1934 and 1935 was 84 cents a bushel.

In those years the imports of wheat for consumption in the United States were approximately 8,000,000 and 17,000,000 bushels, respectively.

In 1933 the farm price of wheat was 67 cents a bushel and imports were 32,000 bushels.

In 1932 the farm price was only 38 cents a bushel and imports amounted to the negligible figure of 3,000 bushels.

MORE MONEY FOR CORN

The average farm price of corn for the calendar year 1935 was 77 cents a bushel. Imports of corn in that year totaled 43,000,000 bushels. The farm price of corn in 1934 was 65 cents a bushel, and imports were 3,000,000 bushels.

In 1933, when the farm price of corn averaged only 38 cents per bushel, our imports of corn amounted to only 160,000 bushels.

BETTER PRICE FOR OATS

The farm price of oats in the United States during the crop year 1934–35, when imports amounted to approximately 16,000,000 bushels, was 48 cents a bushel.

But the average price to producers of oats thus far in the 1935–36 season, when imports have amounted to only 63,000 bushels, has been 28.5 cents a bushel.

RYE ALMOST DOUBLES IN PRICE

The farm price of rye was 71.3 cents a bushel during the marketing year 1934–35, when imports amounted to 11,000,000 bushels. The average farm price of rye thus far in 1935–36, when we have had practically no imports, has been only 38 cents a bushel.

The fundamental fact that should be borne in mind in considering imports in relation to farm income and farm prices is that prices received by American farmers for most of those drought-affected products are determined primarily by the domestic supply-and-demand situation, and that increased imports are a result of relatively high prices and decreased imports are a result of relatively low prices.

FALSE STATEMENT CORRECTED

I have seen statements that the increase in imports of competitive agricultural products during 1934 and 1935 has been due in large part to reductions in duties made in connection with reciprocal-trade agreements.

This simply is not true.

Generally speaking, there have been no changes in our tariff rates on the principal imported items.

In other words, reciprocal-trade agreements have had little, if anything, to do with the increase in imports.

The only trade agreements that have been signed up to the present time in connection with which the United States made any significant reductions whatever in duties on agricultural products are those with Cuba, Canada, and the Netherlands.

Of these three trade agreements, the only one that was in effect throughout the year was the one with Cuba.

TRADE AGREEMENT WITH CANADA

The trade agreement with Canada has been in effect only since January 1, 1936.

It is, therefore, obvious that this agreement could have had nothing to do with the increase in agricultural imports in 1935.

With respect to the possible effects of the agreement in causing larger imports into the United States during 1936 and future years, it is important to note that the duty reductions made on the Canadian agricultural products which would be likely to offer the most competition, namely, cattle, cream, and seed potatoes, were on only a limited quantity.

For example, the duty on beef cattle weighing 700 pounds or more was reduced on a quantity equivalent to three-fourths of 1 percent of our domestic slaughter of cattle and calves, namely, 155,799 head.

Incidentally, imports of cattle of this weight from Mexico or any other countries at the reduced rate have to come within a total of 155,799 head.

The duty on calves weighing 175 pounds or less was reduced on a quantity equivalent to one-fourth of 1 percent of our total annual slaughter of cattle and calves, or 51,933 head.

During the first 3 months of the operation of the agreement the imports of cattle weighing 700 pounds or more from both Canada and Mexico have totaled 44,031 head or 28 percent of the total customs quota.

The imports of calves have totaled 4,458 head or 8.5 percent of the total quota.

ONLY 1,293 GALLONS OF CANADIAN CREAM

In the case of cream the duty was reduced on a quantity of 1,500,000 gallons.

During the first 3 months of the agreement, however, the actual imports of cream have total only 1,293 gallons, which indicates that in spite of the duty reduction the American market is not attractive to shippers of Canadian cream.

Cheese is the only important agricultural item the imports of which have shown any significant increase since the signing of the Canadian trade agreement.

It is true that imports of cheese in the period January through March were considerably larger than in the same period of the immediately preceding years and somewhat larger than in the corresponding months of years prior to 1930, when the same rate of 5 cents a pound applied.

But even though these imports showed some increase, they represented only 3.3 percent of the Cheddar cheese production in the United States during the same 3 months.

Incidentally, the total imports of all kinds of cheese from all countries were only 7 percent larger in the first 3 months of 1936 than in the corresponding months of 1935.

EXPORT MARKET GAINS

Against this possible small disadvantage of increased cheese imports must be set the very substantial gain in the exports of a considerable number of agricultural items from the United States to Canada, which may be directly attributed to reductions in duties made by Canada in connection with the trade agreement.

For example, our milled-rice exports to Canada totaled 2,746,000 pounds in the first 3 months that the trade agreement has been in effect, compared with 331,000 pounds in the same months of 1935, a gain of 730 percent.

Our exports of grapefruit to Canada totaled 191,000 boxes, compared with 139,000 boxes in January through March last year, a gain of 37 percent.

Exports of oranges to Canada amounted to 722,000 boxes during January through March of this year, compared with 568,000 boxes during the same months last year, a gain of 27 percent.

There were equally substantial gains in the exports of a large number of dried and canned fruits and nuts.

Our egg exports to Canada rose from the negligible figure of less than 7,400 dozen in January through March 1935 to 78,000 dozen in the same months of 1936. Exports of American cured pork to Canada—bacon, hams, and shoulders—totaled 118,000 pounds in the first 3 months of the year, compared with only 2,000 pounds in the same months of 1935.

At the same time the exports of cured pork to the rest of the world were 41 percent smaller than last year. The 1936 exports of other pickled and salted pork to Canada increased sharply, the figures for the first quarter being 151 percent larger than in 1935.

INCREASED BUYING POWER

Looking at the matter from the standpoint of farmers in the United States as a whole it seems clear that the gains in our exports of farm products to Canada much more than offset any losses resulting in increased imports of Canadian agricultural products into the United States. And beyond this, account must be taken of the increased purchasing power in the industrial sections of the country for such things as dairy products and beef, which results directly from our larger sales of manufactured goods to Canada under the trade agreement.

NOW YOU HAVE THE FACTS

Now that you have the facts you can see for yourself how much of the misleading propaganda by certain newspapers and by certain politicians is vicious, untrue, and intended to deceive you. The test of any policy in behalf of farmers or any other group is determined by the results. The fact that farmers are making more money today than at any previous time in years is the final answer to all the enemies of the Roosevelt administration who are trying to prejudice the farmers by substituting false propaganda for the truth. Do not let them fool you, Mr. Farmer! Make them stick to the facts!

MR. AND MRS. WILLIAM O'BRIEN

Mr. HULL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10565) for the relief

of Mr. and Mrs. William O'Brien, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 5, strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps."

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

CENTRAL VALLEY WATER PROJECT AUTHORITY OF CALIFORNIA

The SPEAKER. Under the special order, the Chair recognizes the gentleman from New York [Mr. TABER] for 10 minutes.

Mr. TABER. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks and include therein a report to the P. W. A. with reference to the Central Valley Water Project Authority of the State of California by B. W. Thoron, Assistant Finance Director of the P. W. A., dated July 26, 1934, and certain correspondence that I have had back and forth between the P. W. A. and the Secretary of the Interior.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, when we had the reclamation projects under consideration a week ago, I attempted to obtain from the Public Works Administration in time so that I might use it during the debate, the report of B. W. Thoron, the Assistant Finance Director of the P. W. A. on the Central Valley project. I have just procured permission to extend my remarks in the RECORD to include that report.

My office first asked for that report a week prior to that date, and on the 16th day of May, the Saturday prior to the date when the matter was coming up in the House, a letter was written to the P. W. A. Administrator, Hon. Harold L. Ickes, requesting it, because at that time they said that they would require such a letter. Not having received it on Tuesday, the day before the matter came up, I called Mr. Ickes myself and was promised that I would receive it. It arrived after my time had expired on the floor. Immediately thereafter I wrote the P. W. A. and complimented them on their efficiency in seeing that the documents did not arrive until it was too late to use them in the debate.

What does that report disclose with reference to this project? It discloses that the administration itself, in its own investigation from inside sources, did not have a proper basis for submitting such a proposition to the President or for making an allotment for it. It discloses that this director, after his investigation, said that the estimates of power revenues by the applicant, by the Federal Power Commission, and by the engineer examiner are widely at variance; that the dependable market for power does not appear to us to justify the estimates of revenue of the applicant, as it appears that there must be a very large development of the market for power to absorb all of the available power which may be developed in connection with the project. On the other hand, he states the use of water for power must be subordinated to the other requirements if the water is to be available as and when needed for the other purposes of the project. This means that there will be a large variation in the amount of water released from the so-called Kennett Reservoir, and that that is absolutely true, because the reservoir is so near the head of the Sacramento Basin and the water stored must be used to equalize the flow from the tributary streams entering the Sacramento below the reservoir, that it will result in drawing down the water level of the reservoir in such way as to materially affect the operating head.

As to the plan of financing, it discloses that it does not appear that any estimate of assured revenues can be made which would warrant the conclusion that a loan for the construction of this project, payable solely from the net revenues derived therefrom, would be reasonably secured.

The project, if economically sound and carried to completion, would be of far-reaching benefit to the whole State of California, and more particularly to the counties which will receive its benefits, as well as to the particular lands directly affected. It therefore seems entirely reasonable to suggest that the cost of the project and the responsibility for financing it should be apportioned in some way commensurate with the benefits.

The report further states that a conservative estimate of reasonably assured revenues could be used as a basis for issuing a limited amount of revenue bonds to finance the plans at cost. The report further states that, in addition, proper account has not been taken of surplus crops that are now available and the question as to whether we should enter into that kind of reclamation project at a time when we have a surplus of the crops which that particular project would raise.

It appears from this report—and the entire report will be in the RECORD, under my permission to extend remarks—that this is absolutely being entered upon without regard to the question of its economic necessity and the economic efficiency of bringing more land into cultivation at such a time as this.

I am not surprised, in view of the manner in which allotments are being made by the P. W. A. and by other outfits in connection with the Government out of relief funds, that this allotment has been made so far as it has been made by the P. W. A. and other governmental authorities. It is so ridiculous that we should spend all this money at this time, a time when we have such a surplus of all these crops that are raised in this valley, further to develop irrigation projects. It appears in this report that it is absolutely unnecessary to go into such a large-scale project to take care of land already under cultivation, and that there can be no justification for it except as new lands are brought under irrigation. Those people who have irrigation projects would be faire to the country and to themselves if they would not come here with such outlandish and such ridiculous projects; and I hope the Congress will have all these things in mind when they come to vote on these matters again.

Mr. GEARHART. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. GEARHART. Does the gentleman understand that there are between 400,000 and 500,000 acres in the upper San Joaquin Valley in a high condition of productivity which, unless they receive water from the building of this project, will revert to the condition of the desert and become utterly worthless?

Mr. TABER. Mr. Speaker, I refuse to yield further; I have not the time. I will tell the gentleman the situation. The situation is that it is absolutely unnecessary to take care of the lands that are under high cultivation to have this great big expensive project. A few things could be done in the upper San Joaquin Valley that would entirely provide for and take decent care of these lands that are under cultivation; but there is absolutely no excuse for this big project, and the reports of the engineers all the way through sustain this viewpoint without conflict, stating that it is absolutely unnecessary to have this expense lay-out in order to take care of the lands already under cultivation.

Mr. GEARHART. Mr. Speaker, if the gentleman will yield further, I may say to the gentleman from New York that I live within a few miles of the land I just described, and I know, personally, that no definite plan has been offered by any engineer of consequence, or any engineer whose opinion is worthy of consideration, for the saving of these parching lands of the upper San Joaquin other than through the utilization of some, if not all, of the units of the Central Valley project.

Mr. TABER. Does the gentleman recognize the State engineer of California as an authority? He has studied the project and has demonstrated it clearly in his report.

Mr. GEARHART. I recognize Mr. Edward Hyatt, the State engineer of California, as the most able, consistent, and eloquent advocate of the Central Valley project in the

United States today. We are in constant consultation with him. You cannot cite one in whom we have greater confidence.

Mr. TABER. And he has said that what the gentleman has asked is not necessary. [Applause.]

[Here the gavel fell.]

The SPEAKER. Under the special order the gentleman from Kansas [Mr. CARPENTER] is recognized for 5 minutes.

Mr. CARPENTER. Mr. Speaker and Members of the House, I trust that what I am about to say will not be misunderstood or will not seem out of place. I assure you I am most sincere. My service here the last 4 years has become such a vital part of my life that for some reason or other I do not feel I can sever my connections with this honorable body without expressing myself in these very few remarks before I leave.

While I have not served in Congress very long—there are many who have served so long they are considered veterans—I have been here and taken part in the affairs of our National Government during one of the most critical periods of our Nation's history. It has been my pleasure to have labored with, to have been personally acquainted with and met men and women who are destined to go down in history as our great leaders.

It has been a very great pleasure to have served with you, my colleagues, during these critical years. And while we may have had our differences in regard to legislative matters, you have always been so very courteous and considerate of me at all times.

I have never before witnessed men and women for the most part with such an earnest desire to serve their fellow men—so willing to give every matter presented to them their serious consideration or who had such sympathetic understanding of the needs and desires of the people of this country. I have never seen individuals to such an extent dedicate all their energies and even their very lives to those they represent, and to the general welfare. Would that I had the ability and the skill of a great artist to paint the wonderful battle scenes of the great struggles that go on here daily and to truly portray the heroes who patriotically, earnestly, and conscientiously carry on in these very chambers from day to day, whether they be leaders or merely buck privates in the rear ranks.

No one can appreciate the many duties and responsibilities that go with the office of Congressman until he has been elected to that high office. There is great joy and honor in attaining such position. After it has been reached the road is rough and rocky, with many pitfalls, and the woods are full of relentless savages. Honest and conscientious actions can be so misconstrued as to make them appear in an opposite light. Unfavorable news items, no matter how unfair, or whatever the motive, leave a wound that never heals.

Why do men aspire to such undertakings, you may ask me, if they have to undergo such strain, such hardships, and such humiliation? They seek the office. No one compels them to do so—it is voluntary on their part—and having attained it, why do they cling to it? It is that human ambition engendered in the spark of life that makes one desire to live, and in desiring to live to desire others to live. Living is not merely existing. It comprises those attributes which have ever been dominate among human beings—life, liberty, and the pursuit of happiness as pronounced at the birth of our Nation, to secure which it is written that governments are instituted among men. It is irresistible, like the force of a glacier that sweeps all before it till the course is completed even out to the sea.

May our descendants never arrive at that period when they no longer desire leadership, or having attained the same they are not willing to make the sacrifices that go with it, as well as to enjoy its honors.

It is, therefore, with great reluctance that I leave these halls at this time. I have enjoyed every minute of my stay. I say again in conclusion it has been a great privilege to have been among you. Your political affiliations have made no difference to me, so that you were sincerely working for the best interest of those you represent and the best interest of our great country as a whole. When the Seventy-fourth Congress is declared adjourned sine die, may I extend to each and every one of you my best wishes and a fond adieu. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Does the gentleman from Ohio yield for that purpose?

Mr. YOUNG. I yield.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, I am sure I voice the sentiments of the entire membership of the House when I say that we have learned with very deep regret of the determination of the gentleman from Kansas voluntarily to retire from Congress. He has served here with us for 4 years, and during that period of service he has been a useful Member of this body. He has been modest, but able and indefatigable in the discharge of his duties as a Representative of his own district and also as a Representative of the entire country.

We regret very much the prospect of continuing our service without his presence. I am sure all of us extend to the gentleman from Kansas [Mr. CARPENTER] as he retires from this House the wish of great happiness in private life, and he carries with him the assurances of the profound esteem, respect, and affection of all Members of the House of Representatives. [Applause.]

Mr. LAMBERTSON. Mr. Speaker and Members, the Fourth Congressional District of Kansas, which has been represented for 4 years by my congenial and able colleague, RANDOLPH CARPENTER, is the middle district of the State. It is bounded by five of the other six districts. It includes the Flint Hills, the prairie-grass grazing country, with the rich valleys along the streams. To the north and the east of his district is the corn and the alfalfa section, to the west and south the great wheat region.

RANDOLPH CARPENTER is a native son. He is a lawyer, and a son of a distinguished lawyer, a World War soldier with distinction, and the head of a delightful family. His grasp of legislative matters has been comprehensive, and he has the fine, quiet courage to follow his convictions. He is doing the unusual and remarkable thing of retiring voluntarily. To us he is the inscrutable. However, since he made his decision he has exhibited no evidence of regret.

He belongs to the opposite party from mine, and his withdrawal increases my party's chance to rerepresent the district. But, laying aside all those things, being our honest selves for a moment, we regret his going. He has been a credit to the fine traditions of our State, and our agricultural people will remember him as having been an active and true friend.

The SPEAKER. The gentleman from Ohio [Mr. YOUNG] is recognized for 3 minutes.

THE TOWNSEND PLAN AND OLD-AGE SECURITY

Mr. YOUNG. Mr. Speaker, the Townsend plan is just another chain-letter racket. Nickels and dimes were taken from credulous old people for the benefit of Clements, Townsend, and racketeers who then lived in newly acquired luxury. That was cruel and uncalled for. Townsend plan leaders claimed to welcome a congressional investigation. Then Dr. F. E. Townsend, after a showing had been made of use of the mails to defraud by his organization, contemptuously refused to answer questions. He was a contumacious witness. He should be punished for contempt. That very night the entire Townsend old-age organization of 75, occupying 13 offices in Washington, cleaned out the offices of files and furniture and, like thieves in the night, stealthily stole away. Dr. Townsend claimed that the investigating Congressmen were persecuting him. He declined to answer further questions and walked out. He said the House of Representatives was unfriendly and unfair. Then, when

the House of Representatives yesterday voted to refer the contempt charges to the United States attorney of the District of Columbia for investigation by that official with a view toward prosecution upon contempt charges and an impartial trial in a court of justice, Dr. Townsend said:

The House of Representatives was afraid to bring me before it for an open discussion of this notorious case.

He is a charlatan, a faker, a racketeer, a fraud. [Applause.]

The Townsend plan has become the cruelest hoax ever perpetrated upon our fathers and mothers. The entire scheme is so fantastic—the taxation feature is so burdensome, so cowardly and cruel—that many worthy people who now believe will eventually meet with bitter disappointment. This is unnecessary and uncalled for. It is most reprehensible. Conscienceless agitators and demagogic politicians may thrive momentarily by espousing this phantasmagoric plan claiming to give $200 per month to every elderly individual. Their ascendancy will be brief and their downfall sudden and certain.

The Townsend plan provides for money to be taken from wage earners, producers, and salaried people by a tax of 2 percent upon all business transactions plus a slight increase in inheritance, gift, and income taxes. This money is turned over to elderly people, regardless of need, to force its expenditure within 30 days "to keep a constant demand for production and consumption" and to take care of the needy aged.

Of 127,000,000 people in this country, 10,000,000 or more would seek these old-age annuity payments. The annual cost would be $24,000,000,000, plus the tremendous expense of administration, if every elderly individual were to be paid $200 per month. This would be equivalent to an added tax of $190 per year for each man, woman, and child in the United States. A man earning $100 per month and having a wife and two children would pay $760 in added taxes. At present the American people are overburdened with taxes. The average annual per-capita tax of every individual in our country is now $122.

There are already too many Government employees. Under the Townsend plan there would necessarily be a vast increase. Unfortunately the McGroarty bill (H. R. 7154) provides that the proceeds from the transaction tax shall first pay the cost of administration before anything whatever is paid to elderly people. I personally do not believe in bureaucrats first.

Supposing, instead of pensioning 10,000,000 men and women our Government would employ that additional number or increase the standing Army to that number, paying every soldier of the 10,000,000 $200 per month, requiring the expenditure of that salary within 30 days. Would that restore prosperity? Or would it bankrupt the Nation?

Prudence in the expenditure of this money is not within the theory of the plan. What is the opinion of Dr. Townsend as to the necessity of prudently spending money? When before the Ways and Means Committee he was interrogated by a member of the committee, as follows:

Mr. HILL. He could not go out and squander it in order to get rid of it, so that he may be eligible to receive $200 the next month?

Dr. TOWNSEND. We do not care what he does with it. That is immaterial. Let him have carte blanche. Let him buy whisky with it if he wants to kill himself off as quickly as he chooses. That is immaterial. It is commerce—business—that we want in the country. We are not going to regulate people's morals in the least when we give them money to spend.

Mr. HILL. Suppose a husband and wife qualify to receive this pension. They would be receiving $400 per month. Let us say they have a family of grown-up children. Would it be permissible for those children to live with them and be supported from the provisions supplied with this pension money in the home?

Dr. TOWNSEND. Why not? Why not let elders buy commodities and give to their children if they like? That is immaterial.

All taxes are burdensome. The transaction tax is a multiple sales tax. Such a tax is heartless and cruel in its operation. Childhood, youth, sickness, poverty, and misfortune do not escape it. I favor liberal old-age pensions. I consider a transaction tax atrocious. Nearly 50,000,000 men and women who work for wages and salaries, and their dependents, the farmers, middle-class people, and the poor must bear its burdens. Every tax imposed upon producers, upon industry, and business transactions adds to the cost of producing and distributing products and must be paid by the consumer. The farmer would be a chief victim of the transaction tax. He buys and sells out of proportion to his net income. Workingmen and children would be sufferers from the Townsend plan. Prices of necessities would increase much more than wages of workers, and even from the low wages would be deducted this transaction tax. Young and middle-aged parents and their small children would feel the pinch of restricted earning power under the Townsend plan. It is cruel and unconscionable to apply a multiple transaction sales tax upon the food and clothing of 36,000,000 children under 15 years of age. We must not decrease the opportunity for our children nor make their lot harder. The last place we should send the tax collector is into the homes of young men and women who are bringing up the future citizens of this Nation. Unfortunately the Townsend plan makes no provision whatever to raise wages corresponding with increased prices of commodities.

This depression has been prolonged because of the vast load of taxes and interest charges. The Townsend plan provides for a universal tax, a tax to raise a greater sum than was ever before collected in the same length of time anywhere in the world. The alleged benefits of the plan are speculative. The burden of the tax is definite, certain, and unescapable. No such burdensome tax has ever been proposed for the poor since the French Revolution. The real burden of the tax would be passed on to the workers in the form of higher prices. This, in effect, would further reduce wages already reduced by the transaction tax.

The proper administration of the plan would require a Government check-up every month to learn whether or not each beneficiary has spent the money given him and the amount of the individual income, if any, which should be deducted from his $200 pension. As there are over 10,000,000 eligibles scattered throughout the country, it would require an army of snoopers, sneaks, spies, informers, supervisors, collectors, and bureaucrats to supervise its administration.

If our people etablish a practice of using their political power to vote themselves pensions, regardless of need, then we are cultivating an appetite that is insatiable. The demand will grow and grow. Already it is suggested that the pensionable age be reduced to 55 years and that several other million beneficiaries be brought within the plan. If 10,000,000 people can live in idleness off others, why not 20,000,000?

About 350 years ago, while Elizabeth was Queen, somebody thought of the poorhouse. Since then we have found better ways of doing everything. We have exchanged the quill pen for the fountain pen and printing press; the candle for the electric light; the horse for the railroad, automobile, and airplane. Stagecoaches, tallow dips, flintlock muskets are gone, never to return. Nevertheless, we still tolerate the poorhouse. We care for our needy aged by methods in vogue in 1588.

After years of depression this problem is particularly acute. Savings of thousands of aged people have been wiped out, despite the fact that they providently and thriftly saved for their future. They are destitute. Their sons and daughters, lacking jobs in many instances, cannot help. Younger people and the middle aged may never be able to accumulate sufficient for their own old age. Certainly they are not able to adequately provide for their aged and infirm parents. This depression, like war, leaves its toll for future generations to pay. The question is, Shall we provide for our aged extravagantly and cruelly in poorhouse, or humanely, economically, and scientifically by old-age pensions?

Old-age pensions provide an open road for happiness and contentment for men and women who have through no fault of their own beheld the savings of a lifetime swept away as a result of ill-founded trust and abiding faith in big city bankers, in manipulated insurance companies, in exploiting building-and-loan associations, or have been swindled in any manner through the connivance of others, or who have by

reason of economic conditions been unable to lay aside sufficient for the rainy day that awaits us all. Local communities now overburdened, relatives now unduly burdened caring for the less fortunate, and county poorhouses will be displaced. A new era is at hand. The aged and infirm will face security and contentment instead of uncertainty, humiliation, and misery.

The need for old-age security legislation is largely due to the congestion and intensity of modern industrial processes. Either aged people, in honorable poverty, must be supported by private charity or by society. I favor old-age security legislation because it is the duty of the Government, and also because the reliance upon private charity is an unequal and insecure dependence for men and women who have earned the right to live their few remaining years in modest independence and enjoy repose.

The hope we all cherish is an old age free from care and want. To that end people toil patiently and live closely, seeking to save something for the day when they can earn no more. And yet the same fate awaits the majority. In the life of the worker there are weeks, often months, of enforced idleness, weeks of unavoidable sickness, losses from swindling, and then as age creeps on there is a constantly declining capacity to earn, until at 60 many find themselves destitute. There is no more pitiful tragedy than the lot of the worker who has struggled all his life to gain a competence and who at 60 faces the poor house. The black slave knew no such tragedy as this. It is a tragedy reserved for the free worker in the wealthiest and greatest nation on earth.

There is nothing radical about the old-age pension idea, though personally I do not fear being termed a "radical." The word "radical" is derived from the Latin word meaning "root." We ought to go to the roots of our social and economic troubles. As a matter of fact, payment of old-age pensions by the State or National Government involves no new policy nor any innovation of principle. In 1913, as a member of the General Assembly of Ohio, I participated in the enactment of Ohio's first mothers' pension law. Before that time the State had dealt in haphazard fashion with children of destitute widows. Children were sent to children's homes and the mother to work. This blighted the lives of children and brought misery to the mother. Instead of cruel separations of mothers and children, we now have the enlightened system of mothers' pensions, with regular payments to mothers to take care of their children. The family is kept together. Furthermore, the cost to the State is less. No State that has adopted mothers' pensions has reurned to the old inhuman methods. I urge the same principle for the needy aged who, after a lifetime of industry and struggle, at 60 becomes in need of assistance from the Government or from public or private charities. It is time to free white hair and wrinkled brows from dread and anxiety. Instead of "over the hill to the poorhouse", the Government should lend a helping hand in a scientific and adequate manner to our deserving and needy aged as they go down the sunset side of life.

Private charities, bread lines, and soup kitchens must not be the only answers of American intelligence and sense of justice to the problem of unemployment and indigent old age. Out of the hardships of this depression when millions of people sought work which they could not find, let us hope that a better future may come for aged men and women whose condition is desperate even in the best of times and through no fault of their own.

The truth is that if the Townsend plan means $200 per month for every elderly individual of 60 or over then there is no bill pending in the Congress that would provide such pensions. The size of the monthly payment to elderly individuals depends, under the McGroarty bill, H. R. 7154, on the amount of money the taxes produce after cost of administration has been deducted. Of course, this may be very fine for the bureaucrats and the administrators of the plan, but it would not be so good for the elderly people who are dependent. How can we say to the people we represent that we are providing old-age security for them unless we definitely write into the statute laws some substantial minimum as a certain amount that every worthy elderly person of this country will receive? Under this McGroarty bill, which is the latest Townsend plan, the annuity payment to the elderly people that we represent may be from nothing up. Of course, as a sop and because they have been talking so much about $200 per month, the bill states that in no event shall the payment exceed $200 per month, but everyone knows that after the cost of administration has been deducted, the payment will be but a fraction of that amount.

H. R. 3977, Mr. McGROARTY, was abandoned by its author. He stated that he would not vote for this bill.

H. R. 7154, Mr. McGROARTY, clearly states that the pensions shall be "in such amount not exceeding $200 per month." The pension may be from nothing up. Unfortunately no minimum is provided.

Townsend-plan leaders in Congress estimate the 2-percent transaction sales tax might provide sufficient money to enable old-age-pension payments to provide $50 per month. Members who have studied the bill carefully estimate the amount would not exceed $28 per month. This is less than is provided in the Social Security Act of 1935.

Townsend-plan leaders frequently refer to Dr. Robert Doane, a political economist, as favoring the Townsend plan. Dr. Doane stated before the Ways and Means Committee of the House of Representatives as follows:

Mr. FULLER. You have studied the Townsend bill, have you not?
Dr. DOANE. I have not. I have never read the Townsend bill.
Mr. FULLER. You know that the general purpose of it is to pay $200 a month to every person over the age of 60? [Referring to H. R. 3977, Mr. McGROARTY, since abandoned.]
Dr. DOANE. Yes; I know that.
Mr. FULLER. As an economist, do you think that this Government would stand that financial strain and burden?
Dr. DOANE. Not at the present level of income and the present rate of production; no.
Mr. FULLER. That is all (p. 1119 of official record of hearings).

Since that time, Dr. Doane has testified that the scheme is fantastic, would result in the wildest inflation, and that the cost of bread and other necessities would skyrocket. He said:

The Townsend plan for raising the required revenue is not only decidedly not feasible, but is filled with formidable danger to the entire American fiscal, social, and economic structure. * * * Any heavy tax on mass consumption always checks and lowers the consumption powers of labor. As a matter of common-sense fact, known to every man or woman possessed of any knowledge whatsoever of economics, it would be utterly impossible to raise any such sum proposed by the Townsend plan under any form of taxation. A 2-percent tax on all transactions is an entirely different thing once it works its way through the entire fabric of a nation's economic life. Through the sheer multiple effect of its cumulative action, as it is passed on as a cost factor from one transaction to another, it really becomes a 50-percent tax upon the wealth and income of the consumer.

He added:

The Townsend plan, if put in effect, can only serve to vastly increase unemployment.

Many thoughtful individuals believe that a 2-percent transaction tax would prove ruinous to every small-business man in this country. They believe that it would be impossible for the independent merchant, for example, to compete with the chain-store system, because the independent merchant buys his merchandise through a system that requires many transactions, with the result that there would be multiple taxes; whereas the chain-store system has a more simplified system of distribution that avoids many transactions and would have a decided advantage over the independent merchant. It is stated that large industrial organizations that own the complete unit of production would have a decided advantage over small organizations. I do not want great corporations to become larger and more powerful. I personally believe that small business institutions have done much to develop the progress of our country.

Mr. Stuart A. Rice, Acting Chairman of the United States Central Statistical Board, states that in 1934 transactions

subject to a 2-percent transaction tax amounted to only $105,000,000,000, and that a 26-percent transaction sales tax would be necessary to provide pensions of $200 per month.

The gentleman from Pennsylvania [Mr. MORITZ], a member of the "McGroarty bill 7154, the Townsend-plan steering committee", said in the House of Representatives, January 15, 1936:

> Dr. Townsend has stated before the Ways and Means Committee that if the age of 60 is not practicable to start out with, he would be willing to start at the age of 75. He has told me personally the reason he has advocated $200 per month is that no politician can come along and raise the "ante."

Congressman MORITZ is one of the Townsend plan leaders in Congress. (See CONGRESSIONAL RECORD, p. 428, Jan. 15, 1936, issue.)

On January 17, the gentleman from Montana [Mr. MONAGHAN], chairman of this steering committee, stated:

> I wish to say that I have not defended the sales tax in any speech on this floor. I have condemned it. There is a vast difference between a sales tax and a transaction tax, the one proposed in the revised McGroarty bill. (See CONGRESSIONAL RECORD, p. 615.)

Dr. F. E. Townsend flatly contradicts this statement. Read page 1016 of the report of the Senate Finance Committee (Feb. 18, 1935). Following are excerpts from Dr. Townsend's testimony:

> Senator BARKLEY. So it is really a sales tax.
> Dr. TOWNSEND. There is a distinction, but there is very little difference. A sales tax has to necessarily be a tax on a transaction. All taxes on transactions of a financial nature are sales taxes.
> Senator BARKLEY. So it is a distinction without a difference.
> Dr. TOWNSEND. Well, the public conception of a sales tax is a limited-transactions tax. That is the only difference.
> Senator BARKLEY. The transactions tax would be unlimited; it would apply to all transactions involving sales?
> Dr. TOWNSEND. That is what we propose to do.
> Senator BARKLEY. The name is changed in order to get away from the term "sales tax"?
> Dr. TOWNSEND. That is all.

The Townsend plan to pay $200 per month to every individual of 60 years of age or older is really an emotional adventure in the field of economics. It is the capitalization of a wish. It has nothing to do with reality. If $400 a month to every elderly couple of 60 years will bring about recovery and prosperity, why not demand $1,000 per month for each elderly couple and so bring about a boom?

It is unconscionable and despicable for any man to elevate himself into public office by capitalizing upon the suffering and the credulity of old people who are in need. Yet there are individuals who are deceiving thousands of worthy old people into believing that they will receive $200 per month. Some of these so-called Townsend leaders have been living in luxury at the expense of impoverished but trusting elderly people. The cruel part of this performance is that a few unworthy men will deceive worthy elderly men and women, secure dimes and quarters from them, and secure their trust and confidence for a time, and perhaps some will win election to high public office.

This Townsend plan which is being urged is thoroughly and completely unconstitutional. The pitiful part of the whole thing is that the proponents are not even proposing to repeal the social-security law; but they are, in fact, greatly impeding the progress of proper old-age security laws. The Supreme Court would hold unconstitutional the imposition of a transaction tax upon the wage earners of our country for the benefit of a small group—about 8 percent of the people.

The Townsend plan, in fact, is not an old-age-pension plan. It is a scheme for further increasing the burdens of the poor. A 2-percent tax on every transaction will increase the cost of the necessaries of life tremendously. Salaried men and wage earners would not only pay taxes upon their small salaries, but they would pay, under this scheme, a tax upon anything they buy. Nothing escapes. They must pay taxes on the food and the clothes they buy for the children, medicine for the sick, milk for the babies, all to enable an elderly couple over 60 years of age to receive $4,800 per year. Ten million persons in this country of 60 years or over would be beneficiaries of this plan as long as it lasted. Exclusive of the cost of the administration, which would be tremendous, an amount sufficient to pay elderly people $200 per month each is more than six times the present normal annual revenue of the Federal Government from all sources of taxation.

The tax on transactions is a tax on every step of the processing, transportation, and sale of commodities, as well as a tax on all business transactions of every kind. On many articles 2 percent would be collected 12 times or more. Consider a loaf of bread. The farmer who grows the wheat would pay 2 percent in selling it to the grain elevator; the railroad that carries it to the elevator pays another tax; when a flour mill buys the wheat a tax is paid again; the miller is assessed another 2 percent when he sells the flour to a baker; and the railroad that carries it to the baker pays; the trucking is another transaction, and so on. The final buyer, who proposes to eat the bread, will find that its price has gone way up.

The farmers of our country under the Townsend plan would be forced to submit monthly reports showing every transaction they made—every basket of eggs sold, every quart of grain marketed, every coop of chickens taken to the produce house, each load of wheat sold to the grain dealer. On each transaction the farmer would have to pay a 2-percent sales tax. I represent all the farmers of Ohio. I would never vote such a burden on my constituents. Think of the wage earner paying this enormous tax on the clothing he buys for his family and upon every morsel of food he places on his table. This is the heaviest, most burdensome, most outrageous pyramided sales tax ever proposed to any Congress. It is amazing that many people have been so deceived that they are urging Congress to tax themselves out of existence. The McGroarty bill does not provide an economic panacea. It does not give a short cut to prosperity. It does not answer the prayers of our aged. It proposes an unbearable transaction sales tax which, if forced upon the people of the United States, would only pay a pension amounting to approximately $28 per month.

In 1934 the entire national income was approximately $50,000,000,000. The Townsend plan would take more than 40 percent of it. A man on a salary of $40 a week would contribute more than $16 of his pay every week—not directly, of course, but indirectly through the transactions tax.

On the basis of current income it simply cannot be done. It is impossible. The rainbow in the sky is too far beyond the horizon. Through the medium of indirect taxes the $40-a-week man will contribute $16 a week, which will be given to an elderly person to spend. The buying power of the $40 man will be reduced accordingly. The cost of the scheme will fall almost entirely on those who are least able to afford it—on the people who live on wages and small salaries. The income of this class is now consumed almost wholly in living expenses, and it is they who will have to bear the heavy load of the tax on all transactions.

Why stop at $200 per month? Anyone who believes it would work at $200 would believe it still better at $300. So, in order to get Dr. Townsend's following away from him, a political demagogue would only have to raise his ante.

Wage earners and salaried employees would suffer a lower standard of living because their purchasing power would decline, due to higher living costs, and 2 percent of their earnings would be regularly taken away by the tax.

The Townsend plan would drastically redistribute the national income, but at the expense of millions of wage earners, salaried employees, farmers, and owners of small businesses.

If prosperity could be restored by taxing 92 percent of the population in order to give money to the other 8 percent to spend, would it not be better to give this money to young married people? They have greater obligations and responsibilities. They have homes to build and children to rear and educate.

Those who advocate the Townsend plan include bank transactions. Therefore, every check issued, every withdrawal, would cost 2 percent additional. Such a tax would destroy our banking structure.

The total business transactions, exclusive of bank transactions, during 1935 amounted to less than $500,000,000,000. In fact, a sound economist estimated that the total business transactions in 1933 amounted to $250,000,000,000 and that the total for 1935 was much under $500,000,000,000.

Furthermore, if 10,000,000 men and women, or 1,000,000 men and women, over 60 years of age were taken from their jobs and younger people given these same jobs, how does it help to restore prosperity by substituting one group of unemployed for another?

Common sense, social vision, and an intention to do justice to our elderly people dictate that our energies should be applied in the coming years to liberalizing and making effective the beneficent provisions of the Social Security Act of 1935. Old-age pensions should commence at the age of 60. They should be adequate to provide real security for those who go down the sunset side of life.

The SPEAKER. The gentleman from Texas [Mr. MAHON] is recognized for 3 minutes.

JAPANESE-AMERICAN TRADE

Mr. MAHON. Mr. Speaker, during this session of Congress I have heard this administration repeatedly denounced for its trade policy with Japan by members of the minority party. The Secretary of State is held up to scorn and ridicule, and a casual reader of the CONGRESSIONAL RECORD would be led to believe that Japan has overrun our Nation with cheap goods, and outgeneraled the American businessman, intimidated the State Department, and routed the Tariff Commission and the President. This is far from the truth.

The truth is, last year we sold Japan $203,000,000 worth of American goods and bought from Japan only $153,000,000 worth of goods. By far the largest item in our purchases from Japan was raw silk, which we, of course, do not produce. The truth is that Japan is our best customer in the world for raw cotton. For years Japan has bought more than a million and a half bales of raw cotton per year from us. Last year she bought 1,518,000 bales of cotton from us for $98,587,000. The truth is that Japan is the third best customer in the world for American goods. The truth is that during each year of the Roosevelt administration we have sold much more American goods to Japan than Japan has sold to us. During the past 3 years we have sold $156,000,000 more goods to Japan than Japan has sold to us. The truth is that during the administrations of the Republican Presidents Hoover, Coolidge, and Harding, Japan flooded us with goods, we buying from Japan each year during those administrations many millions of dollars in goods in excess of our sales to Japan. During the 4 Hoover years of 1929, 1930, 1931, and 1932, the value of Japanese sales to us exceeded our sales to Japan to the extent of $336,000,000.

The truth is that for the first time in 50 years we have a so-called favorable balance of trade with Japan. When I consider the excess of our purchases from Japan over our sales to Japan during the former Republican administrations and the fact that for the first time in history we sell Japan far more than she sells us during this administration, I find myself wholly unable to concur in the attacks made on this administration by certain Republican critics.

Oh, but it is said by a Member of the minority party in the CONGRESSIONAL RECORD of January 28, 1936, that, though we sell large quantities of raw products to Japan, Japan fabricates the great majority of the products we sell her and ships them back to us. This is extremely and unpardonably inaccurate.

This brings me to a brief consideration of our textile purchases from Japan. As heretofore stated, last year we sold Japan 1,518,000 bales of raw cotton. Japan shipped back to us in textiles and cotton products of all kinds the equivalent of 17,000 bales of cotton. Japan failed to ship back to us in fabricated products 1,501,000 bales of cotton of the aggregated weight of about 750,500,000 pounds. Of course, if we compare bales of cotton we sell to Japan to yards of cloth we buy from Japan, we might mislead those who do not know that a bale of cotton weighs 500 pounds and represents hundreds of yards of cotton cloth.

Mr. Speaker, I do not advocate the importation of cotton textiles from Japan. I much regret that any cotton textiles are imported from Japan. But as long as we can sell Japan more than a million and a half bales of cotton per year and buy back from her only about 17,000 bales of cotton per year in goods, I can see no cause for hysteria.

We have got to sell our cotton somewhere, and I will not be one to endeavor to drive away the best foreign customer the Texas cotton farmer has left.

But it is pointed out with alarm that the importation of certain textiles from Japan has increased several hundred percent within the last year. That is bad, but with the increase we still receive in textiles and cotton goods from Japan the small comparative amount which I have indicated.

Japan's export of cotton cloth to the United States last year amounted to less than 2 percent of the Japanese export of cotton textiles. According to Secretary Hull, imports of countable cotton cloths from Japan in 1935 were equivalent to about one-half of 1 percent of the total yardage of American production.

We export more cotton cloth than we import, but Japan is decidedly the largest cotton-textile exporting nation in the world, with England in second place. It is true that the New England textile manufacturers cannot compete in foreign markets with Japan for reasons that are well known. This is regrettable, but it is not the fault of the southern cotton farmer. Most certainly it is not the fault of this administration.

May I quote the following very striking and encouraging statement of March 9, 1936, by the Bureau of Agricultural Economics of the Department of Agriculture:

> Domestic cotton consumption in December (1935) is reported by the Bureau of the Census at about 498,000 running bales. This is 2 percent less than consumption in November, but nearly 20 percent greater than consumption in December 1934 and the largest consumption for the month since 1928. Consumption in January amounted to about 591,000 bales, which was nearly 8 percent greater than last year, and the highest for the month since 1929. Consumption for the 6 months ended January 31 of 3,007,000 bales is the highest since the same 6-month period ended January 31, 1930. Mill activity during both December and January and the first half of February has been at a level about equal to the 1922 to 1927 level, inclusive, according to the New York Cotton Exchange. * * *

The merciless critics of our Japanese trade policy should not be ungrateful for the improvement made in our domestic textile trade during this administration. They should be willing to look at the whole picture and note that for the first time in history the value of our exports to Japan exceed the value of our imports from Japan. However, this alert administration, in its endeavor to further assist the domestic textile industry, has within the last few days increased the tariff on certain Japanese textiles an average of 42 percent.

Mr. Speaker, the Republican tariff policy "bottled up" American agriculture, deprived us of our foreign markets, did irreparable injury to the cotton farmer, and did a great deal, directly and indirectly, to stop the commerce of the nations, and thereby impeded world progress. This administration, in this respect, has performed no miracles and has made some mistakes, but on the whole our foreign and domestic trade has increased and the American farmer and businessman can feel and see at least a little ray of hope.

CELEBRATION OF THE BICENTENNIAL OF THE BIRTH OF PATRICK HENRY

Mr. MONTAGUE. Mr. Speaker, I introduced day before yesterday a bill appropriating $10,000 toward defraying the expenses of the celebration of the bicentennial of Patrick Henry, to be held in the county of Hanover in my district in the State of Virginia. The committee very promptly reported this bill favorably, and I understand it was a unanimous report. I have not the report with me, Mr. Speaker, but it is rather illuminating and interesting, and I hope the membership may find time to read it. I do not desire to take up any further time of the House at this time.

Mr. Speaker, I ask unanimous consent for the immediate consideration of this bill (H. R. 12870) to aid in defraying the expenses for the celebration of the bicentennial of the

birth of Patrick Henry, to be held in Hanover Courthouse, Va., July 15, 16, and 17, 1936.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to aid in defraying the expenses for the celebration of the bicentennial of the birth of Patrick Henry to be held at Hanover Courthouse, Va., July 15, 16, and 17, 1936, such sum to be expended for such purposes by the Patrick Henry Bi-Centennial, Inc., Ashland, Hanover County, Va., and without regard to any other provision of law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MURRAY A. HINTZ

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6163), for the relief of Mrs. Murray A. Hintz, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 5, strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps."

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, as I understand the amendment, it simply provides for getting the money through another channel.

Mr. DEMPSEY. It is to be taken out of the Conservation Corps fund rather than out of unappropriated funds in the Treasury.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. AYERS. Mr. Speaker, I ask unanimous consent that on Tuesday next, after the disposition of matters on the Speaker's table and following any special orders on the calendar for that day, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

NAVAL APPROPRIATION BILL, 1937

Mr. UMSTEAD. Mr. Speaker, I call up the conference report on the bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12527) "making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes", having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 7, 10, 11, 12, 13, 15, 21, 28, and 34.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 8, 9, 14, 18, 19, 20, 22, 24, 25, 26, 27, 29, 31, 32, 33, and 35, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,147,500"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$3,395,300"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from is disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "including plant, $1,500,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided further*, That no part of this appropriation shall be used for the construction of a factory for the manufacture of airplanes"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,645,575"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$3,985,509"; and the Senate agree to the same.

WILLIAM B. UMSTEAD,
WILLIAM R. THOM,
GEO. W. JOHNSON,
J. G. SCRUGHAM
(except as to amendment no. 14),
CLARENCE J. MCLEOD,
J. WILLIAM DITTER,
Managers on the part of the House.

JAMES F. BYRNES,
ROYAL S. COPELAND,
DAVID I. WALSH,
FREDERICK HALE,
HENRY W. KEYES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended as to each of such amendments in the accompanying conference report, namely:

On amendment no. 1: Appropriates $1,147,500 for "Miscellaneous expenses", instead of $1,142,500, as proposed by the House, and $1,162,500, as proposed by the Senate, the agreed increase being for the collection and classification of information.

On amendments nos. 2 to 5, inclusive, relating to the appropriation "Training, education, and welfare, Navy": Appropriates $130,000 for the Naval Training Station, Newport, R. I., as proposed by the Senate, instead of $125,000, as proposed by the House, and appropriates $3,379 to carry out the provisions of the retirement law touching civilian instructors at the Post Graduate School at Annapolis, Md., as proposed by the Senate.

On amendments nos. 6 and 7, relating to the Naval Reserve: Appropriates $7,868,469, as proposed by the House, instead of $8,000,000, as proposed by the Senate, and provides for 19 Reserve officers above the grade of lieutenant to be employed on continuous active duty at full pay, as proposed by the House, instead of 20, as proposed by the Senate.

On amendments nos. 8 to 11, inclusive, relating to the Naval Academy: Appropriates an additional $15,793 for pay of civilian professors and instructors, as proposed by the Senate, $15,593 being for carrying out the provisions of the retirement law touching such personnel, and $200 for pay of physical instructors, and appropriates for other classes of personal services $585,623, as proposed by the House, instead of $590,866, as proposed by the Senate.

On amendment no. 12: Restores the limitation proposed by the House upon expenditures from the appropriation "Engineering" for Diesel-engine development.

On amendment no. 13: Appropriates for "Ordnance and ordnance stores" $21,700,000, as proposed by the House, instead of $22,500,000, as proposed by the Senate.

On amendment no. 14: Strikes out, as proposed by the Senate, the appropriation of $5,000,000, proposed by the House, looking to the establishment of a reserve supply of strategic minerals of domestic production. In taking this action it was the sense of the managers on the part of both Houses that the Navy Department should appoint a board of officers to make a study of the need of acquiring stocks of domestically produced strategic minerals and that the report of such board should be presented to the Naval and Appropriation Committees of the House and Senate at the commencement of the next regular session.

On amendment no. 15: Eliminates the proposal of the Senate touching the pay and allowances of the present incumbent as attending physician at the Capitol.

On amendments nos. 16 to 21, inclusive, relating to public works, Bureau of Yards and Docks: Appropriates $3,395,300, instead of $2,990,300, as proposed by the House, and $5,000,000, as

proposed by the Senate, the increase of $405,000 being occasioned by the addition of the following projects proposed by the Senate: Improvement of interior illumination, Naval Academy, $270,000; improvement of water front, naval operating base, Norfolk, Va. (total cost, $300,000), $135,000; increases total cost of harbor and channel improvement project at Pearl Harbor from $900,000, as proposed by the House, to $1,500,000, instead of $2,000,000, as proposed by the Senate, and makes such sum of $1,500,000 available for the procurement of dredging equipment, as proposed by the Senate; and strikes out, as proposed by the Senate, the appropriation of $295,000 of the Naval Hospital fund, proposed by the House, toward new and improved Naval Hospital facilities in the District of Columbia.

On amendments nos. 22 and 23, relating to the appropriation "Aviation, Navy": Increases from $24,000 to $50,000, as proposed by the Senate, the amount of the appropriation that may be employed for traveling expenses of service personnel in ferrying new airplanes from point of production to point of operating base, and, with respect to Government production of airplanes and engines, strikes out the inhibition proposed by the House against the Navy engaging in the production of other than primary training airplanes and of airplane engines, other than experimental engines, but retains that portion of the House limitation denying the use of the appropriation for the construction of a factory for the manufacture of airplanes.

On amendments nos. 24 to 30, relating to the Marine Corps: Increases by $11,250 the maximum amount that may be expended for flying pay of officer personnel, as proposed by the Senate; appropriates an additional $32,073 for the Marine Corps Reserve on account of 45-day trainees, as proposed by the Senate, and appropriates $300,000 for transportation, as proposed by the House, instead of $319,600, as proposed by the Senate.

On amendments nos. 31 to 33, inclusive, relating to the appropriation "Replacement of naval vessels": Provides specifically that the President shall determine as a fact that capital-ship replacement construction has been commenced by any of the other signatory powers to the London Naval Treaty of 1930 before the Navy may begin capital-ship replacement construction, and provides for the merger of unexpended balances on June 30, 1936, of "Increase of the Navy" appropriations with the appropriations proposed under the head of "Replacement of naval vessels", all as proposed by the Senate.

On amendments nos. 34 to 36, inclusive, relating to salaries, Navy Department: Appropriates $117,720 under the Office of the Judge Advocate General, as proposed by the House, instead of $120,920, as proposed by the Senate, and appropriates $61,660 under the Office of Naval Intelligence, as proposed by the Senate, instead of $60,080, as proposed by the House.

WILLIAM B. UMSTEAD,
WILLIAM R. THOM,
GEO. W. JOHNSON,
J. G. SCRUGHAM
(except as to amendment no. 14),
CLARENCE J. MCLEOD,
WILLIAM DITTER,
Managers on the part of the House.

Mr. UMSTEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Speaker, in every year since the close of the World War the United States has spent more money on its Navy than any other nation on earth with the exception of one year, when Great Britain spent slightly more than we did. In every year since the close of the World War the United States Government has spent more money on its Army than any other nation on earth. A few weeks ago I put into the RECORD figures that show that for the fiscal year 1937 the United States Government is going to spend for past wars and in preparing for future wars more than $4,200,000,000. There is no use of this Congress or any political party talking about economy in government or about cutting down expenses or about reducing the burden of the taxpayers if we vote this kind and size of appropriation.

A year ago the Congress passed the so-called Vinson bill, which committed this country to enormous naval armament. Immediately the newspapers carried reports of this action of ours being used in Japan as a reason for voting more money for the navy in Japan. This year, when our naval appropriations bill was being discussed, patriotic people in this Congress—we know they are patriotic because they testify to it themselves—told us that the foreign countries are spending so much money on their navies that we have to spend more money on ours.

After we passed this naval appropriation bill in the House, the following Associated Press dispatch, under a Tokyo date line, appeared in one of the daily newspapers:

TOKYO, JAPAN.—Japan's naval secretary, Admiral Osami Nagano, told parliamentarians Monday Nippon must build more ships soon or be outdistanced by America.

Japan may have a naval strength 80 percent of that of the United States, the admiral said. But, he added, unless a new construction program soon is undertaken, Japan's ratio will fall to 58 percent of American strength by 1941.

Steady progress in United States naval building, said Nagano, is the reason.

Large appropriations here are being used as the excuse for increased appropriations in Japan and then increased appropriations in Japan are used on this floor as the excuse for our increased appropriations, and the record still stands that no one has come onto the floor of the House and attempted to defend these appropriations from the standpoint of defense. We all talk about appropriations for defense, but on the basis of defense they cannot be defended or excused. There is no second lieutenant in the Army and there is no ensign in the Navy who will sign his name to a statement proposing any manner by which this country can be successfully invaded.

These appropriations cannot be excused on any other ground than that the United States is going to engage in war on some foreign shore and I do not imagine there are a dozen Members of the House who want that. [Applause.]

Mr. UMSTEAD. Mr. Speaker, I yield to the gentleman from Kansas [Mr. LAMBERTSON] such time as he may desire to use.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD regarding the services of my colleague the gentleman from Kansas [Mr. CARPENTER], following the remarks of the gentleman from Alabama [Mr. BANKHEAD].

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. UMSTEAD. Mr. Speaker, I yield such time as he may desire to use to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Speaker, I assume the gentleman from Iowa [Mr. BIERMANN] endeavored to impress the House with a startling statement when he said that we were spending more money on our Navy than is being spent by Japan. This is an old story.

Whenever the appropriation bill comes before the House, with regularity and precision, with such regularity that we might even measure the day of the week or the month by it, the gentleman from Iowa makes the startling disclosure about the money spent for the Navy.

Mr. BIERMANN. Will the gentleman yield?

Mr. DITTER. Not now; I will yield later. If the gentleman wants to measure the United States Navy and the personnel of the United States Navy and the pay of the United States Navy and the subsistence which the United States Navy enjoys by a Japanese yardstick, he may do so; but speaking for myself I am not willing to have the boys of the United States Navy provided with a subsistence of fish and rice and kept on a beggarly pittance. [Applause.]

Nor am I willing to lower the standards of the men that work in the navy yards, the men who contribute with their brawn and brain to build up the national defense—I am not willing to measure their standard by the standard prevailing in Japan. [Applause.]

I am proud of the United States Navy. I am proud that the majority of Congress has evinced a spirit that will place them in the fore rank—not in the rear rank of the navies of the world. [Applause.]

Now I will yield to the gentleman from Iowa.

Mr. BIERMANN. The gentleman quoted me as saying that we have spent more money on our Navy than Japan. What I said was that this country in every year since the World War had spent more money on its Navy than any other country on earth with the exception of 1 year, when England spent a little more. The gentleman said——

Mr. DITTER. I am not yielding to the gentleman for a speech. If I misquoted the gentleman or if I have not made an accurate statement in relation to what he said, I hope the gentleman will correct me.

Mr. BIERMANN. That is what I am trying to do.

Mr. DITTER. Did the gentleman make the statement that we spent more money on our Navy than Japan did?

Mr. BIERMANN. I did not make it that way. I said we spent more money.

Mr. DITTER. Oh, this is an old matter. The gentleman and I have fought this out before. If the gentleman from Iowa did not leave the impression on other Members, he left the impression on me, that the United States Navy is paying too much of the taxpayers' money for the maintenance of the Navy, and he made a comparison with Japan by which he tried to emphasize the fact that we spent too much on our Navy.

Based on that, if he wants to stand for that kind of a program he may, but, speaking for myself, I want the needs of the boys of the United States Navy and everyone who contributes to the building, maintaining, and operating of our Navy to be based on the standard of living in America rather than the standard of living in Japan. And it is my conviction that the overwhelming majority of the people of the district which I represent have a patriotic fervor which will not be bartered on a Japanese bargain counter. If, as a pacifist, the gentleman from Iowa feels that it is a proper indictment to lay against those of us who are defending a national-defense program, that we spend more than Japan, I am willing to accept the indictment.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. DITTER. I am happy to yield to the gentleman from Illinois.

Mr. LUCAS. If I understand the gentleman correctly, he is not one of those in this Congress who believes in sinking the Navy and destroying the Army as a matter of national defense.

Mr. DITTER. That is correct. Just a word or two about the bill. Mr. Speaker, I feel that the committee really should be commended for this bill. We have really provided some economy, and I believe every member of the committee has been careful to safeguard the interests of the taxpayers and mindful at the same time about national defense. I must express a regret with respect to one item in the bill. I wish we had provided in the bill—and not having provided for it this year I think in another year we will—for a model basin, which I believe to be necessary. I think it should be provided for our Naval Establishment. I believe that the money that that will entail—an expenditure of approximately $3,500,000—will be money well spent. It seems to me that at the present time there is inadequate provision for that kind of work which such an experimental station would bring to us. At the present time we are sending to foreign shores some of the vessels that should be tested here at home, and speaking for next year's naval appropriation, I think there is little doubt but that a testing, experimental basin will be provided, and an appropriation brought into the House in connection with it in next year's bill.

Just one other word about another feature of the bill mentioned during this discussion. The Naval Affairs Committee was challenged during the discussion with a matter of the selection board. I think the gentleman from Georgia [Mr. VINSON] and the members of his committee, have a definite duty to bring in legislation to correct the conditions that presently prevail in connection with the operation of the selection board. It is my fervent hope that we will have some corrective measures next year, to do away with the criticism presently directed against the operation of that board.

Mr. Speaker, I hope when action is taken on this conference report today there will be a unanimity on the part of those who believe in national defense, to support the report, and that there will be no encouragement given to those individuals who want to measure the United States Navy by the measure of Japan. [Applause.]

Mr. UMSTEAD. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I wonder if it is necessary to appropriate over half a billion dollars to give the sailors and the personnel of the United States an American diet. I wonder if the gentleman from Pennsylvania [Mr. DITTER], in speaking of the rice diet of Japan, has in mind the diet on which the unemployed of this Nation are now subsisting. This very week 11,000 unemployed of the W. P. A. in New York City have been discharged. Before a month is over the number will be 40,000 discharged from the W. P. A. in New York City. Throughout the country by July 1 over 700,000 unemployed now working on W. P. A. will have been discharged—discharged on the ground of reduction of personnel and for the reason that there are not sufficient funds to carry them on the W. P. A. pay roll. I ask the gentleman from Pennsylvania to please explain to the unemployed in his district just what kind of diet he expects the unemployed in his district to live on, whether it is going to be a Japanese diet or an American diet, after they have been discharged from the W. P. A. by June 30 of this year. Here we are appropriating over half a billion dollars under the guise of so-called national defense. It seems to me that national defense means defense against invasion, defense against a foreign foe who may invade our shores and come into the United States and attack our homes; but does any man with any amount of common sense believe that we need over half a billion dollars to protect our homes from invasion? Are we preparing here for a defensive war, or are we preparing here for an imperialistic war and an offensive war? While we are throwing away over a billion dollars on the Army and the Navy for war purposes, we find we have not sufficient funds to keep 700,000 unemployed on W. P. A. pay rolls. W. P. A., I repeat, is discharging 700,000 unemployed. Let us pause and give some thought to the diet on which they will have to subsist after June 30, 1936.

Mr. DITTER. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. Yes.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. UMSTEAD. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, we are now discussing the naval appropriation bill. At the same time we are talking about the welfare of the people in the Navy. No one wants to see the men employed in the Navy kept as well as those in any other department of Government more than I. I am not going to yield to anyone in reference to national defense. I believe we should protect our country, we should have adequate defense. But what is adequate defense? No one has yet defined it, but I do believe that in this naval appropriation bill, where we are spending over $532,000,000, we are going away beyond what we need to spend at this particular time for adequate defense. When you increase the naval appropriations bill by $72,000,000, when you are spending $4,000,000 laying down a couple of keels that the President says may be necessary, when you build two battleships that will cost $104,000,000 or more; if there ever was a Congress that put this country on the rocks of financial disaster, this Congress is doing it—the greatest spenders in the Nation's history. I do not care whether you are Republicans or Democrats, or what you are, you are spendthrifts and you will regret it. The situation is simply this: You must curb your spending. If you increase your naval appropriation this year you will have to increase it next year. That is the history of the Navy and every other department of the Government. Every time an appropriation bill is increased, the next year it is increased again, because there are more people on the pay rolls.

The only way we are going to get ourselves into a position whereby we can regulate the affairs of this Nation is by economizing in Government department spending.

Mr. DITTER. Mr. Speaker, will the gentleman yield?

Mr. RICH. I will yield if you will give me a minute when my 3 minutes have expired.

The statement of Mr. Morganthau, Secretary of the Treasury, several weeks ago, was that by the end of 1937 we will be $40,000,000,000 in the red. The fact of the matter is, according to statements that were given out in yesterday's Post, after they pay the bonus and a few other things which this Congress has appropriated, we will be close to $40,000,000,000 in the red by the end of 1936, a year ahead of

when it was contemplated by the Secretary of the Treasury. Think of it.

Mr. DITTER. Mr. Speaker, will the gentleman yield?

Mr. RICH. If you will give me more time I will.

Mr. UMSTEAD. Mr. Speaker, will the gentleman yield?

Mr. RICH. If you will give me 5 minutes, I will yield.

Mr. UMSTEAD. Did the gentleman vote for this naval appropriation bill when it was before the House?

Mr. RICH. I did not. No. I am opposed to the great expenditures that we are voting in this House of Representatives. There is not a Member of this House, and the gentleman will be one of them, who will not, within the next 3 or 4 years, wish that we had economized.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. RICH. I yield now to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Would the gentleman tell us in what way this sum should be reduced? Will he specifically indicate to the House those items which, in his judgment, should be deleted from the bill?

Mr. RICH. Well, the amount you are spending for laying down these new keels. [Applause.]

Mr. DITTER. Will the gentleman tell us how much that is?

Mr. RICH. I do not care if it is only $50, the principle of it is wrong. The trouble with those who are for a large Navy is they cannot help but spend more to build up a greater naval organization, so they have more power in affairs of Government. I do not believe we need to spend $100,000,000 for battleships for national defense. One-fourth of the amount for airplanes will, in my judgment, do four times the good in national defense.

The SPEAKER. The time of the gentleman from Pennsylvania has again expired.

Mr. UMSTEAD. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I would like to supplement the remarks of the gentleman from Pennsylvania [Mr. RICH] in the matter of expenditures, but I pretend to know but very little about the merits of this bill. As I have said before, we have to go along with our committee.

Before we returned this year we were often invited to meetings on the subject of neutrality and military expenditure, and we must make a report of our legislative action. We found in framing neutrality laws that it was like climbing a tree to put out a forest fire, and we passed legislation that seemed far from being effective. We have to yield now to the judgment of the committee. They say we need a Navy sufficient for national defense. We do not know exactly what is necessary or the type of defense that may be most needed. I live near Boston, and I cannot sympathize with the danger the gentleman does not fear in case of attack. But is there not something more than the national defense in this bill? Do you big Navy men really mean that you want a Navy large enough to assert our rights on the high seas? Do you want a Navy large enough to protect and preserve our honor? No one seems to dare make that assertion. You simply say, "We want a Navy for national defense." Why cannot someone here be courageous enough to say, if this expenditure means it, "We want a Navy large enough to protect our honor"? I just want to call attention to the fact that no one seems to have discussed this phase of the argument.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Gladly.

Mr. RICH. If we would protect our honor, we would stay at home and attend to our own business and we would not be afraid of foreign nations. [Applause.]

Mr. GIFFORD. That is a very important question, and I wonder what attitude this Congress would take, representing our people, if a question of our honor really was at stake. The impression I now have is that only enough money should be asked for that will insure our safety within our own boundaries.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. UMSTEAD. Mr. Speaker, it is not a precedent but it is an unusual experience to present a conference report which, if adopted will result in the total of the naval appropriation bill carrying $4,522,175 less than the bill carried when it was sent from the House to the Senate. As passed by the House the bill carried a total of $531,068,707. If the conference report is adopted, the total will be $526,546,532. The amount carried in the bill is $23,044,767 below the total proposed in the Budget.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

RELIEF OF CERTAIN OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE

Mr. McREYNOLDS. Mr. Speaker, I call up the conference report on the bill (S. 267) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature, and ask that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 267) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 4, and agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "$19,745.33"; and the House agree to the same.

Amendment numbered 3: That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "$19,592.25"; and the House agree to the same.

S. D. McREYNOLDS,
SOL BLOOM,
HAMILTON FISH, Jr.
Managers on the part of the House.

KEY PITTMAN,
ROBERT J. BULKLEY,
WALLACE H. WHITE, Jr.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to S. 267, authorizing an appropriation for the relief of certain officers and employees of the Foreign Service of the United States, who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature, submit the following written statement explaining the effect of the action agreed upon:

The Senate receded from its disagreement to the amendments of the House nos. 1 and 4. The no. 1 amendment added in the House was "Gustava Hanna, widow of." Matthew E. Hanna, the husband, died during the consideration of the pending bill and it was necessary to insert the name of his widow. Amendment 4, made by the House, struck out "$1,006.82" and inserted "$821.92." This was the loss represented by Willard L. Beaulac, secretary of the American legation at Managua, Nicaragua, when the earthquake occurred. This was agreed to by the Senate. Amendments 2 and 3 in conference were in reference to the amount of the loss sustained by Matthew E. Hanna, American Minister to Nicaragua, during the earthquake which occurred on March 31, 1931. The bill as passed in the Senate gave the amount of this loss as "$25,368.58", which was amended in the House by inserting "$16,122.08", and the amount agreed upon in conference was "$19,745.33", which is amendment no. 2. The Senate bill

called for "$25,215.50", which was amended in the House by inserting "$15,969", and the amount agreed to in conference was "$19,592.25", which is amendment no. 3.

S. D. McREYNOLDS,
SOL BLOOM,
HAMILTON FISH, Jr.,
Managers on the Part of the House.

Mr. TABER. Mr. Speaker, will the gentleman from Tennessee explain the conference report?

Mr. McREYNOLDS. I shall be pleased to do so. This is a bill providing for payment for certain property destroyed by a volcano in a foreign country, personal property of Mr. Hanna, who was the representative in that country of this Government at that time. As the bill passed the Senate it carried $25,368.58. The original claim was $36,971.50. A subcommittee of the Committee on Foreign Affairs of the House to which the bill was referred recommended $15,969, but the full committee overrode the action of the subcommittee and reported $25,368.58. The bill was objected to in the House and went back to the committee, being finally reported out carrying the minimum amount of $15,969. It was passed by the House and went to the Senate in that form.

The conference report represents a compromise between the two Houses with the amount agreed upon about halfway between the figures of the two Houses. The main question of difference came on the matter of what items were necessary for these people to have at that location at that time for the service of this Government.

Mr. TABER. What position did Mr. Hanna occupy?

Mr. McREYNOLDS. He was our minister.

Mr. TABER. And he claimed to have lost $35,000 of personal effects?

Mr. McREYNOLDS. Yes. We held that that was more than necessary in his status at that time.

Mr. TABER. And the House finally allowed $15,969?

Mr. McREYNOLDS. Yes; that was the action of the House; and the compromise between the two Houses fixed the amount at $19,745.33.

Mr. TABER. Is not that an excessive amount for personal and household effects?

Mr. McREYNOLDS. We thought so in the House at the time, but there was such a difference of opinion as to what was necessary that no one could reach a definite conclusion in the matter.

Mr. TABER. Does the gentleman really think Mr. Hanna had that amount of personal and household effects?

Mr. McREYNOLDS. He did; he had that and more.

Mr. THURSTON. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. THURSTON. Is it our policy for the Federal Government in effect to carry insurance on the personal effects of members of the Foreign Service?

Mr. McREYNOLDS. No. In this case the building was furnished by the minister himself because we had no furnishings there. It has been the policy to take care of losses in such cases.

Mr. THURSTON. I assume the other employees would have to carry their own insurance on their personal effects.

Mr. McREYNOLDS. I do not know. They did where this office was located.

Mr. THURSTON. I thank the gentleman.

Mr. McREYNOLDS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CORRECTION

Mr. FOCHT. Mr. Speaker, I ask unanimous consent to correct the RECORD.

In the CONGRESSIONAL RECORD of May 26, 1936, page 7954, is a statement to the effect that on June 12, 1930, the first speech ever made in the American Congress on old-age pensions was delivered by Congressman T. ALAN GOLDSBOROUGH. This was, of course, a statement inadvertently made, since it is not in accordance with the facts.

On December 6, 1915, a bill, H. R. 233, was introduced by me for the pensioning of American citizens who had reached the age of 65 years, were incapable of manual labor, and whose incomes were less than $200 per annum.

On September 8, 1916, page 2253 of the CONGRESSIONAL RECORD, will be found a speech of some length I delivered in this House in support of my old-age pension bill. [Applause.]

The SPEAKER. Without objection, the RECORD will be corrected accordingly.

There was no objection.

Mr. FOCHT. Let me add, that soon after introducing my old-age-pension measure and speaking on it and urging the justice and humanity and righteousness of properly caring for the aged, America entered the World War, when everything else was laid aside to win that war. After retiring from Congress in 1923 and having been the first to, in a legislative way, call the attention of the country to old-age pensions, my activities for the help of the aged were continued in Pennsylvania, where legislative action was being inaugurated by the State legislature.

In July 1933, Governor Pinchot proposed an extraordinary session of the Pennsylvania Legislature for the purpose of enacting old-age-pension legislation. Some of the Republican leaders did not realize the importance of accepting the Governor's challenge, and the next year lost the State to the Democrats for United States Senator, 22 Congressmen, the Governor, and State offices. On this date I sent the following telegram to Republican State Chairman Gen. Edward Martin, and which appeared in the daily press of the State:

Assuming the challenge of Governor Pinchot as it appeared in the evening papers to be correct, I would urge upon you the acceptance of this challenge to call the legislature in extra session and pass the old-age-pension bill, conditioned that the senators and members serve without salary the same as Members of Congress do who are called to attend extra sessions. This will clarify the attitude of the Republican State organization toward the old-age-pension law and other humanitarian enactments. As you know, the bill can be readily put through under suspension of the rules in less than a week.

It will be recalled that Congressman Focht first introduced an old-age-pension bill in Congress in 1915 and now has a bill on the calendar there for the same purpose to be considered at the next session to convene in January. Mr. Focht has been identified with the Republican organization for 50 years and is a hearty supporter of progressive organization politics.

Again, on December 30, 1935, my attitude on old-age pensions was solicited by the press, and the following is my answer:

"I am in favor of old-age pensions—safe and sane old-age pensions—just as I was in 1915, when I introduced in Congress the first bill to provide pensions for the aged", Congressman BENJAMIN K. FOCHT, of Lewisburg, representing the Eighteenth District, declared today following the use of his name as one of 39 Members of the House who are claimed as supporters of the Townsend $200-a-month old-age-pension plan at the coming session.

"I have not committed myself to the Townsend plan, nor will I", Congressman FOCHT said. "I was queried upon the measure and stated my position as I am stating it now. I asked that my letter be used in setting forth my position, but this apparently has not been done." The Townsend National Weekly, official organ of Old Age Revolving Pensions, Ltd., cited the names of 39 Congressmen who were claimed to be in favor of the Townsend plan, and the name of Congressman FOCHT was included.

"My record on old-age pensions speaks for itself", Congressman FOCHT said, "and it has not changed. However, to say that I am in favor of the Townsend plan, when it has not yet been formulated, is just shooting too many stars. I am afraid that Dr. Townsend is overleaping the horse, and to definitely commit myself before the Townsend plan is presented in definite form would be rank folly."

In speaking of a safe and sane pension plan Congressman FOCHT suggested a proposition whereby the Federal Government, the State, and county would each contribute a reasonable sum.

SUFFRAGE FOR RESIDENTS OF DISTRICT OF COLUMBIA

The SPEAKER. The Chair has been handed a petition signed by prominent citizens of the District of Columbia, representing the Citizens' Joint Committee on National Representation and cooperating organizations proposing a constitutional amendment empowering Congress to grant to residents of the District of Columbia representation in the House, Senate, and electoral college with the same rights as are enjoyed by residents of the States, with the request that it be brought to the attention of the House. The Chair does so, and refers the petition to the Committee on the Judiciary.

AGRICULTURAL APPROPRIATION BILL, 1937—CONFERENCE REPORT

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. McREYNOLDS). Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11418) "making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8, 9, 10, 11, 15, 18, 21, 26, 42, 52½, 54, 57, 60, 63, 74, 77, 83, 89, 90, 93 and 94.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 22, 29, 47, 53, 55, 58, 61, 75, 76, 78 and 79, and agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$22,107,870"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,494,089"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$3,861,024"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$769,503"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$669,935"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$5,258,194"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$10,063,963"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$629,099"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$697,094"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,140,454"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$4,551,206"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$565,232"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,803,445"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$950,984"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$964,487"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,180,069"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,663,590"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,665,988"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$559,307"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,019,304"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$897,817"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$110,959"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$10,815,950"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$608,361"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$200,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$91,295"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "$269,152: *Provided*, That $170,000 of this appropriation shall be available only for maintenance in nurseries of existing stocks and for the free distribution thereof to farmers, in liquidation of the so-called shelterbelt project of trees or shrubs in the plains region undertaken heretofore pursuant to appropriations made for emergency purposes"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$13,462,919"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,655,007"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"For the acquisition of forest lands under the provisions of the Act approved March 1, 1911 (36 Stat., p. 961), as amended (U. S. C., title 16, secs. 500, 513, 515, 516, 517, 518, 519, 521, 552, 563), $2,500,000: *Provided*, That not to exceed $50,000 of the sum appropriated in this paragraph may be expended for departmental personal services in the District of Columbia."

And the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$17,738,505"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$50,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposd, insert: "$1,398,272"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$173,625"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$5,317,675"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$95,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$138,149"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$300,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$130,798"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$335,772"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$79,753"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,961,224"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$400,669"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$438,269"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$321,665"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$5,966,244"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$5,992,896"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,600,000"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$601,512"; and the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$20,000"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$22,853,485"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$24,869,265"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$21,364,000"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$8,000,000"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$4,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 16, 71, 85, and 86.

CLARENCE CANNON,
M. C. TARVER,
WILLIAM B. UMSTEAD,
W. R. THOM,
J. P. BUCHANAN,
LLOYD THURSTON,
JOHN TABER,
Managers on the part of the House.

RICHARD B. RUSSELL, Jr.,
CARL HAYDEN,
E. D. SMITH,
HENRY W. KEYES,
CHAS. L. MCNARY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11418) making appropriations for the Department of Agriculture and the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report, as to each of such amendments, namely:

ADJUSTMENT OF TOTALS, ALLOCATIONS, CLARIFICATION OF TEXT, ETC.

The following amendments relate to the adjustment of totals, allocations, clarification of text, etc.: Amendments nos. 4, 6, 10, 11, 12, 14, 23, 25, 28, 29, 48, 51, 52, 53, 56, 61, 62, 63, 70, 73, 81, 87, 88, 92, 93, 94, and 97.

OFFICE OF THE SECRETARY

On amendment no. 1: Salaries, office of the Secretary: Appropriates $432,271 as proposed by the Senate, instead of $411,311 as proposed by the House.

On amendment no. 3: Miscellaneous expenses: Appropriates $120,748, as proposed by the Senate, instead of $119,248, as proposed by the House.

OFFICE OF THE SOLICITOR

On amendment no. 5: Salaries and expenses, Office of the Solicitor: Appropriates $188,801, as proposed by the Senate, instead of $159,729, as proposed by the House.

LIBRARY

On amendment no. 7: Salaries and expenses: Appropriates $103,800, as proposed by the Senate, instead of $101,806, as proposed by the House.

EXTENSION SERVICE

On amendment no. 8: Supplementary Smith-Lever fund, Extension Service: Appropriates $1,185,000, as proposed by the House, instead of $1,580,000, as proposed by the Senate.

On amendment no. 9: Additional cooperative agricultural extension work: Appropriates $750,000, as proposed by the House, instead of $1,000,000, as proposed by the Senate, and retains the House provision, stricken out by the Senate, directing the Secretary to so allot the appropriation to the several States that, taken into consideration with the allotments of other Federal funds appropriated for payments to States for cooperative extension work, the total allotment to each State from all funds so appropriated shall not be less than for the fiscal year 1936.

WEATHER BUREAU

On amendment no. 13: Aerology, Weather Bureau: Appropriates $1,494,089 instead of $1,443,789, as proposed by the House, and $1,544,389, as proposed by the Senate.

On amendment no. 15: Detail of Weather Bureau employees for training at civilian institutions: Strikes out the provision, inserted by the Senate, authorizing the Secretary to detail annually not to exceed 10 employees of the Weather Bureau for training, at civilian institutions, in advanced methods of meteorological science.

On amendment no. 17: Animal husbandry investigations:

(a) Strikes out the Senate increase of $31,500 for additional expenses in connection with the new animal-husbandry laboratory at Beltsville.

(b) Retains the Senate increase of $3,500 for maintenance of new facilities at the poultry experiment station, Glendale, Ariz.

(c) Appropriates $7,500, instead of $15,000, as provided by the Senate, for mule-breeding investigations.

On amendment no. 18: Eradicating cattle ticks: Appropriates $513,940, as proposed by the House, instead of $613,940, as proposed by the Senate.

On amendment no. 19: Inspection and quarantine, Bureau of Animal Industry: Appropriates $669,935, instead of $658,695, as proposed by the House, and $681,174, as proposed by the Senate.

On amendment no. 20: Meat inspection: Appropriates $5,258,194, instead of $5,161,253, as proposed by the House, and $5,355,135, as proposed by the Senate.

On amendment no. 21: Packers and Stockyards Act: Appropriates $381,879, as proposed by the House, instead of $428,779, as proposed by the Senate.

On amendment no. 22: Eradication of foot-and-mouth and other contagious diseases of animals: Reappropriates the entire unexpended balance (estimated at approximately $1,315,000) of the appropriation for eradication of foot-and-mouth and other contagious diseases of animals, as proposed by the Senate, instead of not to exceed $500,000 of such unexpended balance, as proposed by the House.

BUREAU OF DAIRY INDUSTRY

On amendment no. 24: Dairy investigations: Appropriates $629,099 instead of $607,099, as proposed by the House, and $636,099, as proposed by the Senate.

BUREAU OF PLANT INDUSTRY

On amendment no. 26: Spring-wheat investigations: Retains the House increase of $15,000, stricken out by the Senate, made in the appropriation for cereal crops and diseases for spring-wheat investigations.

On amendment no. 27: Fruit and vegetable crops and diseases:

(a) Appropriates $6,000, as proposed by the Senate, for pecan investigations.

(b) Appropriates $16,000 for deciduous fruit-breeding investigations and tomato-plant diseases instead of $25,000 for deciduous fruit-breeding investigations and $30,000 for tomato-plant diseases, as proposed by the Senate.

FOREST SERVICE

On amendment no. 30: General administrative expenses: Appropriates $565,232 instead of $532,163, as proposed by the House, and $598,300, as proposed by the Senate.

On amendments nos. 31–41: National forest administration: Appropriates $10,815,950 instead of $9,925,561, as proposed by the House, and $11,706,335, as proposed by the Senate.

On amendment no. 42: Range investigations:

(a) Provides an increase of $20,000 for grazing-management investigations in California and the Pacific Northwest, as proposed by the House, instead of $40,000, as proposed by the Senate.

(b) Provides an increase of $7,500 for reseeding investigations, intermountain region, as proposed by the House, instead of $15,000, as proposed by the Senate.

On amendment no. 43: Forest products: Appropriates $608,361 instead of $499,022, as proposed by the House, and $1,000,000, as proposed by the Senate.

On amendment no. 44: Forest survey: Appropriates $200,000 instead of $150,000, as proposed by the House, and $250,000, as proposed by the Senate.

On amendment no. 45: Forest economics: Appropriates $91,295, instead of $81,295, as proposed by the House, and $129,295, as proposed by the Senate.

On amendment no. 46: Plains shelterbelt: Strikes out the Senate increase of $1,000,000 in the appropriation for forest influences, to be used in further work on the plains shelterbelt project, and inserts in lieu thereof a provision which contemplates the discontinuance of the project and provides an increase in the appropriation in the sum of $170,000 for liquidation of same by free distribution to farmers of young trees still in the nurseries.

On amendment no. 47: Prohibition against the use of any money appropriated in the bill for the plains shelterbelt project: Strikes out the House provision, as proposed by the Senate, prohibiting the use of any money appropriated in the bill for the plains shelterbelt project.

On amendment no. 49: Forest-fire cooperation: Appropriates $1,655,007, instead of $1,578,632, as proposed by the House, and $1,731,382, as proposed by the Senate.

On amendment no. 50: Acquisition of forest lands: Appropriates $2,500,000, instead of $10,000,000, as proposed by the Senate, for acquisition of forest lands; strikes out the Senate provision that $5,000,000 shall be immediately available, and makes $50,000 of the appropriation, instead of $100,000, as provided by the Senate, available for personal services in the District of Columbia.

BUREAU OF CHEMISTRY AND SOILS

On amendment no. 52½: Agricultural fires: Strikes out the Senate increase of $10,000 for additional studies of the causes of farm fires.

On amendment no. 54: Soil survey: Appropriates $301,208, as proposed by the House, instead of $381,208, as proposed by the Senate.

On amendment no. 55: Soil chemical and physical investigations: Appropriates $73,081, as proposed by the Senate, instead of $68,081, as proposed by the House.

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

On amendment no. 57: General administrative expenses: Appropriates $162,288, as proposed by the House, instead of $164,288, as proposed by the Senate.

On amendment no. 58: Japanese beetle control: Appropriates $350,000, as proposed by the Senate, instead of $400,000, as proposed by the House.

On amendment no. 59: Forest insects: Appropriates $173,625 instead of $159,415, as proposed by the House, and $187,835, as proposed by the Senate.

On amendment no. 60: Dutch elm disease eradication: Appropriates $261,156, as proposed by the House, instead of $3,000,000, as proposed by the Senate. This action is predicated upon assurances contained in a letter from Mr. Harry L. Hopkins, Administrator, Works Progress Administration, that the Dutch elm disease work is an eligible project for that Administration and suitable for inclusion in a works program, and the belief of the conferees that this work will be cared for next year out of emergency funds as is being done the current year.

BUREAU OF BIOLOGICAL SURVEY

On amendment no. 64: General administrative expenses: Appropriates $95,000 instead of $79,595, as proposed by the House, and $125,000, as proposed by the Senate.

On amendment no. 65: Game-management surveys: Appropriates $138,149 for game-management surveys under the appropriation "Biological investigations", instead of $128,149, as proposed by the House, and $158,149, as proposed by the Senate.

On amendment no. 66: Protection of migratory birds: Appropriates $300,000 instead of $279,978, as proposed by the House, and $322,978, as proposed by the Senate.

On amendment no. 67: Enforcement of Alaska game law: Appropriates $130,798 instead of $96,596, as proposed by the House, and $165,000, as proposed by the Senate.

On amendment no. 68: Maintenance of mammal and bird reservations: Appropriates $335,772 instead of $300,672, as proposed by the House, and $370,872, as proposed by the Senate.

On amendment no. 69: Migratory-bird conservation refuges: Appropriates $79,753 instead of $74,853, as proposed by the House, and $84,653, as proposed by the Senate.

BUREAU OF AGRICULTURAL ENGINEERING

On amendment no. 72: Agricultural engineering investigations:

(a) Strikes out the Senate increase of $10,000 for farm mechanical equipment pertaining to the cultivation of cotton.

(b) Provides an increase of $15,000 for cotton-ginning machinery, instead of $19,000 as proposed by the Senate.

BUREAU OF AGRICULTURAL ECONOMICS

Amendment no. 74: Farm-population and rural-life studies: Provides an increase of $7,500 for farm-population and rural-life studies, as proposed by the House, instead of $17,500, as proposed by the Senate.

On amendment no. 75: Analysis and statistical research on agricultural conditions and trends, marketing and distributing farm products:

(a) Retains the Senate increase of $6,250 for gathering and analyzing tobacco statistics.

(b) Retains the Senate increase of $6,250 for statistical analyses on fats and oils.

On amendment no. 76: Crop and livestock estimates—poultry and eggs: Retains the Senate increase of $25,000 for crop and livestock estimates on poultry and eggs.

On amendment no. 77: Market inspection of farm products—cottonseed: Strikes out the word "cottonseed" inserted by the Senate in the list of farm products in the appropriation "Market inspection of farm products."

On amendment no. 78: Market news service—cottonseed: Retains the word "cottonseed" inserted by the Senate in the list of farm products in the appropriation "Market news service."

On amendment no. 79: United States Grain Standards Act: Appropriates $723,941, as proposed by the Senate, instead of $708,941, as proposed by the House.

On amendment no. 80: United States Warehouse Act: Appropriates $321,665, instead of $316,665, as proposed by the House, and $326,665, as proposed by the Senate.

ENFORCEMENT OF GRAIN FUTURES ACT

On amendment no 83: Enforcement of Grain Futures Act: Appropriates $196,500, as proposed by the House, instead of $201,640, as proposed by the Senate.

FOOD AND DRUG ADMINISTRATION

On amendment no. 84: Enforcement of Food and Drugs Act: Appropriates $1,600,000, instead of $1,537,459, as proposed by the House, and $2,062,079, as proposed by the Senate.

SOIL CONSERVATION SERVICE

On amendment no. 89: General administrative expenses: Appropriates $475,000, as proposed by the House, instead of $551,250, as proposed by the Senate.

On amendment no. 90: Soil and moisture conservation and land-use investigations: Appropriates $1,540,780, as proposed by the House, instead of $2,393,776, as proposed by the Senate, as follows:

1. For investigations under controlled plot and laboratory conditions, $645,140;
2. For investigations on entire experiment drainage units, $500,318;
3. For sedimentation investigations, $106,037;
4. For geographic and climatic investigations, $89,285;
5. For economics of erosion investigations, $100,000; and
6. For erosion-resisting plant investigations, $100,000.

Amendment no. 91: Soil and moisture conservation operations, demonstrations, and information: Appropriates $22,853,485, instead of $20,453,485, as proposed by the House, and $29,554,974, as proposed by the Senate, as follows:

1. For conservation surveys, $660,624;
2. For demonstration projects, $14,674,410, being $1,200,000 in excess of the amount proposed by the House;
3. For work on watersheds largely owned by the Government, $3,836,357, being $1,200,000 in excess of the amount proposed by the House;

4. For cooperation with conservancy districts, $581,084;
5. For operation of erosion nurseries, $1,383,738; and
6. For cooperation with other Federal agencies, and with State and local agencies, $1,717,272.

ELIMINATION OF DISEASED CATTLE

On amendment no. 95: Elimination of diseased cattle: Provides a reappropriation of $21,364,000, instead of $17,500,000, as proposed by the House, and $25,228,000, as proposed by the Senate, the entire amount of the increase above the House figure being for Bang's disease work, in addition to the sum of $11,350,000 allocated for that purpose under the amount originally appropriated by the House.

FOREST ROADS AND TRAILS

On amendment no. 96: Forest roads and trails: Appropriates $8,000,000 instead of $7,082,600, as proposed by the House, and $10,000,000, as proposed by the Senate.

AMENDMENTS IN DISAGREEMENT

The committee of conference report in disagreement the following amendments of the Senate:

On amendment no. 2: Purchase of arms and ammunition: Authorizing the purchase of arms and ammunition in the open market when same cannot advantageously be supplied by the Secretary of War pursuant to the act of March 3, 1879 (20 Stat. 412).

BUREAU OF ANIMAL INDUSTRY

On amendment no. 16: Payment by dealers of travel and subsistence expenses incident to livestock inspections at places other than the official headquarters of the inspector: Authorizing the payment by the owners of or dealers in livestock and other animal products, of travel and subsistence expenses incident to inspection of such products at points other than the official headquarters of the inspectors.

On amendment no. 71: Public lands, highways: Cancels the authorization for an appropriation of $2,500,000 for the fiscal year 1937 and makes the same applicable to the fiscal year 1938.

On amendment no. 85: Sea-food inspectors: Appropriating $80,000 for sea-food inspectors.

On amendment no. 86: Adjusting the total for Food and Drug Administration, which is dependent upon final action to be taken as to amendment no. 85.

CLARENCE CANNON,
M. C. TARVER,
WILLIAM B. UMSTEAD,
W. R. THOM,
J. P. BUCHANAN,
LLOYD THURSTON,
JOHN TABER,
Managers on the part of the House.

Mr. CANNON of Missouri. Mr. Speaker, I regret to report that this bill is $1,000,000, in round numbers, in excess of the Budget recommendation. As the bill was reported by the committee and as it passed the House it was $11,000,000 under the Budget estimate. The Senate exceeded the Budget by $29,000,000, in round numbers; and we finally compromised on a bill, as presented in this conference report, in round numbers, $1,000,000 in excess of the Budget.

As large as the bill is, it is not large enough to provide for many additional appropriations asked by those who appeared before the committee urging provision for additional projects or larger appropriations for those already provided for; and I want to express appreciation of the kindness of those whose requests we were unable to approve, and especially our colleagues for their consideration and tolerance when we were unable to take care of all of them.

Every dollar perhaps requested by our colleagues was justified. I am certain the money, if appropriated, would have been well spent, but we had to cut the cost to the cloth, and even after making every effort to keep the bill within bounds it is one of the largest agricultural appropriation bills ever reported to the Congress.

Mr. LUDLOW. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Indiana.

Mr. LUDLOW. Can the gentleman from Missouri, one of the ablest men who ever served in this Congress, tell us what the conference did with reference to that strange and fantastic project known as the shelterbelt?

Mr. CANNON of Missouri. No provision was made by the House for the shelterbelt project. The Senate added $1,000,000 for that purpose. The committee on conference finally agreed to compromise on $170,000, with the provision that it should be used to liquidate the entire project.

Mr. LUDLOW. The gentleman believes, does he not, if this legislation prevails, the project will be absolutely liquidated and wound up, and there will be no reason for future appropriations by the Congress for this purpose?

Mr. CANNON of Missouri. This bill disposes finally and completely of the entire shelterbelt project.

Mr. LUDLOW. I appreciate all the gentleman has done to wind up this strange and fantastic venture, but may I ask him just why it is necessary to appropriate $170,000 for this purpose? Is there some moral or legal commitment there that requires this expenditure?

Mr. CANNON of Missouri. There is no commitment, but we have in the nurseries at the present time a little in excess of 60,000,000 trees. If no provision is made to dispose of them, the money which has been previously spent in their production will be wasted, and it was thought this amount would be justified in order to distribute to the farmers the remaining trees now in process of production.

Mr. THURSTON. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Iowa.

Mr. THURSTON. Amplifying what the gentleman has just said, if the executive branch of the Government will not make funds available to projects which have had the express disapproval of the Congress, then the project will be terminated?

Mr. CANNON of Missouri. This will effectively and finally conclude the entire project.

Mr. LUDLOW. As one Member of the Congress, I wish to extend my congratulations and my commendation to the able gentleman and his conferees for being instrumental in bringing about the abandonment of this very wasteful and impossible project. It was proposed to spend $258,000,000 in the creation of a forest belt across the United States, including regions where the Lord will hardly permit a cactus to grow. It is not given to men to so reverse the order of Creation. The whole project reeked with wastefulness. Even a pamphlet that was issued to advertise it was prepared in such an expensive way and with such artistic embellishment that it cost the taxpayers of this country $4,011.64.

I wonder how long it will take us to learn that the road to economy is the road to recovery, and that we will never again have happiness and prosperity in America unless we stop such wastefulness.

Mr. CANNON of Missouri. I may say there were many reasons which justify this project. Undoubtedly the completed shelterbelt would be of great service, especially in that particular section of the country. The liquidation of the project does not necessarily indicate lack of merit, but the committee thought that under present circumstances it was not advisable to spend this amount for the purpose.

Mr. BIERMANN. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Iowa.

Mr. BIERMANN. Did I correctly understand the gentleman to say that about 6,000,000 trees are now in the nurseries to be set out?

Mr. CANNON of Missouri. Something in excess of 60,000,000 trees.

Mr. BIERMANN. Can the gentleman tell us in what States these trees are to be set out?

Mr. CANNON of Missouri. I do not suppose there will be any necessity for prorating them. They will be distributed to all farmers who desire them and who will agree to plant them without expense to the Government. If there should be so many applications that the supply would not be adequate, doubtless they would apportion them to the various States in which the shelterbelt project is located.

Mr. BIERMANN. Does not the location of the trees depend in some measure on the kind of trees they are?

Mr. CANNON of Missouri. All of these trees are varieties which are adapted to the region in which they are to be planted.

Mr. BIERMANN. Does the gentleman have any information as to how the trees are getting along that were planted previously?

Mr. CANNON of Missouri. We have received reports and photographs indicating a survival in some cases of almost

100 percent. In other cases, especially in regions visited by the drought, the mortality was high, but there is reason to believe that with the data now available trees can be supplied that will survive in practically all parts of this area.

Mr. BIERMANN. This money will not be entirely wasted. There will be much good result in the way of trees?

Mr. CANNON of Missouri. I do not think a dollar of this appropriation will be wasted. We should get several dollars' benefit out of every dollar expended.

Mr. BIERMANN. Does the gentleman have any figures as to how much money has been spent on this shelterbelt up to date?

Mr. CANNON of Missouri. We expended last year $2,700,000.

Mr. BIERMANN. That plus the $170,000 included in the present bill is the total?

Mr. CANNON of Missouri. That will be the total cost at the close of the next fiscal year.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. Did the conferees consider any provision allowing the remaining trees to be sent to farmers to be planted in wood lots or something like that?

Mr. CANNON of Missouri. No stipulation is made as to exactly where these trees shall be located. That is left with the individual farmer, but our understanding is that a large part of them will be planted in wood lots and around the homestead, where they will be cared for and produce the greatest benefits.

Mr. LAMBERTSON. I may say that I have felt from the first this project was doomed to failure; and, although I am not rejoicing, I was convinced from the first, as I say, that the project would fail, because I have seen too much of these trees trying to grow under existing circumstances.

Mr. CANNON of Missouri. I may say in response to the gentleman that the results obtained from this project are not to be measured by the number of trees which have been planted and which now survive but rather of the impetus given to reforestation throughout the West. In the future, as these trees develop, the farmers, seeing the results, will plant trees at their own expense. The project is to that extent demonstrational and educational.

Mr. LAMBERTSON. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I am glad to yield to the gentleman.

Mr. LAMBERTSON. On the other hand, I think the shelterbelt has brought ridicule on the idea of planting trees. If they had designed them from the first for wood lots, then much good would have come from it, but I cannot think this has done a great deal of good because it has been so fantastic.

Mr. CANNON of Missouri. May I say to the gentleman that not all of them were planted in shelterbelt blocks but on practically every farmstead in this area the trees were used about the buildings and have added materially to the comfort and beauty of these farm homes.

Mr. TARVER. Mr. Speaker, will my colleague yield to me in this connection?

Mr. CANNON of Missouri. I yield to my colleague on the committee, the gentleman from Georgia.

Mr. TARVER. In view of the statements made by the chairman and the possibility that there may be an effort made to secure an allocation to work of this character of further public-works funds, I feel it is proper that the RECORD should show that a majority of the conferees on the part of the House thought this project had not been successful and that it would be unwise to continue it, and that it was not simply a question of lack of funds which influenced your conferees to insist that the project should be liquidated.

I may say also in this connection that as one member of the conference I felt that the funds which have been allocated to this work and are now unused, which appeared to be at the time of the hearings before our subcommittee $750,000 in amount, should be properly used for the liquidation of the project and that no appropriation ought to be made by Congress for the purpose of liquidation at all, and I still hope that when the administrative authorities having this matter in charge find that Congress has disapproved the continuation of the project, instead of using the funds that are carried in this bill to liquidate it, they will use the funds which have been allocated them insofar as they are unexpended for the purpose of carrying out the liquidation proposed by Congress, and that it will not be necessary to spend the amount of $170,000 carried in the bill.

Mr. CANNON of Missouri. I may say, Mr. Speaker, of course, there is room for wide divergence of opinion on this as on other items in the bill. There appeared before the committee witnesses and experts who testified to the great usefulness of this project and to the valuable results that would be derived from it, both at the present time and for many years to come, and the committee, after considering the matter exhaustively, thought it wise to provide sufficient funds to take care of the remaining trees and then liquidate the project.

Mr. THURSTON. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. THURSTON. In justification for allowing $170,000, it was the thought of the subcommittee that this fund might be expended in assisting in the distribution of these trees among the farmers so that they could have them to erect windbreaks around their premises. So the winding up or the discontinuance of the belt idea still has the sympathetic consideration of the subcommittee in promoting stock to build windbreaks around the homes of farmers who want to obtain and plant these trees.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. May I inquire of the gentleman about the appropriation for the acquisition of additional forest lands?

Mr. CANNON of Missouri. As the gentleman knows, the Budget made no provision for expenditures for that purpose. An amendment was offered on the floor of the House for $25,000,000 which, as the gentleman recalls, was defeated. The Senate then proposed an amendment of $10,000,000, and in conference we agreed on $2,500,000.

Mr. LUCKEY. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my friend from Nebraska.

Mr. LUCKEY. In reference to the reforestation program in the Great Plains section, I wish to say that I have lived there for many years. I felt that the so-called shelterbelt project was rather impractical, but there is a great possibility for reforestation in the Great Plains section if we know just exactly what should be done after a scientific study and investigation of the problem. For instance, years ago Chancellor Bessie, of the University of Nebraska, one of the leading botanists of this country, was instrumental in promoting a reforestation project in the northwestern part of Nebraska, which has now developed into a very fine forest. We also recall that Sterling Morton, who lived in Nebraska City, was a great advocate of tree planting and was the originator of Arbor Day in this country. Much good work has been accomplished. There are still great possibilities along these lines, and we should not lose sight of the fact that something should be done for the Great Plains section—the Dakotas, Nebraska, Kansas, Oklahoma, and western Texas—along the line of scientific study of what is practical for these States; and, following such a careful study, carrying out a plan in accordance with our experience and based on such scientific study.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Indiana.

Mr. LUDLOW. Does not the gentleman believe that some of this enterprise ought to be left to the local initiative of the counties and States, rather than devoting the money of all the taxpayers to such work?

Mr. LUCKEY. Yes; and the States are doing a great deal of work along this line; but what we need now is a coordination of all the forces under one head, so we can go forward with as little duplication of effort and waste of money as possible in bringing forward a sound program of reforestation. Instead of going at it in a visionary way, we should proceed in the most practical way possible.

Mr. CANNON of Missouri. I agree with the gentleman, and unquestionably the expenditure of this money has given a salutary impetus to the cultivation of trees and reforestation studies which will bear fruit in the future. It is similar to the demonstrational work of the soil-conservation program. There is not one of those 150 conservation projects which would be justified if the only advantage accruing was to the particular section of land on which located, but they are intended to be educational, and unquestionably the work of the Government in building these units of the shelterbelt is going to bring about increased interest and better methods of farming in those sections which will encourage private enterprise to take up the work where the Government is leaving off.

Mr. PIERCE. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to Governor PIERCE.

Mr. PIERCE. Do I understand that there is only two and a half million dollars appropriated for the purchase of forest lands? That is a very small percentage.

Mr. CANNON of Missouri. That is one-fourth of the amount suggested by the Senate.

Mr. PIERCE. What was the amount asked for by the commission?

Mr. CANNON of Missouri. There was no request to the committee in any amount. The Budget made no provision. This appropriation is in excess of the Budget.

Mr. Speaker, if there are no further inquiries, I ask for a vote on the conference report.

The SPEAKER pro tempore (Mr. MCREYNOLDS). The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

The SPEAKER pro tempore. The Clerk will read the first amendment in disagreement.

The Clerk read as follows:

Amendment no. 2: Page 4, line 10, insert the following: "*Provided further*, That hereafter funds available for field work in the Department of Agriculture may be used for the purchase of arms and ammunition whenever the individual purchase does not exceed $50, and for individual purchases exceeding $50, when such arms and ammunition cannot advantageously be supplied by the Secretary of War pursuant to the act of March 3, 1879 (20 Stat. 412): *Provided further*."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 16: On page 24, line 11, insert after the semicolon the following: "and the Secretary of Agriculture, upon application of any exporter, importer, packer, owner, agent of, or dealer in livestock, hides, skins, meat, or other animal products, may, in his discretion, make inspections and examinations at places other than the headquarters of inspectors for the convenience of said applicants and charge the applicants for the expenses of travel and subsistence incurred for such inspections and examinations, the funds derived from such charges to be deposited in the Treasury of the United States to the credit of the appropriation from which the expenses are paid."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 71: Page 75, insert, after line 6, the following:

"The authorization of $2,500,000 for the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, under the provisions of the act of June 24, 1930 (46 Stat., p. 805), provided for by section 6 of the Highway Act of June 18, 1934 (48 Stat., p. 994), for the fiscal year 1937, is hereby canceled for said fiscal year and made applicable to the fiscal year ending June 30, 1938."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 85: Page 90, after line 10, insert:

"Sea-food inspectors: For personal services of sea-food inspectors designated to examine and inspect sea food and the production, packaging, and labeling thereof upon the application of any packer of any sea food for shipment or sale within the jurisdiction of the Federal Food and Drugs Act, in accordance with the provisions of an act entitled 'An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended', approved August 27, 1935 (49 Stat., p. 871), $80,000: *Provided*, That on and after July 1, 1937, receipts from fees authorized to be collected by the operations of Public Act No. 346, entitled 'An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended', shall be covered into the Treasury to the credit of 'Miscellaneous receipts', and hereafter appropriations for the operations under said act are authorized to be made annually out of any money in the Treasury not otherwise appropriated."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur with an amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

"Sea-food inspectors: On and after July 1, 1936, receipts from fees authorized to be collected by the operations of Public Act No. 346, entitled 'An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended', shall be covered into the Treasury to the credit of Miscellaneous Receipts, except such fees paid after June 30, 1936, on account of services rendered prior to July 1, 1936, and required for payment of obligations incurred prior to such latter date. For expenses of inspection, including personal services of sea-food inspectors designated to examine and inspect sea food and the production, packaging, and labeling thereof upon the application of any packer of any sea food for shipment or sale within the jurisdiction of the Federal Food and Drugs Act, in accordance with the provisions of an act entitled 'An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended', approved August 27, 1935 (49 Stat., p. 871), there is appropriated an amount equal to the sum received during the fiscal year 1937 from the fees hereinbefore mentioned, to be warranted monthly: *Provided*, That the sum of $40,000 shall be advanced from the general fund of the Treasury on the first day of the fiscal year to the foregoing appropriation, to be returned to the surplus fund of the Treasury when the first $40,000 of revenue from the aforesaid fees has been received and warranted for the fiscal year 1937."

Mr. COLMER. Mr. Speaker, I offer the following substitute amendment.

The SPEAKER pro tempore. Does the gentleman from Missouri yield for that purpose?

Mr. CANNON of Missouri. I do.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: In lieu of the amendment offered by Mr. CANNON of Missouri under the title "Food and Drug Administration", subtitle "Sea-Food Inspectors", insert:

"Enforcement of the Sea-Food Inspectors' Act: For personal services of sea-food inspectors designated to examine and inspect sea food and the production, packing, and labeling thereof, upon the application of any packer of any sea food for shipment or sale within the jurisdiction of the Federal Food and Drugs Act, in accordance with the provisions of an act entitled 'An act to amend section 10 (a) of the Federal Food and Drugs Act of June 30, 1906, as amended', approved August 27, 1935 (49 Stat., p. 871), $40,000."

Mr. CANNON of Missouri. Mr. Speaker, I regret that I shall have to make the point of order that the proposed amendment is not germane to the pending amendment. The amendment proposes that the Government advance $40,000 which shall be repaid from fees; in other words, that it shall lend $40,000 for this purpose. The amendment proposed by the gentleman from Mississippi is an outright appropriation—in other words, gratis service to the packers. The Speaker, I am certain, will recall the decision in the Sixty-fifth Congress, in which it was held that a proposition to buy could not be amended by a proposition to give. In

other words, that a proposal to give is not germane to a proposal to sell. The Speaker will also remember one of the early precedents cited by Mr. Hinds in which an amendment to pay a claim was held not to be germane to a proposition to refer a claim to the Court of Claims. The doctrine in both cases sustains the contention that a proposition to make an appropriation would not be germane to a proposition to make a loan.

I reserve my point of order in order that the gentleman from Mississippi may be heard.

Mr. TARVER. Mr. Speaker, I desire to be heard for a moment on the point of order, contrary to the position just taken by the gentleman from Missouri.

The SPEAKER pro tempore. The Chair will be glad to hear the gentleman.

Mr. TARVER. Mr. Speaker, the original Senate amendment numbered 85 is an amendment adding to the House bill an appropriation, not a loan, in the amount of $80,000 for the payment for personal services of sea-food inspectors. The argument of my colleague Mr. CANNON would be sufficient to justify holding that the amendment submitted by the conferees in lieu of the Senate amendment, is out of order by reason of the fact that that amendment proposes a loan or advance instead of a direct appropriation, but the point of order has not been made against the amendment submitted by the conferees. The amendment offered by the gentleman from Mississippi as a substitute for the amendment offered by the conferees is exactly in line with the original Senate amendment numbered 85 in that it proposes a direct appropriation of $40,000, whereas the original Senate amendment proposes a direct appropriation of $80,000. It is inconceivable, merely by reason of the fact that the conferees have offered an amendment proposing a loan instead of an appropriation which might have been held out of order had the point of order been made, that a substitute for that amendment cannot be offered just exactly in the terms of the original Senate amendment, except as to the amount involved.

The SPEAKER pro tempore. The contention of the gentleman from Georgia is that the amendment of the gentleman from Mississippi is a substitute for that is carried in the original bill as an amendment of the Senate?

Mr. TARVER. As I understand it the motion of the gentleman from Mississippi is offered as a substitute for the motion of the gentleman from Missouri to recede and concur in the Senate amendment with an amendment, and the amendment offered by the gentleman from Mississippi is certainly germane to the Senate amendment.

Mr. CANNON of Missouri. Mr. Speaker, the amendment offered by the gentleman from Mississippi is an amendment to the pending amendment and it is well established that the admissibility of an amendment under such circumstances is judged by its relation to the amendment to which it is offered and not by its relation to any other provision in the bill. The proposed amendment is not germane to the amendment to which it is offered.

I reserve the point of order to give the gentleman from Mississippi an opportunity to discuss his amendment.

Mr. COLMER. Mr. Speaker, this appropriation is intended for the purpose of furnishing funds whereby food packed in the sea-food industry may be inspected, similar to that inspection that is granted to the meat-packing industry of this country. This is a wholesome proposition. It is in the interest of the public welfare that this sea food be inspected.

At the last session of the Congress there was a law passed authorizing this appropriation. The Pure Food and Drug Department, acting upon the authority of that authorization, asked the Budget for $80,000.

Mr. FORD of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to my colleague.

Mr. FORD of Mississippi. After the authority and the Food and Drug Department made their request of the Budget, did the Budget not approve and make its recommendation to the Appropriations Committee?

Mr. COLMER. The Budget made its recommendation to the Appropriations Committee. I thank my colleague.

Then the Senate inserted this item of $80,000, just as we are asking in this amendment, for this purpose. We are merely asking that the recommendation of the Pure Food and Drug Department and of the Budget and of the authorization of this Congress be carried out by this appropriation, except that for the purpose of compromise, to be frank about it, instead of asking for $80,000, we have provided for just one-half that amount or $40,000.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. PATMAN. Is it not a fact that the gentleman is only asking for the same thing that is now granted for meats; that is, inspection by the Government?

Mr. COLMER. That is my understanding.

Mr. PATMAN. And the Budget recommended $80,000 for that purpose and you are only asking for $40,000 in this amendment?

Mr. COLMER. That is true.

Mr. PATMAN. I hope the amendment is adopted.

Mr. COLMER. I thank the gentleman.

Mr. THURSTON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. THURSTON. The real matter in controversy is whether we should furnish a revolving fund of $80,000, so that ultimately the fees would repay something to the Treasury, or your proposal to pay $40,000 out of the Treasury, no part of which would be returned to the Treasury?

Mr. COLMER. That is quite true. Under the amendment offered by the gentleman from Missouri [Mr. CANNON], the distinguished chairman of this committee, we are granted $40,000 as a kind of initial revolving fund. We are merely asking by this amendment that you give us $40,000 without any strings tied to it. That is a frank, candid statement of the whole situation.

Let me say that this does not alone involve my selfish interest or my congressional district. This matter goes to the welfare of the consuming public. As I stated once before upon this floor, there is an opinion prevalent among the consuming public that canned sea foods are injurious and poisonous. The sea-food industry is a big industry in this country. In my district alone there are some fifteen or twenty thousand men engaged in this industry. Unless we can receive an inspection service for this sea food, and this prevalent opinion continues to grow that this product is not good for human consumption, that industry would likely be destroyed and those men will go upon relief and add to the unemployment list.

I appeal to my colleagues, not for any selfish reason but upon the merit and upon the justice of my cause, that we not twiddle about this thing, but give us this $40,000 that we have asked for, just one-half the amount that the Budget recommended, and vote for my amendment.

I want to thank my colleague the distinguished gentleman from Missouri [Mr. CANNON], who has been so courteous to me throughout this matter and to the cause that I represent. Even though he has seen fit, under a sense of his duty to hold down this appropriation as much as possible, to oppose me in this, I appreciate the courtesy, and I hope the amendment will prevail and that we may get this $40,000. [Applause.]

[Here the gavel fell.]

The SPEAKER pro tempore (Mr. MCREYNOLDS). The Chair is ready to rule upon the point of order.

The amendment offered by the gentleman from Missouri [Mr. CANNON] to the Senate amendment appearing on page 90, line 10, with reference to sea-food inspectors, provides for a loan. The amendment reads:

Provided, That the sum of $40,000 shall be advanced from the general fund of the Treasury on the first day of the fiscal year to the foregoing appropriation, to be returned to the surplus fund of the Treasury when the first $40,000 of revenue from the aforesaid fees has been received and warranted for the fiscal year 1937.

The amendment offered by the gentleman from Mississippi [Mr. COLMER] is an amendment to the amendment offered

by the gentleman from Missouri [Mr. CANNON] and provides for an outright appropriation of $40,000. The difference between the amendments is that one is a loan and the other is a straight appropriation without return.

It has been well settled that an amendment to change a condition of that character is not in order. So the only question is whether or not the amendment offered by the gentleman from Mississippi must be germane to the amendment offered by the gentleman from Missouri or to the Senate amendment. The Chair is of the opinion, from previous rulings, that it must be germane to the amendment to which it is offered. That is, the amendment offered by the gentleman from Mississippi must be germane to the amendment offered by the gentleman from Missouri, because it is offered as an amendment to that amendment.

In support of that statement the Chair reads the following syllabus from Cannon's Precedents, volume VIII, section 2924:

It is not sufficient that an amendment proposed to a pending amendment be germane to the bill, but it must also be germane to the amendment to which it is offered.

In view of that situation, the Chair sustains the point of order.

Mr. TARVER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. TARVER. In the event the amendment offered by the gentleman from Missouri should be voted down by the House, the gentleman from Mississippi would then be in order to offer his motion to recede and concur with his amendment to the Senate amendment?

The SPEAKER pro tempore. That is a correct statement.

The question is on the amendment offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. COLMER) there were—ayes 21, noes 28.

Mr. TABER. Mr. Speaker, I ask for tellers.

Tellers were refused.

Mr. TABER. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 130, nays 147, not voting 148, as follows:

[Roll No. 112]

YEAS—130

Allen	Darrow	Larrabee	Reed, N. Y.
Andresen	Dirksen	Lesinski	Rogers, Mass.
Bacon	Dockweiler	Lewis, Colo.	Romjue
Barry	Dondero	Lord	Russell
Biermann	Duffy, N. Y.	Ludlow	Ryan
Blanton	Duncan	McAndrews	Sandlin
Boland	Ekwall	McLaughlin	Schuetz
Bolton	Engel	McLeod	Shanley
Boylan	Fletcher	Main	Shannon
Brewster	Frey	Mapes	Smith, Conn.
Buckler, Minn.	Gifford	Marshall	Spence
Burnham	Gilchrist	Martin, Mass.	Stack
Cannon, Mo.	Goodwin	Meeks	Stewart
Carlson	Guyer	Merritt, Conn.	Sumners, Tex.
Carpenter	Hancock, N. Y.	Michener	Taber
Casey	Harlan	Millard	Tarver
Christianson	Healey	Mitchell, Tenn.	Taylor, S. C.
Church	Hess	Mott	Taylor, Tenn.
Citron	Higgins, Mass.	Nelson	Thom
Cochran	Hollister	O'Brien	Thurston
Coffee	Holmes	O'Connor	Tinkham
Colden	Imhoff	O'Day	Tobey
Cole, N. Y.	Jacobsen	O'Neal	Umstead
Collins	Jenkins, Ohio	Parsons	Wadsworth
Connery	Jones	Pettengill	Welch
Costello	Kinzer	Pierce	Williams
Crawford	Kloeb	Pittenger	Wilson, Pa.
Cross, Tex.	Kniffin	Plumley	Wolcott
Crosser, Ohio	Knutson	Polk	Wolverton
Crowther	Kramer	Rabaut	Woodruff
Culkin	Lambertson	Ransley	Young
Cullen	Lambeth	Reece	
Cummings	Lamneck	Reed, Ill.	

NAYS—147

Amlie	Brown, Ga.	Clark, Idaho	Cravens
Beam	Buck	Cole, Md.	Creal
Binderup	Cartwright	Colmer	Crosby
Bland	Castellow	Cooper, Tenn.	Curley
Bolleau	Chandler	Cox	Daly
Deen	Halleck	Marcantonio	Schulte
Dempsey	Hildebrandt	Martin, Colo.	Scott
DeRouen	Hill, Ala.	Mason	Scrugham
Dies	Hill, Knute	Massingale	Secrest
Dingell	Hobbs	Maverick	Smith, Va.
Disney	Hook	May	Smith, Wash.
Dorsey	Houston	Mitchell, Ill.	Smith, W. Va.
Doughton	Hull	Monaghan	Snyder, Pa.
Doxey	Jenckes, Ind.	Montague	Somers, N. Y.
Driver	Johnson, Okla.	Owen	South
Dunn, Pa.	Johnson, Tex.	Palmisano	Starnes
Edmiston	Johnson, W. Va.	Patman	Steagall
Eicher	Keller	Patterson	Stefan
Ellenbogen	Kelley	Patton	Stubbs
Faddis	Kennedy, Md.	Pearson	Terry
Farley	Kenney	Peterson, Ga.	Thomason
Fiesinger	Kocialkowski	Peyser	Thompson
Flannagan	Kopplemann	Quinn	Tolan
Focht	Lemke	Ramspeck	Turner
Ford, Miss.	Luckey	Rankin	Utterback
Fuller	Lundeen	Reilly	Vinson, Ga.
Gassaway	McClellan	Richardson	Vinson, Ky.
Gavagan	McCormack	Risk	Wallgren
Gildea	McFarlane	Robertson	Walter
Gillette	McGehee	Robinson, Utah	Warren
Goldsborough	McGrath	Rogers, Okla.	Wearin
Granfield	McKeough	Sabath	Whittington
Gray, Ind.	McReynolds	Sadowski	Wilson, La.
Greenway	McSwain	Sanders, La.	Withrow
Greenwood	Mahon	Sanders, Tex.	Woodrum
Gregory	Maloney	Sauthoff	Zimmerman
Griswold	Mansfield	Schneider, Wis.	

NOT VOTING—148

Adair	Crowe	Hart	Oliver
Andrew, Mass.	Darden	Harter	O'Malley
Andrews, N. Y.	Dear	Hartley	Parks
Arends	Delaney	Hennings	Peterson, Fla.
Ashbrook	Dickstein	Higgins, Conn.	Pfeifer
Ayers	Dietrich	Hill, Samuel B.	Powers
Bacharach	Ditter	Hoeppel	Ramsay
Bankhead	Dobbins	Hoffman	Randolph
Barden	Doutrich	Hope	Rayburn
Beiter	Drewry	Huddleston	Rich
Bell	Driscoll	Kahn	Richards
Berlin	Duffey, Ohio	Kee	Robsion, Ky.
Blackney	Dunn, Miss.	Kennedy, N. Y.	Rogers, N. H.
Bloom	Eagle	Kerr	Schaefer
Boehne	Eaton	Kleberg	Sears
Boykin	Eckert	Kvale	Seger
Brennan	Englebright	Lanham	Short
Brooks	Evans	Lea, Calif.	Sirovich
Brown, Mich.	Fenerty	Lee, Okla.	Sisson
Buchanan	Ferguson	Lehlbach	Snell
Buckley, N. Y.	Fernandez	Lewis, Md.	Sullivan
Bulwinkle	Fish	Lucas	Sutphin
Burch	Fitzpatrick	McGroarty	Sweeney
Burdick	Ford, Calif.	McLean	Taylor, Colo.
Caldwell	Fulmer	McMillan	Terry
Cannon, Wis.	Gambrill	Maas	Treadway
Carmichael	Gasque	Mead	Turpin
Carter	Gearhart	Merritt, N. Y.	Weaver
Cary	Gehrmann	Miller	Werner
Cavicchia	Gingery	Montet	West
Celler	Gray, Pa.	Moran	Whelchel
Chapman	Green	Moritz	White
Claiborne	Greever	Murdock	Wigglesworth
Clark, N. C.	Gwynne	Nichols	Wilcox
Cooley	Haines	Norton	Wolfenden
Cooper, Ohio	Hamlin	O'Connell	Wood
Corning	Hancock, N. C.	O'Leary	Zioncheck

So the amendment was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Corning with Mr. Snell.
Mr. Sears with Mr. Treadway.
Mr. Bankhead with Mr. Ditter.
Mr. Fulmer with Mr. Cooper of Ohio.
Mr. Rayburn with Mr. Bacharach.
Mr. Huddleston with Mr. Wolfenden.
Mr. Buchanan with Mr. Robsion of Kentucky.
Mr. Lanham with Mr. Fish.
Mr. McMillan with Mr. Carter.
Mr. Drewry with Mr. Arends.
Mr. Wilcox with Mr. Eaton.
Mr. Mead with Mr. Hartley.
Mr. Dickstein with Mr. Maas.
Mr. Lea of California with Mr. Powers.
Mr. Peterson of Florida with Mr. McLean.
Mr. Haines with Mr. Doutrich.
Mr. Kleberg with Mr. Turpin.
Mr. McFarland with Mr. Lehlbach.
Mr. Delaney with Mr. Blackney.
Mr. Kerr with Mr. Andrew of Massachusetts.
Mr. Eagle with Mr. Gwynne.
Mr. Fernandes with Mr. Rich.
Mr. Weaver with Mr. Seger.
Mr. Fitzpatrick with Mr. Wigglesworth.
Mr. Sullivan with Mr. Short.
Mr. Bloom with Mrs. Kahn.
Mr. Boehne with Mr. Englebright.
Mr. Cooley with Mr. Andrews of New York.
Mr. Burch with Mr. Cavicchia.

Mr. Cary with Mr. Fenerty.
Mr. Bulwinkle with Mr. Burdick.
Mr. Clark of North Carolina with Mr. Gearhart.
Mr. Celler with Mr. Hoffman.
Mr. Darden with Mr. Gehrmann.
Mr. Green with Mr. Higgins of Connecticut.
Mr. Chapman with Mr. Hope.
Mr. Miller with Mr. Kvale.
Mr. Taylor of Colorado with Mr. Pfeifer.
Mr. Beiter with Mr. O'Leary.
Mr. Carmichael with Mr. Ramsay.
Mr. Dear with Mr. Lewis of Maryland.
Mr. Sutphin with Mr. Driscoll.
Mr. Werner with Mr. Boykin.
Mr. Parks with Mr. O'Connell.
Mr. Ashbrook with Mr. Sirovich.
Mr. Dobbins with Mr. Montet.
Mr. White with Mr. Claiborne.
Mr. Greever with Mr. Ayers.
Mr. Gasque with Mr. Hamlin.
Mr. O'Malley with Mr. Caldwell.
Mr. Dunn of Mississippi with Mr. Wood.
Mr. Merritt of New York with Mr. Sweeney.
Mr. Brown of Michigan with Mr. Hart.
Mr. Randolph with Mr. Moran.
Mr. Bell with Mr. Gray of Pennsylvania.
Mr. Hennings with Mr. Buckley.
Mr. Kee with Mr. Schaefer.
Mr. Sisson with Mr. Eckert.
Mr. Kennedy of New York with Mr. Ferguson.
Mr. Tonry with Mr. Murdock.
Mr. Evans with Mrs. Norton.
Mr. Ford of California with Mr. Nichols.
Mr. Adair with Mr. Hancock of North Carolina.
Mr. Harter with Mr. Brennan.
Mr. Richards with Mr. Barden.
Mr. Rogers of New Hampshire with Mr. Duffey of Ohio.
Mr. Zioncheck with Mr. Moritz.
Mr. Brooks with Mr. Sam B. Hill.
Mr. Gambrill with Mr. McGroarty.

Mr. DINGELL, Mr. REILLY, Mr. BARRY, Mr. KOPPLEMANN, Mr. MARTIN of Colorado, Mr. COOPER of Tennessee, Mr. STARNES, and Mr. MASSINGALE changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. BOLAND. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. HAINES, is unavoidably absent. If he was present, he would vote "yea."

Mr. COLMER. Mr. Speaker, I send to the desk the following motion.

The Clerk read as follows:

Mr. COLMER moves that the House recede from its disagreement to the amendment of the Senate no. 85, and agree to the same with an amendment as follows: In lieu of the matter in the Senate amendment insert:

"Enforcement of the Sea Food Inspectors Act: For personal services of sea-food inspectors designated to examine and inspect sea food and the production, packing, and labeling thereof upon the application of any packer of any sea food for shipment or sale within the jurisdiction of the Federal Food and Drugs Act, in accordance with the provisions of an act entitled 'An act to amend section 10 (a) of the Federal Food and Drugs Act of June 30, 1906, as amended', approved August 27, 1935 (49 Stat., p. 871), $40,000."

Mr. BLANTON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Mr. Speaker, I make the point of order that the proposed amendment to the Senate amendment embraces provisions that are not in conference; that the gentleman can propose only such things as are embraced within the jurisdiction of the conference; and the amendment exceeds that matter by releasing restrictions that have already been agreed to by the conferees.

The SPEAKER. As the Chair reads the amendment offered by the gentleman from Mississippi, it contains exactly the same language as the first portion of the Senate amendment except the amount is $40,000 instead of $80,000.

Mr. BLANTON. But, Mr. Speaker, it releases restrictions that have been agreed upon.

The SPEAKER. In the opinion of the Chair the amendment is germane.

Mr. BLANTON. Mr. Speaker, only those matters that were embraced within the jurisdiction of the conferees may be offered as amendments.

The SPEAKER. This Senate amendment was reported back to the House still in disagreement, as a matter of fact, and is now before the House for such action as the House may see fit to take. The gentleman from Mississippi has offered a motion to recede and concur in the Senate amendment with an amendment. The Chair has held that the amendment is germane and therefore overrules the point of order.

Mr. CANNON of Missouri. Mr. Speaker, I rise in opposition to the motion of the gentleman from Mississippi.

Mr. Speaker, I congratulate the gentleman from Mississippi on this splendid tribute to his popularity in the House, and I desire to join those who voted for him in this well-merited complaint. The vote was a vote in favor of the gentleman and is a testimonial to our deep affection for him and the esteem in which he is held. It was a vote on the gentleman from Mississippi and not a vote on the merits of the amendment before us.

Mr. Speaker, I would not oppose this amendment if it involved merely the item before us today, but it is the entering wedge, and when we admit it we open the door to millions of dollars of expense in supplying similar service to other industries in the future.

Mr. Speaker, I am glad to yield such time to the gentleman from Mississippi [Mr. COLMER] as he may desire.

Mr. COLMER. Mr. Speaker, I have listened with a great deal of interest to the very impassioned plea made by my distinguished colleague from Missouri [Mr. CANNON]. I appreciate the very kind references he made to me in the beginning of his speech, but as he went along, I was reminded of the old adage, "Beware of Greeks bearing gifts", because he bore down on me pretty hard before he concluded.

Mr. Speaker, this is not a matter of personal popularity. It is true I did ask some of my colleagues to support me in this piece of legislation. It is even true I went to the door and saw a few of the Members when they came in.

You know, I was rather impressed when I first came to Congress a few years ago with the fact that every time I came in that door to answer a roll call there was a man standing there telling me to vote with the committee, or telling me how to vote. I used to resent that. He always stands there and says "The vote of the committee is yes" or "The vote of the committee is no." So today, I just took the precaution of going out there to the door in order to offset any committee action. If I did wrong, and if I was in error, I apologize. The man at the door, who usually says "Vote with the committee" retreated after I got there.

Mr. BOILEAU. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. I wish to voice my protest against a custom that has developed here of employees of the House standing at the various doors telling Members how to vote. All they say is "Vote 'yes'" or "Vote 'no.'" I wonder under what rule anyone is authorized to instruct employees of the House to stand out there and tell Members how to vote?

Mr. COLMER. I am sure it was not the distinguised chairman of this committee.

Mr. BOILEAU. Oh, I do not say that. I did not make any such inference.

Mr. COLMER. Mr. Speaker, this is a serious matter. I take issue with my distinguished friend and colleague. It is on a parallel with the meat-inspection provisions of the Pure Food Act. If this inspection service is granted it can have but one purpose, and that is to protect the consuming public who consume sea-food products. If there is any food products that need inspection, I submit it is sea-food products.

The House has voted down the amendment offered by the gentleman from Missouri, which is tantamount to an endorsement of the proposal which I have made. I am not going to take the time of the House unnecessarily, because there is not a great deal involved; just $40,000. I am asking you to take the strings off of this amount and let the people of our country have this service to the extent of $40,000.

I hope the House will confirm what it has already done and support this motion. [Applause.]

Mr. DOXEY. Mr. Speaker, before my colleague concludes, will he yield for a question?

Mr. COLMER. I yield.

Mr. DOXEY. Is it not a fact that the Director of the Budget has approved an appropriation for this purpose in the amount of $80,000, while all the gentleman is asking in his motion is $40,000?

Mr. COLMER. That is quite so, and I thank my colleague.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is the situation with reference to the pending motion. The Senate tacked on amendment no. 85, which provided for sea-food inspection to come out of the Treasury of the United States, $80,000, and it was provided that on and after the 1st of July 1937 receipts from fees authorized to be collected for sea-food inspection should revert to the Treasury. In conference it was worked out so that $40,000 should be set up and then the fees should go into a revolving fund.

The gentleman from Missouri [Mr. CANNON] offered an amendment providing for what the conferees had agreed to and the House voted it down. An attempt is now made to come back here and take $40,000 out of the Treasury and not provide that the fee shall come back, which makes it a little worse than the Senate amendment and carries it way beyond the provisions of the Senate amendment so far as a raid on the Treasury is concerned.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. COLMER. Is it not a fact that the authorization passed by the Congress last year, which I do not have before me now, provided for just such an appropriation?

Mr. TABER. Not in just this way, no; because there was an authorization which required, as I recall the situation, the tax to be levied and collected from those who offered the shrimp for inspection.

Mr. COLMER. I may say to the gentleman that if he will investigate the matter further he will find he is in error.

Mr. TABER. We looked it up and we found that the Budget language that was submitted and the language submitted by the Senate did not comply with the statute.

Mr. COLMER. I may say further to the gentleman that the amendment offered now is in language prepared by the Budget.

Mr. TABER. Whether it is the language of the Budget or not, it is not language which will protect the Treasury of the United States.

I do not know who will be out in the hall asking folks to vote, but right now I am asking the membership of this House to vote to protect the Treasury and not permit this thing to go through without providing how these taxes shall be collected and how the money shall revert to the Treasury.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, this squabble over $40,000, to my mind, is entirely unjustifiable. I am a member of the committee of conference which submitted the report which, so far as this amendment is concerned, the House a few moments ago, by a yea-and-nay vote, turned down. I voted with my fellow conferees in favor of the conferees' report, but our attitude was disapproved by the House. It therefore is not now a question of supporting the conferees or supporting the committee. The conference committee's attitude has already been rejected, and the question now before the House is what we ought to do to endeavor to solve this question of difference between the House and the Senate.

The Senate wants $80,000 for this purpose, and the gentleman from Mississippi, in an effort to reach a compromise, has proposed to appropriate $40,000. I think we ought to meet him halfway. I think we ought to agree to the amendment.

This is not any effort to raid the Treasury. If you wanted to protect the Treasury, I may say to the gentleman from New York [Mr. TABER] he ought to have objected last year when they passed through this House a Senate bill by unanimous consent authorizing the appropriation of money from the Federal Treasury to carry on this work.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I will be pleased to yield.

Mr. TABER. Frankly, I was not able to be here when that bill was up. I was engaged on hearings in committee. I try to protect the Treasury, but I cannot always be here and look after all these matters. I have to rely on some of the others some of the time.

Mr. TARVER. Of course, all the Members of Congress are not individually responsible for a legislative authorization which may be passed by Congress and enacted into law, but, after it is passed and signed and approved by the President, it constitutes a legislative expression of the purposes of the Congress and authorizes the appropriation of money in accordance with the collective will of Congress; and in this case legislation, subsequent to the time when the promises were made to the committee which originally considered the matter by the shrimp people, has been enacted by Congress under the unanimous-consent rule, providing that the expense of this investigation and inspection shall be paid from the Federal Treasury instead of being paid altogether by the people who are interested in the industry.

Unless we want to disapprove or repudiate the legislation we unanimously passed last year, we ought at least to make provision for a reasonable part of this expense. Forty thousand dollars will not be enough. This is unquestioned. The Budget estimated it would require $80,000. If we agree to $40,000, as proposed in the motion of the gentleman from Mississippi, the effect will be that the fees paid by the shrimp people themselves must pay one-half of the cost of inspection, and the Federal Government, instead of doing what it impliedly promised last year and paying it all, is going to pay one-half of it. This seems to me to be a happy and a reasonable compromise, and it certainly is my hope that the membership of the House will accede to the motion of the gentleman from Mississippi and remove this cause of controversy between the House and Senate. [Applause.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, like my chairman, I have no quarrel with my good friend from Mississippi [Mr. COLMER]. I merely want to say a few words in defense of the action of the Democratic employee of the House who, upon roll-call votes, stands at the door and tells incoming Members what issue is being voted upon, and who for 25 years has served the House faithfully and well, and that is Johnnie Snyder. [Applause.]

Frequently a matter comes up on the floor under debate where the committee conducts general debate for an hour or more and Members have to go in and out of the Chamber on important business. They have to meet constituents, they have to sign important documents, they go out to committee meetings, expecting to get back in time to vote by the time the question comes to a vote.

When the bell rings they come in, and then Mr. Snyder, who has served here for 25 years, served faithfully the Democratic administration of the House, stands at the door and says, "This is bill, or resolution, or amendment, or conference report so and so. The committee vote is 'aye' or the committee vote is 'no.'" He does not tell the Member how to vote. He would be the last man in the world who would tell a Member how to vote; he is one of the most modest men you ever saw, and one of the most faithful men. He is industrious and on the job every minute that the House is in session.

I frequently have to go to the Appropriations Committee's room on important business, and when I come back I say to Johnnie, "Is this vote on the committee?" I find out about the situation and then exercise my own judgment as to how to vote.

Mr. COLMER. Will the gentleman yield?

Mr. BLANTON. I will be glad to yield to my friend from Mississippi.

Mr. COLMER. I want to say to the gentleman that I had no intention of reflecting on any of these valuable employees

of the House. I hope that there is no such inference from my remarks.

Mr. BLANTON. I am glad to hear it.

Mr. BOILEAU. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Let me say that I had no intention of reflecting on any employees working at the door. My criticism was against the system and not against any employee.

Mr. BLANTON. I want to say that when the Republican Party was in power they had a faithful employee who occupied the same position that Mr. Snyder does. He stood there at the door and gave Members the facts as to the situation.

Mr. BOILEAU. And it will not be long before the Progressives will have a man standing at the door. [Laughter.]

Mr. BLANTON. Oh, the gentleman's grandchildren will be gray-headed before that time. [Laughter.]

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. COLMER) there were 60 ayes and 65 noes.

Mr. COLMER. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 149, nays 129, not voting 147, as follows:

[Roll No. 113]

YEAS—149

Amlie	Fiesinger	McFarlane	Sanders, Tex.
Barry	Flannagan	McGehee	Sauthoff
Beam	Ford, Miss.	McGrath	Schneider, Wis.
Bell	Frey	McReynolds	Schulte
Bland	Fuller	McSwain	Scott
Bloom	Gasque	Mahon	Scrugham
Boileau	Gassaway	Maloney	Smith, Va.
Brown, Ga.	Gehrmann	Mansfield	Smith, Wash.
Buck	Gildea	Marcantonio	Smith, W. Va.
Cartwright	Goldsborough	Martin, Colo.	Snyder, Pa.
Casey	Greenway	Mason	South
Castellow	Greenwood	Massingale	Stack
Chandler	Greever	Maverick	Starnes
Chapman	Gregory	May	Steagall
Clark, Idaho	Haines	Miller	Stubbs
Colden	Hamlin	Mitchell, Ill.	Tarver
Cole, Md.	Hildebrandt	Monaghan	Taylor, Tenn.
Colmer	Hill, Ala.	Montague	Terry
Connery	Hill, Knute	Moran	Thomason
Cooley	Hobbs	Murdock	Thompson
Cooper, Tenn.	Houston	O'Connell	Tolan
Costello	Hull	O'Connor	Turner
Cox	Johnson, Okla.	O'Day	Umstead
Cravens	Johnson, W. Va.	Owen	Vinson, Ga.
Crosby	Jones	Parsons	Vinson, Ky.
Cross, Tex.	Keller	Patman	Walter
Curley	Kennedy, Md.	Patterson	Warren
Deen	Knutson	Patton	Wearin
Dempsey	Kocialkowski	Pearson	Weaver
DeRouen	Kramer	Peterson, Ga.	Welch
Dies	Kvale	Ramspeck	Whittington
Dingell	Lambeth	Rankin	Wilson, La.
Disney	Lamneck	Risk	Withrow
Doughton	Lea, Calif.	Robertson	Woodruff
Doxey	Lemke	Robinson, Utah	Woodrum
Driver	Lundeen	Rogers, Okla.	
Dunn, Pa.	McClellan	Sabath	
Ellenbogen	McCormack	Sadowski	

NAYS—129

Allen	Cole, N. Y.	Focht	Kahn
Andresen	Collins.	Gavagan	Kelly
Ashbrook	Crawford	Gearhart	Kenney
Bacon	Crosser, Ohio	Gifford	Kinzer
Biermann	Crowe	Gilchrist	Kloeb
Blanton	Crowther	Goodwin	Kniffin
Boland	Culkin	Granfield	Lambertson
Bolton	Cullen	Gray, Ind.	Larrabee
Boylan	Daly	Griswold	Lesinski
Brewster	Darrow	Guyer	Lewis, Colo.
Buckler, Minn.	Dirksen	Hancock, N. Y.	Lord
Burnham	Dockweiler	Harlan	Luckey
Cannon, Mo.	Dondero	Healey	Ludlow
Cannon, Wis.	Dorsey	Hess	McAndrews
Carlson	Duffy, N. Y.	Higgins, Mass.	McKeough
Carpenter	Duncan	Hollister	McLaughlin
Christianson	Edmiston	Holmes	McLeod
Church	Eicher	Imhoff	Main
Citron	Ekwall	Jacobsen	Mapes
Cochran	Engel	Jenckes, Ind.	Marshall
Coffee	Fletcher	Jenkins, Ohio	Martin, Mass.
Meeks	Pittenger	Ryan	Thurston
Merritt, Conn.	Plumley	Sandlin	Tinkham
Michener	Polk	Schuetz	Wadsworth
Millard	Rabaut	Shanley	Williams
Mitchell, Tenn.	Reece	Shannon	Wilson, Pa.
Mott	Reed, Ill.	Smith, Conn.	Wolcott
Nelson	Reed, N. Y.	Spence	Wolverton
O'Brien	Richardson	Stefan	Young
O'Neal	Robsion, Ky.	Stewart	Zimmerman
Palmisano	Rogers, Mass.	Taber	
Pettengill	Romjue	Taylor, S. C.	
Pierce	Russell	Thom	

NOT VOTING—147

Adair	Dickstein	Hoeppel	Ransley
Andrew, Mass.	Dietrich	Hoffman	Rayburn
Andrews, N. Y.	Ditter	Hook	Reilly
Arends	Dobbins	Hope	Rich
Ayers	Doutrich	Huddleston	Richards
Bacharach	Drewry	Johnson, Tex.	Rogers, N. H.
Bankhead	Driscoll	Kee	Sanders, La.
Barden	Duffey, Ohio	Kennedy, N. Y.	Schaefer
Beiter	Dunn, Miss.	Kerr	Sears
Berlin	Eagle	Kleberg	Secrest
Binderup	Eaton	Koppleмann	Seger
Blackney	Eckert	Lanham	Short
Boehne	Englebright	Lee, Okla.	Sirovich
Boykin	Evans	Lehlbach	Sisson
Brennan	Faddis	Lewis, Md.	Snell
Brooks	Farley	Lucas	Somers, N. Y.
Brown, Mich.	Fenerty	McGroarty	Sullivan
Buchanan	Ferguson	McLean	Sumners, Tex.
Buckley, N. Y.	Fernandez	McMillan	Sutphin
Bulwinkle	Fish	Maas	Sweeney
Burch	Fitzpatrick	Mead	Taylor, Colo.
Burdick	Ford, Calif.	Merritt, N. Y.	Tobey
Caldwell	Fulmer	Montet	Tonry
Carmichael	Gambrill	Moritz	Treadway
Carter	Gillette	Nichols	Turpin
Cary	Gingery	Norton	Utterback
Cavicchia	Gray, Pa.	O'Leary	Wallgren
Celler	Green	Oliver	Werner
Claiborne	Gwynne	O'Malley	West
Clark, N. C.	Halleck	Parks	Whelchel
Cooper, Ohio	Hancock, N. C.	Peterson, Fla.	White
Corning	Hart	Peyser	Wigglesworth
Creal	Harter	Pfeifer	Wilcox
Cummings	Hartley	Powers	Wolfenden
Darden	Hennings	Quinn	Wood
Dear	Higgins, Conn.	Ramsay	Zioncheck
Delaney	Hill, Samuel B.	Randolph	

So the motion was agreed to.

The Clerk announced the following additional pairs:

Additional general pairs:

Mr. Corning with Mr. Snell.
Mr. Buchanan with Mr. Seger.
Mr. Sumners of Texas with Mr. Tobey.
Mr. Reilly with Mr. Lehlbach.
Mr. Clark of North Carolina with Mr. Andrews of New York.
Mr. Darden with Mr. Powers.
Mr. Johnson of Texas with Mr. Doutrich.
Mr. Somers of New York with Mr. Ransley.
Mr. Creal with Mr. Hope.
Mr. Gingery with Mr. Halleck.
Mr. Wallgren with Mr. Berlin.
Mr. Faddis with Mr. West.
Mr. Tonry with Mr. Ayers.
Mr. Wheichel with Mr. Secrest.
Mr. Utterback with Mr. Quinn.
Mr. Sirovich with Mr. Hook.
Mr. Binderup with Mr. Parks.
Mr. Randolph with Mr. Dietrich.
Mr. Lee of Oklahoma with Mr. Cummings.
Mr. Oliver with Mr. Farley.
Mr. Peyser with Mr. Gray of Pennsylvania.
Mr. Sanders of Louisiana with Mr. Gillette.

Mr. TAYLOR of Tennessee and Mr. WELCH changed their votes from "no" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 86: Page 91, strike out "$1,975,217" and insert "$2,579,837."

Mr. CANNON of Missouri. Mr. Speaker, I offer the following motion, which I send to the desk.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$2,077,758."

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

Motions to reconsider the various votes by which the several motions were agreed to were laid on the table.

LEAVE TO FILE REPORT

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that I may have until tomorrow night at 12 o'clock to file committee report upon H. R. 12869, and that the minority may have the same right to file minority views.

The SPEAKER. Is there objection?

There was no objection.

ODESSA MASON

Mr. REECE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1252) for the relief of Odessa Mason, with a committee amendment thereto, and agree to the committee amendment.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 1, line 5, strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps."

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the committee amendment.

The Senate amendment was agreed to; and a motion to reconsider the vote by which the Senate amendment was agreed to was laid on the table.

LOOKING TO THE CAMPAIGN

Mr. HANCOCK of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an address delivered by my colleague from New York [Mr. ANDREWS] on May 27 over a national hook-up of the National Broadcasting System.

The SPEAKER. Is there objection?

There was no objection.

Mr. HANCOCK of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by Hon. WALTER G. ANDREWS, of New York, on May 26, 1936:

Members of the national radio audience, as a radio fan myself I am mindful of the fact that in these days you are invited to listen to a lot of so-called political orators, and as a speaker this evening I wish to avoid, if possible, being put into that class. My time on the air with you is brief, so I shall confine myself to some observations which I believe are pertinent, Looking to the Campaign. These for your information are based upon 5 years' service in the House of Representatives, a reasonable business experience, and contacts largely with my fellow citizens in New York State. In talking with you I may also state that I am one of those who believe that, given the facts and a fair understanding in any situation, the average citizen is better qualified today to exercise his or her political judgment than at any time in our history. Largely due to the development of the press in its news from Washington, and in particular the radio, a vast majority of our citizens are much better informed than ever before.

We have now witnessed over 3 years of the so-called New Deal, and what are to be our considerations looking to the campaign and the election? At the start, to be sure, some of the early expressions of Mr. Roosevelt and some of the measures sponsored by his leadership gave us hope for the solution of our pressing problems, but this did not last for long.

Mr. Roosevelt's personal charm lasted about 2 years, and even before that the failure of his policies became evident. At the outset, having no real or sound convictions of his own, Mr. Roosevelt surrounded himself with a group of impractical theorists. It is this group, to a large extent, who have supplied the ideas of the New Deal. It is interesting to note that among the entire group of departmental bureaucratic advisers of the President it would be most difficult to find one self-made man or anyone who from experience knows what it is to meet a Saturday night's pay roll or manage a farm. Looking to the Democratic National Convention and Mr. Roosevelt's renomination, how can his 1936 platform be anything but meaningless. Here is a man who promised to reduce Federal expenditures. He has increased them enormously. He has cynically violated most of the other major planks of his 1932 platform.

Figures taken from the books of the Treasury Department itself show that up to May 18 last the Federal Government, under the present administration, has expended the colossal sum of twenty-two and one-half billion dollars. Putting this long figure another way, twenty-two thousand million dollars. The magnitude of this spending becomes more alarming when you realize that during this period the Government has been putting out more than $2 for each dollar of revenue it has taken in. The administration right now is in a hot spot. It is unwilling if not afraid to cut expenditures at the moment. It is equally unwilling and probably afraid to impose the added taxes which would be required to bring the revenues somewhere near its expenditures.

It was the President himself who once said, "Taxes are paid by the sweat of every man who labors." The people must be assured that Government borrowing will stop as soon as possible, thus releasing funds for private enterprise. Honest relief must be provided for those who require it, but the Republican Party cannot attempt to follow the present administration's wasteful policy. The New Deal administration is about to go into a national election. What is it going to do after election if it be successful in retaining control of the Government? If its future is to be judged by its past performances, the spending will continue, along with its experiments.

The second count against Mr. Roosevelt is his disregard of American tradition. Attempts to intimidate a free people through the N. R. A., the A. A. A., the Potato Act, and other similar devices have failed. Mr. Farley's attempt to buy the election of 1936 through the political domination of W. P. A. workers, corruption of the civil service, and wholesale patronage disposal to hundreds of thousands of additions to the Federal pay roll will not prevail against the rising tide of sane thinking among the voters. Everywhere allegiance to Roosevelt and Farley is a requisite for getting a W. P. A. job. Hunger and anxiety to work are not enough. Desperate tactics are being employed by Roosevelt, Farley & Co., for they are not so sure of winning as they would have you believe. But these tactics will not succeed as in 1932 and 1934. The people have awakened. The majority of them will not endorse a national Tammany Hall bossed by a stamp seller, chairman of the New York Democratic Committee, chairman of the National Democratic Committee, and ex-officio Postmaster General. If Mr. Roosevelt is sincere in some of his early expressed ideals for the Federal Government, why doesn't he listen to the pleadings of his friend Senator NORRIS, who asks that Mr. Farley resign one of his jobs? When have we ever heard of such brazen thirst for political power in one man on this side of the Atlantic? Mr. Farley is a smart man, but he made a bad mistake the other day during his private-car trip through the country, while in Michigan. He included in his talk a reference to one of the Republican candidates as "merely the Governor of a typical prairie State." This shows what the Tammany national chairman thinks of the Middle West. No matter who the Republican candidate may be, Farley's crack should be plastered on every fence post in the Mississippi Valley.

The third count against the President is from a practical standpoint probably the most damaging of all. He has failed to reduce unemployment appreciably, in spite of all his spending, with an increase in the national debt from twenty-one to thirty-four billions of dollars. American Federation of Labor statistics place present unemployment at about the same as in September of 1933. Roosevelt's petulant attacks on American businessmen merely expose his own incompetence. It is his vacillating and undependable policies which prevent the average man in business from making any long-range plans. The result is a vast amount of idle capital. Our successful Presidents have in the main cooperated with businessmen and with all other classes, instead of denouncing them. Our heritage has been that the Government has been the servant of the people and not their master.

The fourth count against Mr. Roosevelt is his deliberate creation of class hatred, his attempt to buy the votes of the farmers and those who want honest work. In order to fight depression the wisest, as well as the most honest, course to adopt is the encouragement of unity among Americans. It is the duty of a President to set an example of faith, hope, and charity. This last quality is conspicuously absent in the President. His self-complacency attributes to all opponents an unworthy motive. He has done a good deal to discredit the word "liberal" as applied to the political world. Matthew Arnold, a genuine social reformer, who once described himself as a liberal of the future, asserted that a liberal must keep himself free from petty hatreds and prejudice. There are none like him in the New Deal gang. They resent criticism no matter from whom it comes.

The best that can be said about Mr. Roosevelt is that he is a pleasant man, but shallow on fundamentals and pleasant only when he is not opposed.

His record furnishes us with no reason for entrusting him with the conduct of national affairs for another 4 years. Under his confused and spendthrift rule the Nation has been hurried toward eventual bankruptcy. Leading Democrats have protested these policies in vain. Many good Democrats, who voted for him in 1932, are now joining in this chorus. The country is not going to revolt in November. It has already revolted. The determination to turn to sound principle has already been made by the people. This is apparent everywhere. The only question to be immediately decided is into whose hands to place the new leadership. This question is to be decided at Cleveland next month, which brings me before closing to a few words to the Republican voters and delegates to the national convention.

Herein rests our great responsibility. I believe it paramount that every Republican urge his or her delegate to use their influence to elect the strongest possible candidate with the adoption of a platform devoid of bunk and capable of performance. It should be straightforward, concise, and clearly stating the honest and actual intentions of the Republican leadership.

For the last 3 years we have been at the mercy of the Roosevelt-Farley gang, who have posed as the Democratic Party while violating almost every fundamental principle upon which that party has

formerly stood. The Republican Party must appeal to persons of moderate circumstances and moderate frame of mind and to the young people of our country looking to the future. Those in moderate circumstances are the backbone of America. The everyday man and woman of America, the heads of families, have a great stake in the Republican Party. Only through it can their families, their homes, their savings, and their ideals find protection against rising socialism and its great bureaucracy.

If the Republican Party should nominate a man who is merely the heir of old and broken-down machine politics, a man who has not rubbed elbows with his fellow men, we had better close up shop today. But we will not nominate such a man.

With this the Republican Party will represent common sense over socialism, common honesty over crazy bureaucracy, common decency over a lower code. If we will give this great majority in this country of common men and women the chance to make the choice, there can be no question of a victory in November. It will be a victory for American traditions and principles.

THE DISTRICT APPROPRIATION BILL

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend in the RECORD dated tomorrow a copy of a letter addressed to the chairman of the Senate conferees on the District of Columbia appropriation bill, answering a letter I have just received from him, and outlining a matter coming into conference on Monday morning next between the House and the Senate.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, under unanimous consent extend in the RECORD a copy of a letter dated tomorrow the chairman of the Senate conferees on the District of Columbia appropriation bill.

The letter is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., May 30, 1936.

Senator ELMER THOMAS,
Chairman, Senate Conferees, District Appropriation Bill,
Senate Office Building.

MY DEAR SENATOR THOMAS: Your letter of May 29 (embracing 5 pages, typewritten, single-spaced) addressed to me as chairman of the House conferees, copies of which at the time of sending you gave yesterday to the five Washington newspapers for publication, is before me for reply.

Your procedure, Senator, is most unusual and unprecedented. We five House managers invited you and the other Senate managers to meet us in conference next Monday, hoping that it might be possible then to reach an agreement on the 87 Senate amendments you placed on the House appropriation bill. You could have telephoned your acceptance. It required no five-page letter. Yet on Friday, when agreeing to meet us in conference next Monday, you made an attempt to prejudge and predetermine all of the issues of the conference, by making an extended argument in your five-page letter, given front-page notoriety last night and this morning by your personally interested ardent backers—the local newspapers.

I won't complain, however, Senator, but accept the situation with much gratification, because your unprecedented action inviting from me a reply, affords me a most apropos opportunity, thus by you made both parliamentary and proper, frankly and fully to place before you and the public the exact position of the House conferees, which you and your forum, the interested Washington newspapers, continue to ignore and misrepresent, and with erroneous statements and counterfeit logic seek to avoid.

We are not going to let you side-step the issues or misrepresent the facts or shift the responsibility. You placed 87 Senate amendments on the House bill, which, without question or consideration, passed the Senate in 15 minutes, as so reported by all local newspapers. Your 87 Senate amendments involved millions of dollars, 6 being legislative matters that should have been reported only by a legislative committee. One is to establish pay parking meters in Washington, so that every person who parks an automobile in their Nation's Capital would be forced to pay tribute to one monopoly. You did not expect the House to agree to your 87 amendments, because you asked for a conference and had Senate conferees appointed immediately, before any House Member had seen any of your 87 amendments, and the local papers immediately quoted you as saying that the House would be compelled to agree to the Senate action or there would be no bill, and you would pass a continuing resolution.

In your first amendment you demanded that the taxpayers of the United States should contribute, out of their Federal Treasury, the huge sum of $5,700,000 on the local civic expenses of the Washington people. You at the time had access to the CONGRESSIONAL RECORD, which showed that when such proposal was made in the House only 11 Members voted for it, and that upon a record roll-call vote in the House the bill passed allowing a contribution of only $2,700,000, with only 26 Members voting against it.

Then, again, you knew that the House subcommittee had held exhaustive hearings on the request of Superintendent Ballou to give him $78,660 to be spent on his so-called character education, and that the House committeemen, by a unanimous vote, had decided that the $87,540 you allowed Ballou last year, and the $63,383 you allowed him the year before, had been wasted, misspent, and perverted; that he was using it on only 10 of his 175 schools, and was doing no good, but lots of harm; and they unanimously refused to allow any part of the $78,660, and the House approved their action by passing the bill, with only 26 Members voting against it on record roll-call vote. Yet, by amendment, you had the Senate to place this $78,660 in the bill for Dr. Ballou to waste and misspend.

Then, again, you knew that through hearings the House subcommittee had ascertained that judges drawing salaries of from $8,000 to $12,500, and prosecuting attorneys drawing large salaries up to $8,000, and doctors drawing salaries up to $7,500, and other employees drawing high salaries were selling part of their time to outside employers, and the House provided in its bill that no such official or employee drawing as much as $2,400 per year should accept outside employment, and you placed a Senate amendment on our bill, striking out this House limitation, which was included in the House bill which passed with only 26 votes against it on roll-call record vote.

I firmly believe that 95 percent of the people of Texas would strongly support the House on the above three issues. I firmly believe that in spite of your tremendous popularity in your own State, and the honor and eulogies your five Washington newspapers daily bestow upon you for fighting their battles, that 90 percent of the people of Oklahoma would strongly support the House on all three of the above issues.

Yet, Senator, you have held this bill in deadlock since April 24 1936, notwithstanding the fact that in a final effort to get a bill so that the District of Columbia would not be deprived of some urgent badly needed, new construction and equipment the House conferees proposed that if the Senate would yield on the three propositions above mentioned that the House conferees most generously would yield on the other 84 Senate amendments. You refused. You claimed that an expert named Parker, and Mr. Richards, had given convincing proof that Washington people were overtaxed and we asked to be allowed to question them, and you arranged for the Senate and House conferees to meet in joint hearing on May 7, 1936, to hear Parker and Richards.

We met together on May 7, 1936, to hear Parker and Richards and, to our surprise, you had no stenographer there to take down the evidence. We asked that you call one of the official stenographers, as we wanted the evidence taken down and printed, so that it would be of some value. To our great surprise, you obstinately refused to have a stenographer or to have it taken down, so all five of our House managers refused to sit with you in the hearing, as your arbitrary action caused all of us to have suspicions regarding the entire proceeding. We all withdrew and learned afterward that you then sent for a stenographer, and, with our House conferees absent and with no opportunity for any of us to ask the witnesses questions, you proceeded to allow them to introduce a lot of irrelevant, erroneous documents and statements which, had we been present, we could have made them admit, through pertinent questioning, were of no value and had no probative force and effect whatsoever; yet you had same printed into a worthless document of 53 printed pages.

We House conferees finally succeeded in getting this Mr. L. H. Parker before us on May 13, 1936, and we elicited from him facts that you made no attempt to develop. We made him admit that he is drawing an annual salary of $9,600 from the Government, yet last October accepted employment from the Washington Board of Trade, and that they paid him $5,500 in cash for his absurd, ridiculous statement that "Washington is the third highest taxed city in the United States." Every posted person in Congress knows there is no truth whatever in such statement. His 26 pages of testimony in our printed hearings show that Parker does not know anything whatever about Washington taxes.

Parker was in error about the date he bought his own home, and as to what he paid for it, and as to its assessed value. He testified that he bought it new in 1929, when he bought it in 1931; he testified he paid $17,250 for it, when he paid $17,950 for it; he testified that during the 3 years he owned it it was assessed at $14,000, when during said time it was assessed at $11,010 and it is now assessed at only $10,110; he testified he paid an automobile tax of $18, when the tax official, Mr. Allen, certifies that he paid only $2, of which $1 was a property tax on his auto and the other $1 was for registration and annual license tags.

I will guarantee that neither the people of Texas nor Oklahoma would give any credence to the evidence of a man who had been paid $5,500 in cash for giving it.

As to Mr. Richards, since he has lately gotten on the board of trade pay roll, he has suddenly changed front from the evidence he has been giving us for the past 20 years. He won't deny that in 1927 the tax rate here was $1.80 per $100; that in 1928 the Commissioners lowered the tax rate to $1.70 per $100, and he was present, assenting to Commissioner Hazen's testimony in 1934 that "for 1934 they had lowered the tax rate from $1.70 to $1.50 per $100, which meant a saving that year to Washington taxpayers of $2,445,000; also that they had reduced the assessed valuation of real estate by $80,000,000, which meant another saving of $1,200,000, and for 1935 they were making an additional reduction in assessed valuation of real estate of $50,000,000; that they had given a 25-percent reduction in water charges, which meant another saving of $600,000, as they had increased the metered allowance from 7,500 to 10,000 cubic feet; and they were allowing 10 percent discount on bills, which meant another saving of $100,000 to local taxpayers.

Mr. Richards assenting thereto then heard Commissioner Hazen admit the many privileges Washington people enjoy, and the many exemptions from ordinary taxes they have which people in

other cities have to pay, and heard Commissioner Hazen testify that Washington people are the best cared for, are the least taxed, and enjoy more privileges than any other people in the United States.

You, Senator, and your conferees, made no attempt to elicit from Mr. Richards the reason for his change of front. We have a certificate from Maj. Daniel J. Donovan, auditor of the District, showing that instead of retiring on March 14, 1936, with retired pay for life of $1,265 per annum, payable in 12 equal monthly installments every year, Mr. Richards resigned on March 12, 1936, and will now draw no retired pay. He did this so he could go on the pay roll of the Washington Board of Trade. Many times he has testified that property here wanted by the Government has cost us as high as 10 times its assessed value, based on the evidence of Washington experts. Hence we do not pay any attention to his change-of-front testimony now, since he has gone on the pay roll of the Washington Board of Trade. When it has paid Parker $5,500 for giving them a worthless statement, it must be paying Mr. Richards pretty high compensation to induce him to waive his retired pay for life.

You contend, Senator, that taxes are not extremely low here. How about your own. You own your own apartment in the large apartment house at No. 1661 Crescent Place NW. There are 49 other apartments in this building owned by individuals like yourself, all taxed together as one piece of property. In 1933 this property embracing the 50 apartments was rendered at an assessed valuation of $687,450, upon which at the then tax rate of $1.70 on the $100, there was paid a tax of $11,686.66, your one-fiftieth of same being $233.73. This year said property embracing said 50 apartments is rendered at an assessed valuation of only $597,705, which is a reduction in assessed value of $89,745 since 1933, and the tax paid this year at the reduced tax rate of only $1.50 per the $100, is $8,965.58, your one-fiftieth part of same being only $179.31, if yours is an average of said 50 apartments. The above facts were certified to us by the tax assessor of the District of Columbia, who further shows that above your $1,000 household-furniture exemption allowed you here by law, you render $500 of household furniture upon which you pay an annual tax of only $7.50, and that your 1935-model family sedan is rendered at an assessed value of $785, upon which you pay a property tax of only $11.77, and that you pay $1 per year for your registration license tags. Don't you know, Senator, that the property you own here would cost you at least three times as much taxes per annum in Oklahoma or Texas as the amount you pay here in Washington?

In our House hearings we showed the actual renditions of all the newspapers in Washington and of about a hundred citizens drawing salaries of from $20,000 to $75,000 per year, and none of them would think of selling their property for double its assessed value, and some of them were paying $2 and $3 per annum on their family Cadillacs and Packards.

Your first bluff was that you would make the House give a Federal contribution of $5,700,000 by passing a continuing resolution, but we called that by assuring you the House would amend it, and refuse to allow it.

Then you bluffed again by stating you would force the President to pay the District expenses out of Federal relief funds so as to make all of the expense be borne by the United States, and the President called that bluff by stating he would use no relief funds for such purpose.

Now in your letter you bluff again by threatening to pass your ridiculous resolution to let the President appoint three men of the qualifications you specify, to decide what amount of Federal contribution Congress shall give to Washington people, and that we appropriate $50,000 to pay these men. And in your letter you say "the Government of the District of Columbia is the direct and unavoidable responsibility of the President." I thought you were acquainted with the Constitution. The President does not have any control whatsoever over the District of Columbia. It is not his concern. The Constitution provides that "the Congress shall exercise exclusive control." Watson on the Constitution, page 698, says: "The Constitution confers upon Congress absolute control and authority over the District of Columbia." In *Gibbons* v. *The District of Columbia*, and numerous other cases, the Supreme Court of the United States held that under clause 17, of section 8, of article I of the Constitution "Congress is given exclusive jurisdiction over the District of Columbia for every purpose of government, national or local, in all cases whatsoever, including taxation." So the President has nothing to do with it. It is solely a responsibility of the Congress. And we are not going to allow you to shift it to the shoulders of the President. He appoints the Commissioners solely because Congress delegated that authority to him by statute.

Of course we know who would select the three men you have in mind. The Senate selects all judges, all prosecuting attorneys, all directors, all commissioners, all administrators, all heads of bureaus—all this and all that. You might, Senator, accidentally select some fellow like Parker, who, without your having found it out, had gotten on the pay roll of the Washington Board of Trade at $5,500 cash per high tax opinion, or you might accidentally select some fellow like Richards, who resigns without retirement pay so he can work for the Washington Board of Trade, when he could have retired and drawn retired pay for life of $1,265 per annum, which is a pretty fair pension.

What is the use of paying $50,000 to your three men when only last year President Roosevelt had his Treasury experts to make an investigation of taxes paid in 15 comparable cities, and he certified to us that the taxes paid in Washington are lower than those paid in any other cities of between 300,000 and 825,000 population in the United States.

Have you forgotten the long, expensive, exhaustive investigation made by the Mapes committee, which found taxes here so low they immediately had the House pass the four Mapes bills, increasing the gasoline tax, the tax on automobiles and trucks, providing an income tax, and other taxes that people in all other cities pay, and all of said bills died in the Senate. We are not going to waste another $50,000 on any worthless commission.

Before I conclude, Senator, I must remind you of a few of the things the United States has done for the District. It has made out of a swampy, unhealthy, mosquito-ridden, small town, one of the finest, most beautiful cities in the world, where lots that formerly you could hardly give away, are now worth a fortune. It owns the original water conduit here, and has spent over $20,000,000 out of the Federal Treasury in perfecting the water system. It has built the Washington Monument, the Lincoln Memorial and reflecting pools used for skating in winter, the $14,750,000 Memorial Bridge, the wonderful new boulevard highway to Mount Vernon, the $10,000,000 Supreme Court Building, the magnificent Congressional Library, and scores of other remarkable places of interest, all with United States money, that attract hundreds of thousands of tourists here constantly. The Washington Star for April 26, 1936, quoted the board of trade as stating that during the last 5 years visitors to Washington had spent the enormous sum of $221,547,992 in cash, which greatly benefited every businessman in Washington.

Moreover, under the old regime, the Government paid all of the debts incurred by the District, and has kept it out of debt with large annual contributions from the Federal Treasury, so people here pay no interest.

And under the old unjust 50–50 arrangements, the United States furnished half of the money to install the sewer system here, to pave the streets, to build the many fine bridges, including the million-dollar bridge on Connecticut Avenue, to build most of the 175 school buildings of Washington, to procure and develop the numerous fine playgrounds, the 1,200 parks, big and little, the jail, penitentiary, the courts, the municipal building, the markets, some hospitals, branch libraries, and many other permanent improvements which people of all other cities must buy and pay for themselves without help.

People in other cities have to pay State taxes, county taxes, school taxes, water taxes, and many other special taxes. Here in Washington people pay one tax of $1.50 on the $100 on both tangible personal property and on real estate. They pay only one-half of 1 percent on intangibles. They get their water furnished for only $6.60 per year for an average family, with a 10-percent discount on that when paid within 15 days after due. They pay only 2 cents gasoline tax, when it is 7 cents in Tennessee, 5 cents right over here in Virginia, and 4 cents right over here in Maryland, plus a sales tax. They pay only $1 per year for registration and license tags on automobiles and trucks, no matter whether they are a fourth-hand Ford or a $12,000 new Rolls Royce. They are allowed $1,000 of household furniture exempt from all taxes. They have the wearing apparel, whether worth $5 or $50,000, exempt from taxes. They have their private libraries, whether worth $5 or $50,000, exempt from all taxes. They have their ashes gathered free, their trash gathered free, and their garbage gathered free. They pay no monthly or yearly charge for sewer service. They do not have to pay for repairing or repaving of streets contiguous to their property. They do not have to pay for repairing or repaving sidewalks around their property. The shade and ornamental trees in front of their property are furnished free, have fences built around them free to protect the first few years of early growth, are pruned free, are sprayed free, are cared for free, and are replaced free when they die. Other than the Federal taxes that people in all cities pay, the Washington people pay no estate tax, no inheritance tax, no gift tax, no income tax, and no sales tax.

The Washington people enjoy the pansy beds, the rose gardens, the cherry blossoms, the flower-covered Hains Point Drive, the Capitol, the Congressional Library, the national functions, all without cost to them.

No wonder that Commissioner Hazen was forced to truthfully say that "Washington people were better treated, were least taxed, and enjoyed more privileges than any other people in the United States."

You speak about the "voiceless people of Washington." They are not voiceless. They have you and other Senators fighting all the time to give them everything they want. I am thinking of the "voiceless people of Texas", the "voiceless people of Oklahoma", who can't be heard here when you are taking $5,700,000 of their money out of the Treasury and giving it to Washington people. I am making my fight to protect the people of Texas, and the people of Oklahoma, and the people of the other States from having to make an unjust contribution on the annual taxes of Washington people.

I have discussed the matter with many of my House colleagues, and they assure me that this is one time they are not going to knuckle down to these unreasonable demands. The newspapers have misrepresented and misquoted the Speaker on this subject. They have misrepresented and misquoted the President about it. The President knows just how pampered Washington people are, and he is not going to be unjust to the other 120,000,000 people of the United States just to give this handsome $5,700,000 birthday present to Washington people every year.

You speak of the President's Budget. Congress goes under and over it all the time. It merely fixes a maximum. The President expects Congress to keep under it, otherwise there would be no need of Congress. We could all stay at home and let the Budget estimates be spent. You, however, have already realized to what

an impossible extreme your contention about the Budget has carried you, for the Budget does not authorize the Eastern High School, or the Police Court Building, or the Chain Bridge, or the needed fire trucks and apparatus.

As none of the Washington papers would dare to publish this letter, my only means of getting the facts of this situation before the American public, is to publish it in the CONGRESSIONAL RECORD, and, fortunately, the House granted me consent to do so last evening before we adjourned. We House conferees are willing to meet you Monday on the 87 Senate amendments, and see whether we can reach an agreement, which I believe is preferable to any continuing resolution.

Respectfully submitted.

THOMAS L. BLANTON,
Chairman, House Conferees.

DEMOCRATIC ACHIEVEMENTS

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by the Postmaster General.

The SPEAKER. Is there objection?

There was no objection.

Mrs. O'DAY. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address of Postmaster General James A. Farley, Democratic National and State chairman, at a testimonial dinner given in his honor at the Onondaga Hotel, Syracuse, N. Y., Thursday night, May 21, 1936, 7 p. m., by the Onondaga County Democratic committee, and broadcast over radio stations WFBL and WFYR, both of Syracuse:

It is a great pleasure for me to join with my friends of central New York in this fine gathering that has assembled for the purpose of lending further impetus to the sweeping wave of Democracy. We are nearing the time of the national convention and national campaign with increasing enthusiasm everywhere, which is indicative of the even greater confidence that a confident people have in the leadership of our President, Franklin D. Roosevelt.

His leadership has been on behalf of the great mass of our people. He has realized, more than anyone else before him, that our national prosperity depends upon the prosperity of all our people, and it would be well for those more abundant in wealth to delve deeply into the facts beyond this simple truth, for if they did they would find that even they would profit more if those less favored prospered more.

Their nearsightedness in this regard is unexplainable. No one has reason to know this more than the people of New York State, who have lately witnessed the sorry spectacle of the so-called young stalwarts in the Republican assembly blocking by obstructionist methods the benefits accruing from the National Social Security Act. Because of the stupid tactics of a stupid opposition a grave injustice is being done the sick, the infirm, the crippled, and the aged of this State for no logical reason whatever.

The battle waged on behalf of the State Social Security Act by our Democratic legislators, and by those Republican legislators whose intelligence surpassed their partisanship, is fresh in your memory. We have reason to be thankful that this whole question was kept before the people right up to the closing days of the legislature by the battle waged by our militant Governor. I say with all sincerity that the unceasing struggle in this fight made by him insures by a greater plurality than ever the reelection this fall of a Democratic Governor and our entire Democratic State ticket.

I predict that the Democrats will not only retain their strength in the State senate but I also prophesy that the anger of our people against those who refused to do the right thing by the crippled, the sick, the aged, and infirm will result in the defeat of a great number of Tory assemblymen and may again give our party the control of the lower house, as was the case in 1935, when a complete Democratic administration gave the people of the State the finest program of legislation ever enacted.

In the field of national affairs I know of no way to more clearly bring out the barrenness of the opposition than to ask a few simple and plainly understandable questions:

Have you noticed that none of the enemies of President Roosevelt invite a comparison between what he has done and what was done under the Republicans?

Have you noticed that none of his critics invite a comparison between the condition of the farmers under Roosevelt and under Hoover?

Have you noticed that not one of these pompous "saviors of America" invite a comparison between the more than 6,000 bank failures under Republican rule and the less than 400 under Roosevelt, and under Roosevelt the depositors of the closed banks were saved millions of dollars under the Federal Deposit Insurance Corporation?

Have you noticed that even Hoover does not ask you to compare the production of the great basic industries under his administration with the production under Roosevelt?

Have you noticed that the spokesmen of predatory interests do not ask a comparison between the trade of retail stores throughout the country during the Hoover and Roosevelt administrations?

Have you noticed that these champions of the old deal do not dare talk about conditions in the last 4 years of the old deal?

Have you noticed that all their speeches are appeals to the big-money interests and find no time for a discussion of the rights and conditions of the masses of the people?

Have you noticed that Chairman Fletcher, who manages the old-deal campaign, instead of boasting of principles and enunciating policies, confines his boasting to the amount of money his people are able to raise to put an end to government by the people?

Have you noticed that the old deal has not yet submitted substitute plans for the Roosevelt policies, and that its spokesmen are as barren of constructive suggestions on raising the depression now as they were during the last 4 Republican years when our condition grew more desperate with each succeeding month?

Have you noticed how all those called by Theodore Roosevelt "the malefactors of great wealth" are united against Franklin D. Roosevelt?

If you have not noticed, notice now, and meditate on the meaning.

There is a meaning that requires no great brain to figure out.

Whether it is abysmal ignorance or sheer dishonesty, the constant reference by themselves and by the press to the special pleaders of the predatory interests as Jeffersonians and Jacksonians is grotesque.

No Jacksonian or Jeffersonian at any time in history would have been permitted to contaminate the rarified atmosphere of that precious company. It represented more openly than ever before in the country's record the "ganging up" of the privileged against the people and a people's government.

But it was not the first time these privileged few have "ganged up." They "ganged up" against Jefferson, fought him tooth and nail, denounced him constantly, and everywhere ostracized his followers from the drawing rooms of the fashionable and the favored.

They "ganged up" with a vengeance against Jackson—referred to him as a Socialist, an ignoramus, a creature of the mob, unfit to associate with gentlemen, and ostracized his followers from their assemblages.

The purpose of the New Deal is—

To end privilege, which was the heart of the purpose of Jefferson and Jackson.

To protect the interests and proper opportunities of the average man, which was the soul of the programs of Jefferson and Jackson.

To make government the instrument of the people for the service of all the people, which was the fight made by Jefferson and Jackson.

To make impossible the dictatorship of money, which was the basis of the struggles of both Jefferson and Jackson.

To prevent by proper laws the rule of monopoly and autocracy, which was what called down on Jefferson and Jackson the hatred of the seekers of privilege.

Both Jefferson and Jackson stood for constitutional government precisely as Franklin D. Roosevelt stands for it.

And both were denounced by the Federalists and Whigs of their day as wreckers of the Constitution—as Roosevelt is today.

There was scarcely a single measure of Jefferson's administration that was not denounced as a violation of the Constitution. This is not hyperbole for the purpose of making a startling statement. The facts are:

That when Jefferson repealed the judiciary act passed in the last hours before his inauguration to pack the Federal courts with enemies of democracy, they said he was violating the Constitution.

When he demanded a constitutional amendment on the election of Presidents, he was ferociously attacked for "destroying the Constitution."

When he gave us the embargo law, he was hysterically denounced by certain business interests for violating the Constitution.

It would be hard to find a single Federalist speech made in Congress or a single editorial in a Federalist paper through the 8 years of his Presidency in which Jefferson was not held out as a violator of the Constitution and a wrecker of "American institutions."

And that which was true of Jefferson was just as true of Jackson. He was continuously abused as a wrecker of the Constitution during the 8 years of his Presidency.

It was a lie about Jefferson and Jackson—and just as much of a lie about Roosevelt.

But Jefferson did act beyond the Constitution once, and consciously. It was when he acquired the vast empire of Louisiana by purchase.

He knew what we all know now—that the acquisition of this territory, removing it from the clutches of Europe, was necessary to the future of the Nation. He knew that failure peaceably to secure it would probably mean war. Everyone agreed to that. And when he found he could buy it, he bought it.

But he could not thus acquire it without going beyond the Constitution. He might have asked for a constitutional amendment. He thought about it. But at the time Spain was protesting to France, and France was winning her battles in the war, and delay might easily have been fatal to the purchase. He was unwilling to sacrifice the vital interest of the Nation at such a time. And so he bought and kept Louisiana without an amendment. He did not believe that when the life of the Nation and the vital interest of the people were at stake that he could justify a gamble.

When we want an opinion of Jeffersonian or Jacksonian democracy we will not go to public men whose whole careers has been built on the Hamiltonian or anti-Jefferson theory of government.

We prefer to go to history and to the published works of Jefferson and Jackson.

Just as these men fought the battle of the common people, Roosevelt is fighting it today. Just as they were the pet aversions of the plutocrats of their day, Roosevelt is today. Just as they were denounced for violating the principle of constitutional government, Roosevelt is today. Just as they were pictured constantly as destroying American institutions, Roosevelt is today. Just as they were said to be arraying class against class, Roosevelt is today.

And just as Jefferson and Jackson prevailed over the plutocracy of their time, Roosevelt is today.

And his victory will come because truth will prevail over the distortion of facts being issued as opposition propaganda.

The old dealers are clearly not prepared in attacking the New Deal to invite comparisons with the old. The strategy agreed upon is to leave the old deal out of consideration at all. But since the old dealers want the old deal back, and if successful at the polls propose to bring it back, the comparison of the old deal and the new is inevitable. It is necessary.

Frightened at the thought of the comparison the reactionary politicians and the interests they represent have thought to divert attention from the old deal by raising the clamor for a square deal as against the New Deal.

True the average man—the farmer, the worker, the miner—has been getting the squarest deal he has had in generations under the New Deal, but the interests are not thinking of these.

They want a kind of square deal that will allow financial tricksters and gamblers to enrich themselves as before by gambling with the money of innocent investors resulting in the loss of hundreds of millions.

They want a square deal for the banks, which to some of them means the right to use depositors' money for gambling enterprises on the market while refusing loans to legitimate business enterprise.

It has been made dangerous under the New Deal for great banking institutions to flood the American market with foreign bonds the bankers knew or were warned would be repudiated, and these financial speculators want a "square deal" of a type that will allow a renewal of such nefarious practices.

The exploiters of the farmers, who have bought the products of their toil at ruinous prices and raised the price to the consumers for their own enrichment, want their kind of a square deal. The New Deal has brought the intervention of the people's Government for the protection of the farmers who feed the Nation.

Those who by questionable methods of manipulation flooded the market with securities that brought prices grotesquely out of proportion with the value of the stock, and are now compelled to play fair with the investing public, are clamoring for a square deal. All the New Deal has done has been to protect the honest investor in his savings; and that is not a square deal at all in their way of thinking.

The utility combines, whose methods are well illustrated in the revelations of the lobby investigation, and who have been milking the public with the smug acquiescence of Government, are threatened with regulations that will give a square deal to the consumers—but to the power magnates this is not a square deal for them.

Under the New Deal does the farmer get a square deal? Ask them. The answer is "yes."

Does the worker get a square deal? Ask them. Their spokesmen declare that under the New Deal they are getting the squarest deal they have ever had.

The men in industry, growing old after a lifetime of service for society in the factories, and haunted by the fear of being thrown out into the street to starve when too old to work, are now insured against that horror by the New Deal—and that is a square deal for them.

The average man depositing his hard-earned money in banks as a protection for his old age, for the education of his children, whose money was swept away under the old deal because of vicious banking methods, is now protected—and under the New Deal he has a square deal, too.

And the honest legitimate banker, whose bank was losing the confidence of the public because of the vicious methods of unscrupulous bankers, has been accorded a square deal by the New Deal reforms, which restores the confidence of his patrons.

Does the miner, reduced to desperation by the state of chaos to which selfishness has reduced the great mining industry, get a square deal under the New Deal? The head of the miners declares publicly they are coming nearer to getting a square deal than ever before.

And does the jobless, anxious to work, and left to private charity for bread for himself and children, want the old deal or the new? Under which does he get a square deal? Ask him! He will answer in the affirmative.

The reactionaries seeking a restoration of the old deal are the old dealers who never gave a square deal to the public in their lives and never will, without the intervention of the people's Government.

The issue is the New Deal with its square deal against the Old Deal, in whose vocabulary the words "square deal" never appeared until now.

Is the New Deal a square deal for you? The answer is yes; and it is my honest opinion that so many affirmative votes will be registered in November as to cause our critics to shudder in their selfishness and our supporters to contemplate with confidence the completion of the entire New Deal program under 4 more years of Roosevelt and recovery.

OUR NATIONAL DEFENSE—VOCATIONAL EDUCATION A STRONG FACTOR

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNYDER of Pennsylvania. Mr. Speaker, one of two things a nation must always do, pay small sums to educate and train its youth or pay large sums to regulate crime and build prison walls.

It almost dumbfounds us when our attention is called to the fact that in 1932 we spent only $2,968,010,400 to educate and train the youth of our Nation, while we spent $12,000,000,000 to look after crime and all of its ramifications. In other words, we spent practically four times as much money in 1932 for crime as we did to educate and train our youth. We spent more money in these United States in 1932 for crime and its ramifications than we did to build and support churches, plus homes for our people, plus educating and training our youth for future citizenship.

Mr. Speaker, I am strong for the support of this vocational education bill now before this House. Speaking of national defense of our Nation, the only national defense we have for the future of the Nation lies in the training of the boys and the girls who are to take up the reins of Government when we lay them down.

Without a record vote, a few weeks ago this House passed the national defense war bill of $600,000,000 and the Navy bill of over $500,000,000 for the national defense of our Nation.

And now there is a disposition on the part of some to question the advisability of giving $12,000,000 a year to educate the hand, the heart, and the head of the boys and girls of this Nation to equip them to go out into life's school and earn an honest living.

Mr. Speaker, someone has well said, "We must educate, or we must perish." This axiom is ever true. To perpetuate our form of government we must educate our boys and girls in homemaking, in industrial arts, and in agricultural pursuits.

We must see to it that when our youth go out into the business world that they have a clear understanding of what is necessary in business procedure and government in order to perpetuate our institutions. We must put forth every effort to bring them to a full realization that the homes, the schools, and the churches of our Nation must be perpetuated if our democracy is to continue to function. We must adjust our educational institutions from time to time so as to dovetail into the social and economic conditions as each succeeding generation finds them.

Therefore, it is only natural that the youth of our Nation should expect this Congress to give them this $12,000,000 in order that they may be better trained in the vocational avenues they will have to travel when they get out in the workaday world.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill and joint resolution of the House of the following titles:

H. R. 12870. An act to aid in defraying the expenses for the celebration of the bicentennial of the birth of Patrick Henry to be held at Hanover Courthouse, Va., July 15, 16, and 17, 1936; and

H. J. Res. 525. Joint resolution to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11687) entitled "An act to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes."

The message also announced that the Senate had adopted a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 39. Concurrent resolution empowering the Committee on Appropriations of the Senate to have printed 2,000 additional copies of the hearings held before the subcommittee of said committee of the Senate during the first session of the Seventy-fourth Congress pursuant to the resolution (S. Res. 185) authorizing the Committee on Appropriations to conduct an investigation of the expenditures by the Federal Government for the cotton cooperatives, etc.

The message also announced that the Senate recedes from its amendment no. 2 to the bill (H. R. 9496) to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration.

REFERENCE OF PRIVATE CLAIMS BILLS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent for the present consideration of H. Res. 498 which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 498

Resolved, That Rule XXI, clause 3, be, and is hereby, amended to read as follows:

"3. No bill for the payment or adjudication of any private claim against the Government shall be referred, except by unanimous consent; to any other than the following-named committees, namely: To the Committee on Foreign Affairs, to the Committee on Invalid Pensions, to the Committee on Pensions, to the Committee on Claims, to the Committee on War Claims, to the Committee on the Public Lands, and to the Committee on Accounts."

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Will the gentleman please explain the reason for this?

Mr. O'CONNOR. Mr. Speaker, this is an amendment of the rules with reference to the referring of private claims bills. For many years the Committee on Foreign Affairs has been handling private claims relating to the Consular Service. Some time ago a suggestion was made that a point of order might lie against such claims. There are some on the Consent Calendar, and to obviate the possibility of a point of order being made against a long-established custom, an amendment to this rule seems necessary, and the Committee on Rules reported it out and it was thought that this would be the most expeditious way of disposing of it.

Mr. MARTIN of Massachusetts. As I understand, the other committees are agreeable to this?

Mr. O'CONNOR. Yes.

Mr. WOLCOTT. Mr. Speaker, will the gentleman explain whether or not this resolution changes the rule with respect to the committees that are authorized to report out bills appropriating money?

Mr. O'CONNOR. Not at all.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

INAUGURATION OF THE PRESIDENT

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Concurrent Resolution 38, which I send to the desk and ask to have read.

The Clerk read as follows:

Senate Concurrent Resolution 38

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January next.

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. I shall not object, because we want to have a good celebration when Governor Landon is inaugurated next January; but will the gentleman please explain why we should make the arrangements now?

Mr. O'CONNOR. Mr. Speaker, as the gentleman knows, the "lame duck" amendment advanced the date of the inauguration from March 4 to January 20. When the inauguration was on March 4 the Congress, which met in December, could provide for this, but arrangements must be made sometime in the fall, or not later than November, as I am informed, for the celebration of the event to which the gentleman from Massachusetts so optimistically referred.

If the committee is going to handle it, it must be done now.

The SPEAKER. Is there objection?

There was no objection.

The resolution was agreed to.

PARKS AND PARKWAYS FOR RECREATIONAL-AREA PURPOSES

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman say something about these amendments?

Mr. ROBINSON of Utah. This bill was passed by the House, and the Senate did away with about three-fourths of the bill, but permitted it to pass in one particular only.

Mr. MARTIN of Massachusetts. What does the bill really provide, as it now stands?

Mr. ROBINSON of Utah. It provides for the cooperation with States in making surveys of national parks and park areas.

Mr. MARTIN of Massachusetts. Has this been to a committee?

Mr. ROBINSON of Utah. This bill was passed by the House. It went to the Senate, and the Senate amended it, and we are asking to accept the Senate amendments.

Mr. MARTIN of Massachusetts. I think the gentleman should withdraw it for the time being and let us look into it. The members of that committee on this side of the House are not present at this time.

Mr. Speaker, at this time I must object.

THOMAS JEFFERSON MEMORIAL

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 522.

The Clerk read as follows:

House Resolution 522

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 12027, a bill to authorize the execution of plans for a permanent memorial to Thomas Jefferson, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Library, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, in view of the interest expressed, I might say that the Rules Committee does not propose to call up any other resolutions after this one today.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for a question?

Mr. O'CONNOR. I yield.

Mr. BLANTON. If the rule is passed now, does the gentleman expect to call up the bill this afternoon or on Monday?

Mr. SMITH of Virginia. We expect to call it up this afternoon. There is only 1 hour of general debate. I do not think we will take very much time on the rule.

Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

I now yield such time as he may desire to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, I do not propose to take but a few minutes on the rule, because the Members are all familiar with it.

The subject matter is that of providing a memorial in the city of Washington to the memory of Thomas Jefferson. On April 13 last I delivered an address, in which I explained in detail what the commission proposed to do. That date was the one hundred and ninety-third anniversary of the birth of Thomas Jefferson.

In the Seventy-third Congress I introduced a resolution calling for the appointment of a committee to take this matter under consideration. The committee consisted of three members appointed by the President of the Senate, three members appointed by the Speaker of the House, three members appointed by the President of the United States, and three members appointed by the Thomas Jefferson Memorial Foundation. That is the foundation that raised the funds to purchase the home and grounds of Thomas Jefferson at Monticello.

The Members of the House were the gentleman from Virginia, Mr. SMITH, the gentleman from New York, Mr. CULKIN, and myself. Those appointed by the Senate were Senator MCNARY, Senator LONERGAN, and Senator THOMAS of Utah. The Presidential appointees were Thomas Jefferson Coolidge, Collins Randolph, both lineal descendants of Thomas Jefferson, and Joseph Tumulty. The representatives from the Thomas Jefferson Foundation were Stewart Giboney of New York, president of that foundation, Fiske Kimball of Philadelphia, director of the Metropolitan Museum of Philadelphia, and the third representative, Dr. George Ryan of New York, president of the board of education, who was instrumental in raising the funds for the purchase of Monticello.

We have worked on the project and secured the services of a distinguished architect, John Russell Pope, who was the architect of the Archives Building in Washington, the most beautiful of the group, from Pennsylvania to Constitution Avenue; he was also architect of the famous war memorials for the United States Government abroad, and the buildings of Yale University, and also architect of the Shriners' Temple in Washington on Sixteenth Street, the most beautiful specimen of Egyptian architecture in the United States. Everything we have done has been in harmony with the Fine Arts Commission and with the National Park and Planning Commission. We have reached a state now that we are asking for the authorization to go ahead with our plans. The understanding of all concerned is that no application is to be made this year for any funds. The application for funds will be made to the next Congress or some subsequent Congress. All we ask today is an authorization for funds, so that it can be honored at some future time, and we can proceed to the erection of this memorial.

You all know the particular reasons why we should honor Jefferson. If there would be no other reason, it would be the fact that he was the author of the Declaration of Independence. Just consider a young lawyer journeying to the city of Philadelphia from his home in Virginia, at that time in his early thirties, and sitting down in a small furnished room in a house in the city of Philadelphia and writing the Declaration of Independence. Those of us who have to make little speeches here on various subjects on the floor know how we sometimes have to sweat it out of ourselves. We have to get information from various sources, look up works of reference; yet here was a young lawyer who came into this small room in a house in Philadelphia, sat down, and wrote with his own hand, without any assistance whatever, the Declaration of Independence.

As I have explained, there is no partisanship at all in the appointment of this commission, as both parties are represented. We regard, and most Americans regard, Jefferson as next in the hearts of the people to George Washington. Other founding fathers throughout the years ought to be remembered, but at this time we seek to honor the memory of Thomas Jefferson.

Just imagine! The average visitor comes to the city of Washington and inquires where he can find the Jefferson memorial, only to be told there is no memorial to Jefferson in the Nation's Capital except one small statue outside the east entrance of the Hall of the House of Representatives, and that is on a raised pedestal, and unless someone attracts your attention to it you do not even see it.

Jefferson himself was a very modest and unassuming man; and I think at this late date it is little enough for us, in appreciation of the splendid services he rendered the Republic, to erect this monument to him in the Capital City. We do not ask that it be erected anywhere but in Washington, where the whole Nation will see it and where it will stand out as the offering of a grateful people to the young Virginian who did so much toward the founding of our country. [Applause.]

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. GIFFORD. Have the plans gone so far that the type of a memorial has been determined upon?

Mr. BOYLAN. Not except that it is to be of classical design. Several suggestions have been made. It has been suggested that it be a large monument of Jefferson and to the rear or the sides of it a marble building to house Jeffersoniana.

Mr. GIFFORD. Would there be a profile of Jefferson himself?

Mr. BOYLAN. Yes; I may add that the building would house not only Jeffersoniana, but matters that have been written about him.

Mr. GIFFORD. Would the gentleman mind a suggestion? I would suggest to the members of the commission that if there is to be a profile of Jefferson himself, it be made with tears streaming down the cheeks.

Mr. BOYLAN. I do not quite get the meaning the gentleman desires to convey.

Mr. GIFFORD. Our liberties have gone; and he would be feeling dreadfully about it were he alive. He should be so pictured, should he not?

Mr. BOYLAN. I may say to my friend from the illustrious shores of rugged Cape Cod that our greatest concern in this matter is honoring the memory of Jefferson.

Mr. GIFFORD. Only a memory.

Mr. BOYLAN. We are not going into the philosophy of the situation; we are simply asking a memorial to perpetuate the name of the man who wrote the Declaration of Independence, who was the author of the statute of religious liberty in Virginia, and who was the founder of the University of Virginia.

Mr. GIFFORD. And he is only a memory; not a living, vital force. I was hoping somebody would suggest that the freedom he advocated still lived and that his works of long ago still existed.

Mr. BOYLAN. I am sure any aid or assistance the gentleman could give to perpetuate the name, the fame, and the memory of Thomas Jefferson would be gratefully appreciated by the American people. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker——

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield to permit me to submit a unanimous-consent request?

Mr. KNUTSON. Yes, gladly.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

THOMAS JEFFERSON MEMORIAL

Mr. KNUTSON. Mr. Speaker, I believe this is the first time that the party in power has made any move to honor the memory of an outstanding Republican. Not only was Thomas Jefferson an outstanding Republican, but he was one of the early exponents of an adequate tariff to promote and protect American industry. The time was when Thomas Jefferson's memory was honored by the Democrats. Yearly they gave Jefferson dinners in various parts of the country at $1 per plate, but as the need for Democratic campaign funds increased the New Dealers realized they could not very well boost the price to $50 per plate at a Jefferson dinner because he had been held up to us as the embodiment of simplicity and rugged Americanism. So the party in power placed Mr. Jefferson upon the shelf and brought Andrew Jackson down, dusted him off, and put on a $50 dinner, not only in Washington but in various parts of the country. They could, of course, think of no more appropriate date upon which to give a $50 dinner than on Jackson Day because Andrew Jackson believed in the spoils system.

Thomas Jefferson went into partial eclipse when it was found that the New Deal program ran contrary to the Constitution of the United States. No more do we hear him mentioned on your side of the aisle. He is not even a memory to most of you. I have often wondered, as I have sat in this Chamber the past 3 years, what Mr. Jefferson must be thinking as he looks down from his place in the azure blue and contemplates what those who belong to the party to which he belonged are doing in the name of democracy and to bring about a more abundant life.

The Republicans revere the name of Thomas Jefferson. We believe he was a great American. He does not need a memorial to perpetuate his name and fame any more than do Lincoln and Washington, but now that we have erected memorials to those two great Republicans it is only fitting and proper that we erect a memorial to that other great Republican, Thomas Jefferson. [Laughter.]

Mr. Speaker, before leaving the Chamber my colleague, the gentleman from Pennsylvania [Mr. RICH], prepared an amendment which he asked me to offer in his absence. I ask unanimous consent that the Clerk may read this amendment in my time.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. SMITH of Virginia. Mr. Speaker, reserving the right to object, I did not yield time for the purpose of amending the rule.

Mr. KNUTSON. Mr. Speaker, I have 10 minutes, and I hope the gentleman will not consume my time.

Mr. SMITH of Virginia. I did not yield for the purpose of amending the rule.

Mr. KNUTSON. I am just having the amendment read so that the Members may give it consideration.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. KNUTSON for information: Page 1, line 12, after "$3,000,000", insert: "*Provided*, That there shall be inscribed upon such monument or memorial the oath taken by Mr. Roosevelt to 'implicitly follow and observe the principles and teachings of government enunciated by Thomas Jefferson.'"

Mr. BANKHEAD. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Alabama.

Mr. BANKHEAD. Who did the gentleman say proposed this amendment?

Mr. KNUTSON. The gentleman from Pennsylvania [Mr. RICH].

Mr. BANKHEAD. I am not surprised that he refrained from offering it himself and delegating that task to the gentleman from Minnesota. He was probably ashamed to do it in person.

Mr. KNUTSON. I will say to my good friend that the gentleman from Pensylvania [Mr. RICH], who could not be here, merely wishes to remind the majority of certain obligations that the Democratic Party took 3 years ago, which have been very conveniently forgotten. Of course, you all would prefer to forget certain things that were promised to the American people in 1932.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I thought there was considerable interest in this matter, else I would not have requested the 5 minutes. I do want to suggest, however, that this is an inopportune time to erect a memorial to Thomas Jefferson. I think I may well be speaking for the real Jeffersonian Democrats, most of whom are now taking a walk. It would seem that at this time the matter of expense ought to appeal to you, but the matter of $3,000,000 is nothing for this administration after all. People may be going hungry and dependent on relief, yet you consider spending money for such a purpose.

Mr. Speaker, I hope the Members will not think I am lacking in full appreciation of this great man. I think we should perhaps do something to perpetuate his memory, even if his great works and doctrines have now been abandoned by his party. Certainly I recall that he made a great struggle for the liberties of the people. I read somewhere only yesterday that it would be harder to get back our liberties from the Government bureaucracy, which we are establishing at the present time, than if our liberties had been taken away by a dictator. These great bureaus will wish to perpetuate the stranglehold which they are steadily acquiring over us.

Do you Democrats really feel that you have been loyal enough to Jeffersonian principles during these recent days of experimentation to point out to the young people of this Nation who come to Washington a great memorial to Jefferson? They will say "Yes; he was indeed a great patriot, but he did not believe as his own party believes today." They must necessarily have been taught about him, and they must know that we have departed almost entirely from his teachings. I wish I could bring back to my mind more quickly at this moment the many tenets that he held sacred and which have been so violently repudiated by his own followers. I was not entirely facetious when I suggested to the gentleman from New York that Jefferson ought to be pictured with tears streaming down his face if his likeness be included in the memorial.

Mr. KNUTSON. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Has it ever occurred to the gentleman that perhaps the Democrats are trying to salve their consciences?

Mr. GIFFORD. It occurred to me that perhaps they feel at this particular time they ought to try to keep up appearances to the public at large by pretending at least they still believe in and respect their great leader of long ago.

Mr. HOUSTON. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Kansas.

Mr. HOUSTON. A moment ago the gentleman from Minnesota [Mr. KNUTSON] stated that he would like to know what Jefferson was thinking of as he looked down upon the New Deal.

I wonder what Jefferson thought when he looked down on the Harding administration and the Hoover administration of do nothing.

Mr. GIFFORD. Tears would be shed by some Republicans at some of the things that happened during the Harding administration.

Mr. HOUSTON. I would think so.

Mr. GIFFORD. We do not pretend that in all individual cases all our leaders were perfect.

Mr. HOUSTON. Does the gentleman mean those who are in the penitentiary as the outgrowth of that administration?

Mr. GIFFORD. We bow our heads in shame at some of the things that happened then. But we are willing to acknowledge it. Some people are big enough to do that.

Mr. HOUSTON. The gentleman does not boast of it?

Mr. GIFFORD. No; I do not boast of it. I recently heard your own President compared to that person who said, "If

I ever had the opportunity to acknowledge a mistake, I would be very glad to do it." But, of course, he appears unwilling as yet to acknowledge that any errors have occurred in these many futile experiments.

[Here the gavel fell.]

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. KELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 12027) to authorize the execution of plans for a permanent memorial to Thomas Jefferson.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12027, with Mr. SHANNON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. KELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Chairman, I have no desire on this occasion to enter into any political argument about this proposal, but I should like to speak in my own time of some of the outstanding achievements in the life of Jefferson, which this memorial would commemorate.

Recently I visited the Library of Congress and had the privilege of looking over the library of Jefferson. I noted the wide scope of the scholarship of this great American. There were books on architecture, scientific farming, education, government, and various international questions.

Thomas Jefferson was able to speak and read six languages, and they say at the time of his death he was learning a seventh language.

We know of his great contribution to American government and to the affairs of the world.

A few years ago I had the pleasure of visiting Monticello, his home, and I observed that magnificent residence, which one great architect said was the finest and most outstanding piece of Grecian architecture embodied in residential style in America. I went down to the hillside of the old homestead where Jefferson is buried, and there on his monument is an epitaph written by Jefferson himself, and it is in these words:

Here is buried Thomas Jefferson, the author of the Declaration of American Independence and of the statutes of Virginia for religious freedom and father of the University of Virginia.

This great American had been Governor of the State of Virginia. He had been our Minister to France. He had been Secretary of State under George Washington and Vice President under John Adams and twice President of the United States, but all of these political honors were ignored in his epitaph and he set out these three outstanding achievements: Author of the American Declaration of Independence, which sounded to the world the principles of representative democracy; author of the statutes of Virginia, the principles of which were later incorporated in the Bill of Rights, which gave American independence of religious thought and belief; and father of the University of Virginia, a democracy of education upon which any representative democracy in government must be based.

These were three outstanding achievements, but perhaps the greatest of these was authorship of the Declaration of Independence. Previous to the Revolution the world knew very little about representative government, governed only by monarchies. The doctrine of the divine right of kings prevailed, whereby the monarch could do no evil. Because of his divine appointment, the monarch ruled and could commit no error; but the fathers of the American Revolution had expressed in this Declaration their thought that government is dependent upon the consent of the governed, and America has made 150 years of progress along this line. If Thomas Jefferson were to come back today, there would be no occasion for tears in his eyes because of the progress made or the standing of America in the family of nations. Representative government as proposed by Jefferson has endured. It was a new doctrine and a new creed that Thomas Jefferson laid down in this Declaration, that no longer could a monarch claim divinity and rule with arbitrary power, but that governments derived their just powers from the consent of the governed. This is America's greatest contribution to the civilization of the world, and Thomas Jefferson is the author of this thought that was written into the Declaration of Independence and later embodied in the Constitution of the United States. We have evangelized the world, and other democracies have followed the principles laid down by Jefferson.

Too long we have delayed paying proper honor to this great man whom we do not claim from a partisan standpoint, but because he was a great American. Like Lincoln and like Washington, he was a great American and belongs to the ages. He made his contribution to the progress and advancement of our Nation and the civilization of the world, and as one individual Member of the House I am pleased that we can pay tribute to him by properly commemorating his life and achievements in the Capital City of our country. This bill should pass without division of opinion. [Applause.]

Mr. MAPES. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, the membership will recall that this bill has been on the Consent Calendar for some weeks. On each occasion when that calendar was called there has been a great deal of discussion, not on the life and character of Jefferson, not on the feasibility of erecting a suitable memorial to his memory, but on the more material aspects of this bill, and that is this:

Can we, as Members of this House of Representatives, with a clear conscience, every one of us believing, as I think we believe, that we should cut the expenses of this Government to the very bone, vote to authorize an appropriation of $3,000,000 at the present time for this or any other like purpose?

I do not think there is a Member of the House who reveres or respects the memory of Jefferson more than I always have. He was one of the great outstanding Americans. He was one of the great, if not the greatest, exponents of the rights of the common people.

Those of us who are now somewhat solicitous of the rights and prerogatives of the people look to Jefferson himself for guidance, and Thomas Jefferson would never consent under these conditions to spend $3,000,000 of the people's money to erect a memorial to him.

If you revere the teachings of Jefferson, if you are conscientious in wanting to respect that great humanitarian, you will never consent to add to the burden of the taxpayers of this Nation any more money than you have, especially for a purpose which can be delayed until we have at least approached the balancing of the Federal Budget.

I have listened for the last 5 years in this House to pleas in behalf of the unemployed men and women who have not enough bread, milk, and meat for themselves and their children. I have listened to more demagoguery in that respect than ever before came out of the mouths of legislators.

Today you plan to divert the equivalent of the aggregate income of 3,000 families averaging $1,000 each at a time when that income is badly needed to keep body and soul together. Gentlemen, the responsibility is yours. If you can, in the face of the conditions which confront this country today, with 12,400,000 people out of employment, with the States, counties, and municipalities burdened in addition to what the Federal Government is giving them for support of our needy—if you can, with a clear conscience, vote $3,000,000 for the erection of a memorial even to so great a man as Thomas Jefferson, it is your responsibility, and I have said all that I care to say on the subject. [Applause.]

Mr. MAPES. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, when the Jefferson Memorial Commission was appointed I was honored by membership on that body. The association has been most delightful and has more or less led me to read more liberally

than I had on the subject of Jefferson. Jefferson, to my mind, is, perhaps, the outstanding liberal of the ages. I heard Calvin Coolidge deliver an address at a commencement exercise and he referred to the Declaration of Independence and stressed the part that men of various types played in the Revolution. He said that Jefferson could not have fought the battles of the Revolution and that Washington could not have written the Declaration of Independence. Former President Coolidge's conclusion was that we could not have won the Revolutionary War without the participation of both these great Americans. I am not going to try out title here to Jefferson's partisanship. I think that is interesting, and, of course, in these days is becoming controversial. I simply call the attention of the House to the fact that this outstanding liberal, who by his pen laid the foundation of free institutions in America, is without a monument or marker to his memory in this great National Capital. Our Commission has been over this situation. We have considered the greatness of Jefferson's achievements, the question of cost, the question of construction, and all of those details, and this bill is the fruit of our nonpartisan discussion.

I have listened with interest, but not with alarm, to the discussion of the gentleman from Michigan [Mr. WOLCOTT]. It is just as important in these days to the youth of America that their souls should be fed as well as their bodies. [Applause.]

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. In a moment. The only way that this will be accomplished is to encourage and inculcate in the youth of America a desire to study the history and the achievements and contributions to human liberty that were made by this man whom I again call the outstanding liberal of the ages. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I have been taught always to believe that unless the body is fed the soul might depart from that body and would be fed on another shore. Does the gentleman not think it is more important to feed the body in order that the soul might enjoy the beautiful things we have on earth?

Mr. CULKIN. If the citizenship of America loses its soul—and it will if it is forgetful of the memories and sacrifices and leadership of the past—then we descend to the level of dumb beasts. This is one effective way to bring to all Americans what Jefferson stood for in government. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MAPES. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I am opposed to the erection of this memorial for three reasons. The first is that the memory of Thomas Jefferson does not need this memorial. The second is that as we build these extrinsic monuments we destroy in the heart of America the capacity for real inspiration to be derived from great men, and the third reason is that we probably could put this money to better use under an emergency. So far as the first reason is concerned, let me remind you, if you go to St. Paul's Cathedral in London and begin to clamber through those great recesses and up into the nave you will see an inscription which says, "If you would see the monument to the builder, look about you." That is true. If you want to see the monument to Sir Christopher Wren, the architect of St. Paul's, look about you and there you will see the great edifice, dedicated to the retreat of the human soul, where people can go and forget their tribulations and worries for a little while. It seems to me that if we want to find a memorial to Thomas Jefferson we must look about us in America. That is a far more verile and living memorial than a great mass of dispassionate stone and masonry to be erected in Washington. I am one of those unorthodox idealists who somehow feel that we have missed the mark, so far as Thomas Jefferson is concerned.

He stands out as an exemplar of the spirit of democracy, trying to bring human hearts together. As I survey the American scene today I sometimes wonder whether we have made a single bit of progress since the teachings of the Carpenter of Nazareth in bringing human hearts together. How light would be our burden, how easy of solution would be our problem if there was not forever that spirit of contest, that spirit of difference that translates itself into invectives and terms of vituperation. That is the thing that Thomas Jefferson taught—democracy. We have missed the goal. I do not believe that a $3,000,000 memorial is going to be very inspirational, either to this generation or to the generations that are to be.

It is a rather significant thing that on tomorrow, in all the cemeteries of the land, speakers will ascend the rostrum and speak about the sacrifices that we made for this wonderful country and for our permanent institutions. They will speak about catching the spirit and inspiration of those sacrifices, and yet the significant thing is that the fragrance of the flowers dies before the setting sun and all the beautiful rhetoric somehow passes away on the evening breeze, so seldom do we catch the spirit in the human heart, which is, after all, the only worth-while shrine.

In proportion as we catch the inspiration of Jefferson here and translate it into human hearts in America, we will have done something far greater than by spending $3,000,000 on a great building that is cold and lifeless and not given to any kind of inspiration.

Mr. GREENWOOD. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. No. My time is too short.

The third reason is this: I believe we can put the money to better use. For instance, there are projects in my district where cities are trying to secure necessary sewer improvements, and the reason they cannot get them is because there is lack of bonding power and insufficient contribution on the part of the Federal Government, so that they cannot institute proceedings that are going to better conditions under which they must live. If we have $3,000,000 to spend, let us use the money properly and give it to some of those districts, some of those school districts that now have inadequate educational facilities, and that would like just a few dollars or a few thousand dollars with which to repair and improve the conditions under which the children in those areas must go to school.

Would it not be a far better thing, as a matter of fact? As the gentleman from Michigan [Mr. WOLCOTT] said, I cannot reconcile my conscience to the expenditure of $3,000,000 when Thomas Jefferson's memory does not need it, when we create an incapacity in the hearts of the country for catching the real inspiration, and when the money can be used to a far better and more practical use. [Applause.]

It is regrettable that partisanship should creep into this discussion. It is far too reverential for that. Any discussion of memorials is necessarily an appeal to the religious nature of every man on this floor. I revere the memory of Jefferson as much as the most ardent Democrat in this Nation. But there is an essential fitness about things and this does not appear to be the time for such a memorial.

It would be far better to cater to the practical needs of the distressed people of this Nation in a time of emergency than to be expending $3,000,000 on a memorial that is unnecessary.

It has been said here today that man does not live by bread alone. Let the authors of that suggestion finish the language of that text. It continues: "But by every word * * *." Yes; by every word. The real memorial to Jefferson is the degree to which the human heart captures his inspiration and reveres his memory, and to rely upon a memorial such as is proposed is but to eloquently confess our incapacity for finding that inspiration without first gazing upon a great mass of masonry and stone.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. KELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, at the last moment I have obtained consent of my own mind to give expression to my feelings upon this occasion.

I regret exceedingly that any man capable and able to occupy a seat in this great deliberative assembly would at this time raise any partisan question in connection with this effort to build a memorial to one of America's greatest men. From the foundation of the world there has been at work in this world two classes of people—two crews. There has been a construction crew and a wrecking crew. Thomas Jefferson belonged to the construction crew and was opposed to the wrecking crew. If Thomas Jefferson had never done anything more than write the Declaration of Independence, that enunciated the doctrines which took from the backs of the defenseless people the autocratic foot of autocracy, he would have immortalized himself. If he had never done anything more than help pen the Virginia statutes of religious liberty, which meant to the peasant, to the man in the ditch, the same that it meant to the President of the United States or the monarch on his throne, he would have immortalized himself. If Thomas Jefferson had not succeeded in making his name historic for all generations to come by those two acts, he would have completed the task when he founded and erected under his own supervision the great institution of learning, to send light and inspiration to the people, over at Charlottesville, Va., the third great achievement, of which he was proud to the end of his entire career.

Then today the question is raised whether it is prudent or wise for the Congress of the United States to appropriate an infinitely small sum of $3,000,000 to build a statue in the Capital City of the Nation to this great author of a great government theory and government philosopher. I am not willing for the school children traveling from the East, the West, the North, or the South to go upon the streets and highways of this country and find memorials to Thomas Jefferson here and there, and then come to the United States Capital and find a statue of Washington, a statue of Daniel Webster, of Lincoln, and a few others who compared with Thomas Jefferson, and go back home and say to the teacher, "I visited the great Capital City of Washington. I traveled the streets and avenues. I searched and looked in vain for a monument reared to Thomas Jefferson in the Nation's Capital."

[Here the gavel fell.]

Mr. KELLER. Mr. Chairman, I yield 3 additional minutes to the gentleman from Kentucky.

Mr. MAY. The inference would be that the Congress, with the power to appropriate, had neglected to perform its duty in properly memorializing the name of the man who recognized in the Declaration of Independence that all men are born free and equal, and have certain inherent and inalienable rights, among which are to be reckoned the right to life, to liberty, and to the pursuit of happiness. These great doctrines—human life, human liberty, and human happiness—were the great principles that stimulated and inspired Thomas Jefferson to write the great books he did that the school children of the future may read as works of inspiration.

When they walk up and down Pennsylvania Avenue I want them to be able to look upon a statue built of marble and granite that will stand through the centuries, defying the corroding touch of time, as a tribute to the founder of the great principles of democratic government. But I say to you now that you do not disparage his great name by calling him Republican or Democrat. He was known as a Republican in his day. If Thomas Jefferson were living today, the people of America would place him side by side with the immortals of the ages. Let us build a monument to his memory that will stand there like a great beacon light to attract the eye and inspire the souls of our children and our children's children, and on down through the generations of the future. [Applause.]

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. COLDEN. We have beautiful monuments in this city to Washington and Lincoln, but is it not a fact that the greatness and honor of these two men were born of the ideals and the spirit of Thomas Jefferson?

Mr. MAY. Both of them were students of Thomas Jefferson. [Applause.]

Mr. MAPES. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. LUCKEY].

Mr. LUCKEY. Mr. Chairman, no one can have greater respect for this great statesman and publicist, this man who sponsored the rights of the common people, Thomas Jefferson, than I; but I feel that this is not the proper time to spend $3,000,000 on a monument to his memory. Today in this House we have agreed to the expenditure of practically $800,000,000. In the words of our good friend from Pennsylvania [Mr. RICH], "Where are we going to get the money?"

The great humanitarian needs of this day are too great to merit this proposed expenditure, or that now under way at St. Louis, where millions are now being spent on another Thomas Jefferson Memorial. Let us apply some of the ideals of that great man whom we would thus memorialize and husband our resources so that they may be used in behalf of the citizens of this country to whom Jefferson dedicated his life.

I think it is about time we stopped this spending. I, too, would like to see a monument to Thomas Jefferson, but this is not the time to erect it. We have hundreds and hundreds of monuments here and the people hardly notice them. I see them walking through these Halls day after day hardly recognizing or paying attention to the monuments standing along the corridors.

A few days ago our attention was called to the deplorable conditions existing at the National Training School for Girls in this city. There is a place we ought to put our money. There is a place we can build character and where our money will count for something. Let us put our money where it can be used to develop living monuments that will be a credit to the ideals of Jefferson.

I shall, therefore, Mr. Chairman, oppose this measure at this time, much as I should like to see a wonderful monument erected to this great statesman; but this is not the time to make this expenditure. Let us vote this measure down. [Applause.]

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I believe that if we are going to spend any money on Thomas Jefferson it would be a splendid idea, rather than erect a monument of marble and granite, to send out to the members of the Liberty League and the proponents of various alien and sedition legislation some of the teaching of Thomas Jefferson.

For instance, I think if Thomas Jefferson were alive today there are certain gentlemen in this House, and distinguished gentlemen, too, who would ask for the indictment of Thomas Jefferson.

Thomas Jefferson said in a letter written to W. S. Smith in 1787:

> God forbid we should ever be 20 years without such a rebellion.

He was referring to Shay's rebellion.

> The people cannot be all and always well informed. The part which is wrong will be discontented in proportion to the importance of the facts they misconceive. If they remain quiet under such misconceptions, it is lethargy, the forerunner of death to the public liberty.

Again, Thomas Jefferson said in a letter:

> I hold it that a little rebellion now and then is a good thing, and as necessary in the political world as storms are in the physical.

Imagine what some investigating committee would have done to Thomas Jefferson if he were alive today.

Also, in a letter to W. S. Smith, written in 1787, Thomas Jefferson said:

> What country can preserve its liberties if its rulers are not warned from time to time that the people preserve the spirit of resistance? Let them take arms. The remedy is to set them right as to facts.

If Thomas Jefferson had attempted to make a statement like that over the radio today, I wonder how many gentlemen would rise on the floor of the House of Representatives and demand that the radio broadcasting company cancel Thomas Jefferson's broadcast.

A great deal is said nowadays about the right of the Supreme Court to declare laws passed by the representatives of the people unconstitutional. Thomas Jefferson was there in those days when the Constitution was written, and he knew what was meant when the Constitution was written. He had a pretty good idea as to what kind of government they were trying to set up at that time. Here is what Thomas Jefferson said with reference to the Supreme Court:

> It has long been my opinion * * * that the germ of dissolution of our Federal Government is in * * * the Federal judiciary—

Note what he said about the Federal judiciary—

> an irresponsible body, working like gravity by night and by day, gaining a little today and a little tomorrow, and advancing its noiseless step, like a thief over the field of jurisdiction.

Then, again, in a letter to Spencer Roane, in 1821, Jefferson said:

> The great object of my fear is the Federal judiciary. That body, like gravity, ever acting, with noiseless foot and unalarming advance, gaining ground step by step, and holding what it gains, is engulfing insidiously the special governments into the jaws of that which feeds them.

The Supreme Court has certainly gained plenty of ground since Thomas Jefferson made that statement. A lot of territory has been taken from the days of the decision of Marberry against Madison to the Guffey coal decision.

Again, in a letter to William C. Jarvis, written in 1820, Thomas Jefferson said:

> It is a very dangerous doctrine to consider the judges as the ultimate arbiters of all constitutional questions. It is one which would place us under the despotism of an oligarchy * * *.

I think he had a right to talk about the powers of the Court under the Constitution, because he was around the country in those days when the Constitution was written.

Again he said:

> The Constitution has erected no such single tribunal, knowing that to whatever hands confided, with the corruptions of time and party, its members would become despots. It has more wisely made all the departments coequal and cosovereign within themselves.

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. LUNDEEN. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. From what document is the gentleman reading?

Mr. MARCANTONIO. I am reading from the CONGRESSIONAL RECORD which contains excerpts from Jefferson included therein by the gentleman from Texas [Mr. MAVERICK].

Coming back to Thomas Jefferson and this proposed memorial, may I say that I am going to vote against the measure first of all because, as I stated in the debate today on the conference report on the naval appropriation bill, there are too many people being taken off the W. P. A. on the ground of economy. Three million dollars would put a lot of W. P. A. workers back to work, and I feel if Thomas Jefferson were alive today, and if he had the choice between erecting a monument to himself or to some other great patriot for that matter, or giving work to the unemployed, he would vote to furnish work to the unemployed.

More important than anything else is this. If you do erect a monument to Thomas Jefferson, then let it not be a monument of mortar or granite, but let us print and widely distribute these teachings of Thomas Jefferson so that they may permeate in the heart and mind of every American.

[Here the gavel fell.]

Mr. KELLER. Mr. Chairman, I yield such time as he may desire to use to the gentleman from Minnesota [Mr. LUNDEEN].

Mr. LUNDEEN. Mr. Chairman, I have just a few words to say. I am in favor of the Thomas Jefferson memorial. It should have been built years ago. Men do not live by bread alone. There is something spiritual in this world. There is a lesson we need to be taught by the inspiring memorial that is to be erected in this great American city. It will help to keep forever before us the American plan of government: That all men are equal; that life, liberty, and the pursuit of happiness are inalienable rights; that the first duty of government is to safeguard those rights and guarantee them. Today violent attacks are being made against democratic government throughout the whole world. We in America should remember Thomas Jefferson and the Declaration of Independence.

Freedom—religious, political, economic—comes to us not as a matter of course. Freedom comes only after bitter strife and is preserved and fostered by struggle. "Eternal vigilance is the price of liberty."

Thomas Jefferson was our foremost apostle of human liberty. He had infinite faith in the common people at a time when democracy was only a name. He was more than a liberal, a progressive, in his day. He was a radical. He was author of the most revolutionary document ever written. He is the great inspiration of forward-looking people today.

The spokesmen of reactionary forces sometimes attempt to shape the philosophy of Jefferson to fit their selfish ends. But in the Declaration of Independence, Thomas Jefferson speaks for himself. When the forces of reaction invoke his soul in oratorical tribute, we defend him from their praise.

I shall be pleased to vote for this great Thomas Jefferson memorial.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. LUNDEEN. I yield.

Mr. MAY. As a matter of fact, in the construction of this memorial at a cost of $3,000,000, 80 percent of it will go for wages to the men who build it.

Mr. LUNDEEN. Certainly; and I am sure the American people will erect a great memorial commemorating the life and services of Thomas Jefferson. We who revere the memory of Lincoln should recall that Lincoln was a disciple of Thomas Jefferson. He was a student of Jefferson and continually quoted him.

The gentleman from Illinois spoke about the schools. I always want to aid our schools. I have fought a great deal on this floor for schools. In my speeches of May 16 and August 7, 1935, I pointed out the impoverished condition of the schools and demanded Federal aid for schools and students. The emergency education and recreation program, Federal project no. 1, should be continued and enlarged, and I urge Members to see that sufficient appropriations are made for this purpose. We want to carry on many activities that will help the country and someone has asked here: "Where are we going to get the money?" I may say that if you will tax the wealth of this country and the great fortunes of this country, you will have plenty of funds to carry on. We should at least apply the British rates. There are men like Eugene Grace, of the Bethlehem Steel, getting over $1,000,000 a year in salary and bonus, and one of our great publishers in 1935 getting over $500,000 a year as salary. Railroad executives are receiving amounts running higher than the salary of the President of the United States, and yet they are trying to demolish the Minneapolis & St. Louis Railroad in the State of Minnesota and destroy jobs and wages for our railroad men.

THE PUBLIC IS OPPOSED TO M. & ST. L. SPLIT-UP

A resolution introduced by our Farmer-Labor Senator, ELMER BENSON, asks that the Interstate Commerce Commission withhold approval of the proposed dismemberment of the Minneapolis & St. Louis Railroad until a committee

of Senators can investigate the social and economic effects of the proposed sale and the origin of the proposal. I hope this resolution will be favorably reported out by the committee and passed by the Senate. The people of Minneapolis and Minnesota and other States affected have a right to know just what the effects of this dismemberment will be and why it is being advocated when State and municipal officials, business, labor, and the Farmer-Labor Party of our State are definitely opposed. Why is this plan being advanced? Who is behind it? These facts must be brought out before the Interstate Commerce Commission is permitted to pass upon the proposal.

Of the eight railroads composing the Associated Railways Co., which was formed to bring about this purchase, one has already withdrawn. The Great Western Railway withdrew when its officials learned that the public is opposed to the plan, that more than a hundred communities would be deprived of services they now enjoy, and that more than 3,000 M. & St. L. employees will be imperiled.

The other companies composing the Associated Railways are the Great Northern, Burlington, Illinois Central, Soo Line, Rock Island, North Western, and Milwaukee roads.

MINNEAPOLIS BUSINESSMEN OPPOSE DISMEMBERMENT

The Minneapolis City Council retained a special attorney, Charles E. Elmquist, who is also attorney for the M. & St. L. executive defense committee. George K. Belden is chairman of the businessmen's committee assisting in opposing the dismemberment plan. Businessmen of Minneapolis realize that loss of jobs for more than 1,000 Minneapolis employees would be a serious economic blow to the city. The grocers, butchers, bakers, and creditors of these employees are concerned.

Minneapolis businessmen are interested in this matter to the extent that they conducted a tour over the Minneapolis & St. Louis line to check up on reports of the road's condition. They found in a 1,000-mile trip over the Minneapolis & St. Louis line to Peoria, Ill., and return, that stories about the broken-down condition of the road were greatly exaggerated. Their trip took them through Albert Lea, Mason City, Marshalltown, Oskaloosa, Des Moines, and Fort Dodge. They took a special train. Their party was composed of 35 businessmen. They found the railroad made average passenger running time. They made comments on the smooth-riding qualities of the trackage. This committee found throughout Iowa and southern Minnesota a growing support of the railroad. They passed through 90 miles of track scheduled for abandonment between Fort Dodge and Albert Lea. Immediately upon their return they began active solicitation of defense funds, they appointed captains of defense teams, and they are now calling on merchants and others directly affected.

WHAT IS BACK OF THIS MOVE?

When we compare the financial condition of the Minneapolis & St. Louis with the financial condition of the railroads wishing to purchase the Minneapolis & St. Louis, we wonder what is back of this move. It happens that the Minneapolis & St. Louis owes the R. F. C. nothing. The North Western is indebted to the R. F. C. for $46,589,000, according to the January statistical number of Railway Age. The Minneapolis Tribune reports that the Milwaukee has debts of $12,000,000; the Rock Island, $13,718,700; the Illinois Central, $17,863,000, with an application for $7,488,000 more; the Soo Line, $6,843,002. The Minneapolis & St. Louis management expects to make a net of $750,000 or more this year. This would be a 5-percent return, which most railroads have not been making in recent years.

The Minneapolis terminal of the railroad alone has been valued by the Interstate Commerce Commission at more than $4,000,000, and the entire system at more than $35,000,000. The Associated Railways are trying to get this property for $7,200,000, and the R. F. C. is apparently willing to loan $4,750,000 to the Associated Railways to finance the reorganization of the M. & St. L. It appears that the R. F. C. offer, made in 1934, preceded by a few months the efforts of these seven railroads to purchase the M. & St. L. The people of Minnesota and the Northwest have a right to know why the R. F. C. made this offer apparently before being requested to do so, and why the chief examiner of the railroad division of the R. F. C. continues to play an important part in the hearings being conducted at the present time in the various States affected. The people of these States are overwhelmingly opposed to the plan. Many of those who have attended the hearings held by the Commission in the districts affected have reached the conclusion that the matter would never have been seriously considered had it not been pressed by agents of the R. F. C. Witnesses have been unable or are unwilling to furnish evidence showing the origin of the plan. The present earnings seem to justify a capitalization of the railroad of $17,000,000, which is $10,000,000 more than the Associated Railways offer to pay.

M. & ST. L. EMPLOYEES MUST BE PROTECTED

Mr. Speaker, I have a mandate from the people of the Third Congressional District of Minnesota to oppose dismemberment of the Minneapolis & St. Louis Railroad. I am serving on a congressional committee created to prevent this dismemberment. From the first moment the attack began, from the very first mention of dismemberment, we answered the attack. We went into the front lines to repel those who for selfish reasons planned injury to Minneapolis, Minnesota, and the Northwest.

The split-up of this railroad would be a serious blow to Minneapolis, Excelsior, Hopkins, and over a hundred other communities in the States of Minnesota, North Dakota, South Dakota, Iowa, and Illinois. It is a blow to the entire Northwest. The M. & St. L. has the second largest pay roll in the city of Minneapolis. The wives and children of these 3,000 employees are directly affected. Labor is opposed to the plan and that is enough for me. A thousand railroad men are in danger of losing their jobs. They will enter the ranks of twelve and a half million already unemployed.

We demand a thorough investigation of the origin of the plan to dismember the Minneapolis & St. Louis Railroad. We want to know the motives back of it. The people have a right to know the economic and social results of such a plan. The Benson Senate Resolution 287 to investigate the M. & St. L. dismemberment would accomplish this purpose. When I endorse this resolution, I speak for the citizens of Minneapolis, St. Paul, Hennepin County, Excelsior, Hopkins, and other communities in Minnesota.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD, and include such data and information as may be applicable to the remarks I have made here.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. LUNDEEN. I yield.

Mr. WOLCOTT. How can the gentleman from Minnesota and the gentleman from Kentucky say that 80 percent of the money for the construction of this monument is going to labor, when the Commission has not agreed upon any design, although they have given some consideration to it? We are expected to vote $3,000,000 for a monument, the design of which has not been considered to the point of giving us any information whatever as to what it is even going to look like.

Mr. LUNDEEN. So far as that is concerned, I will say to the gentleman I have every confidence in the Commission and in the architects and designers of the monument. I am no expert in this line and I am not concerned about that.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. LUNDEEN. Yes.

Mr. CULKIN. The fact is that 90 percent of the $3,000,000 will be expended in material, workmanship, and labor. Does the gentleman know that?

Mr. LUNDEEN. I have received information to that effect, and I believe that is true.

Mr. CULKIN. And the bill that is offered here is offered as the joint offering of a group that has considered this matter for an entire year.

Mr. KELLER. Mr. Chairman, I yield to the gentleman from Alabama [Mr. BANKHEAD] such time as he may desire.

Mr. BANKHEAD. Mr. Chairman, I must confess I have been somewhat surprised at some of the arguments that have been presented during the course of the discussion of this matter. I very deeply regret that in the consideration of a proposal to erect a memorial to one of the great, outstanding Americans, any possible tinge of partisanship or sectionalism should enter the controversy.

I happen to recall that in the year 1911 the Congress of the United States passed a resolution providing for the setting up of a commission for the construction of an adequate memorial to the life, character, and achievements of Abraham Lincoln, and although I am the son of a Confederate soldier who fought for 4 long years to destroy the Government that Abraham Lincoln was trying to preserve, it gave me pleasure, not only to see the passage of that resolution in 1911, but, subsequently, to know that my party, under Woodrow Wilson's administration, composed very largely of southerners, had carried forward and provided the funds for the construction of that great everlasting memorial down yonder on the Potomac River to the memory of one of the greatest men, in my opinion, this country has or ever will produce. [Applause.]

Why were sentiments of this character aroused in my bosom? Simply because I believe in the spiritual philosophy of One greater than any man who ever walked this earth, who said that "man shall not live by bread alone." When noble memories and reverence for the traditions of the past no longer appeal to our people, then there is danger that the Republic may perish. [Applause.]

The monarchies of Europe are not ungrateful or unmindful of their great and heroic figures. Those of you who have traveled abroad in the great capitals of foreign nations will see upon every street and avenue magnificent memorials and effigies erected to their great, outstanding leaders, while the charge has been made that republics are ungrateful. I trust this is not true of ours.

And here on this floor this afternoon I am surprised to hear some men, even Democrats, arise and say that the Government of the United States cannot afford this amount of money to erect an everlasting memorial to the greatest political philosopher and humanitarian of the age.

They ask if Jefferson were alive would he approve of this? Possibly no. If Abraham Lincoln, from your State of Illinois, you who just opposed this resolution, were alive and he had been asked if he wanted this great memorial constructed at a cost of $3,000,000, out of his innate modesty, he probably would have said no; you can turn it to a more useful purpose.

But that is not the issue here—what those men may have said. Happily the achievements of great men are not measured by themselves or their contemporaries but by a grateful posterity.

We ought to be ashamed to haggle over the small authorization, not expenditure, to construct an adequate memorial to that great man who was the author of the Declaration of Independence, of our statutes for religious freedom, the founder of the University of Virginia, the real constructive advocate of the Bill of Rights in our Federal Constitution—I say it seems to me it is rather a small position for any American, Democrat or Republican, to take the stand that we ought not to authorize this sum to perpetuate the memory of that man who, in my opinion, has impressed the minds of all men on the philosophy as well as the perpetuity of our institutions. I hope this bill will pass. [Applause.]

Mr. KELLER. Mr. Chairman, I had not expected to speak, but I shall use 2 or 3 minutes of the remaining time at my disposal. I call attention to the fact that stone as it lies in the ledge represents only 5 percent of the cost of the building into which it is to go, and that in monuments it represents much less; that in all buildings here the labor represents 95 percent, and in the monuments vastly more than that. So it does seem to me that since we are providing work at the present time there could be no other possible way in which you could be more justified in providing work that gives such tremendous percentage of the amount expended to labor.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes.

Mr. WOLCOTT. Will the gentleman give us an outline or some information of the proposed memorial—what it is going to look like?

Mr. KELLER. That has not been worked out as yet.

Mr. WOLCOTT. Has it been worked out at all? Can the gentleman give us any idea about what it is going to look like? Can the gentleman give us any idea how much is going to be paid for labor and how much is to be paid for granite?

Mr. GREENWOOD. Mr. Chairman, if the gentleman will permit, so far as the building of monuments is concerned, I had occasion recently to go into that with reference to the Clarke Memorial, and the statement of the gentleman from Illinois is correct, so far as stone in the ledge is concerned or iron ore is concerned. More than 90 percent of the cost of the structure is represented in labor, transportation, and construction.

Mr. WOLCOTT. But one gentleman assured us that 8 percent would be for labor.

Mr. GREENWOOD. Oh, no; 80 percent.

Mr. WOLCOTT. How does anybody know how much is going to be paid for labor?

Mr. GREENWOOD. I went into a study of that.

Mr. WOLCOTT. How does the gentleman know it is going to be made of granite or bronze?

Mr. GREENWOOD. Whether it is in the form of granite or limestone or marble, the value of the stone is insignificant compared to the amount paid for labor, transportation, and construction. Statistics show that more than 90 percent of the value goes for labor.

Mr. WOLCOTT. And if it happens that this monument is not built of granite, the gentleman's remarks are of no avail.

Mr. GREENWOOD. Oh, not at all.

Mr. WOLCOTT. We have nothing to show that it is even going to be made of granite. If it is to be made of bronze, how much will go into labor?

Mr. GREENWOOD. The same statistics apply, whether it is made of marble or granite or any other building material.

Mr. KELLER. Mr. Chairman, I do not yield further. I ask the gentleman from New York [Mr. BOYLAN] whether some plans have been made.

Mr. BOYLAN. Mr. Chairman, let me say to the gentleman from Michigan [Mr. WOLCOTT], he has persistently made the misstatement that no plans have been made. This is about the fifth speech that he has made in opposition to this memorial.

Mr. WOLCOTT rose.

Mr. BOYLAN. I do not yield. The gentleman had his say, and plenty. The gentleman is interested only in a mere mess of pottage.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN. I do not yield.

Mr. WOLCOTT. I think the gentleman, in all fairness after making that charge, should yield.

Mr. BOYLAN. I do not yield.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield to me to answer the charge that he had made that I am interested only in a mess of pottage?

Mr. BOYLAN. I do not yield.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BOYLAN. Repeatedly, Mr. Chairman, the gentleman from Michigan has been told that a distinguished architect has prepared plans. Not only did I tell him it again in my remarks today, but on four previous occasions I have told him. He has ears and he will not hear. I told him these plans were submitted, not only to the Commission, but to the Chief Executive of the United States. Yet all he has in his

mind is what is it going to cost, who is going to get the money. I cannot add a word to the beautiful sentiments expressed by the gentleman from Alabama [Mr. BANKHEAD], that outside of the mere question of food, which is talked about so much by the opposition, there is a spiritual value in this memorial that will revivify and rekindle the patriotism of our people. [Applause.]

Mr. MAPES. Mr. Chairman, I yield 1 minute to my colleague from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I think there are two statements here that should be answered.

Mr. KELLER rose.

Mr. WOLCOTT. I do not yield to the gentleman, Mr. Chairman.

Mr. KELLER. Mr. Chairman, I supposed that all time had expired.

Mr. WOLCOTT. I do not yield to the gentleman for a parliamentary inquiry or for any other reason.

The CHAIRMAN. The gentleman from Illinois exhausted all time on his side of the Chamber.

Mr. WOLCOTT. Mr. Chairman, there are two questions that should be answered. In the first place, having some solicitude for the welfare of the people of this Nation who are on relief and have not shelter over their heads, I am accused of having interest only in a mess of pottage. A mess of pottage, my friends, when there are 12,400,000 people out of employment today, and we have appropriated $10,000,000,000 here in the last few years to feed the hungry of this Nation. A mess of pottage!

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. President, I think it is laudable that you gentlemen went along in 1911——

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. I understood I had been yielded 3 minutes.

Mr. MAPES. I yield the gentleman 1 additional minute.

Mr. WOLCOTT. I think it was laudable that the Democratic side of this House, as well as the Republicans, went along together in the erection of the memorial to Abraham Lincoln in 1911. If conditions in this country now were as they were then, I think I would feel much differently about this. However, at that time the national bonded indebtedness was less than $1,000,000,000, and today it is over $32,000,000,000, and constantly growing. How can you reconcile your actions in voting $3,000,000 for this monument in face of that situation?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Thomas Jefferson Memorial Commission (hereinafter referred to as the Commission), heretofore created for the purpose of considering and formulating plans for designing and constructing a permanent memorial in the city of Washington, D. C., to the memory of Thomas Jefferson, shall determine upon a plan and design for, and proceed with the construction of, such memorial upon a site selected by the Commission, under a contract or contracts hereby authorized to be entered into in a total sum not exceeding $3,000,000.

SEC. 2. In the execution of its functions the Commission—

(a) May designate as its executive agent any officer, agency, or establishment of the Federal Government qualified and equipped to act in that capacity, and any such officer, agency, or establishment so designated is authorized to act as such agent.

(b) May avail itself of the assistance and advice of the Commission of Fine Arts, and the Commission of Fine Arts shall, upon request, render such assistance and advice.

(c) May make expenditures for personal services, without regard to the provisions of the civil-service laws and regulations or the Classification Act of 1923, as amended, the purchase or preparation of plans, designs, and estimates, printing and binding, office equipment and supplies, contract stenographic reporting service, books and periodicals, traveling expenses of members and employees of the Commission (including such expenses and allowances for members of the Commission when required to be in Washington, D. C., in connection with the work of the Commission), and such other contingent and miscellaneous expenses as may be necessary: *Provided*, That section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall not be construed to apply to any purchase or service rendered for the Commission under authority of this subsection.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SHANNON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 12027, and, pursuant to House Resolution 522, he reported the same back to the House.

HISTORY OF FEDERAL BUREAU OF INVESTIGATION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, in 1908 Attorney General Charles J. Bonaparte ordered the creation of a staff of investigators to have jurisdiction over all investigative matters within the purview of the United States Department of Justice. A small group of about 35 agents was authorized to make the necessary investigations.

This was the humble beginning of the Federal Bureau of Investigation which has come within the past few years to be known as the foremost law-enforcement body in the world.

TWO PERIODS OF GROWTH

There have been two periods in the growth of the Federal Bureau of Investigation. The first extended from its inception in 1908 to May 1924. During this time many new duties devolved upon the investigative staff of the Bureau. In 1912 the white-slave laws were passed. During the World War there was an increase in duty resulting from the activities of enemy aliens. Also demanding the investigative attention of the agents of the Bureau were the National Motor Vehicle Theft Act and the Bankruptcy Act.

ENLARGEMENT OF INVESTIGATIVE UNIT

The enlargement of this investigative unit until 1924 was the result of a natural growth. That is to say, each problem was handled as it arose. There was no looking into the future; there was no certain goal or standard toward which this unit was striving. There was only the business of investigating violations against the laws of the United States and gathering evidence in cases wherein the United States was an interested party.

GOOD LEADER SOUGHT

In 1924, when Harlan F. Stone, now a Justice of the United States Supreme Court, was appointed Attorney General of the United States, he regarded this routine manner of operation as wholly inadequate. In was clear to him that what the Bureau needed was an ideal and a leader who believed in it.

Back in 1908, when the Bureau of Investigation of the United States Department of Justice was first being created and organized, a young fellow 13 years of age was attending the public schools of the District of Columbia. Upon his graduation from high school, he entered the Library of Congress as a clerk and studied law at George Washington Law School in the evenings. In 1917 he was a clerk in the Department of Justice, and in 1919 he was appointed special assistant to the Attorney General. From 1921 to 1924, he served as Assistant Director of the Bureau of Investigation.

JOHN EDGAR HOOVER APPOINTED

This was the man whom Attorney General Harlan Stone chose to carry out the ideal of honest and efficient law enforcement. His name was John Edgar Hoover.

STRIVING TOWARD A GOAL

Less than 30 years of age at the time of his appointment as Director of the Federal Bureau of Investigation in May 1924, Hoover, even then, envisioned the day when the Bureau would be an efficient crime fighting organization, powerfully equipped with the necessary paraphernalia for exterminating the rats of the underworld and striving toward a goal of ridding this country of its blight of crime.

MR. HOOVER ANSWERS TO NO ONE BUT THE ATTORNEY GENERAL

Hoover knew what he wanted and he had the assurance of Attorney General Stone that as Director, Mr. Hoover would answer to no one but the Attorney General and that as far as he was concerned, the Bureau of Investigation was a separate Government agency, free from all outside interference. It was evident that Justice Stone knew what he wanted. He wanted this young man, Hoover, to give full vent to his enthusiasm.

Once in office, Hoover wasted no time. He completely reorganized the Bureau and effected many economies in its administration.

SELECTION OF PERSONNEL

His first thought, however, concerned the personnel under his supervision. For the task ahead, he wanted young and progressive men, well educated and forward-thinking. He immediately ordered that the age limits for new agents of the Bureau be set from 25 to 35 years and that preference in appointment be given to qualified attorneys. The seniority rule of promotion was discarded. All advancements in the service were to be based solely on merit. He weeded out undesirables. There rapidly developed a corps of men who brought to their work the same enthusiasm as their Director. Today there are a few more than 600 of these special agents. They have been carefully selected from thousands of applicants. They must be graduates of law schools of high standing, expert accountants, or have had constructive types of law-enforcement experience. In addition, each must have had at least 2 years' practical experience in the business world.

These are high educational requirements but to Mr. Hoover they are not sufficient to enable an agent to start the work of investigating. He must know more. Hoover, therefore, instituted a training school for agents. Here, over a period of 14 weeks, the newly appointed agent receives an intensive course in all phases of law-enforcement work. He studies the elements of each of the offenses against the United States; he becomes thoroughly versed in the methods of scientific crime detection; he becomes an expert in the science of fingerprinting and a qualified handler of all types of firearms.

FINGERPRINT COLLECTIONS

At the beginning of his term, Director Hoover was also concerned with another problem—the centralization of the fingerprint collections scattered throughout the country. After tireless efforts in that direction, he was successful in having transferred to the Federal Bureau of Investigation the records of the identification bureau of the International Association of Chiefs of Police and the fingerprint collection of the Federal Penitentiary at Leavenworth, Kans. There were a little over 800,000 fingerprint cards with which to institute this national fingerprint exchange. It was pledged to give free service to any law-enforcement agency desiring to avail itself of these facilities. At every opportunity, Director Hoover has endeavored to preach the doctrine of coordination of all the forces of law and order in the fight against crime; without it his ideal of law enforcement cannot survive.

Phenomenally the collection has grown until today there are over 5,900,000 cards on file with an average of 4,500 arriving daily from approximately 10,000 contributing agencies. At the commencement of this work, the Identification Division received but 300 cards a day from less than 1,000 agencies. At that time only 14 percent of the incoming records were identified; today, previous criminal records are established in over 50 percent of the cases referred to the Bureau.

TRAINED STAFF OF TECHNICIANS

Intent on moving forward, Hoover early realized the need for a trained staff of technicians to attack a crime problem from the viewpoint of science. Acting to meet this need, he established a technical and research laboratory to assist in the current criminal investigations conducted by the Bureau's special agents. He has offered to the outside world of law enforcement the full facilities of this laboratory, evidencing again his supreme desire for cooperation among law-enforcement agencies. In addition, the laboratory, in the true spirit of the Bureau, is engaged in conducting research in the various police sciences. Improved methods of scientific crime detection will be placed in the possession of all peace officers who earnestly desire to raise the standards of their profession.

CRIME STATISTICS COMPILED

In 1930, Congress granted Hoover the authority to collect and compile crime statistics. It was the beginning of the important work of gathering national police statistics on a uniform scale so that those interested in crime trends and the remedies therefor would have tangible figures to point the direction toward which their efforts should be expended.

YOUNG CRIMINALS

With the aid of these statistics, Hoover is now able to call the attention of the country to the fact that 20 percent of the criminal element is composed of persons not yet of voting age. With these figures, he has hopes of making the people of this Nation crime conscious; of yanking their heads out of the sand and forcing them to face squarely the problem of law enforcement.

COOPERATION WITH LOCAL OFFICERS

The program of cooperation with local and State law-enforcement agencies, so evident in the projects of Director Hoover, was extended recently in the establishment in Washington, D. C., of training schools for municipal and State law-enforcement officials. The course of training lasts for a period of 12 weeks and covers the broad general field of law enforcement. Two classes have graduated. Since that time nearly all these men have advanced to better positions in their respective organizations. Many are engaged in the work of instructing their fellow officers in the modern criminal-detection methods learned during their training in Washington. These student-officers have returned to their homes convinced of Hoover's desire to cooperate with every honest and upright local authority.

During this entire march of progress, Hoover saw another great need. There was something radically wrong in the restrictions which beset his agents. Time after time, his men were called upon to cope with dangerous criminals who were armed in many cases with the latest and deadliest of weapons; yet Congress had not seen fit to empower agents to carry firearms. In fact, these special agents of the Federal Bureau of Investigation had no authority to make arrests but had to rely on local law enforcement officers to effect desired apprehensions.

ROVING BAND OF CRIMINALS

But something had been happening all this time. There arose in certain sections of this country a roving band of criminals, the backwash from the later prohibition era. These bandits boldly entered banks in broad daylight, gathered up their loot, and sped in high-powered automobiles across State lines. The local police, lacking funds, gave up the chase. The same thing happened in the commission of other crimes. Once these crimes were committed, their perpetrators fled to another State and in most cases were safe to continue their careers of depredation. Mr. Hoover sat in his office in Washington and saw all these things. He knew he was powerless to come to the aid of the local authorities. Even if he were, his agents were unarmed and without authority to make arrests. Something had to be done to remedy this grave fault in the Nation's fight against the lawless.

ATTORNEY GENERAL CUMMINGS CHAMPION OF LAW ENFORCEMENT, NEW LAWS PASSED

Appointed by one champion of honest law enforcement, Hoover found another in the present Attorney General of the United States, Hon. Homer S. Cummings; and in May and June of 1934, with the passage of new laws by Congress, another milestone of law enforcement was reached. This legislation included the Federal reward bill (of which I was the author), the National Stolen Property Act, the Extortion Act, and the Federal antiracketeering statute. Another act made it a Federal offense to rob national banks and member banks of the Federal Reserve System; still another

made it a Federal offense to flee from one State to another to avoid prosecution or giving testimony in certain cases. Heretofore, the killing or assaulting of a Federal officer was not an offense against the United States; prosecution had to be instituted in the State courts. An act was passed to remedy this strange situation.

AGENTS PERMITTED TO CARRY FIREARMS

With the passage of these bills and the delegation of the investigative duties thereunder to the Federal Bureau of Investigation, came the authorization for special agents to carry firearms and the power to make arrests. Congress had already in June 1932 passed the Federal kidnaping statute, commonly known as the Lindbergh law.

MOST ACTIVE PERIOD OF BUREAU

The period from June 1932 to May 1936 has been the most intensively active in the entire history of the Bureau. There is a saying that the more laws you have, the more crime will result. But these laws passed by Congress were not made to break; they were made to catch the criminal; to supply a stopgap to the free-flowing interstate commerce of lawlessness. Hoover realized this and also realized that the Bureau was about to stand a stern trial. He also knew that if he triumphed, his ideal of law enforcement would be well on its way to attainment.

BAD MEN OF COUNTRY APPREHENDED

Much that is sensational has been written within the last few years about the Federal Bureau of Investigation and its Director, John Edgar Hoover. These years witnessed the imprisonment or death of criminals such as Dillinger; Homer Van Meter; Fred, Doc, and Ma Barker; "Pretty Boy" Floyd; "Baby Face" Nelson; Alvin Karpis; William Mahan; Thomas H. Robinson, Jr.; Harry Campbell; and countless others less notorious but no less a menace to society during their short reigns of terror.

SIXTY-THREE CASES INVOLVING KIDNAPING SOLVED LAST 4 YEARS

Since the passage of the Lindbergh law in June 1932, 63 cases of kidnaping and plots to kidnap have been investigated and solved. The sentences of the 149 persons thus far convicted total 2,095 years, 11 months and 2 days. This does not include the 31 life sentences, the 4 death sentences, nor those persons who committed suicide or who were killed resisting arrest or murdered by their compatriots.

NEW BANK ROBBERY ACT

The Federal Bank Robbery Act was passed on May 18, 1934. Since then 187 cases of robbery of national banks of the Federal Reserve System have been reported to the Bureau. Investigations in these cases have resulted in the conviction of 115 persons in the Federal courts and the imposition of 3 life, 1 indeterminate, and over 2,500 years in sentences. On August 23, 1935, Congress by amendment, included in the Federal Bank Robbery Act all insured banks of the Federal Deposit Insurance Corporation and thereby added a great deal to the duties of the special agents of the Bureau.

CONVICTIONS IN 95 PERCENT OF CASES

Very few people know that since the beginning of the present fiscal year, July 1, 1935, until April 30, 1936, the Federal Bureau of Investigation has secured over 3,000 convictions with sentences of more than 8,000 years, together with one of death and three of life imprisonment. Still fewer people know that in the same period recoveries of property and savings to the Government amounted to 28½ million dollars. These are the figures that tell the true story of Director Hoover's administration of the Federal Bureau of Investigation. But there is another final figure which demonstrates the efficiency of this law enforcement Bureau. Of the cases investigated by the Federal Bureau of Investigation and brought to trial since July 1, 1935, 95 percent have resulted in convictions.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BLACKNEY (at the request of Mr. MAPES), on account of important business.

To Mr. HIGGINS of Connecticut, indefinitely, on account of death in family.

To Mr. MERRITT of New York, for 3 days, on account of illness.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 4618. An act granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a free or toll highway bridge, or a railway bridge in combination with a free or toll highway bridge, and approaches thereto across the Mississippi River at or near Baton Rouge, La.; to the Committee on Interstate and Foreign Commerce.

S. Con. Res. 39. Concurrent resolution empowering the Committee on Appropriations of the Senate to have printed 2,000 additional copies of the hearings held before the subcommittee of said committee of the Senate during the first session of the Seventy-fourth Congress pursuant to the resolution (S. Res. 185) authorizing the Committee on Appropriations to conduct an investigation of the expenditures by the Federal Government for the cotton cooperatives, etc.; to the Committee on Printing.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4148. An act for the relief of the Thomas Marine Railway Co., Inc.;

H. R. 9125. An act for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs. G. C. Oliphant, Amelia A. Daimwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire, Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, Dr. E. O. Arnold, and Jennie Chapman;

H. R. 12120. An act to provide for the further development of vocational education in the several States and Territories;

H. R. 12527. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes; and

H. R 12870. An act to aid in defraying the expenses for the celebration of the bicentennial of the birth of Patrick Henry to be held at Hanover Courthouse, Va., July 15, 16, and 17, 1936.

The SPEAKER announced his signature to an enrolled bill and a joint resolution of the Senate of the following titles:

S. 4533. An act granting the consent of Congress to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge across the Pascagoula River at or near Wilkerson's Ferry, Miss.; and

S. J. Res. 262. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4148. An act for the relief of the Thomas Marine Railway Co., Inc.;

H. R. 9125. An act for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs. G. C. Oliphant, Amelia A. Daimwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire, Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, Dr. E. O. Arnold, and Jennie Chapman;

H. R. 12120. An act to provide for the further development of vocational education in the several States and Territories;

H. R. 12527. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes; and

H. R. 12870. An act to aid in defraying the expenses for the celebration of the bicentennial of the birth of Patrick Henry to be held at Hanover Courthouse, Va., July 15, 16, and 17, 1936.

THOMAS JEFFERSON MEMORIAL

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were ayes 56 and noes 22.

Mr. WOLCOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is no quorum present.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House, pursuant to the order heretofore entered, adjourned until Monday, June 1, 1936, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SUMNERS of Texas: Committee on the Judiciary. S. 3296. An act to authorize certain payments to the American War Mothers, Inc.; with amendment (Rept. No. 2888). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANKIN: Committee on World War Veterans' Legislation. H. R. 12869. A bill to liberalize the provisions of Public Law No. 484, Seventy-third Congress, to effect uniform provisions in laws administered by the Veterans' Administration, to extend the Employees' Compensation Act with limitations to certain World War veterans and other persons, and for other purposes; without amendment (Rept. No. 2899). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMPSON: Committee on Ways and Means. S. 3257. An act to amend the World War Adjusted Compensation Act; without amendment (Rept. No. 2890). Referred to the Committee of the Whole House on the state of the Union.

Mr. FADDIS: Committee on Military Affairs. H. R. 12902. A bill to provide a commissioned strength for the Corps of Engineers, United States Army, for the efficient performance of military and other statutory duties assigned to that corps; without amendment (Rept. No. 2891). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREGORY: Committee on the Judiciary. H. R. 12848. A bill to provide an additional place of holding terms of the United States District Court in the Eastern District of Kentucky, and to amend section 83 of the Judicial Code, as amended; without amendment (Rept. No. 2891). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 11614. A bill to amend the Judicial Code to divide the middle district of Georgia into seven divisions by adding a new division to the middle district, and providing for terms of said court to be held at Thomasville, Ga.; without amendment (Rept. No. 2893). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. S. 1687. An act to incorporate The National Yeoman F; without amendment (Rept. No. 2894). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. S. 2075. An act to provide for the appointment of additional district judges for the eastern and western districts of Missouri; without amendment (Rept. No. 2895). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. S. 3179. An act to appoint one additional judge of the District Court of the United States for the Eastern, Middle, and Western Districts of Tennessee; with amendment (Rept. No. 2896). Referred to the Committee of the Whole House on the state of the Union.

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. H. R. 12756. A bill to authorize the coinage of 50-cent pieces in commemoration of the memory of the late Dr. Charles P. Steinmetz; without amendment (Rept. No. 2897). Referred to the Committee of the Whole House on the state of the Union.

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. H. R. 12677. A bill to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of York County, Maine; without amendment (Rept. No. 2898). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LESINSKI: Committee on Pensions. H. R. 12908. A bill granting pensions and increase of pensions to certain widows, former widows, and helpless and dependent children of soldiers of the Civil War; without amendment (Rept. No. 2889). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COFFEE: A bill (H. R. 12909) to amend the Soil Conservation and Domestic Allotment Act to authorize the Secretary of Agriculture to make payments or grants of aid under such act to agricultural producers occupying certain public lands; to the Committee on Agriculture.

By Mr. RABAUT: A bill (H. R. 12910) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of the State of Michigan as one of the United States; to the Committee on Coinage, Weights, and Measures.

By Mrs. O'DAY: A bill (H. R. 12911) making an appropriation for the purpose of completing a building to honor the detail which captured Major André, the British spy, at Tarrytown; to the Committee on the Library.

By Mr. SHANLEY: A bill (H. R. 12912) setting up a joint public relief committee to assist Congress in the preparation of data for a permanent relief policy; to the Committee on Rules.

By Mr. DICKSTEIN: A bill (H. R. 12913) to protect for American actors, vocal musicians, operatic singers, solo dangers, solo instrumentalists, and orchestral conductors the artistic and earning opportunities in the United States, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. KOCIALKOWSKI: A bill (H. R. 12914) to regulate the conduct of elections in Puerto Rico; to the Committee on Insular Affairs.

By Mr. RUSSELL: Joint resolution (H. J. Res. 611) to create a Low Cost Research Housing Commission; to the Committee on Banking and Currency.

By Mrs. GREENWAY: Joint resolution (H. J. Res. 612) for the purpose of increasing and financing employment in the District of Columbia; to the Committee on the District of Columbia.

By Mr. JONES: Joint resolution (H. J. Res. 613) to modify and extend the act entitled "An act to include sugar beets and sugar cane as basic agricultural commodities under the Agricultural Adjustment Act, and for other purposes", approved May 9, 1934; to the Committee on Agriculture.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of South Carolina; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Colorado; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LESINSKI: A bill (H. R. 12908) granting pensions and increase of pensions to certain widows, former widows, and helpless and dependent children of soldiers of the Civil War; to the Committee on Invalid Pensions.

By Mr. BINDERUP: A bill (H. R. 12915) granting a pension to Nete Richardson; to the Committee on Pensions.

By Mr. LEE of Oklahoma: A bill (H. R. 12916) for the relief of Alvin Carroll; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

11011. By Mr. COLDEN: Resolution adopted by the Council of the City of Los Angeles on May 22, 1936, urging favorable action on the Wagner-Ellenbogen housing bill (S. 4424 and H. R. 12164); to the Committee on Banking and Currency.

11012. By Mr. DORSEY: Resolutions of Local Union, No. 98 (Philadelphia, Pa.), International Brotherhood of Electrical Workers endorsing the Wagner-Ellenbogen housing bill, and urging its immediate adoption by the Congress of the United States; to the Committee on Banking and Currency.

11013. By Mr. JOHNSON of Texas: Petition of Mr. Val Horn, of Mexia, Tex., favoring the Robinson-Patman bill; to the Committee on the Judiciary.

11014. By Mr. KRAMER: Resolution of the Council of the City of Los Angeles, at its meeting on May 22, 1936, relative to the passage of the United States Housing Act of 1936, etc.; to the Committee on Banking and Currency.

11015. By Mr. PFEIFER: Petition of the Manhattan Avenue Merchants Association of Williamsburgh, Inc., Brooklyn, N. Y., concerning the Wagner-Ellenbogen housing bill (S. 4424); to the Committee on Banking and Currency.

11016. By Mr. SUTPHIN: Petition of Monmouth County (N. J.) Women's Democratic Club, urging that the official name of the resettlement project near Hightstown, N. J., be changed to Monmouth County project no. 3; to the Committee on Labor.

11017. By the SPEAKER: Petition of the New Jersey State Housing Authority; to the Committee on Banking and Currency.

11018. Also, petition of the city of Los Angeles, Calif.; to the Committee on Banking and Currency.

11019. Also, petition of the Lancaster Central Labor Union, Lancaster, Pa.; to the Committee on Banking and Currency.

11020. Also, petition of Lawrence Central Labor Union, Lawrence, Mass.; to the Committee on Banking and Currency.

11021. Also, petition of the National Society of the Daughters of the Revolution; to the Committee on Appropriations.

11022. Also, petition of the Office Workers' Union, Local No. 19366; to the Committee on Banking and Currency.

11023. Also, petition of the city of Schenectady, N. Y.; to the Committee on Banking and Currency.

11024. Also, petition of the city of Louisville; to the Committee on Banking and Currency.

SENATE

SATURDAY, MAY 30, 1936

(Legislative day of Tuesday, May 12, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, May 29, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Keyes	Pope
Austin	Clark	King	Reynolds
Bachman	Coolidge	La Follette	Robinson
Bailey	Copeland	Loftin	Russell
Barbour	Couzens	Lonergan	Schwellenbach
Barkley	Davis	Long	Sheppard
Benson	Duffy	McAdoo	Shipstead
Bilbo	Fletcher	McGill	Smith
Black	Frazier	McKellar	Steiwer
Borah	George	McNary	Thomas, Okla.
Brown	Gerry	Maloney	Thomas, Utah
Bulkley	Gibson	Minton	Townsend
Bulow	Glass	Murphy	Truman
Burke	Guffey	Murray	Vandenberg
Byrd	Hale	Neely	Wagner
Byrnes	Hastings	Norris	Walsh
Capper	Hatch	O'Mahoney	Wheeler
Caraway	Hayden	Overton	White
Carey	Johnson	Pittman	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Mississippi [Mr. HARRISON] are absent because of illness, and that the Senator from Washington [Mr. BONE], the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], the senior Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from New Jersey [Mr. MOORE], the senior Senator from Maryland [Mr. TYDINGS], the Senator from Indiana [Mr. VAN NUYS], the junior Senator from Maryland [Mr. RADCLIFFE], the Senator from Texas [Mr. CONNALLY], the junior Senator from Illinois [Mr. DIETERICH], and the Senator from Ohio [Mr. DONAHEY] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from Rhode Island [Mr. METCALF] are necessarily absent.

The VICE PRESIDENT. Seventy-five Senators have answered to their names. A quorum is present.

COMMITTEE SERVICE

On motion by Mr. ROBINSON, and by unanimous consent, The junior Senator from Florida [Mr. LOFTIN] was assigned to service on the following committees: Claims, Education and Labor, Interoceanic Canals, Naval Affairs, Post Offices and Post Roads, and Public Buildings and Grounds.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 257)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, for administrative expenses of the Division of Territories and Island Possessions, fiscal year 1937, in the sum of $35,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the State Housing Authority of New Jersey and the councils of the cities of Rockford, Ill., and of Kokomo, Ind., favoring the enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which were referred to the Committee on Education and Labor.

He also laid before the Senate a telegram in the nature of a memorial from Frank Harding, business agent, on behalf of Office Workers' Union, No. 18679, American Federation of Labor, of Phoenix, Ariz., remonstrating against the confirmation of the nomination of David W. Ling, of Arizona, to be United States district judge, district of Arizona, which was ordered to lie on the table.

Mr. COPELAND presented resolutions adopted by the Lancaster (Pa.) Central Labor Union and the Council of the City of Schenectady, N. Y., favoring the enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which were referred to the Committee on Education and Labor.

He also presented a resolution adopted by Naomi Council, No. 31, Sons and Daughters of Liberty, of Suffern, N. Y., favoring the prompt enactment of the so-called Reynolds-Starnes immigration-restriction, alien-deportation, and registration bill, which was referred to the Committee on Immigration.

He also presented the memorial of members of Local Postal Division 55, Commercial Telegraphers' Union, of New York City, N. Y., remonstrating against the enactment of the so-called Russell-Kramer sedition bill, which was referred to the Committee on the Judiciary.

He also presented the memorial of members of Local Postal Division 55, Commercial Telegraphers' Union, of New York City, N. Y., remonstrating against the enactment of the so-called Tydings-McCormack military disaffection bill, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. BENSON, from the Committee on Claims, to which was referred the bill (H. R. 10174) for the relief of Ezra Curtis, reported it without amendment and submitted a report (No. 2149) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 4643. A bill authorizing the Secretary of War to lend certain Army equipment to the Diamond Jubilee Committee, Yankton, S. Dak., for the accommodation of persons attending the celebration to be held by such committee during June 1936 (Rept. 2150); and

S. 4722. A bill to authorize appropriations for construction at military posts, and for other purposes (Rept. No. 2155).

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the bill (S. 4625) for the relief of Vincent Ford, reported it without amendment and submitted a report (No. 2152) thereon.

Mr. SCHWELLENBACH, from the Committee on Military Affairs, to which was referred the bill (S. 1769) for the relief of Percy C. Wright, reported it with an amendment and submitted a report (No. 2153) thereon.

Mr. MURRAY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3733) authorizing the issuance of a patent to certain lands in the State of Montana to Florence Kerr Facey, reported it without amendment and submitted a report (No. 2151) thereon.

Mr. O'MAHONEY (for Mr. VAN NUYS), from the Committee on the Judiciary, to which was referred the bill (H. R. 8940) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, reported it with amendments and submitted a report (No. 2154) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NORRIS:

A bill (S. 4723) to authorize cooperation in the development of farm forestry in the States and Territories, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BAILEY:

A bill (S. 4724) for the relief of Henry C. Anderson; to the Committee on Claims.

By Mr. COPELAND (by request):

A bill (S. 4725) to make electricians licensed officers after an examination; to the Committee on Commerce.

A bill (S. 4726) to prescribe the effective date of naturalization in certain cases; to the Committee on Immigration.

By Mr. BLACK:

A bill (S. 4727) to quiet title and possession with respect to certain lands in Lawrence County, Ala., to wit, all of fractional section 25 which lies south of the Elk River Shoals Canal and the northwest quarter of section 36, township 3 south, range 7 west, Huntsville meridian; to the Committee on Public Lands and Surveys.

By Mr. McKELLAR:

A bill (S. 4728) to amend the Air Mail Act of June 12, 1934, as amended by the acts of June 26, 1934, and August 14, 1935; to the Committee on Post Offices and Post Roads.

By Mr. REYNOLDS:

A bill (S. 4729) for the relief of Mrs. Charles R. Yopp; to the Committee on Claims.

HOUSE BILL REFERRED

The bill (H. R. 11916) to authorize the transfer of a certain piece of land in Muhlenberg County, Ky., to the State of Kentucky was read twice by its title and referred to the Committee on Military Affairs.

AMENDMENT TO FIRST DEFICIENCY APPROPRIATION BILL

Mr. FRAZIER submitted an amendment intended to be proposed by him to House bill 12624, the first deficiency appropriation bill, 1936, which was ordered to lie on the table and to be printed, as follows:

On page 61, after line 18, to insert the following:

"Studies of sub-bituminous and lignite coal: For studies, investigations, and experiments with respect to sub-bituminous and lignite coal, as authorized by the act of May 15, 1936 (Public, No. 591, 74th Cong.), for the fiscal year ending June 30, 1937, $40,000."

INFORMATION PERTAINING TO COTTON COOPERATIVE ASSOCIATIONS

Mr. McKELLAR submitted a resolution (S. Res. 309), which was ordered to lie on the table, as follows:

Resolved, That the Agricultural Credit Administration be, and it is hereby, directed to furnish immediately to the Senate copies of the following documents:

1. Report on General Functional Survey, American Cotton Cooperative Association and Member Associations, January 30, 1932.
2. Operating Plans and Policies of the Georgia Cotton Cooperative Association, 1933–34 and 1934–35 seasons. September 1935. O. W. Hermann.
3. An Analysis of the Operating Policies of the Georgia Cotton Growers' Association. June 21, 1932. Fetrow & Hermann.
4. Copy of the Report No. 40 made by A. W. Hermann, dated April 1936.

AMERICAN COOPERATIVE COTTON ASSOCIATION

Mr. McKELLAR. Mr. President, concerning the American Cooperative Cotton Association, which was discussed rather fully in the Senate on Wednesday, May 27, 1936, the Senator from Texas [Mr. SHEPPARD] said:

It is my understanding that the cooperatives themselves requested the Farm Credit Administration to appoint someone to make an investigation into their affairs and to cooperate with them in curing defects and in making recommendations as to changes necessary to strengthen the whole structure of the cooperatives. Mr. Hermann's report is now under consideration by the cooperatives themselves, and they expect great good to result from this investigation.

A few days ago I wrote to the Department for a copy of this report, which the Department had already given the cooperatives. The Department declined to give me a copy of the report, and I send to the desk and ask that it be made a part of the RECORD Mr. Sanders' letter. However, from another source I have received a copy of the report, and I ask that it be made a part of the RECORD.

It is indeed remarkable that a bureau of this Government will give a copy of a confidential report to the corporation or association investigated and at the same time refuse a copy to a Senator. I think both the Bureau and the association should be investigated. At the next session I shall cer-

tainly have this Bureau investigated as to its unusual dealings with this association.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

FARM CREDIT ADMINISTRATION,
Washington, D. C., May 28, 1936.

Hon. KENNETH MCKELLAR,
United States Senate.

DEAR SENATOR MCKELLAR: I have received your letter of May 25, in which you ask:

"I wish you would send me the following documents:

"1. Report on general functional survey, American Cotton Cooperative Association and member associations, January 30, 1936.

"2. Operating plans and policies of the Georgia Cotton Cooperative Association, 1933–34 and 1934–35 seasons. September 1935—O. W. Hermann.

"3. An analysis of the operating policies of the Georgia Cotton Growers Association, June 21, 1932. Tetrow (or Fetrow) and Hermann.

"4. Copy of Confidential Report No. 40, April 1936, entitled 'Some Operating Problems of Cotton Operatives.'

"5. Such other later reports bearing on the subject matter, viz, the dealings of the Department with the A. C. C. A."

As you know, the cooperative associations to which you refer are owned and operated by their farmer members and are in no way connected with the Farm Credit Administration. The only relationship which ever exists between these associations and the Administration is that of debtor and creditor; and it was through this relationship that the documents to which you refer were prepared at the request and for the information of the associations themselves. Therefore, in view of the resulting confidential nature of these reports, we do not feel at liberty to surrender them without the permission of the associations involved.

Accordingly, when your request was received we communicated with the American Cotton Cooperative Association and are now in receipt of a wire, with reference to the preliminary report made at the request of the directors of that association by Mr. O. W. Hermann, which reads, in part, as follows:

"* * * These studies made by Mr. Hermann are only the beginning of a program of general expansion and improvement in the services it is our hope to extend to the cotton farmers of the South and will be used as a basis for building a more sound and economical system of marketing our members' cotton. For these reasons and for the further reason that the information embodied in the preliminary report could be of no value to anyone other than ourselves and your department we prefer that it be held confidential." * * *

For your information we do not have "Report on General Functional Survey, American Cotton Cooperative Association and Member Associations, January 30, 1936", referred to in paragraph 1 of your letter. We do have copies of the documents referred to by you in paragraphs 2, 3, and 4. However, we do not have any "later reports bearing on the subject matter, viz, the dealings of the Department with the A. C. C. A.", which are referred to in paragraph 5 of your letter.

I have also noted your statement to the effect "if you can furnish the above reports by tomorrow I shall be greatly obliged. I hope you will not take the position that the H. O. L. C. took sometime ago, refusing information asked for, making it necessary to have a Senate resolution passed in order to get the information."

With our statements now before you regarding the confidential character of the documents and the circumstances under which they were prepared, you may wish to withdraw your request. On the other hand, if you should still desire to make the reports public, we regret very much that we would be obliged to advise you that we could not submit them except pursuant to the authority contained in a resolution adopted by the Senate to that effect.

Sincerely yours,

S. D. SANDERS, *Commissioner.*

PRELIMINARY REPORT—SOME OPERATING PROBLEMS OF THE COTTON COOPERATIVES

The general manager of the American Cotton Cooperative Association, after a conference with representatives of the Cooperative Division, Farm Credit Administration, requested in a memorandum of August 9, 1935, that the Cooperative Division make a study of certain phases of the set-up and operations of the American Cotton Cooperative Association and its member associations.

The work to date has been confined very largely to a study of some phases of the membership contact and assembling problems of the cotton cooperatives. In addition, considerable time was spent contacting 62 board members of nine State and regional associations in order to ascertain their attitude toward various policies, practices, and operations of the American Cotton Cooperative Association and the member associations, and the working relationships between these organizations. In addition, certain questions will be raised relative to the status of cotton received from various individuals and agencies.

The information included in this preliminary report covers only a limited part of the study of the American Cotton Cooperative Association and the State and regional associations which was suggested in the previously mentioned memorandum. We are attempting only a few specific recommendations at this time. We are definitely planning a continuation of the study to include, if possible, every phase of the operations of the cotton cooperatives from the farmer to the mill. As the study continues we hope to analyze and make recommendations from time to time relative to the following:

1. A detailed analysis of the performance of the cotton cooperatives as related to sales, classing, transportation, warehousing, insurance, billing and shipping, membership relations, etc., and comparative costs.

2. The division of administrative control and functions of the cotton cooperatives.

3. A continuation of the study of the membership contact and interior classing problem.

4. Problems of cotton cooperatives in special areas.

5. Functions of the directors of the American Cotton Cooperative Association and of the State and regional associations.

6. Formulation of a long-time program for cooperative cotton marketing as contrasted with the immediate operating problems of the associations which we now have operating in the field. This program will point out the functions which we believe a national organization should perform, as well as those which are best suited to smaller associations, and it would also outline a program for building up a better tie-up to the member and the farmer.

THE OBJECTIVE OF COOPERATIVE COTTON MARKETING

The objective of a cooperative cotton-marketing association is to obtain for the member the highest possible price for his cotton. To accomplish this objective, directors and officials are charged with the responsibility of protecting and promoting the interest of the members of the association in every way possible. There are only two principal avenues which will lead them to success in cooperative cotton marketing. These are the establishment of a system of marketing members' cotton which will (1) enable the association to sell its members' cotton at the highest possible price and (2) perform only essential and necessary marketing services in the most efficient and economical manner at cost.

While cooperative cotton-marketing associations are attempting to accomplish this objective great care must be exercised to see that their operations with their members are on a strictly cooperative basis. Cooperation is based on equality and justice to all. The only reason for the existence of a cooperative association is that a group of farmers feel that they cannot always get justice and equitable treatment from an old-line marketing agency, and that net returns through the operation of their own association, set up for their mutual benefit, will be greater than if they sold their commodities through established channels. If a cooperative association is not operated for the mutual benefit of its members, but is operated for the benefit of certain individuals, agencies, farmers, or members at the expense of others, the policies of such an association are out of line with the best cooperative procedure.

MEMBERSHIP CONTACT AND ASSEMBLING PROBLEMS

Membership relations are always a serious problem of a large-scale, centralized cooperative-marketing association. The wide area covered and the distance from the member to the headquarters office make it difficult for the association to maintain close contact with its members, with the result that many feel that the association is just another foreign corporation buying cotton in that territory. As you all know, in the early years of cooperative cotton marketing the State cotton associations attempted to meet the membership problem with a field-service plan and a staff whose function it was to inform the member of the association's services and to assist him in delivering his cotton to the association. A few associations also maintained local receiving agents who represented the association at various points, but the greater part of the membership was left with no tangible service in their local communities and received very little information as to the operations of the association.

The field service and assembling plan which was in vogue during the years of 1921–30 was very expensive and the service and information dispensed by these itinerant field men were scattered much too thinly and in some cases none too well throughout the South.

Beginning with the 1930–31 season, several of the associations adopted a sales option (the immediate fixation pool) which would enable them to pay their members the approximate value of the cotton on the day the member delivered to the association. This sales option revolutionized the entire assembling plan of the cooperatives and necessitated a complete change in the personnel of the field forces. Instead of the old type of speech-making field man, it was necessary for the association to have men who could accurately class and value cotton. In order to find men of this type it was necessary to go to the trade and hire cotton men because their cotton experience best fitted them for the task which was immediately before the association in establishing the interior classing offices.

The principal contact which the cotton cooperatives now have with their members is through the interior classers. To the member the interior classer and the interior classing office are the association, and his opinion of the association is based very largely on the treatment which he receives at the hands of the classer. It is, therefore, extremely important that the interior classer conduct his office in such a manner as to give the member efficient, equitable, and courteous service, and, in addition, give the member the proper understanding of what cooperative cotton marketing is all about. This indicates that any program of education of the membership must start with the interior classer. This statement is further supported by the opinion of the directors.

When asked whether their classer understood cooperative marketing or operated more or less like a cotton buyer, only 40 percent of the total number of directors stated that they felt that their

classer did. The remainder indicated that they did not or they did not know whether he did.

As we see it, therefore, the big problem which is now facing the various cotton associations is the education of the interior classers in cooperative marketing and cooperative cotton marketing. The A. C. C. A. can fit into this program in a very fine way and assist the State associations' procedure materially in giving the interior classer the proper background to carry on his work with farmers, keeping in mind that membership contact is the State job.

We do not believe that large membership meetings will be successful unless the speakers have some outstanding message for the member. The talks should not be propaganda, but should be built around the idea of helping the farmer analyze his problem and how cooperative cotton marketing can be of assistance in solving it. These meetings should be distinctly a State-association affair in which A. C. C. A. should have little or no part. For the present, at least, membership meetings should be secondary to education of the classer in cooperative marketing and membership contact technique.

This outline of the background and division of function in membership contact work brings us to a discussion of the immediate problem.

The place of interior classing in a membership contact and educational program: The interior classing service represents the first attempt on the part of cotton associations to place their service at the immediate disposal of a relatively large proportion of the membership. The nearness of these offices to the member offers an excellent opportunity for membership contact work which was not possible under the old set-up and which is not fully appreciated by many cooperative officials at this time.

In the reaction against the old field-service set-up it was felt that the interior classer needed only to be a cotton man. Ability to contact and get along with farmers, knowledge of the principles of cooperative marketing, and a proper and sympathetic attitude toward cooperative marketing have often been largely overlooked as essential qualifications for an interior representative of the cooperative cotton associations. In a majority of cases the men hired to fill the interior classing positions were recruited from the trade. They were cotton men, and their knowledge of cooperative marketing was limited very largely to bias and prejudice which they harbored as private cotton men against a system which they believed was designed to put them out of business. The associations hired these men, called them into the office, gave them a few hours of oral and some written instruction, explained the procedure to be used in assembling cotton and the forms which were used in handling cotton, and sent them out as full-fledged representatives of a cooperative cotton-marketing association. In justice to a number of interior classers in practically every association, it must be said that many of the classers worked out their problems in a sound and intelligent way and have made good. In many instances, however, the men were naturally handicapped because they lacked some of the qualifications and training for the position they were supposed to occupy. With only a very few exceptions these men did not know the theory and practical aspects of cooperative cotton marketing and were not acquainted with the philosophy and objectives back of cooperation. They cannot properly answer the endless number of questions which are put to them by farmers. Furthermore, after the classer was located at a point he was left largely to his own devices, and just as long as the class on his cotton stood up and he did not lose money for the association he received very little attention from the headquarters office. The supervisor who contacted or checked these men was for the most part himself a cotton man. He had exactly the same background as the classer, and the two naturally looked at this problem in much the same way. The procedure which developed from this type of an operating plan, or lack of plan, was naturally directed into the channels which were most familiar to the interior classer and the supervisor. The result was that they have turned out to be largely cotton buyers in almost every sense of the word. The tactics used by these men are almost identical to those used by cotton buyers. It is interesting to note that it was necessary to contact 15 interior classing offices before the writer heard the word "cooperative" used by the interior classer in his dealings with a member or a farmer. Contact was made with many more than 15 interior classing offices, and with only a very few exceptions did the interior classer mention the word "cooperative" in his dealings with the member. In one association practically every classer talked cooperation to the members.

Some of the typical approaches used by interior classers in their dealings with the members are as follows:

1. "What do you have bid for this bale?" (This question is asked as the member hands over his sample.)
2. "What do you want for this cotton?"
3. "Do you want to sell it?"
4. "Do you want to sell it or do you want me to bid on it?"
5. The classer takes the sample, then makes a bid; and if the member does not accept, he tells him to come back.
6. Same as 5, except that he tells him to come back; that the market may change.
7. "We have but one bid, and that is the full value of the cotton."
8. "If you pass through that door you have no bid."

Many classers felt that it was their duty to "buy" cotton as cheaply as possible, and a number of them have boasted that they had purchased a cheap list of cotton, forgetting that they are representatives of the farmer and that cooperation is based upon equity and justice. It is difficult for many of the men who are trained in the trade to understand that they are to pay the farmer what his cotton is worth rather than use the same tactics which the cotton buyer would use in dealing with farmers.

As was mentioned above, the majority of the interior classing offices visited were conducted in a manner identical to those of the cotton buyer. The old tactics and tricks have been carried over into the association procedure. A veil of mystery often surrounds the activities of the classer, and a farmer cannot be sure that he is not being dealt with as the old-time cotton buyer would deal with him. It is only to be expected that if practices of this kind are continued the farmer will naturally trade and dicker with the association and attempt to get as good a price as possible from them. If the farmer cannot trust the classer, he naturally has to protect himself in any way possible. There should be a shift away from practices of this kind as soon as possible.

Interior classers are generally not concerned with whether the farmer is a member of the association when he brings a sample into the classing office. In no instance during our contact with these offices last fall did an interior classer ask a farmer whether he was a member before he classed his cotton for him. To be sure, the classers know a majority of the farmers in the community and know whether or not they are members, but in instances where the farmer was unknown to the classer he made no inquiry whatsoever as to the farmer's membership in the association. In most instances he was told that he had to sign at a certain place on the document which was handed to him, and no explanation was made as to what he was signing.

As was mentioned previously, membership contact and educational work were dropped for a period of years, and unfortunately education in cooperative cotton marketing has really not started so far as the interior classer is concerned. As was mentioned above, we look upon the interior classer as the keyman in the association; in fact, he is the association so far as the member is concerned, and unless he is correctly informed as to the philosophy and objectives of cooperative cotton marketing, the association becomes nothing more than "another cotton firm" to the member.

The greatest return from a small expenditure of money for field contact work can come from training leaders who will, in turn, pass on the results of this training to the many thousands of farmers they contact during the course of the year. A. C. C. A. may assist in training these leaders, but the membership contact job is a job of the State or regional association. Cotton-classing schools have been held for these men. This is good, and it is necessary, but what is seriously needed at the present time is cooperative cotton-marketing instruction.

Not all classers are fitted to a program of cooperative marketing, and those who are not well fitted should be gradually weeded out and replaced by qualified men who have been trained and developed in cooperative marketing. This will necessitate bringing in young men with no experience into the organization and training them. They may be placed with the better interior classers for a period of time, and when they are fully trained and capable, they may be placed in charge of an office. It is desirable that the young men thus brought in for a period of training should have an agricultural background, just as it is desirable that the agricultural college student should have that same background. If he does not, he cannot have a proper understanding and a sympathetic attitude for the problems of the farmer.

The interior classer's program: A year-around program for the interior classer might include a number of the following association and community activities, depending on the qualifications and background of the interior classer and the extent to which other agencies wish his cooperation. Most important among these are:

1. To class the member's cotton accurately, make settlement with him on the basis of quality, and prepare all statements and documents connected therewith.
2. To provide, if possible, a year-around market for the farmer's cotton and to act as a source of information for all member inquiries, the cotton situation, his cotton account, and other association business in which he might be interested.
3. To contact and educate the membership as to the operations of the association and the principles and practices of cooperative cotton marketing.
4. To solicit new members and promote and expand the association business in that community.
5. To educate the grower as to values in cotton and teach him a few of the primary elements of grade and staple.
6. To call the growers' attention to damages which may result from improper ginning and assist them in bringing about improvement in ginning practices.
7. To assist the grower in getting improved seed and assist in the sponsoring of one-variety communities and cotton-improvement programs.
8. To work with Smith-Hughes and 4-H club boys and girls and assist vocational teachers in their program of teaching cotton classing and cooperative cotton marketing and cotton improvement.
9. To work, whenever possible, with the county agricultural agent.
10. In some instances interior classers can be used in connection with a farm-supply business. The classer may be the manager of a year-around operation of a local supply cooperative and devote his time to cotton during the cotton season. This cuts the salary cost and makes it possible to get a better man on a year-around basis for the association.

11. To assist in the improvement of general marketing facilities and practices in the community.

Some practices followed by interior classers which are questionable: We believe that there are extensive possibilities for improvement in the practices and procedure followed by interior classers in the conduct of their offices and in the performance of their duties. So far as we know, no study or work of any kind has been done along this line. Systematic work of assisting the classers along this line should be initiated. It is, of course, admitted that practices and policies cannot be standardized to too great an extent, but there are certain general principles which could be worked out and called to the attention of interior classers which would be of material benefit to them in their work as a representative of the association.

The operations of the interior classers and the methods and tactics which they use in contacting members and in assembling cotton have been studied carefully for several years. We are raising some questions about certain of their practices.

1. Is dickering with members justifiable? Some interior classers follow the practice rather consistently of dickering or bargaining with their members on the price which they are to receive for their cotton. The practice was questioned from a cooperative viewpoint, and we asked the opinion of the State directors on the practice. The following question was asked:

"Do you believe that cotton cooperatives are justified in dickering with members for a price on their cotton? Yes ( ). No ( ). Explain."

Of the 62 who were interviewed, 49 directors, or 79 percent of the total, answered "no", and only 10 directors, or 16 percent, answered "yes." Three directors were undecided. If a commercial organization follows this practice, no one thinks anything about it; on the other hand, if a cooperative association which is operated for the mutual benefit of members, uses those tactics, we feel that it is following a path that will ultimately lead to failure. Some classers justified the practice by saying that they used it only on disloyal members or on nonmembers, i. e., on the farmer they would like to reach and make a loyal member. How can this policy be consistent with building up membership morale and support? Dickering certainly is not conducive to making a disloyal member loyal.

Another bad feature of the practice of dickering is that it leaves to the judgment of the classer the price he is to pay the farmer. This privilege can only lead to inequity, injustice, and favoritism. Dickering is not sound cooperative marketing procedure.

2. Question of inequity in treatment: Payment of different prices for the same quality of cotton in the same market, on the same day, at the same futures price level. The directors interviewed were strongly in favor of all members being treated alike. The following question shows their position very clearly:

"Do you believe that the cotton cooperatives should pay all members the same price for like grades and staples of cotton delivered to the association at the same point, on the same day, at the same futures price level? Yes ( ); no ( ). Explain."

Of the 62 who were interviewed, 54 directors, or 87 percent of the total, answered "yes" to this question. Five directors, or 8 percent, answered "no." Two were undecided and one gave no answer. There seemed to be a general feeling among directors and many others that if the association did not treat all members alike it was violating one of the fundamental principles of cooperative marketing. They felt that cooperation was based on equality and justice with no special favors and that if it became generally known that a member could not trust the association to give him the full value of his cotton without bargaining for it, that the association would be the object of suspicion and would quickly lose the confidence of its substantial members. They were all aware of the one- or two-point topping problem.

It appeared that interior classers who were competent judges of human nature and who had a proper grasp of the principles of cooperative marketing were opposed to a two-price policy and were successful in getting their share of cotton by using only one bid, and that bid being the allowable maximum. So many of the classers had traded with the farmer for cotton all their lives that it is very difficult for them to get the cooperative point of view.

3. Should a discretion be used? The arbitrary use of a discretion to take care of "differences in character or membership" rather than differences in character of cotton is a questionable practice. The opinion of the directors was rather equally divided as to the use of a discretion. We are convinced that this practice is not sound cooperative marketing. If the objective is volume, then the discretion is justifiable.

4. What is member cotton? It would be almost an endless task to classify cooperative cotton as to its source. We, however, found that there was a considerable volume of deliveries which were considered as member cotton which should not be so classified. In order to open the problem for consideration, we are raising questions about the sources of certain deliveries to the cotton association.

There seems to be considerable confusion in the minds of many, even State managers and A. C. C. A. officials, as to what is member cotton. We believe that there should be a clarification of the definition of member cotton. This can only be developed after a careful analysis of just how cotton is acquired by the association. The task is by no means a simple one, although it can be said that cotton purchased from or delivered by commercial gins or ginners, supply companies or supply merchants, cotton buyers, banks or bankers, which was not actually grown on farms of those agencies or individuals, is always open to question.

The attaching of lists of the names of growers who grew the cotton to the invoice when the cotton is purchased by or delivered to the cotton association has no bearing whatsoever on whether it is member cotton. These lists of names are acquired for the purpose of paying patronage dividends, if any, in order to comply with internal-revenue regulations.

(a) We question taking delivery of cotton from commercial gins which have purchased cotton outright from farmers in the operation of the ginning business. Cotton purchased by the association from a gin in this category cannot in any way be considered as member cotton, even though the gin manager may be a farmer, and even though he furnished the association the names of the growers from whom the cotton was acquired.

(b) A question has been raised regarding taking delivery of cotton from a commercial ginner who is a farmer and a member of the association. There is no question but what the ginner may deliver to the association the cotton which he produced on his own farm, and it will be unquestionably considered as member cotton. On the other hand, if the commercial ginner who is a farmer and a member of the association acquires cotton from growers who are patrons of his gin and this cotton is delivered to the association, this cotton cannot be considered as member cotton. This is true even though the names of the growers of the cotton are furnished the association in order that patronage dividends may be paid directly to the grower in case they are distributed.

In a memorandum of March 18, 1931, from Judge L. S. Hulbert to Mr. Stanley Reed, general counsel of the Federal Farm Board, Mr. Hulbert gives an opinion which applies in a very clear way to the problem which we just outlined above. An excerpt from this memorandum is as follows:

"In the report of Mr. Walsh, of Montana, a member of the Judiciary Committee that reported on the Capper-Volstead Act, the following appears:

"'The bill before us during the last session authorized the organization of associations dealing in "products of their members." The bill now under consideration authorizes them to deal in the "products of persons so engaged." Obviously, under the former the associations would be restricted in their dealings to members; in the latter, though they are restricted as to the character of the products in which they may deal, it is clear that they may deal with any person in such products whether he be a member or not.

"'The bill has for its purpose the removal of obstacles, if such there be in the Federal statutes, in the way of the organization of cooperative farm marketing associations, a purpose with which the majority, at least, of your committee is in full sympathy. It may be and probably is true that such associations cannot operate with the highest degree of success or with that degree of success which your committee would be glad to see attend their efforts, unless they are permitted to deal to some extent in the products of nonmembers similar in character to those handled for the members. But the protection of the statute ought not to be given to a small number of persons of the classes named in the bill who contribute from their own farms an inconsiderable quantity of the products handled by the association.'

"It is apparent from the foregoing that Mr. Walsh was of the opinion that the first paragraph of the Capper-Volstead Act covered agricultural products furnished by nonmembers as well as those furnished by members. This fact, as stated above, was the reason for the restriction on the amount of nonmember products in which an association may deal. The view of Mr. Walsh is consistent with the idea that a member of a cooperative association of producers may acquire products of nonmembers and then in his own name deliver them to the association for marketing, provided that the total amount of products contributed by the members from their own farms is at least equal in value to the products produced by nonmembers and that are marketed through the association by members thereof.

* * * * * * *

"I am, therefore, of the opinion that a cooperative association of producers of grapes could be formed and that it could handle the grapes produced by its members and that these members could deliver to the association, in their names, grapes acquired by them from nonmembers up to an amount in dollars equal to the value of the grapes handled by the association that were produced by its members and delivered thereto for marketing."

c. Taking cotton from a supply merchant, which company does not own farms and is not a member of the association, is open to question. There is no question but what this cotton would be considered as nonmember cotton even though the names of the producers who grew the cotton are attached.

d. Taking cotton from a supply merchant, which company does own farms and is a member of the association. There is no question but what the supply company can deliver to the association the cotton actually produced on its own farms. It will be unquestionably considered as member cotton. On the other hand, if the supply company which owns and operates farms, acquires cotton from growers who are patrons of the supply business, but are not on the lands of the supply company and this cotton is delivered to the association, this cotton cannot be considered as member cotton.

If a supply company has advanced supplies to a grower who is farming on land which the supply company does not own and it purchases the cotton which this farmer has grown for the purpose of settling the accounts of a grower, this cotton cannot be considered as member cotton. The same would hold for a bank which

has loaned money to a farmer to assist him in producing a crop and the bank purchases this cotton to settle the account with the bank. This cotton cannot be considered as member cotton even though the banker himself may be a farmer and a member of the association.

e. Accepting delivery of cotton from nonmembers or nonproducers is always questionable. This has been a common practice at various times in the past. The cooperatives should confine their activities to members, as nearly as they can be determined, except for a small percentage of cotton necessary at times to fill orders. Two-thirds of the directors indicated that the associations should not do business with nonmembers. Some question can be raised as to the justification of using Government financing if they handle a large volume of deliveries of other than member-grown cotton in spite of the fact that, from a legal point of view, they may handle up to 50 percent of their cotton from nonmembers.

5. Is a farmer a bona-fide member when a ginner or supply merchant gets him to sign a marketing agreement after he (the ginner or supply merchant) had sold the cotton to A. C. C. A. in order that he (the farmer) would get a patronage dividend?

From a practical standpoint it is difficult to ascertain the status of all cotton which is delivered to the association, but in most instances the interior classer will know the details of the operations of the members and individuals in his community, and if he makes an honest effort to determine the status of cotton which he receives for the association, no doubt many of the undesirable features in this type of operation may be eliminated.

6. Payment of patronage dividends to landlords and tenants in proportions other than their rental arrangement is not a sound cooperative principle, although from a practical point of view it offers many perplexing problems. Wherever possible the association should attempt to have these patronage dividends allocated to landlords and tenants in proper proportions. It is assumed that directors should be cooperators to the fullest extent but we found that they are often guilty of keeping all of the patronage dividends rather than passing them back to the tenants in proportion to the amount of cotton they produced. This is an extremely difficult problem and almost impossible to administer, and we are, therefore, urging only that it be set up as one of the long-time goals for making the cotton cooperatives truly cooperative.

7. We believe that it is a sound policy, if the basis is known to be substantially in line, to never ask the farmer what he has been bid on the cotton until after the interior classer himself makes a bid. Some classers always ask a man what he has been bid on his cotton before they even take a look at it. If operations are properly conducted, we do not believe that the classer should concern himself as to what the farmer has been bid on his cotton prior to the time he comes into the office. The classer should class and value the cotton and place a price on it in accordance with what it is actually worth, rather than on what the farmer has been bid previously.

8. Some classers at points where the majority of the members are large growers do not encourage one- or two-bale deliveries from small growers. They say it is too much trouble.

9. Some signs at association offices indicate that the association has comparatively little interest in letting people know where their office is located and what organization they represent. A large number of offices had no signs whatsoever. Others had signs of all kinds and descriptions. Many of them were quite inaccurate and misleading. Some of the signs noticed read as follows:

1. ——— Cotton Cooperative Association, 12-cent loan. We also buy cotton.

——— ———, *Manager.*

2. ——— Cotton Cooperative Association. We buy cotton. Twelve-cent loan.

3. Farm Board Cotton.

——— ———, *Manager.*

4. United States Government classer.

We believe that the interior classer should do everything possible and, in fact, go out of his way to assist and enlighten the farmer rather than trying to make something mysterious out of the handling of cotton. In doing so the classer is making a friend of the farmer, and is building up his understanding of how the cooperative operates and his appreciation of the service which the association is offering him.

There has been a tendency for the classer to treat the farmer in a manner similar to the treatment which he has received from the cotton buyer; that is, when the farmer brings his cotton to the interior classing office, class it and tell him nothing. Time, of course, will not permit much of this type of work in the rush season, but there are lull times at the disposal of the classer in which he can go into somewhat more detail with the farmer.

Members' lack of education: Unfortunately, during the past 5 years, membership contact and educational work were largely abandoned and the associations were sold to the membership almost entirely on a price appeal. One indication of the extent to which the cotton cooperatives have failed in their educational, or lack of educational, program with the farmers is the reaction of State associate board members to the following question:

"Do you believe that the average farmer knows what A. C. C. A. is and what it is trying to do?"

Of the 62 included in the survey, 52 directors, or 90 percent of the total, answered "no", while only 8 percent answered "yes." Several did not know.

In connection with our field study we prepared a questionnaire from which we attempted to obtain reactions of members toward the cotton cooperatives. This work was abandoned after a short time because it was so difficult to find farmers who had even the slightest idea about the operations of the cotton cooperatives.

Membership contact work, in our opinion, is definitely a function of the State or regional association. The A. C. C. A. position with regard to this work should be one of assisting the State associations in the development of leadership to do this work and in explaining the operations of the A. C. C. A. to those engaged in membership work. We do not, however, believe that officials of the A. C. C. A. should actually do the contact work in the field. There is, of course, no criticism in an A. C. C. A. official attending a membership meeting, but that meeting should be distinctly a State association affair. The A. C. C. A. does not have funds and personnel to do this type of work. Furthermore, they are too far from the membership to be intimately acquainted with the local problems and have the proper conception of the work which should be done. The State manager and those whom he chooses to assist him should be fully capable of conducting and responsible for the membership work.

MISCELLANEOUS

House organs: Practically 60 percent of the State directors favored the publishing of a house organ by the A. C. C. A., and 73 percent thought that the State association should publish a paper. A house organ is a necessary and very useful device for disseminating information about the operation of the association and educating the membership in cooperative marketing generally. The house organ should, however, be conducted in an economical way and should be supported by a limited subscription fee and conservative advertising service. A house organ should deal primarily with the affairs of the association and should be very careful not to engage in political controversies and follow too closely the political trends of the times or the political fortunes of any individual. We doubt whether the cotton cooperatives are justified in maintaining two house organs, as is the case in some of the associations. The expense is too great, and there is too much duplication of effort.

Directors and membership contact work: The directors of State and regional associations have not kept closely in touch with the work of their association and the opinions of the constituents whom they are trying to serve. The study revealed that nearly one-half of the total interviewed did not attend a single membership meeting during the 1934–35 season. It is believed that the director should give some time to the association by attending membership meetings and in contacting members to the end that he will be in tune with the desires of his constituents and be better able to serve them. We do not, however, believe that the director should be a field-service man or a salaried employee of an association. This is a "little racket" which has long existed in a number of associations. Our inquiry indicated that 82 percent of the directors believed that board members should not be on the pay rolls of their associations.

The volume complex: Unfortunately most of the State associations, as well as A. C. C. A., are afflicted with the volume complex. It appears that they often measure their success in terms of volume rather than in terms of returns to the member. The expense of acquiring this volume and the methods and practices used in obtaining it are often unsound and questionable. We are still in agreement with a statement in our report of January 1932, which is as follows: "Large volume does not mean success unless the methods used to get cotton will stand the test of sound business principles. We need somewhat of a reversal of our thinking with respect to the objectives of the cotton cooperatives. We do not want to be misunderstood in making this statement, but it does seem it would be more logical to first determine the services the cotton cooperatives can render by following certain policies which are known to be sound and then operating according to these policies. In other words, begin with an idea of service, followed by volume instead of beginning with volume in mind and doing anything regardless of its soundness to get that volume. We believe that volume can be secured by sticking to the idea of service economically rendered. If it takes unsound methods to get cotton, the cooperatives should admit that they have no place in the present system of marketing. (Report on General Functional Survey. American Cotton Cooperatives Association and member associations. Jan. 30, 1932, p. 86.) It has often appeared to us that the cotton associations have made a determined effort to get volume in order to maintain their staffs rather than make the staff fit the volume which they could soundly and properly obtain by economical operation on a cooperative basis.

Subsidiary activities: During the past 15 years cooperative cotton marketing associations have resorted to various devices and subsidiary activities calculated to increase deliveries. Among these were the organization of lines of cooperative gins, as well as production credit associations, farm supply associations, warehouses, oil mills, etc. If an association has been successful in its marketing program, and has the ability and finances to carry on these activities, there are certain justifiable projects in which it might engage, provided these activities are for the benefit of the members as a whole.

We doubt the advisability of associations operating facilities or subsidiaries for the sole purpose of adding to the volume of cotton which the association handles. If these facilities and services which are financed by the entire membership are for the benefit of the entire membership, we believe they are justifiable. However, if a facility or subsidiary activity cannot be operated and

financed successfully without its connections with the cotton marketing association, we do not believe that it is a sound project to attempt. In other words, such activities should be able to stand alone without the support and financing which they might receive from the associations.

We also doubt the advisability of associations using their assets and reserves, which are the property of the membership as a whole, to construct and operate facilities which are entirely local in character and which can at best benefit only the farmers in a local community. This is especially true if farmers in the local communities in which these facilities will be located have no financial interest in the local project except such interest as they may have in the reserves of the association. If the farmers in a local community are interested in the operation of a ginning plant on a cooperative basis, they should themselves be willing to finance this operation and should not call on the members over a wide area to assist them. The State association could, however, lend support and offer advice to local groups of growers in organizing local cooperatively owned gin associations in the hope that these associations would become members and deliver cotton to the marketing association. The national association is even less justified in going into this kind of a program.

CONTROL

Administrative control, the flow of responsibility, and the division of functions are always difficult in a large organization. So many problems of personality and personnel arise that no iron-clad rule can be laid down even for operations which are identical in character. The control problem so far as the cotton cooperatives are concerned is further complicated by the fact that the American Cotton Cooperative Association finances the cotton and/or assumes the responsibility for loans made both to the American Cotton Cooperative Association and the State and regional associations. We believe that a lending agency should have the limit of safety so far as its loans are concerned. We believe, however, that this safety can be accomplished within an organization in two general ways: (1) By the regulation and control of every detail from a central office, which in this case would be New Orleans, and (2) by a decentralization of responsibility so that the management of affiliated groups would perform those functions which it is best adapted to perform and assume control over all the activities carried on in the areas under the general control and supervision of the central office.

The present set-up necessitates administration from a distance and has not, it appears, made for the greatest efficiency or economy in every instance. It is believed that A. C. C. A. should study its operations with the idea of passing back every possible function and control to the States and furthermore, assist them in developing leadership, management, and personnel to operate these associations.

No central organization can be strong without strong affiliates. This strength cannot be built by too much supervision from above. If the cotton associations wish to build an enduring structure, it will be necessary to divide duties and responsibilities so that, regardless of what happens to the overhead or any of the affiliates, the movement as a whole will go on.

There was a definite feeling among a majority of the board members of State associations that the whole cotton set-up should be decentralized rather than further centralized. Of the total, 61 percent believed that functions and control should move toward the State associations and the farmer, 23 percent believed in centralization, while 16 percent gave no answer to this question.

Board of directors: The control of the cotton cooperatives, according to the bylaws, is theoretically vested in the membership. Practically, the membership has had very little to do with the development of policies and with the control of the various associations. It is true that the membership selects the board of directors of the State association, but, in some instances at least, these boards have become self-perpetuating bodies, not fully in tune with the desires and wishes of their constituents. Our study indicates that a large percentage of the board members were not familiar with the operations of the association and did not feel that the board met often enough to become well informed. Many felt that there was little reason for meeting, because there was nothing left for them to do. An examination of the minutes of the boards of directors of State and regional associations will further substantiate that they have every function and practically no responsibility.

Under the old set-up prior to the American Cotton Cooperative Association the board members of the State associations had definite duties and responsibilities. Under the present set-up these duties and responsibilities are more limited.

We discussed the make-up of the A. C. C. A. board at some length with the State directors. The board of directors of the American Cotton Cooperative Association, as is well known, is made up of one representative from each of the State or regional associations. The personnel of this board is made up of managers or directors of the State or regional associations selected by the board of directors of that association. When the American Cotton Cooperative Association came into existence practically all of the directors were managers of State associations. These managers, however, were employees of the State association and not employees of the American Cotton Cooperative Association. Since that time the proportion of State directors and managers on the American Cotton Cooperative Association board is rather evenly divided, but it must be noted that the managers who are on the American Cotton Cooperative Association board are hired jointly by the State association and A. C. C. A. and receive half of their salary from the American Cotton Cooperative Association. Over four-fifths of the directors were not in favor of this policy.

The directors of State associations were interviewed on this subject, and they expressed their opinion in rather unmistakable terms. As was indicated to the general manager of A. C. C. A. in a letter of January 6, 1936, a total of 62 directors were asked the following questions:

"Do you believe that the State manager employed by the American Cotton Cooperative Association and the State association jointly should be on the board of directors of the A. C. C. A.? Yes ( ), No ( ). Explain."

Of the 62 interviewed, 50 directors, or 81 percent of the total, answered "no" and 9 directors, or 14 percent, answered "yes." Three directors did not attempt to answer the question. Upon further inquiry, a good majority felt that some member of the State or regional association board should be the State's representative on the American Cotton Cooperative Association board. Staff members of agricultural colleges and extension divisions, as well as the agricultural press interviewed, considered that employees of A. C. C. A. being on its own board of directors was one of the bad features of the American Cotton Cooperative Association set-up. They generally felt that it was not a farmer-owned and farmer-controlled cooperative and that a hired employee could not, in every instance, be depended upon to act in the best interests of the cooperative cotton marketing. They all admitted that the present plan involved less expense and that the present board was probably more familiar with the operations of A. C. C. A. than if the board was made up largely of farmers who were members of State association boards. In spite of this, however, they felt that a change was desirable and necessary. A majority of the managers interviewed on this question were also opposed to the policy of hired employees of A. C. C. A. being on the A. C. C. A. board. A number of the managers were themselves directors of A. C. C. A. If the State directors feel as they indicated in our survey, we believe that they should take steps to remedy the situation. Several alternatives may be suggested to the present plan. They are as follows:

(1) Replace all managers on the A. C. C. A. board with State or regional association directors who are, of course, primarily farmers.

(2) Increase the size of the A. C. C. A. board to include two representatives from each association, the manager (who is not an employee of A. C. C. A.) and a State director or member of that association. Managers who are on the board in this instance would not be allowed to vote on personnel or salary matters.

(3) Remove all managers from the pay roll of the A. C. C. A. and allow the selection to be open as it is at the present time, the State association being free to choose either a member of the board of directors or their manager to represent their association on the A. C. C. A. board.

Regardless of the changes made in the A. C. C. A. board, we believe that the directors of A. C. C. A. should not be employees of and on the A. C. C. A. pay roll.

OTHER OPINIONS OF DIRECTORS ON CONTROL

When asked whether they believed that a board member should be employed by their own association or be on the association's pay roll, 62 percent answered "no." Only 7 out of the 62 answered "yes." The remainder gave no opinion.

There seemed to be a feeling among sizeable percentage of the directors that A. C. C. A. was not a farmer-owned and farmer-controlled association. A majority of the directors, in fact 58 percent of the total, believed that it was. The remainder, however, did not believe that it was or had some doubts about it. The percentage is large enough to give officials of A. C. C. A. and the State associations some concern.

There seemed to be a feeling among quite a number of the directors that A. C. C. A. was exceeding the limits of its authority when it arbitrarily changed the boundary lines of associations, shifted counties from an association to another, or organized new associations. It is believed that the membership in the affected area should be the deciding factor in cases of their kind.

FUNCTIONS

Decentralization of functions and of control are necessary according to two-thirds of the directors interviewed last fall. They generally believed that centralization had gone too far, and that the pendulum should swing back toward the State associations and the farmer. They felt, further, that the manager and the board of directors of the State association should be responsible for all of the activities carried on within the area which they cover, and A. C. C. A. should control and direct only through the general manager of the State association. In many instances there appeared to be a lack of coordination of control, and the general manager was not given full responsibility for the functions carried on within his territory or held responsible for their success. The opinion of the boards of directors of State associations is rather clearly outlined in their answers to the following question:

"Should all of the activities carried on within the territory covered by a State association be under the control of the board of directors and manager of that association, or should the control be divided as at present? Explain."

Sixteen of the directors interviewed did not venture an opinion upon this subject. Over two-thirds of those who answered the question, however, were in favor of the board members and manager of State associations controlling all the activities within the area covered by that association. Fifteen directors indicate that they were satisfied with the joint arrangement which is in

vogue at the present time. We believe that decentralization is necessary and inevitable.

We will at this time make no attempt to outline the division of all of the functions between all of the State or regional associations and A. C. C. A., but will confine our discussion only to one or two portions of the problem. Based on two studies made of cooperative cotton marketing in Georgia during the past 4 years (O. W. Herman, Operating Plans and Policies of the Georgia Cotton Cooperative Association, 1933–34 and 1934–35 seasons, September 1935) and in other Southeastern States, we believe we have enough information and that the associations in the Southeast have had enough experience so that we can recommend definitely a division of functions for the associations operating in that area, but will withhold judgment until a later date for associations operating in the Middle South and Southwest.

The southeastern associations: In speaking of the division of functions in a report in 1932 (Fetrow and Hermann, An Analysis of the Operating Policies of the Georgia Cotton Growers' Cooperative Association, June 21, 1932, p. 180), we stated that we were convinced that it is impossible for a sales organization in New Orleans to adjust its operations to meet local conditions in the mill area of the Southeast. We further stated that we realized that the sales department in New Orleans would have to guide in a general way the making of sales policies for this area, but the major portion of the responsibility should rest upon the man who is responsible for the sales in that area. From this it would follow that the general manager of a southeastern association should have almost complete authority on both the selling and the buying basis. We believe that he should be given some latitude on the same basis on which he is to sell cotton. This is necessary in order to make adjustments for difference in local conditions. This plan has been used for 2 years and has been successful.

We are still of the opinion that the functions which can be performed by A. C. C. A. in the Southeastern States are very limited. Experience in the Southeast has demonstrated that local problems are such as to make it impossible for an organization located in New Orleans to direct the assembling and sales problems in an area such as associations must operate in the Southeast. The Georgia Cotton Cooperative Association, so far as its operating policies are concerned, is following in a general way the recommendations which we made for operations in the Southeast 4 years ago. We believe that experience has demonstrated that these recommendations are sound, and we would therefore suggest that the associations in the Southeast be given almost complete autonomy so far as their operations are concerned. We believe, of course, that the American Cotton Cooperative Association should have a salesman in connection with each of these associations.

This salesman, in the Southeast at least, should be under the direction of the State general manager of that association so far as the sale of that association's cotton is concerned, and be subject only to the coordinating control of the A. C. C. A. By this we mean that the salesman should have his territory outlined and should represent the A. C. C. A. in selling cotton from other associations. If the cotton delivered by members of a particular association is sold in another State or is exported, the A. C. C. A. would have a definite function to perform in finding an outlet for this cotton and arranging for its sale although the details as to shipping and invoicing, classing, etc., would be handled by the State association. Hedging and financing, of course, are other functions which can also properly be delegated to the A. C. C. A. so far as the southeast associations are concerned. All other activities in the Southeast, including classing, warehousing, insurance, transportation, concentration, billing, and shipping, and the settlement of claims should be under the direction of the general manager of the State association subject only to banker control by A. C. C. A. carried on through traveling auditors and classers.

If the management of the State associations in the Southeast is competent, it should be big enough to handle activities in a territory of this kind with only minor attention from the officials of the A. C. C. A. We believe that the deductions for operating expenses of the A. C. C. A. should be adjusted so as to be in conformity with the services which A. C. C. A. performs for these associations. That is, if the A. C. C. A. operates in the Southeast in only a limited way, their charges for services to these associations would be less than the charges for the associations in the Middle South and Southwest.

The analysis of the southeastern problem will be continued as the study progresses.

The Middle South and Southwest: The associations in the areas other than the Southeast present a somewhat different problem, and we will make no attempt to indicate at this time the division of functions which we believe to be proper between the A. C. C. A. and its affiliates. We wish only to point out one matter which deserves attention and which has the interest of a substantial group of directors.

There seemed to be a rather general feeling among directors that the associations in these territories should have an opportunity to sell cotton through channels other than the regular routine delivery to the A. C. C. A. This they felt should be done by, or closely supervised by, a representative of the A. C. C. A. in order that there may be no lack of coordination in the selling of cotton and no conflict of interest between the organizations such as was present in the set-up of the American Cotton Growers Exchange. The board of directors and the manager of the State associations are duty bound to seek the best price it is possible to obtain for the members who deliver cotton to that association. If it is possible to obtain more satisfactory prices through channels other than the regular channels set up by the A. C. C. A., the directors believed, and we agree, that these channels should be used.

We found considerable complaint in the field during the past several seasons due to the fact that the A. C. C. A. basis was in line only a few weeks during the season. The remainder of the time it was necessary for farmers to dispose of their cotton through other channels. These outlets were paying substantially more than A. C. C. A. was offering. Many of these complaints are to be expected. However, a substantial group of directors believed that a flexible service might be established to take advantage of these outlets when A. C. C. A. basis is out of line, so that the member would have more nearly a year-around service.

We believe that the A. C. C. A. should make a diligent effort to develop ways and means by which they can handle the farmer's cotton, even though the A. C. C. A. basis, as now calculated, may be out of line at the moment. A number of associations have tried plans for selling cotton through channels other than the regular channels of A. C. C. A. and have been successful with these limited ventures. We believe that considerable thought and effort should be expended along this line in the future in order that the set-up and operations in the field may be more flexible and adaptable to conditions as they actually exist.

We cannot see how a member can really be strong for an association if it has nothing to offer him in the way of price or service during the greater part of the season. The directors of the State associations interviewed last fall had some interesting reactions to this question. Their answers were outlined in a letter of January 13, 1936, to the general manager of A. C. C. A. The following is an exact statement of the question which was put to them:

"Should the State associations be allowed to sell cotton on the outside if they can obtain a better price than A. C. C. A. is offering? Yes ( ), No ( ). Explain.

"Sixty-two directors were interviewed on this question. Of that number 49 directors, or 79 percent of the total, answered the question 'yes.' Eight directors, or 13 percent of the total, answered 'no.' Five directors did not answer the question.

"The general feeling among directors and others seems to be that the State or regional association owed it to its membership to obtain the best possible price for cotton, regardless of how or where it is sold. There was also a rather general feeling that A. C. C. A. was not taking the right attitude when they state that 'We don't want that kind of cotton' or 'We have about all of that particular grade and staple of cotton that we can handle.' The directors and others interviewed felt that A. C. C. A. should be willing to take the member's cotton at all times, regardless of its grade, staple, and character, at whatever price they (A. C. C. A.) felt that it could be handled satisfactorily and safely. There was considerable criticism of the fact that A. C. C. A. had a satisfactory basis only a few weeks in the season and that for much of the remainder of the time they were out of the market and had nothing to offer. They felt that some more versatile plan should be available to handle cotton when the A. C. C. A. basis was out of line. However, the group did not feel that A. C. C. A. should take cotton at a loss or that the A. C. C. A. basis should be in line all of the time. Many believed that if the A. C. C. A. basis was out of line, that it was not right for the State association to stand idly by and do nothing for the member when there were outlets which would pay more for cotton than A. C. C. A. was offering. They felt that the State association was charged with the responsibility of getting the member the best possible price for his cotton. The fact that A. C. C. A. stated they were in and out of the market at various times gave it the aspect of a commercial firm rather than a cooperative association attempting to offer the maximum of service to its members at all times."

A complete analysis of the functions of the national association and its member units will be included as the study progresses.

EXPENSES

Our remarks relative to expenses must of necessity be general because to date we have made no attempt to go into the details of operating expenses. We will, therefore, confine our discussion to generalities.

Specific figures are available as to the per-bale operating expense of various member cotton associations, although these figures are not comparable in many respects for the reason that the A. C. C. A. performs different functions for different associations. Operating expenses so far as A. C. C. A. is concerned are less specific than those of the State associations because of the many subsidiary activities performed by A. C. C. A. at varying fees and because of the practice of deducting certain incomes from expenses before arriving at the final per-bale operating-expense figure. The system of pooling State assembling expenses, not including the "cost" of the cotton, was discussed at some length with the Board members. In a letter of January 8, 1936, to the general manager of the American Cotton Cooperative Association, we outlined the reactions of the directors on the question of State associations receiving the direct benefit of savings made in their operations. Our explanation of the way the matter was handled and the reactions of the directors are given in the following quotation from that letter:

"It is our understanding that the basis allowed various State associations is lower or higher, based partially on the possibilities of low or high operating expenses in that State. If A. C. C. A.

is sure that the State will have a low operating expense, the State gets a higher basis as compared with other associations. If that association operates below the budget, it does not get the direct benefit of the amount saved except as that amount influences the expenses of the group as a whole. The same is true of associations operating above their budgets; they receive a low basis, but are not charged directly with their expenses, which may be in excess of the budget."

With this background the following question was asked:

"Should State and regional associations receive the direct benefit of savings made in their operations? Yes ( ), No ( )."

The answers given by the directors of 9 associations to this question were quite conclusive. Of the 62 interviewed, 54 directors, or 87 percent of the total, felt that each association should receive the direct benefit of savings made in its operations. Only 2 directors out of the 56 who answered the question "yes" or "no" felt that the association should not get the direct benefit of savings made in its operations. Six directors gave no answer to the question.

The supplementary remarks made by quite a large number of directors of the State associations to this question indicate very clearly that they believe that savings should be passed on directly to their association if its management is to have the proper incentive to operate economically. They, for the most part, believe that unless the State associations were charged directly with the amount of operating expense above the budget, or if they did not receive the direct benefit of savings, that managers and employees would tend to be somewhat more extravagant in the expenditure of money than if the opposite were true. The majority of the managers who were interviewed on this same subject had more or less the same feeling as the directors. Some of the typical remarks made by directors to this question may be of interest.

1. "Yes. It will be an incentive to keep down expenses. There is a tendency to use the full budget if it is available. Just like Government appropriations."

2. "Yes. The other way tends toward extravagance. If I were running an association and knew that economy meant nothing to my association, I would tend to be extravagant."

3. "Yes. The State associations should bear the losses also. If the stock is ever paid out, the State association can stand to suffer."

4. "Yes. It is an incentive to save. Dangerous not to give State benefit of better management."

A system of pooling State assembling expense, not including the "cost" of the cotton, is open to serious question, not because of the theory upon which it operates but because of the practical results. Because assembling State association expenses are decidedly unequal in many respects, we believe that a system should be devised whereby those having low operating expenses would benefit directly by their economies and efficiencies, and those having high operating expenses should bear the full burden of the excess. It may be argued that expenses depend on volume, and volume depends on the basis which A. C. C. A. gives the State association. We are, however, assuming that A. C. C. A. will grant no special favors to State associations in order to increase their volume, and that the only reason for raising or lowering the basis in any particular State would be a change in the demand conditions in the cotton market or prospects of lower or higher expenses so far as the State association is concerned. If the basis is raised in one State above where it should be, it must necessarily be at the expense of other associations.

We are of the opinion that the State associations cannot be properly impressed with the necessity of keeping operating expenses low unless they get the direct benefit of savings, and are, on the other hand, charged with the amount of the expenses above the budget.

Due to the fact that the A. C. C. A. has operated at a loss for two successive seasons and has paid a cash patronage dividend only 1 year in the past 6, it is believed that the officials of that association should analyze every operation, every department, and the duties of every employee in order to cut expenses to the minimum.

In some ways A. C. C. A. has been handicapped because of the handling of Government cotton. It is true that the incomes from these sources have meant a great deal to the cotton cooperatives; on the other hand, the great volume of business brought on by the handling of Government business necessitated the building up of a large administrative and operating staff which it is difficult to adjust to a strictly cooperative operation.

Another large item of expense both in time and money is the political and public relations activities of A. C. C. A. It is true that some expenditures along this line are necessary because of existing conditions. If the existence of the organization is threatened, a defense is necessary in order to maintain the organization intact. On the other hand, the attacked association should analyze its operations from the grower to the mill with a cooperative yardstick to see whether adjustments cannot be made to prevent further attack and to bring the operation around to the point where it will unquestionably be a cooperative organization by farmers, operated for their mutual benefit. A cutting down of amount of political activity will release the time of officials for their regular duties and obviate the excessive travel and other expense which has been incurred in the past.

Furthermore, the cotton cooperatives are not financially able to fight the agricultural battles of the South single-handed.

"PROFITS" ON COTTON

Sixty-six percent or two-thirds of the board members interviewed did not believe that profits and losses on cotton should be pooled among all State associations. In other words, they believed that each association should stand on its own with regard to profits and losses. Twenty-five percent indicated that profits and losses on cotton should be pooled. One director answered "yes" and "no" and five directors did not attempt to answer the question. In the supplementary remarks which these men made they indicated rather clearly that each association should stand on its own and be willing to stand the losses and take the profits. We are in agreement with this opinion.

We believe, furthermore, that complete records should be maintained as to the cost of cotton delivered to each State or regional association as well as the price for which this cotton is ultimately sold, and that A. C. C. A. should furnish each association with a copy of this record. To our knowledge, this has not been done in the past except where a State association is rather closely in touch with its sales program, as is the case in Georgia. The success or failure of the operations of each State association cannot be determined otherwise. Some changes in accounting procedure may be necessary, but we believe that the State associations are justified in requesting that the cotton of each association be kept separately so far as profits and losses are concerned.

WOMAN'S ADMINISTRATIVE WORK RECOGNIZED—ADDRESS BY SENATOR GUFFEY

Mrs. CARAWAY. Mr. President, yesterday afternoon at 4 o'clock the junior Senator from Pennsylvania [Mr. GUFFEY] delivered a radio broadcast which I think is of very great interest, and I should like to have it published in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The magnificent work being done by the women of America in the great task of restoration and rebuilding now going forward under the wise supervision of President Roosevelt is one of the outstanding features of public life today.

The position of women in public affairs now is accepted. The fierce controversy over equal suffrage which waxed intense and bitter less than 20 years ago is all but forgotten today. Exaggeration and hysteria played a prominent part in the suffrage discussion, and, as we look back, it seems amusing to recall the predictions of disaster made by the opponents who recoiled with horror from the very idea of giving American women the right to cast a ballot in a free election.

All that nonsense about destroying the fundamentals of American Government was relegated to the past just as soon as the nineteenth amendment became operative when Tennessee became the thirty-sixth ratifying State in 1920 and woman suffrage became a fact.

The feminine part of our constituency took its new duties in deadly earnestness, and from the start it became apparent that the granting of the vote to women was going to have a wholesome influence upon public life and upon the course of public events.

Although women were accorded the privilege of the franchise many years ago, it may be said with honesty that they played only an indirect part in national affairs before the advent of the present administration. President Woodrow Wilson, during the brief period between the adoption of the nineteenth amendment and the end of his administration, began to set the custom for recognition of women in public affairs and in important official posts. This Wilson recognition was followed more or less grudgingly during the Republican administrations, and it may be significantly noted that few women were given positions of trust and responsibility under the Harding, Coolidge, and Hoover administrations.

Under President Roosevelt, women have come of age politically in the United States. Our Democratic President has appointed women to the highest official positions because he has found them capable, efficient, loyal, and competent. Women no longer are regarded as a class or group to be pampered in election year and then forgotten until another election year rolls around. Their recognition is permanent.

One of the results of the attitude of President Roosevelt toward women has been to make the liberal-minded women in America recognize that the President not only talks equal opportunity, but makes it a realization as well. Every women wishing to end sweatshop labor, to abolish child labor, to give men and women decent living wages and adequate housing in wholesome surroundings, naturally will ally herself with the President's ambitions.

The women followers of President Roosevelt are those who work to ameliorate the conditions of the less fortunate in life, who believe in progressive and humanitarian legislation, and who feel that the Constitution is broad enough to encompass the changing needs and demands of the present day for welfare legislation. It can be truthfully said that there is hardly a department of the Government which has not been quickened and improved under the Roosevelt administration by the excellent women whom the President has appointed to fill important posts—posts which have not been filled by women in previous administrations.

In selecting those whom he wanted to assist him in his great humanitarian work, President Roosevelt thought first and only of the individual's fitness for a particular job or post. Under such a system, it was inevitable that a large number of women should be chosen for responsible positions and that they should occupy official places undreamed of a decade ago.

The President has a habit of practicing democracy as well as preaching it. Today, every woman in the land can feel proud of

the magnificent records made by women in executive and administrative positions under the Roosevelt administration. No longer is heard that old canard that women are unfitted for the exacting duties of public life. Those holding high positions in the present administration are distinguished by their tact, ability, and efficiency.

Paraphrasing the plank which certain women's organizations are advocating, it may be said that the Nation now recognizes that woman is an effective unit in American life, and that any policy which prevents her full contribution to society is to be deplored.

Miss Frances Perkins, the first woman ever to serve as a full-fledged Cabinet member, has made an enviable record as Secretary of Labor. It is significant that under Miss Perkins, industrial disturbances have been notably few in one of the most trying periods in the Nation's history.

In the field of diplomacy, the record made by Mrs. Ruth Bryan Owen speaks for itself. Her pleasing personality and graciousness, and the skill and understanding which she has given to the post of Minister to Denmark, makes it certain that the field of diplomacy may no longer be regarded as the exclusive meeting ground of men.

The ability of women to deal capably with economic affairs of the Nation has been clearly demonstrated by Mrs. Nellie Tayloe Ross, the first woman Director of the Mint. Elected to the Governorship of Wyoming upon the death of her husband, thereby becoming the first woman to serve as a State executive, Mrs. Ross has given years of valuable service to her State and to the Nation.

In the new Social Security Board, in which all women are vitally interested, Miss Jane Hoey has been made director of the board of public assistance, and under her are many other able women assistants throughout the country.

The people themselves have recognized the value of women in public affairs by electing or having appointed Mrs. HATTIE W. CARAWAY, of Arkansas, and Mrs. ROSE MCCONNELL LONG, of Louisiana, both Democrats, to the United States Senate. Each succeeded her deceased husband and has fully demonstrated that woman are competent to deal intelligently with the highest affairs of the Nation.

Six women are making equally distinguished records of service as Members of the House of Representatives, four of them being Democrats.

The women in the Roosevelt administration have done their work so quietly and so well that the Nation has literally forgotten the fact that they are occupying unprecedented positions in Federal affairs. This acceptance of what they have accomplished is the best measure of their success.

It will be recalled that President Wilson set a precedent by naming a woman as a member of the United States Civil Service Commission when he appointed Mrs. Helen H. Gardner.

The Honorable Lucille McMillin now is serving as one of the three Civil Service Commissioners.

For the first time in the history of Civil Service a woman has been appointed district manager, one of the highest posts in the gifts of the Commission. The last semiannual statement of the Civil Service Commission showed 719 women on the rolls of the Commission as compared to 441 men.

In the Commission's office in Washington the position of Assistant Chief of the Clerical Examining Section was recently established, and this position has been given to a young woman who made an extraordinary high rating.

In the professional section of the same division a new position involving the supervising and rating of some of the most important examinations also was filled by a woman.

There are numerous other positions in the Civil Service Commission which recently have been filled by women, such as Chief of the Service Record Section, and Assistant Chief of the Commission's Editing and Recruiting Sections.

Those chosen for these positions are women who have given valuable service to the Commission in the past and who have demonstrated their efficiency and therefore were advanced during the present administration.

For the first time in several years a number of women have been appointed to investigative positions in the Civil Service Commission's Personnel Classification Division.

In the Treasury Department two of the assistants are women—Mrs. Marion Glass Banister and Miss Josephine Roche.

In the Bureau of Narcotics one of the most successful supervisors is Mrs. Elizabeth Bass, who is supervisor of district no. 9, embracing Chicago.

Another woman, the Honorable Isabel O'Neill, of Rhode Island, has been appointed legislative contact official of the Narcotics Commission.

Women hold the position of collector of customs in the following States: Minnesota, Ohio, Iowa, and Utah. Another woman, Mrs. Palmer Jerman, of North Carolina, is the first of her sex to be named assistant collector of internal revenue.

In the Attorney General's Department we find a woman, the Honorable Stella Akin, as a special assistant and with a fine record of achievement.

Mrs. Annette Abbott Adams, appointed by President Wilson, was the first woman to serve in the capacity of Assistant Attorney General.

On the board of appeals of the Veterans' Administration are three women.

In the Government Printing Office Miss Jo Coffin directs the personnel of the world's largest printing establishment.

A number of women have been appointed commissioners of immigration, one of them being located in Seattle, Wash.

The post of Assistant Director of the United States Employment Service is in charge of a woman.

The Chief of the Children's Bureau is a woman.

Mrs. Harriet Root has been appointed Chief of the United States Information Service, and, with an able staff of women assistants, answers thousands of questions regarding all phases of governmental activity that come from every section of the Nation.

Mrs. Jewel W. Swofford, of Missouri, is chairman of the United States Employment Compensation Commission.

Under the Works Progress Administration, equality of women became a fact. Throughout the country equal pay for equal work has been given to half a million women working on W. P. A. projects. Goods projects, educational projects, clerical projects, research projects, are all being most ably directed by women.

Mrs. Ellen S. Woodward, of Mississippi, has the important job of directing all the women's Works Progress Administration work, and she is conversant with every phase of the work in each of the 8 regions and with every phase of the work in the 48 States. Her subordinates all are women. Any person visiting the women's Works Progress Administration display at the Mayflower Hotel in Washington recently would never dare to go before the country and say a magnificent job is not being done for the unemployed women.

Under the present administration, the important position of private secretary to the Secretary of State was filled by the appointment of Miss Will Harris, who has had long secretarial experience under Secretary of State Cordell Hull since he was a Member of Congress.

In the Post Office Department more women have been appointed to important postmasterships than in any other administration. Among the first-class offices in which women serve as postmasters are those of Portland, Maine, and Oakland, Calif.

Up to September 1935 a total of 1,895 women had been appointed postmasters at Presidential offices, and 3,950 women had been appointed as postmasters in offices of the fourth class.

In the Department of the Interior four offices previously filled by men now are being admirably conducted by women. Mrs. Antoinette Funk serves as Assistant Commissioner of the General Land Office; Mrs. Jessie M. Gardner, register of the land office in Denver; Miss Inez Yturri, private secretary to the First Assistant Secretary, and Miss Julie E. Andre, Chief of the Division of Distribution of the Geological Survey.

Dr. Sophie D. Aberle has been made general superintendent of the United States Indian Agency in New Mexico. The agencies in this area formerly were supervised by men.

Under the Public Works Administration three important positions which ordinarily would be filled by men are being held by Mrs. Leona Graham, executive assistant to the Administrator; Miss Elizabeth Rountree, counsel for the legal division of North Carolina, and Miss Louise McCarthy, chief counsel of the legal division of Pennsylvania.

In the Department of Commerce there is a long list of women who have been appointed to positions previously held by men. Among these are the secretary to the Secretary of Commerce, chief clerk of the Bureau of Fisheries, private secretary to the Director of the Bureau of Navigation, and the assistant examiner of trade marks and designs in the Patent Office.

In the Census Bureau the assistant to the Director and three junior administrative assistants are women.

In the Bureau of Foreign and Domestic Commerce the assistant economic analyst and the business assistant both are women.

The director of the division for press intelligence of the Government in Washington is a woman.

Some of the ablest work in the National Recovery Administration while it was in force was done by women who headed the Women's Division—the late Mrs. Mary Harriman Rumsey and Mrs. Emily Newell Blair.

Out in Hawaii a woman, the Honorable Carrick Buck, now sits as judge of the circuit court and is making a splendid reputation on the bench.

Three women now are serving as commissioners of immigration—two in this country and one in Puerto Rico.

The first woman to hold the position as Assistant Commissioner of the General Land Office was named under the present administration.

The second woman to be a register of the General Land Office holds that position in Denver.

In Minnesota a woman has held the post of State director of the National Emergency Council and made a great success.

In South Carolina there is a woman register of the Federal Land Bank of Columbia, who is administering her job in a highly satisfactory manner.

In the Department of Agriculture four women hold high positions. They are Mrs. Mary Connor Myers, attorney on the staff of the Solicitor; Dr. Day Monroe, Chief of the Economics Division of the Bureau of Home Economics; and Miss Helen S. Holbrook, engaged in household-equipment work in the Bureau of Home Economics.

In the Agricultural Adjustment Administration, operated under the Department of Agriculture, there are 20 women holding responsible and well-paid positions.

It is to be recalled that, under the Roosevelt administration, a treaty with all of the South American countries has been ratified, stipulating that there shall be no distinction based on sex as regards nationality in their legislation or in their practice.

I could continue this list almost ad infinitum, but sufficient proof has been given that this administration fully recognized

the right of women to serve their country through public office; and when wider recognition, if possible, is given to women by any political party, I vouch that the recognition will be given by the Democratic Party.

There is one fact in connection with the presence of women in the Federal Government which should be emphasized. This is the humanizing influence they have had in helping to shape the policies of this country in the midst of the troubles and trials and difficulties which have beset the American people during the last few years.

The outstanding characteristic of the Roosevelt administration is its human approach to the problems of government. From the day he assumed office, President Roosevelt has reiterated time and again his intention to place human rights and human needs above all other considerations. He has kept his promise. In considering this fact it is impressive to note the loyal manner in which the women executives of the Government have stood by and the way they have cooperated wholeheartedly in carrying out that policy.

Every fair-minded citizen should be willing to concede that the humanizing influence of women in Federal affairs has been a fine thing for the country, especially when considering the harmful results that might have followed the adoption of harsh policies toward the unemployed or toward the laboring and farm population.

Those who were most active in behalf of the adoption of the nineteenth amendment to give women suffrage now can point with pride to the fact that women have taken their rightful place in public life and have clearly demonstrated that they are capable of bearing the burden they so gladly assumed.

No tribute to woman would be complete without taking recognition of the great charm, fine intelligence, and deep loyalty to the interests of the country of the helpmate of our great President. Mrs. Franklin Delano Roosevelt holds no official position other than wife of the President, but she is held in the highest esteem by the Nation at large.

President Roosevelt, as leader of his party, has shown his faith in the ability of women to hold public office.

It is to be hoped that the Democratic Governors of the 37 States will follow the example of the President and appoint more women to high offices of public trust and responsibility. It will be a better day for America when women have as large a part in shaping the policies between nations as they now are beginning to have in shaping the domestic policies of the Nation. When this comes about, the result will be beneficial to the whole world in the struggle for justice and equality to all.

"When greater perils men environ,
Then women show a front of iron;
And, gentle in their manner, they
Do bold things in a quiet way."

—*Thomas Dunn English.*

ADDRESS BY SENATOR BARBOUR AT WOMAN'S NATIONAL REPUBLICAN CLUB, NEW YORK

Mr. AUSTIN. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD the speech delivered by the senior Senator from New Jersey [Mr. BARBOUR] on May 25 at the Women's National Republican Club in New York City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Once again the Supreme Court cautions the New Deal to stop its reckless driving. Once again the present administration stands convicted of "hit and run" tactics in government, and the victim in this, as in former cases, is the American principle of orderly governmental progress.

The New Deal has been impatient of any delay as it has roared toward the goal of any particular moment. Constitutional red lights have meant nothing to it. Wide open, it has rocketed down the highways, leaving in its wake the mangled remains of governmental and political integrity.

It is not hard to reach your destination quickly if you disobey the rules and if you give no thought to the rights and privileges of your fellow travelers. If the United States stands for one principle above all others, it is for progress within the law; for playing the game according to the rules. That is why, up to now, we have never been troubled with dictators, whose policy is always to take the law into their own hands whenever it stands in the way of the whim of the moment.

Most of the agencies by which the New Deal has sought to create utopia overnight now have a place only among the archives. They extinguished themselves either by reason of their unconstitutionality or their inherent weakness.

The twin pillars of the New Deal structure were N. R. A. and A. A. A. N. R. A. was to take industry out of the trenches by Christmas 1933. It failed of its purpose. A. A. A. was erected to remedy certain alleged architectural mistakes of the Creator. It proved to be no remedy at all when drought appeared. Both of these agencies were very rickety when the Supreme Court banished them as unconstitutional.

These two instrumentalities were aimed more at reform than recovery. They were to replace traditional methods of industry and agriculture with a new concept. An agency also aimed at reform is the Resettlement Administration, which was expected to change the face of America. Lands now under production were to be turned into parks and areas now barren were to be converted into farm lands. Likewise, under the magic wand of R. A., communities would spring up overnight and people were to be taken from where they lived and placed where the Government thought they ought to live.

R. A. was established by Executive order without any congressional direction. So many rumors of inefficiency and waste in R. A. came to me that I introduced a Senate resolution to secure an accounting of its stewardship. After preliminary New Deal opposition I secured the passage of this resolution and Administrator Tugwell furnished a report in pursuance thereto.

R. A. has suffered a set-back in a court inferior only to the Supreme Court. Simultaneously its funds are running out, even though not one of its projects has been completed. There is a good deal of evidence that it will be allowed to die a natural death.

In relief activities the New Deal frog has jumped from one lilypad to another. It has leaped from R. F. C. to C. W. A., to P. W. A., to F. E. R. A., and finally to W. P. A., with one or two side excursions to little pads too feeble to bear its weight long.

Thus, the present administration has abandoned one after another of its utopian schemes.

The New Deal structure is crumbling from within. All the battering rams of its opponents can hardly be more effective than the erosion taking place within its own walls.

Moreover, nothing new is being offered to supplant that which has disappeared. All its missiles sent up against the enemy, depression, have been proved "duds", and the New Deal is now reduced to mouthing pretty phrases over the air. The present administration has tried and failed to reshape this country by a mass production of laws, orders, and decrees, in disregard of our fundamental American principles. All that this has shown is that the checks and balances which our forefathers so carefully wove into our American pattern of government have stood the test in the hours of darkness and despair, when men are apt to lose their reason and do wild and incalculable things.

I look upon our Constitution as the absolute declaration of our governmental powers and limitations. I do not think, however, that any Republican who is active and thoughtful believes that it should not be amended as provided for in the Constitution itself, if and when the people wish it amended. Republicans are just as aware as are New Dealers that changing times may require changing methods and viewpoints. Certainly the country's experience with the eighteenth amendment bears witness to this. It proves this contention.

While Republicans do not believe that the Constitution is so accordion-pleated that its original form must necessarily encompass all future contingencies, they certainly do not believe that the public interest is served by openly flouting it at any time as the New Dealers have been doing.

Republicans believe in orderly progress. They believe, as I am sure all the members of the Supreme Court do, that if the Constitution needs amendment it should be amended. But never should it be circumvented, disobeyed, or violated.

Certainly, by the same token, we can never afford to so disarm this guardian of our liberties, as to jeopardize our essential American form of government or to permit the intrusion of nostrums and panaceas which have been at the core of most New Deal legislation. If and when the need is shown, in order to preserve and advance the gains we have made under our American form of government, let us not fear at any time to suggest the amending of the Constitution, openly, forthrightly, and without delay.

Our country has its choice of three directions in which it may move. There are only three, names and disguises to the contrary.

We could centralize all governmental activities and so proceed through inevitable regulation and ultimate absorption of all private enterprise, all personal initiative, to a dictatorship which would command every last one of us how to live, how to work, when to play, and whom to worship.

We could choose a leveling process through the insistence of uniformity—not equality—whereby all people would be reduced to the status of a herd—all buck privates, no officers. Under such a system, the weakest link governs the chain—the slowest makes the pace—the stupidest sets the standards. With all attempts at individual initiative and genius and thrift squelched, such a collective society runs along in a sort of second gear, then in slow, and finally, in reverse. This is theoretical communism, the type of government which Russia tried to be and, failing, became a dictatorship.

Or else we can continue with our admittedly complicated but only apparently cumbersome Government, with its multitudes of checks and balances, placed there for a definite purpose. It has proved, when allowed to function, to be the world's finest example of true democracy. In the company of nations we can well afford to hold our heads high. Our form of government is as nearly perfect as government can be. But we must not cheat. We must stick to the rules.

Which should we pursue? Americans are unused to being browbeaten into accepting without question someone else's dogmatic directions. But do they know they are being browbeaten today? They will, I am sure, once aroused to the truth, reject any suspicion of dictatorship.

Neither do Americans have the herd instinct, though at times it seems they fail to notice that the piper is in reality trying to lead them into a corral. Fundamentally, anyway, they are pioneers—individuals—banding only for common defense and common uplift. Any attempt to level and lump them and treat them like guinea pigs in a laboratory will never find favor in

their eyes, unless they are individuals no longer, and that indeed cannot be so.

There is left, therefore, as I see it, only our truly American form of government. The American has individual liberty, or at least he always did have it heretofore. He pays for that liberty by his individual responsibility, by the necessity of making his way in some degree alone in the world, forging ahead on his own initiative, competing every inch of the way. He cannot keep his liberty, however, unless he is willing to assume his responsibilities and face his own troubles and try to overcome them himself. I feel that true Americans are perfectly willing to undertake this way of living, because without it their individual freedom would disappear. As soon as a man gives up and says, "I shall be content with a mediocre existence regulated for me in Washington, provided I am kept safe and secure for the time being by my Government. He delivers himself into the hands of his masters. He becomes, in a true sense, a slave. He has always been a free man in America and willing to pay the price of his freedom. Is he no longer willing to do so? I say he is.

The coming campaign is surcharged with elements potentially revolutionary, both to the country and to the Republican Party and to the party system itself. Our accepted American form of government is being more seriously questioned than ever before, more seriously threatened than we realize. The Constitution is no longer a sacred bulwark against the waves of opportunism, or the impractical inexperienced politician, or the social and economic theories of individuals who happen to be in power at any particular moment. The two-party system is threatened with destruction. The Republican Party faces its severest test in its history—its greatest responsibility—its greatest chance.

Remember, however, all forward movements have been liberating movements. They alone increased the freedom of individuals. They have been in the truest sense of the word "liberal." Now, today, I fear, liberalism is being confused with radicalism, fascism, socialism, communism, and many other "isms" which actually curb the freedom of the individual and are not "liberal."

Liberalism, too, is a relative term. It relates principally to the time and to the then-current conditions. The Magna Carta was a liberal document in the time of King John. It guaranteed the freedom of the individual. It climaxed many centuries of public suffering and royal tyranny.

Our own great Constitution is a liberal, liberalizing document. It further increased the scope of personal freedom for a portion of that people who had been liberated by the Magna Carta; and the Constitution and the Bill of Rights did not come into being as the stratagem of a political campaign. It, too, was the result of years of suffering and oppression.

The New Deal has somehow sold a portion of our population the idea that it is a liberal philosophy. It is not that at all. It is hard to say quite what it is, but its principal manifestation is a sugar-coated, but really selfish, centralization of the control of all Federal powers in the hands of the Executive and administered through his bureaus, his commissions, and his patronage, and his politicians. This is distinctly antiliberal.

The moment that any people thus allow the control of their local affairs, their private affairs, to be taken from their hands and placed in those of someone hundreds of miles away, at some seat of almost sovereign power, that moment they surrender a portion of their hard-won freedom.

In justification of such concentration of all power in Washington the New Deal offers the excuse of the emergency and the depression. That is neither true nor courageous. The New Deal really is proceeding quite obviously, it seems to me, toward a studied restriction of individual freedom and is using emergency and expediency as a springboard, striving to change the institutions of government itself under cover of temporary necessity.

There are two counts, among many others, upon which we may particularly indict the New Deal. They are taxes and relief.

Taxes are as necessary as medicine and as bitter to take. They are the citizens' return for the benefits received from the Government. However, taxes are supposed to bear an immediate relationship to the costs of government, and the citizen is supposed to be getting what he is paying for.

The New Deal, however, has made of the taxing power a weapon with which it can smite its particular enemies and arm those in the vanguard of the fight for the moment to achieve a new kind of America. No longer do taxes bear any relation to governmental expenditures. They are to be used punitively by the New Deal for the purpose of "soaking the thrifty", of leveling off the Nation's wealth, and for other disguises, and now boldly to thrust the Government into private enterprise.

We already have instances, under recent banking legislation, where the United States Government in effect sits in at stockholders' or directors' meetings as a preferred-stock holder. In the new tax legislation we find the Government penalizing corporations for accumulating that part of the capital structure known as surpluses. With businesses, particularly small concerns, weakened by their inability to preserve that part of their capital in evil times and to expand it in good, the bulk of the private enterprises in America will from time to time inevitably have to be coming, cup in hand, to the Federal Government for relief. If this administration is in office when that time comes you may be sure that it will offer relief on its own terms. Those terms will be nothing less than an active and constant partnership of individual enterprise and the Federal bureaus and commissions. And I leave it to you to guess who will finally control the whole situation.

Whoever tries calmly and logically to discuss the relief question must trudge waist deep through a swamp of maudlin sentimentality. It is really unnecessary, of course, to have to state that no one wants the unemployed to go hungry or without shelter or medical care. Yet if you so much as hold up an admonishing finger to those conducting the present slipshod spoils system of Federal relief, you are branded as a monster who would see people starve and freeze to death.

The overcentralization of relief in the huge, constantly growing bureaus of the Federal Government has torn up by the roots the old policies of local and individual responsibility for the unemployed and implanted in the public consciousness a belief that Uncle Sam will take care of everyone forever on the occasion of no matter what set-back, and by some wizardry, do it without playing politics.

The American pocketbook will undoubtedly loom up as the biggest factor in the coming national political campaign. No matter what form the New Deal has taken in its kaleidoscopic gyrations, the one continuous effect has been to deplete the contents of that pocketbook. There never has been a more costly administration than the present one. The new dealers need have courage to ask the possessors of these depleted purses for another 4-year chance to make further inroads.

Finally guard yourself against propaganda—it will be legion. It will be as never before witnessed in the history of the United States.

ADDRESS BY SENATOR DAVIS BEFORE VERHOVAY FRATERNAL INSURANCE SOCIETY

Mr. DAVIS. Mr. President, it was my privilege and pleasure to address the golden jubilee dinner of the Verhovay Fraternal Insurance Society at Pittsburgh last night. Like everything else in America, this organization had a small beginning. It was originally organized in Hazleton, Luzerne County, Pa., 50 years ago by a few Hungarian miners who came to the United States to work in the mines, and lived in a lowly boarding house of the time. By thrift, industry, and intelligence the society has grown to be, numerically and financially, one of the strongest institutions organized in the United States by citizens of foreign birth. The Hungarians are great believers in the American Republic and its representative government. They are good, faithful, loyal American citizens, as are also their sons and daughters, many of whom have attained honor and distinction in the business, professional, and scientific fields of our country.

They are intensely interested in America and have great hopes that the future will bring justice to the Hungarian people and their land, for which they retain an affection. These folk are genuine Americans, loyal to the flag, and the great institutions it represents.

The speech, Mr. President, was delivered before a large and distinguished gathering last night at the Fort Pitt Hotel, Pittsburgh, and I now ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am happy to be here with you at this time. How fortunate all of us are that we are permitted to meet as fraternalists together. Many of us have come from other lands. I am sure that none of us claim to have come over in the Mayflower. It matters not what boat brought any of us here. The thing to remember is that we are now all aboard the great ship of freedom which we call America.

We came here to improve our conditions. When we came we brought with us knowledge of skills and technical aptitudes which have helped to make this country strong. There was much in the lands which we left for which we have true and natural affection. But we came here because of the opportunities of the average man in American farms, mills, mines, and factories. At the time we came there was a great demand for workers, and American agents had been sent abroad to recruit labor for American agriculture and industry. Immigrants poured in by the millions. They added color and strength to American life. Now the need for labor has been replaced by the need for employment. Therefore, it has been necessary to change the immigration policy of this country so that the millions of unemployed now within our borders may have the right to work.

The United States has ever been regarded as a refuge for the persecuted of other lands, and we have sheltered thousands of men and women who found Old World customs oppressive to them. Fraternal societies are not permitted in many parts of the world. How fortunate we are that we may enjoy freedom of speech and the guiding of individual conscience in this great land of our adoption. While we have a policy of restricted immigration, I trust that those who come under this policy will be the noble men and women whose ideals of democracy, constitutional government, and productive genius naturally draw them to this land. Under the limitations of immigration now in effect, we may expect that those who come to us will bring with them those things necessary to help give employment to the unemployed.

I remember when my mother landed with her six children at Castle Garden. Following her usual custom, she walked down the middle of the street when she came to lower Broadway. Looking up at the great buildings, she said, "I am sure that this is the place for my children." And what a great place it has been. Our folks hitched their wagon to a star, and that star was America—the land of endless opportunity. The American heritage of freedom which was transferred to us we desire to pass on to generations yet unborn.

America has always been a nation of volunteers. From first to last our great heroes and those who have made the Nation prosperous have been volunteers. Columbus, Washington, Franklin, Jefferson, Jackson, and Lincoln were all volunteers. Those who organized this Government and those who have defended it were volunteers. The great organizations within this country—the churches, fraternal societies, educational institutions, insurance companies, business firms—all have been free and voluntary. Freedom has been the watchword of our country and local liberty a dominant characteristic. This voluntary spirit has been the basis of our prosperity and success. Without it we have no assurance that our Nation can endure.

The representative principle is the very heart of American democracy. The only way it can endure is for citizens to have some personal knowledge of the people chosen to represent them. Centralization in government carries with it extreme dangers and, if ever justified, is useful only for a limited period of time during the stress of an emergency. Our present problems are now long-term considerations, which can be settled only as local initiative and strength are directed to the task. Centralization in government at the expense of local sources of strength endangers the very life of our people. We need a revival of the spirit of the American volunteer and the contagious influence of American youth. America and youth are synonymous. Without the spirit of youth America would no longer be America.

When is a man old? When he lives in the past and when he no longer looks to the future. When is a nation old? When it rests upon its past achievements, curtails its production, ceases to expand, and begins to talk about its last will and testament. The great issue before the American people today concerns the spirit of our youth. A strange situation confronts us. We have thousands of men and women, well along in years, still active and energetic in labor and industry, who possess the spirit of eternal youth while we witness the so-called young men in Washington who act as though the American people were oppressed by old age.

Today we need to experience the lasting spirit of hope and enthusiasm which is the youthful heart of our Nation. We are proud of the great achievements of our Nation's past, but great accomplishments lie before us. The challenge of the future calls to us. We are not old, but we are in the prime of our youth. We are advancing from adolescence into our young manhood, but beware the man, young in years, old in spirit, who tells you that America has one foot in the grave and the other on a banana peeling.

We must now decide whether we are to keep the marvelous, active, invincible spirit of American youth whereby we shall command the best things of life for ourselves and our children or, confessing failure, retreat down the road of national senility and old age. There is no standing still. We shall move up to a higher level of achievement or we shall retrograde. We are either the victims of our environment or the masters of our high destinies. The decision rests with the American people. We are learning that there is an immortal principle of health and success in us which if we will but utilize can be applied to heal our wounds and furnish a balm for the hurts of mankind. The outworn philosophy of materialism still rises up to oppress us. Only a return to the principle of spiritual power can bring prosperity to this Nation.

But now we have poverty amid abundance and an economic philosophy of scarcity which is a national disgrace. This is the tragedy of the present hour. We have been pouring out Government money by the billions on work projects of questionable and only temporary value, while we have denied our people the right to work at substantial tasks which will prove a boon to future generations. Our people are set to the task of harnessing the moon by controlling the ocean tides at Passamaquoddy—"moondoggling"—while permanent measures for flood control are tied up in legislative red tape so as to defeat them.

Although in some districts the prevailing scale of wages is paid for work relief, the Works Progress Administration has set a new low in American wages. Labor in this country has persistently championed a program of higher wages. Now, with the endorsement of the National Government upon it, the wage scale is set up which penalizes skilled labor and enables unscrupulous employers to beat down the wage scales of private industry. Nothing can be more certain than that a Government scale of low wages will set a standard for low wages everywhere, and when the wages are low the purchasing power of the Nation declines and industry suffers. At the present time, with commodity prices going up steadily, the income of the worker greatly curtailed, and with one-fifth of the workers reported idle, we are facing economic old age and national suicide. This is a disgrace to the American spirit of youth and will not be tolerated while the red blood runs in our veins.

The idea of overproduction is a cruel myth. We do not have too much of bread, milk, meat, shoes, or any other of the common necessities of life. The average man does not have enough. An ordinary family should have 3 quarts of milk a day. Most families are fortunate if they get a quart and many cannot have even a pint unless it is given to them. And yet, under a policy of curtailed production, milk is dumped in the creeks. Our real problem is that of consumption based on the lack of purchasing power.

The forward steps of industry must come out of the increased purchasing power of the workers. It has never come any other way. The wage scales in this country will determine whether we are to keep the American spirit of youth. Real wages—the purchasing power of labor in terms of goods—more than doubled between 1900 and 1932. Higher wages have been made possible by greater production. Wage and salary earners received 67 percent of the national income of 1934. However, a 75-percent increase in the 1929 level of production and consumption will be necessary to provide reasonable standards of living for every family in the United States. There is still plenty for both men and machines to do.

If we pay out our money in taxes, there will inevitably be less to pay in wages. Money paid in taxes goes to the nonproductive enterprises of the Government. Money paid in wages goes into the productive enterprises of industry. Are we going to choose the road of more taxes and more government or higher wages and expanding industry? American youth must answer this problem.

Those who have come from other countries realize better than anyone else the glorious possibilities of the American way of life. They understand the loss of privilege which comes under the regimentation of a dominant bureaucracy operating an all-powerful State.

Those who urge these plans for our country justify their position by reference to other lands. They make the mistake of assuming that the conditions of life in the United States are similar to conditions in those countries. Nothing could be further from the truth. The millions of oppressed throughout the world, seeking liberty, have come here because America is different, because America is a land of youth and endless opportunity. Take away this freedom of opportunity and you take away America.

Consider the circumstances of our American life. Economically we have potential abundance; geographically we have 48 States and outlying possessions; much larger and more highly differentiated than all of Europe; politically we have a well-accepted and successful multiple-party system; religiously we stand for a free church in a free state; and educationally we have developed the greatest educational system in the world on the basis of local-control boards. Now, there come those who have closed their eyes to all this and they urge us to abandon it in favor of Old World ideals of life which flourish through dictatorship; suppression of freedom of speech, press, and assembly; standardized national systems of education; and military discipline of civilian populations. No one understands the futility of such a program for America better than those who have voluntarily chosen this as the beloved land of their adoption.

Let us see what a planned economy for the United States would mean. In the first place, it would demand a complete centralization in Washington. The plans would be made at the top by Government experts who would blue print the activities of 126,000,000 people formerly accustomed to American liberty. We know that 126,000,000 people can maintain an effective government, but certainly no government, without resorting to regimentation, can actuate and guide 126,000,000 people. Under regimentation the policy of plowing under the cotton, killing the pigs, cutting down the wheat acreage would be applied on a national scale to the making of automobiles, shoes, hats, clothing, canned goods, and other manufactured necessities. Governmental sanction from Washington experts would be necessary before any important step in business could be undertaken and specialists in business administration from the great universities of the country would read out of Government textbooks the programs which businessmen and workers are to follow.

A planned economy means regimentation because there is no use in having a national plan unless you execute it, and the only way to enforce it is to regiment society. American citizens of foreign extraction need to be told nothing about this because they left the regimentation of other lands in order that they might enjoy the freedom of this land. They know how it is done.

The primary institution of society is the home, and there it is that regimentation in an all powerful State must have its way or fail. The father is regimented economically in his business. The mother is regimented in her social status and domestic duties. The children are brought up to join junior clubs of national societies, and all are required to meet accepted formulas of thought and action. Independence is not tolerated. The duty of everyone is to conform to the plan produced by those at the top of the social pyramid.

Those who would change the American Government look to the 5,000,000 unemployed young men and women in this country who during the last 3 years have grown to working age, only to be refused their right to work. These young people are rightly disgusted at their enforced inactivity. Many of them stand ready to follow anyone who will promise them something which seems better than they now have. They are restless and crave action. These young people need our most sympathetic and careful consideration. Only two out of five young persons from 18 to 25 years of age in our country are economically productive. The major part of this group, or 60 percent, are either unemployed or within the home.

Political adventurers make their appeal to our unemployed youth and make golden promises which point to a pot of gold at the foot of some far distant rainbow. These pretty promises appear attractive to theoretical and immature minds which lack the human experience necessary to understand what the ultimate

effects of these impractical policies would be. But I would ask the youth of America to retain its youth. If our young people are really young and robust in spirit, they will not be satisfied to listen to idle promises of a far-away Utopia. They will demand the right to work and the benefits of American liberty. I ask every young person to whom my words shall come to hold fast to the American way of life, which is the only guarantee which they have of obtaining those things which they have a right to expect.

Inexperienced men, with the self-placed halo of "social pioneers" upon their heads, have used the money of other people to experiment with the National Government. These "social pioneers" have increased the public debt by ten thousand million dollars, tripled our taxes, violated the Constitution, kept millions from private employment, debauched the civil service, used the administration of relief for partisan political purposes, and have attempted to regiment a free people. Let us be governed by the wisdom of Alexander Hamilton, who said: "The accumulation of all powers—legislative, executive, and judiciary—in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elected, may justly be pronounced the very definition of tyranny."

A charter of liberty, such as the Constitution of the United States, is especially precious to minority groups. Majorities find their strength in their own numbers; minorities require protection. Liberty for oppressed minorities, equal right under law, and religious liberty have been preserved in this country under the Constitution. At a time when fundamental decisions regarding the American way of life and the Constitution of the United States are being made, we may be quite certain that minority groups will stand firm on the only guaranty which they have for their continued existence. The Amercan spirit of youth for them means the right to continue on and to live. Naturally they will lead the way in the present demand for the preservation of our American institutions, whereby their economic, religious, and political security is guaranteed them in the one great land where democracy endures.

Here we are in this country, but 6 percent of the world's population, possessed of more purchasing power than all Europe combined. We have created and now own more than half of the world's wealth. Sixty percent of the world's minerals are extracted in America. Half the communication facilities and nearly half the railways and electrical energy have been developed and are in use here. Seventy-five percent of the world's automobile output comes from our Nation. We consume half of the world's coffee, half of its tin, half of its rubber, one-fourth of its sugar, three-fourths of its silk, one-third of its coal, and two-thirds of its crude petroleum.

We spend more than $3,000,000,000 annually on education which is more than the education bill of all the other nations of the world combined. Sixty-five million life-insurance policies are in effect here. More than half of the farms and urban homes of this country are free of debt. We lead the world in the manufacture and use of cosmetics and beauty aids. No other country has such a large investment in fraternal and public-welfare societies. This is but a brief statement of the vigorous condition of our great Nation. We need to think of it in order that we may throw off the depression complex which has held us down. We need to realize that greater achievements now beckon to us in the future. Seven years of depression have made us hungry for many things which we actually need and has aroused the desire for many other things which we really want. We now need 400,000 new homes to be built every year for the next 10 years in order to bring our national dwelling house standard up to normal, the installation of air-conditioning equipment throughout the Nation in homes and industry, low-priced airplanes for private use, $20,000,000,000 worth of machinery to reequip and modernize our industrial plants, and electric light and power for rural America. Vast quantities of furniture, carpets, radios, and other household equipment are now in demand to maintain the American standard of home life. There are a multitude of things not actually necessary, but none the less desirable, which we would like to have if we could get them—new products, new facilities, new conveniences, and the hundreds of things which we have called luxuries but which the American way of life has seemed to make necessary to progress. Industrial laboratories have given us the radio, the telephone, the airplane, the electric light, the automobile, and the other marvels of our twentieth-century civilization. These laboratories will soon become active again and from them will emerge wonders which will make the machines of today seem as antiquated as the horse and buggy of yesterday. America is young; America is growing; America is as powerful as the matchless spirit of youth which now stirs within her demanding creative and constructive action.

If there is one thing more than another which youth abhors, it is the tattletale. Among young people the sneak who prys into private affairs which are none of his business and then tries to appear important by telling what he had no right to know is put on a par with a sissy. Spying in Government and industry is obnoxious to the spirit of American youth; it is a violation of the American traditions of liberty of speech and privacy of the home which were written into the fourth amendment of our Constitution at a time when the Nation was young. Youth will not tolerate spies and sneaks in industry or government.

I believe that young people of school years have the right to education commensurate with their individual ability. When I was Secretary of Labor I advocated the child-labor amendment because youth should not be deprived of school advantages in its tender years. Young people of working age should not be forced to go to school when they want to go to work any more than young people of school age should be forced to go to work when they want to go to school. I cannot believe that American youth will be contented with a promise of an extension of schoolroom activities when the challenge of the busy world calls to them. Youth has always wanted a greater adventure than a battle with books, valuable as they are. Education can be obtained in workshops as well as in colleges. Often the privileges of school can best be assimilated after a period of practical experience in business. Do not think that you can substitute 4 more years of a schoolroom for a chance to learn in the school of experience at wages. Youth has always created jobs, and youth will create them now.

Youth craves adventure. A generation ago high adventure lured 2,000,000 American boys overseas to fight a European war. Woodrow Wilson, then President of the United States, when he summoned the young men to the carnage of battle said that it would be a war to make the world safe for democracy. Out of that war grew a hatred among the nations of the world such as has never been known before, a peace treaty which held on its pages the promise of an even greater war, a war debt to America which has never been paid but which has fastened the hate of every debtor nation upon us, and a thicket of dictatorships in which the safety of democracy is but something at which to laugh.

The youth of America are intelligent. Ever since the true nature of that war has been revealed to our young people they have joined in a great crusade for peace. They have declared their hatred of war in no uncertain terms; they have affirmed their unwillingness to participate in another European or Asiatic conflict; they have shown that they do not wish to make themselves parties to treaty obligations which would inevitably lead America to war. I credit American youth with this high intelligence. This mountain of war debts, uncanceled and unpaid, will be forever a monument of peace, a fateful memory which shall keep us free from foreign entanglements.

Young America calls to the spirit of liberty which animated the lives of the fathers of our Republic. Youth now requires the same independence which fired the hearts of Washington, Madison, Jefferson, and Franklin. Youth demands economic, political, and religious liberty. Economic liberty for the present generation means the right to work, the right to determine its own financial responsibilities, freedom from tax burdens it does not create, and an opportunity to create new industrial enterprises. Political liberty calls for a return to democratic processes of government, the expression of minority opinions, increased importance of every man's ballot, and release from those who operate in the government without a mandate from the people. Religious liberty asks the right of every man to follow the dictates of his own conscience, toleration of the same right for others, and the use of such opportunities for spiritual development. May the Almighty defend our people from the dominance in government of men who by their words and actions prove true the statement: "A fool hath said in his heart, there is no God." Youth requires liberty. The eyes of all the world are now fixed on America—the one land which, from the very inception of its National Government, was founded on a charter of liberty. Our young men will once again say as did Patrick Henry: "Give me liberty or give me death."

The thinking youth of America will long question the wisdom of bartering away the priceless possessions of our own domestic American market on the counter of reciprocal trade agreements made without the expressed sanctions of the chosen representatives of the American taxpayers. The history of war shows that battleships have always accompanied foreign trade developments. This is no less true of America than of other nations. Let those who desire peace for this country ponder long and well before they ask a continuation of a policy of reciprocal trade agreements which breaks down the American tariff protection and turn our attention to the poverty of foreign markets while the rich fruitage of our own domestic market lies ignored. Youthful men with the spirit of adventure will find "acres of diamonds" in our own backyard.

Meanwhile the propaganda agencies of Old World culture, with its outworn theories of communism and fascism, now made to seem new, direct their activities among the 5,000,000 unemployed of American youth. Again I credit the intelligence of American youth. I judge that there are comparatively few of them who would wish to trade away American liberty for what Professor Tugwell so neatly calls "the industrial discipline" of European regimentation. Communism or fascism have little to offer American youth who have a chance to go to work, and I maintain that we have no right to deny them their inalienable right to work.

When we talk about the right to work, we must consider the question of importing food, clothing, and steel from abroad at a time when American farmers and workers are kept in idleness. Last year over 1,000,000 man hours of labor was denied to American workmen because we imported steel from abroad. That may not seem much of an item to some office clerk in Washington but it represents something intolerable to the factory worker whose children are denied their American birthright of proper food and clothing just as long as this is permitted.

Flood-protection measures of substantial character challenge American youth today. Thinking citizens will not be willing to have gestures of flood relief substituted for flood control. This is a national need. What is done on the headwaters of the upper Ohio in the way of flood control, even though it be nothing more than to hold back 6 feet of water, will bring advantages to those who live on the lower Ohio. The entire Nation will profit and therefore the entire Nation should assume the financial responsibility.

Youth will not unthinkingly accept the increased burden of debt imposed on the Nation as relief burdens are multiplied and the work opportunities of private industry are correspondingly and inevitably decreased because of the appalling tax load.

In Pittsburgh lie buried the master workmen and skilled artisans of other days. Their spirit goes marching on. The challenge of their lives of devotion to the national welfare calls to us today. I rejoice with you that we are permitted to meet in this great industrial city in which they lived and died. Here again in this workshop of the Nation let us renew our allegiance to the ideals of youth and labor to which they gave their all. Here again let us lift up our hearts in praise of this flag which for over 150 years has led the American people to sublime heights of liberty under law. Let us catch anew our vision of the vast possibilities for human welfare wrapped up in the cities, the farms, the mines, and the forests of this beloved State—the keystone of the arch of our Republic—these United States of America.

REGULATION OF MONETARY VALUES—ADDRESS BY FRED H. SEXAUER

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by Fred H. Sexauer, president of the Dairymen's League Cooperative Association. This address is really an appeal to the Congress to discharge its duty under the Constitution and regulate the value of money.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AGRICULTURE TALKS TO PLATFORM MAKERS AND DELEGATES

Platform architects are busy these days on plans and specifications. Relief and unemployment, monetary policy, taxation, Government spending, and the farm problem are questions discussed wherever politicians meet.

This broadcast is brought to you through the courtesy of the station to which you are listening. The National Cooperative Council expresses its appreciation to your radio station's management. Through its facilities agriculture is enabled to talk directly to National, State, county, and precinct committee men and women, and to delegates to the national conventions. Agriculture addresses all political parties and all candidates alike.

Farm organizations recognize that wage earners, industrial, financial, and commercial concerns, as well as farmers, have problems peculiar to each, which require distinct and separate legislative consideration.

Farm organizations also recognize that there is one major policy which, for better or worse, affects all groups alike. This is the monetary policy of the Federal Government.

After years of intensive study, farm organizations are convinced that permanent prosperity for agriculture must be built upon a secure monetary foundation. They are convinced that on such a foundation, expansion of industry will go far toward solving the unemployment problem, and assuring fair wages to workers. The farm organizations see the necessity of increasing the tax-paying and debt-paying power of all the people to enable them to carry the present stupendous burden of public and private debt. For this there is no solution possible that does not involve monetary policy.

The monetary policy which will be outlined in this brief talk is the policy unanimously adopted by the National Agricultural Conference in Washington last January. The National Agricultural Conference consists of the National Grange, the American Farm Bureau Federation, the National Cooperative Council, and the Farmers' National Grain Corporation. These organizations represent at least 2,500,000 farm families, and their membership extends into every State in the Union.

These farm organizations believe the monetary policy which they advocate will safeguard the people of the United States against a repetition of the disaster of this depression, and against the inflation so many people fear.

How can this be assured? Is it humanly possible?

Organized agriculture believes quite positively that it is possible. Of one thing agriculture is certain, and on this point the proof is incontrovertible. A fixed gold standard—that is, money of unalterable gold content—never has been stable as to purchasing power and never can be. And unless money can be stabilized in purchasing power there can be no stability for agriculture or for industry and no security for labor.

Gold itself is not stable. In normal times nearly one-half of the world's production of gold is used in the industries and not as money. Whether used by dentists or jewelers or governments, gold is affected by the law of supply and demand, just as is every other commodity. If a fixed weight of gold is made the basis of the currency and the measure of value, the purchasing power of the dollar, whether it be a gold dollar, a paper dollar, or a credit dollar, will change as the value of gold changes.

So farm organizations came to the conclusion that money must be managed—that is, its value must be regulated, as required by the Constitution—if the purchasing power of money is to be stabilized in any true sense.

The stabilization we read about in the newspapers means fixation of the weight of the dollar. It does not mean what it pretends to mean. Stabilization by international agreement, in the sense that international finance uses the term, means fixing the gold content of each nation's money and permitting no change without international agreement.

Then if war, international speculation, financial panic, and hoarding of gold by individuals, banks, or nations causes the purchasing power of gold to rise, the price of basic commodities such as farm products will fall in every country adhering to the gold standard.

With the fall of prices comes agricultural and business depression. Then follow unemployment, increased relief expenditures, higher taxes, more business failures, and general lowering of the standard of living.

This is just what American agriculture wishes to avoid. It is what all producers of primary or basic commodities, whether they come from farms, forests, or mines, should wish to avoid.

The experience of England, Sweden, and 20 other nations whose currencies are similarly managed demonstrates the effectiveness of treating gold as a commodity and making no attempt to fix its price by government decree. In these managed-currency countries depression is rapidly vanishing. In most of them national budgets are balanced, business activity and employment are restored to or above the 1929 level. These countries are concerned with the purchasing power of their money, and not with its gold content.

What agriculture demands is a monetary system for the United States as efficient, as modern, as adaptable to present world conditions as are the managed-currency systems of other countries.

Agriculture knows that America must choose. The choice is between a managed currency and a managed economy. Not liking the manager economy of Fascist Italy, Communist Russia, or Nazi Germany, agriculture prefers the managed-currency system which has brought prosperity to the 22 nations that are using it.

Agriculture does not propose that the use of gold should be abandoned. But it does not want the American price level juggled up and down automatically by accidental variations in the world purchasing power of gold.

No one in history has ever been able to stabilize gold. Therefore, American agriculture insists that gold shall be treated as a commodity and that only such amounts of gold be put in the dollar as will make it buy a stable quantity of essential foods and raw materials. This means managing the currency with reference to the purchasing power of the dollar. In this way we can establish and maintain a more adequate and uniform price level of basic commodities. With profitable prices for basic commodities as a foundation, profits for business, employment for labor, and confidence in the future can be restored. Then would follow higher standards of living for everybody.

Agriculture wants this management of the monetary system in the hands of a nonpartisan board, created by and responsible to Congress. This would bring the regulation of the value of the dollar within the Constitution. Agriculture wants this board, or monetary authority (by whatever name called), to be protected by long tenure of office and life pensions.

Then Congress should give that board a mandate to manage the currency so as to keep the purchasing power of the dollar stable. Agriculture recommends that Congress shall require this monetary authority to adjust the value of the dollar so as to restore basic commodity prices to a sound level. This policy would restore business, create employment, eliminate doles and relief, and make again a prosperous Nation.

The purpose of monetary management, in the words of the National Agricultural Conference, is "to establish and maintain the dollar with a constant purchasing power, preserving the equity of contracts between debtor and creditor, and avoiding the dangers and losses that are inevitably involved in excessive and uncontrolled inflation or deflation."

The National Cooperative Council, speaking for itself, but within the limits of monetary policy adopted by the National Agricultural Conference, addresses the delegates of both the Republican and Democratic national conventions. It calls to their attention—

1. That the average price of basic commodities, including the principal farm, forest, and mineral products, rose step by step as the gold content of the dollar was reduced in 1933. This was before the A. A. A. was fully effective.

2. That industrial production, business activity, and employment were tremendously stimulated during the period when basic commodity prices were rising under the influence of monetary policy in 1933. That was before N. R. A. became fully effective. During that time, however, the cost of living rose but little—and that was logical, as the cost of living had fallen but little.

The farm organizations recognize that equality of opportunity for agriculture cannot be restored by monetary adjustment alone. Nevertheless, agriculture recognizes that its economic ills cannot be cured unless its monetary disadvantage is corrected. And let me emphasize just why it is that a fixed gold standard works to agriculture's disadvantage.

With the dollar kept equivalent to a fixed weight of gold, producers of farm and other basic commodities are tied to whatever price level is dictated by the world purchasing power of gold. So, unless farm prices are to fall and rise every time there is a disturbance in some other part of the world, we must keep the dollar free from a fixed attachment to gold. That means a managed currency system. Nothing radical. Only what the 22 sterling countries are doing today.

Agriculture will not be satisfied by vague declarations at Cleveland and Philadelphia in favor of "sound" or "adequate" currency, or an "honest" dollar. It must know what the platform-makers mean by "sound", "adequate", and "honest."

Agriculture is ready to define what it means. Its definition of "sound" money is money which is constant in purchasing and debt paying power, as distinguished from money stable in gold content.

An "honest" dollar does not from time to time lose half of its purchasing power, and again double its purchasing power. Currency is not "adequate"—no matter how much there may be—if it changes in value so often and so violently as to destroy business profits, depress wages, and prevent the normal interchange of goods and services.

Agriculture hopes that every delegate of both national conventions will realize that the monetary problem is a real one, and that it cannot be evaded in 1936. All that agriculture demands is a monetary system that is really sound and honest. It must be managed, in any event. And it must be hereafter managed in the interest of the public—not in the interest of the managers, nor in the interest of agriculture, nor in the interest of any one group, but managed to give stability in buying power. Then, and then only, will the monetary system serve the welfare of all classes alike.

Our monetary system should be so revised as to prevent disastrous deflation and equally disastrous inflation. The monetary system should be taken out of partisan politics. It should be made to serve with equal justice the interests of all groups—agriculture, labor, industry, commerce, and finance.

WE ARE NOT GOING BACK—EDITORIAL FROM PHILADELPHIA RECORD

Mr. MINTON. Mr. President, today's issue of the Philadelphia Record contains an editorial which has for its title the battle cry of the distinguished senior Senator from Idaho [Mr. BORAH], "We are not going back." I ask unanimous consent that the editorial may be inserted in the RECORD.

There being no objection, the editorial was ordered to be inserted in the RECORD, as follows:

[From the Philadelphia Record of May 30, 1936]

WE ARE NOT GOING BACK

Senator BORAH, in a magnificent speech, crystallizes the issue of the Presidential campaign:

"Is America going back?"

He knows, we know, and the people know that America is not going back; that it will not return to the old deal.

As BORAH cries:

"Talk to the farmer, to the independent businessman, to labor, and to the people generally, and they will tell you:

"'We are not satisfied with this or that, but we are not going back.'"

Yet that's where the G. O. P. is headed. And BORAH makes no bones about it. No mistaking the sting of his words:

"An effort is being made to convince the people that to vote for the Republican Party does not mean we are going back. But that depends. If the men who have dominated the party in recent years * * * still continue to control the party, it is a challenge to the common sense of the voters of the country to tell them we are not going back in case we are given power. We will go back. They do not know anywhere else to go.

"Why is this fight being made by Mr. Hilles, Mr. Roraback, Mr. Schorr, and Mr. Brown, and the powerful financial and corporate interests behind them, except for the very purpose of going back? That is their great objective.

"Has anyone a right to assume that they have changed their political views or policies? On the contrary, we know that they have not."

Here is the truth, the naked truth, from one of the greatest men ever to honor the Republican Party with his loyalty.

BORAH rips the mask from all the pretense of liberalism by the old guard, and, without mentioning his name, their "favorite", Governor Landon.

Back?

If Landon isn't headed that way, if his masters are not headed that way, then why did the Kansas Governor evade 4 vital questions out of 10 asked him by Frazier Hunt? The questions and replies were published in the Record yesterday.

Why did Landon refuse to say where he stood on the gold standard, on a managed currency, on monetary matters generally?

He says he hasn't made up his mind.

On the eve of the Republican convention!

Is Landon waiting for Hearst and Mellon to make up his mind for him?

Why did Landon refuse to answer when asked:

"Do you favor an amendment to the Constitution authorizing the Federal Government to deal with economic and social problems, national in scope, or of limiting the courts as to their right to declare laws of Congress unconstitutional?"

Then Landon was asked: "Do you favor modification or suspension of the antitrust laws to enable businessmen to get together: (a) to agree on trade practices, (b) to agree on labor relations, (c) to agree on control of production, (d) to attempt to fix prices?"

Again, like a forgetful witness on the stand, Landon mumbled and said he was undecided on these issues, also.

Finally, the Governor of Kansas was asked whether he favored T. V. A. expansion and "control of utilities through the Holding Company Act."

And once more he hadn't made up his mind.

* * * * * * *

If any new evidence were needed to support BORAH's charges that the vested interests are running the Republican Party, here it is.

If any further evidence were needed that Landon is simply a stooge for those interests, he himself has given it by revealing that he is waiting for someone else to make up his mind on the questions most vital to this Nation.

That's the kind of man the old guard wants for a candidate. They know where they want to go. They want to go back, as BORAH says.

What better candidate for their purposes than Landon, who admits he doesn't know where he wants to go, except to the White House?

THE MERCHANT MARINE—STATEMENT BY H. O. SCHUNDLER

Mr. GIBSON. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement relating to the pending ship-subsidy bill, by Mr. H. O. Schundler, of Madison, N. J., who is an expert on shipping matters.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is pertinent to remark that, in order that American ships may maintain themselves on the high seas and commercially compete with comparable foreign-flag ships in offshore transocean services, certain basic items of excess costs of American ships over foreign ships are involved which operate against American ships and in favor of foreign ships, and these excess costs have to be overcome by United States Government subsidies if the United States Government wants a merchant marine.

In reference to unavoidable or fixed costs, the cash investment or the cost of building a ship in an American shipyard is much higher than building a similar ship in a foreign shipyard. The following figures are merely illustrative and indicate the method of analysis that can be used.

For instance, to make a simple comparison, a 10,000-ton modern freighter or cargo vessel may be built (the costs hereafter used are merely used to illustrate a method) at present in an American shipyard at a cost of about, say, $1,100,000 and in a foreign yard at about, say, $600,000.

After putting such a vessel into the water for commercial operation, there are attached to it certain fixed charges, totaling 15 percent per year, on the building cost of a vessel, which are as follows:

A. Interest on the investment, 5 percent per year.

B. Owners' (hull and total loss) insurance on the cost or replacement value of the vessel, 3 percent per year.

C. Amortization of the investment, allowing for a normal 20-year life of vessel, 5 percent per annum.

D. Modernization upkeep, meaning reserve toward overcoming cost of improvements necessary to keep ship in competitive form, 2 percent per annum.

Accordingly the American vessel with $1,100,000 invested would cost $165,000 per year to carry those fixed charges.

This compares with the foreign vessel's investment of $600,000 requiring that fixed charges per year of $90,000 be carried for the self-same items enumerated above.

Since private capital is not available at present for investment in American transocean tonnage, it is necessary, as a first subsidy, for the Government to contribute the difference in the cost of building the American ship as against the foreign ship so that the American ship will have to carry fixed annual charges no more than the foreign ship.

In the cited comparison, a 10,000-ton American freighter, to carry only $90,000 of fixed charges, must be put on the accounting operating books at a first cost reduced to the foreign building cost, to wit, $600,000.

Therefore, unless the Government establishes parity in building costs by contributing the building-cost excess differential, in this case of $500,000, the American ship costing $1,100,000 to build cannot commercially compete with the foreign ship costing $600,000 to build.

In reference to working costs or physical operating expense: In order to maintain certain higher minimum ship-crew wages and the higher cost of maintaining so-called American standards of living aboard American ships there is an excess of the monthly working cost of an American vessel over the same item on foreign vessels.

To cite again a 10,000-ton freight vessel, the difference in cost of crew is about as follows: This size American vessel will or should cost for officers and crew a wage pay roll of about $3,450 a month. As against this, this same type of vessel under a foreign flag will cost about $2,650 per month; thus, there is a difference of about $800 per month against the American ship.

In addition thereto, the feeding of the American crew on a basis of American standards of living will or should cost about $600 per month, as against the cost of feeding on foreign vessels of about $450 per month, or a difference of about $150 against the American ships.

In addition thereto, the premium for the employer's liability insurance, protecting against injuries of the crew, is based on total pay rolls and therefore amounts on American vessels to a slightly larger premium cost than on foreign vessels. There are also some slight extra costs on account of certain sanitary requirements. These slight extra costs amount to about say $50 per month extra on the cited American-type vessel, as against the same type of foreign vessel.

Furthermore, necessary so-called voyage repairs, if made in American shipyards, and necessary deck and engine supplies and consumable ship stores (other than crew victuals) and replacement parts, if purchased in America, increase the expense of

physical operation (working costs) of an American vessel over a foreign vessel. This differential can be argued about at length. It is my considered opinion that this item costs an American ship of the type herein discussed as an example at least $24,000 per year of active operation more than it costs the same type of foreign ship in active operation.

Therefore, if the actual new construction cost of the American ships are put down on a parity with the first construction cost of foreign ships by the United States Government contributing this difference in cost, then the American ships are on a parity with the foreign ships as far as first investment costs are concerned and as far as pertinent thereto fixed yearly charges are concerned, and American ships then become competitive; provided that an American ship receives in this cited instance (a 10,000-ton freighter) a subsidy of about $36,000 per year; i. e., if the Government contributes about $36,000 annually to cover the excess of physical working costs of this American ship over its competitive foreign ship, so that this American ship is placed on a parity also with its foreign-flag competitor as to the annual working costs of vessels.

In other words, for instance, if this American 1,000-ton ship does cost to the American ship operator the sum of $90,000 in net fixed costs per annum, and then this operator does receive a Government subsidy of $36,000 per year, he then is put on a parity as to working costs, as well as to fixed costs.

From then on, it is up to the ability and efficiency of the American ship operator operating an American ship to get the business as against the foreign ship operator operating a foreign ship.

The American ship operator who has experience is then placed on a parity as to construction cost and the pertinent unavoidable fixed annual costs of a foreign vessel and is placed on a parity as to the physical operating expense or working costs of the foreign vessel.

In other words, the American ship operator who has the proper experience in transocean business then can and should use American ships, because such are then available on a parity basis with foreign ships, and he has no reason for chartering foreign ships and/or owning foreign ships in order to make profits out of the employment of his capital and the application of his energy and his own experience and knowledge in the ocean-transportation business. It must always be remembered that capital, plus energy and experience, has only one object in view, namely, profits.

The following are comments as to operating capital needed by the operator of ships. Foreign shipowners and operators have, at least as far as British, German, Japanese, Italian, Norwegian, Danish, Swedish, Holland, and Belgium operators are concerned, the willful and intelligent cooperation of ship-minded bankers. This is a decided help and advantage that the foreign operator of foreign ships enjoys and which the American ship operator does not enjoy, for the reason that the foreign operator may readily obtain such facilities as cash advances against the ship's current or future earnings, protected by insurance covering so-called anticipated freight revenues, etc., without difficulty, whereas the American operator is practically without such facilities.

A ship operator should have, depending upon his trade route, from $60,000 to $100,000 in cash operating capital available for the opeartion of a 10,000-ton cargo ship used herein as an example. This money provides him, depending upon his route, with a few months of operating- and cargo-tending expenses and gives him the facility to give reasonable accommodations to his shipping clientele so far as concerns collection of freights earned by ship.

The American operator may be said to be, and he must consider that he is, at a disadvantage, due to the fact that the American cost of working capital per ship is higher than the cost of working capital to the foreign operator per similar type of foreign ship.

This sort of invisible item of working-capital costs is often overlooked by ship operators. Most American shipowners and operators are short of operating capital because they do not sufficiently take this point into consideration. It is my opinion that when American operators give more attention to sufficient operating capital that American bankers will become more helpful because then the American ship operator becomes more responsible. However, at present this item of extra cost of American working capital per such American ship per annum is a definite item of excess cost of operating an American vessel by an American operator as against the same cost to a foreign operator of a foreign vessel.

This item should be in some measure considered by the Government, and it may be necessary for the Government to find a way of contributing the extra cost of this item in order to assure the success of competition of the American ship against the same type of foreign ship. It is difficult to set down a method of estimate for this item because it is flexible; it should be the business of a governmental commission or authority to determine this factor in connection with individual ships and their operators.

Another possible extra expense item pertains to the subject of so-called specific trade routes. If an American ship operator is required by a governmental contract to operate between certain American ports and certain foreign ports on a precise, regular sailing-date schedule, irrespective of cargo offerings, such requirement in many cases creates a loss to such operator, due to the fact that his vessels have to operate partly empty in order to comply with sailing schedules. This item of extra expense also requires consideration by a governmental commission or authority to determine this factor in connection with individual trade routes and their operators and the question of other foreign competition on the same individual trade routes.

The following is also pertinent to working costs: The question whether the shore-staff expenses of an American ship operator are greater than those of the foreign ship operator.

In my humble opinion, American freight solicitors are more efficient than their foreign competitors; on the other hand, foreign-flag operators maintain larger shore staffs right here in the United States than our American ship operators do maintain in foreign ports. It is my opinion that the cost of freight solicitation per ton is greater to the foreign ship operator than the cost of freight solicitation per ton to the American ship operator. Basically there are no wage differentials on shore-staff salaries between American and foreign ship shore staffs, whether the shore staff is localized in the United States or in foreign countries. Furthermore, the individual ship operation and the individual ship operator and the individual pertinent trade route and the respective competition on that trade route are factors entering into this question. It is my opinion that in certain trade routes the foreign ship operator operating a foreign ship between the United States and foreign ports is at a disadvantage in reference to the question of shore-staff expenses and that the American operator of American ships has an advantage. In other trade routes the American ship operator is at a disadvantage. A fair consideration of these points should be given pertinently to the individual operation, and, since this item is a flexible one, it should be the subject of ascertainment in each individual case by a duly authorized commission of the Government which may decide whether the Government should contribute or not contribute.

The following are comments as to regulations pertinent to type of construction, inspection service, classification of vessels, licensing of officers, and qualifications of crews, etc.

A duly authorized Government commission can regulate the above subjects which require the application of common sense and the keeping in mind of the fact that our merchant marine is and must be an auxiliary to the United States Navy.

It is my humble opinion that unless the United States of America builds within the next few years modern freight vessels, modern tankers, modern so-called combination passenger and cargo vessels, and passenger liners, the American merchant marine will again become obsolete and noncompetitive and useless to the United States Navy in case of national emergency. By the expression "modern" I mean vessels coordinated in construction and speed and facilities so as to compete and compare favorably with foreign modern vessels and so as to be usable by our Navy in case of national emergency.

It must be understood that any special feature which adds to the normal cost of the construction of American vessels (such as United States Navy requirements of special type and of extra speed and consequent extra fuel and other requirements and, likewise, extra upkeep requirements and a lessened cargo capacity are features of extra cost and extra upkeep) which the United States Government desires must be overcome by direct additional subsidy pertinent to such extra first cost and to such extra additional annual upkeep. These items are in reality a national-defense expense item, separate from and independent of strict commercial considerations. Passenger vessels especially should be built with prime consideration given to military use in national emergency.

It is my humble opinion that the United States requires the construction of some 200 modern ships, which fleet should be composed of modern freighters, fast tankers, modern combination passenger and cargo vessels, and modern passenger liners.

Comments on the economic features involved in a proper long-range coordinated new ship construction program and the necessary funds involved to equalize American cost to a parity with foreign construction costs and working costs, in order to provide and maintain a commercially successful American merchant marine.

1. It seems expedient that the Government should assume the construction cost of these 200 vessels.

2. This fleet of 200 vessels, when placed in commercial operation on the basis above indicated by me, should produce gross income to the Government sufficient to pay to the operators the subsidies in keeping with the formula stated and leave over an annual net income. In addition to this income, the Government should have an income from taxes paid by ship operators on their profits. In addition, the Government should have an income from taxes paid by shipbuilders who constructed these vessels. From a national economic point of view these Government incomes produced by ships should be invested in additional new vessels. In other words, the income produced by these vessels could act as a revolving fund to finance the construction of additional new vessels. In this manner the average age of the merchant fleet will be kept low and the successful commercial competitive potency of such fleet will be maintained.

The method suggested by the example of the freighter cited above can be applied to these other types of vessels. It must, however, be considered that in certain passenger-line routes the commercial aspect of passenger vessels has been lost sight of entirely; as a matter of fact, many foreign modern passenger vessels now in operation, and some that may be put in operation in the future, can be considered only as disguised extra fast naval auxiliaries of the troop-ship type, or of airplane-carrier type, or of commerce-raider type.

For this reason the formula developed above as to freighters may get into a position whereby the necessary Government subsidy toward overcoming excess working costs of an American passenger

liner as against a foreign passenger liner may exceed the payment that the American operator of such American passenger vessel is required to make to the Government.

A passenger is usually not interested in who is the operator of a passenger ship, whether it is owned and operated by a government or by a private firm. The passenger is activated by his own past experience or hearsay from others or he is intrigued by advertisement, but basically the passenger is influenced by the so-called reputation of a line which operates the passenger vessel to give him good service and the price charged.

However, due to the freight shippers' psychology, the average freight shipper does not wish to do business with a vessel operated by a Government. Possible controversies with such a Government owner and operator always mean fuss and trouble to the shipper and entail his being confronted with the red tape or unavoidable delays and troubles caused by the limited authorities of Government employees who cannot, or are not, permitted to acquire a commercial tendency.

Therefore, unavoidably, if the United States wants a commercially potent merchant marine a method must be worked out whereby ships, such as the 10,000-ton freighter example cited, are documented and available to the private responsible American operator so that he can act as owner. The best method would be, in my humble opinion, a proper form of bare-boat type of charter contract agreement on long-time basis between the Government as owner and the private operator as charterer. In the cited instance of the 10,000-ton freight vessel, the private operator would pay $90,000 per year to the Government for yearly bare-boat charter hire, and the Government would pay to the operator the $36,000 per year subsidy or parity equalization aid.

Such private operator should have the opportunity to acquire, over a period of years, the outright ownership of such vessel, without impairing his working capital funds. An owner of a ship without proper working capital is of no account and cannot succeed. The financial responsibility of an operator as to working capital is more important for the successful operation of ships than the ability of an intending shipowner to make some down payments on a ship purchase and then find himself short of necessary working capital.

It may be pertinent to remark that the situation that has existed at a tremendous expense and loss to the Government during the past 15 years here in the United States as to ships originally built by and owned by the Government and officially sold to private operators, or as to ships built by private operators with Government funds covering 75 percent of building costs loaned to the operator, in many, if not most, cases is one of expensively camouflaged Government ownership.

I believe that the formula set up in this declaration gives the private honest American experienced ship operator the incentive to operate American ships in competition with foreign ships, and protects the United States Government in its investment, and what is most important would insure the purpose of such investment.

Respectfully submitted.

H. O. SCHUNDLER.

THE SUPREME COURT—EDITORIAL FROM PHILADELPHIA RECORD

Mr. GUFFEY. Mr. President, I ask permission to have inserted in the RECORD an editorial from the Philadelphia Record of May 30, 1936, entitled "The Nation's Gift From the Supreme Court."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of May 30, 1936]

MEMORIAL DAY—THE NATION'S GIFT FROM THE SUPREME COURT

Today the Nation honors the veterans, living and dead, of the Civil War.

Today the Nation bows its head in tribute to the 360,000 Union soldiers who perished in that conflict, in sympathy for the 135,000 Confederate victims.

Memorial Day is celebrated so that we may not forget the men who preserved the United States.

It is quite as important that we not forget why those men died—why it became necessary for them to sacrifice their lives in 4 horrible years of death, destruction, and devastation.

The Civil War was fought to overrule a decision of the United States Supreme Court—the infamous Dred Scott decision.

The Court, headed by Chief Justice Taney, chose to twist the United States Constitution so that the Justices might write their own personal bias on slavery into our fundamental law.

The Supreme Court, then as now, stood in the path of the progress of the American people.

The Court told the American people that they couldn't do anything about slavery; that slavery was Constitutional.

The Constitution, in 1857, was what the majority of southern Justices said it was.

And this Nation was plunged into war because it could not deal with the slavery question through peaceful means.

Yet with that lesson before the Court and before our people, the Nation faces the same issue it faced in 1857:

Slavery.

Wage slavery, this time.

And it is confronted with a Supreme Court majority as determined to prevent solution of that problem by orderly process as was the Court majority under Taney.

Congress could have curbed the Court in 1857. It did not do so.

Congress can curb the Court today.

It must do so.

The Record favors a constitutional amendment to clarify, beyond possible doubt, the power of Congress to legislate for human rights as well as property rights.

An amendment which will protect the rights of labor, permit Congress to enact social legislation and minimum-wage and minimum-hour laws, give Congress an unfettered hand in curbing exploitation and fraud in high places as well as low places.

We recognize, however, that such an amendment may require months, if not years, for ratification. Its opponents would need but 13 States to block it, regardless of majority will.

Meanwhile an economic emergency persists. Fortunately the Constitution gives Congress the power to meet the emergency.

Congress does have the right to exercise its power under article III, section 2, of the Constitution:

"In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction. In all the other cases * * * the Supreme Court shall have appellate jurisdiction both as to law and fact, with such exceptions as the Congress shall make."

Here is one of the checks and balances deliberately placed in the Constitution by the founding fathers. It is a check upon arbitrary abuse of the judicial power.

It is just as important that this check be used by Congress to preserve a balanced American Government as it is that the President and the Court use their powers to the same end.

Congress can limit the appellate jurisdiction of the Supreme Court. It has done that in the past, and the Court has recognized its right to do it.

On Memorial Day, of all occasions, the necessity for congressional resistance of judicial usurpation should stand out in the thoughts of our people and their elected representatives.

On Memorial Day, of all days, we have before us a recollection of the terrifying cost of a judiciary unrestrained.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. ROBINSON] to the amendment of the committee, beginning on line 24, page 29.

Mr. FLETCHER. Mr. President, the pending amendment was on yesterday very clearly explained by the Senator from Arkansas [Mr. ROBINSON], and it will be unnecessary to dwell upon its provisions.

It will be recalled, to review a little of the history of this matter, that, as appears from pages 14 and 15 of the hearings before the subcommittee of the Appropriations Committee with reference to the War Department appropriation bill for 1937, the following statement was made:

Funds have been provided from the Emergency Relief Appropriation Act of 1935 for the partial construction of the projects listed herewith which will require in addition to the above estimates $204,174,000 to complete.

The projects listed are:

Passamaquoddy tidal power project, Maine.
The Atlantic-Gulf Ship Canal.
Conchas Dam, N. Mex.
Bluestone Reservoir, W. Va.
Sardis Reservoir, Miss.

The discussion which took place in the committee appears in part on page 23, where Mr. BOLTON said:

I want this point distinctly understood, that, as a member of the Appropriations Committee of Congress, I believe we are supposed to provide funds for carrying out activities which have been authorized by Congress, but I think it is entirely wrong to suggest to this committee the appropriation of funds for activities which have never been authorized by Congress. I think that would be entirely beyond the scope of our authority.

Mr. PARKS, who was chairman of the subcommittee, said:

I think it has been held that any project that actually has been begun and on which money has been expended stands on the same level with projects authorized by Congress. Of course, that does not mean we have to do it, but, so far as the authorization is concerned, it is there.

Mr. President, my contention is that these projects have been authorized by Congress under the act of 1935; that work has been begun upon them, fully authorized, and funds

have been properly allotted for beginning the work upon the projects. But the House committee decided not to place the projects in the appropriation bill. The bill came to the Senate. I offered an amendment which included the projects and it was referred to the Committee on Appropriations. That committee by a majority of one rejected the amendment. The subcommittee by a majority of one and the full committee by a majority of one rejected the project.

The bill was reported to the Senate. I offered the amendment on the floor of the Senate. By that time the Senators from Maine [Mr. HALE and Mr. WHITE] suggested and claimed that the Passamaquoddy project ought not to be included in the bill, so the amendment which I finally offered on the floor of the Senate referred only to the Atlantic-Gulf Ship Canal.

On the floor of the Senate, in the meantime, provisions were inserted in the bill for the New Mexico project and for the Mississippi project, the first a dam and the latter a reservoir. The amendment which I offered provided for the Atlantic-Gulf Ship Canal in accordance with the recommendations of the Secretary of War and the Chief of Engineers. The Bureau of the Budget approved it and submitted an estimate of $12,000,000. The amendment now before us provides for $10,000,000 for 1937, while the Budget estimate was for $12,000,000. The Budget estimate was submitted to the House, so the item was regularly submitted to the Congress by the Budget Bureau and should properly have been inserted in the appropriation bill for 1937.

The amendment came to a vote in the Senate. Unfortunately, quite a number of Senators were absent and the amendment which I had offered was defeated. I think the vote was 35 for and 39 against. One of the Senators then absent, the Senator from Missouri [Mr. TRUMAN], returned next day and entered a motion to reconsider the vote whereby the amendment was defeated. When that motion was considered, again some Senators were absent. I know if they had been present some of them would have voted for the motion to reconsider. That motion was defeated by a majority of one. The vote, as I recall, was 35 for and 36 against.

The claim that these projects have been overwhelmingly eliminated by the House and the Senate, it seems to me is not altogether well founded. A majority of only one vote against the motion to reconsider was the result of the test in the Senate.

So far as the Passamaquoddy and Florida ship canal projects are concerned, they come again before the Senate in the form of the pending amendment. The joint resolution offered by the Senator from Arkansas [Mr. ROBINSON] was referred to the Committee on Commerce and has been reported favorably by that committee. The amendment now pending is the same as the joint resolution favorably reported by the Commerce Committee to the Senate with the exception that the boards provided for are to report to the President on or before July 20, 1936, according to the amendment, instead of by June 20, 1936, as provided in the joint resolution.

It is claimed that that is too early a time to enable the boards to make study and investigation and examination of the reports which have already been furnished, and the data on file, and then make report to the President. I submit that it is important to limit the time because unless provision is made for carrying on the projects, the work on the canal and on the tidewater development in Maine will have to cease on or about July 1.

The President laid the projects before Congress because he did not have sufficient funds with which to proceed with them under the act of 1935. Having himself initiated them, having allotted funds for them, and having started the work, he submitted the projects to Congress.

On the Florida project the Government has spent $5,400,000. The right-of-way for the canal has been provided by the six counties through which it will run. This has been done at a cost of $1,500,000. The work will have to be discontinued and 5,000 or 6,000 people employed there will be dismissed and have to go on the relief rolls unless some arrangement is made whereby the work may be continued. The work will stop by July 1 or about that time unless something is done by Congress in the meantime. The President has placed the matter squarely before Congress with this in view.

Of course, I can conceive that it would be somewhat pleasing to the opponents of the administration, to those who wish to claim some shortcomings or some abuse of authority or some waste inexcusable in its nature, if they could picture an abandonment of these projects and perhaps exhibit photographs of weeds growing where the work had started and an utter failure of the projects themselves, to say nothing of the distress brought upon the people who were there employed.

The Atlantic-Gulf Canal project would give employment to 20,000 people for 5 or 6 years. At the present time there are about 5,000 or 6,000 employed. Are they to be turned loose? Is this picture to be held up before the country? Is it to be said that here was a project undertaken by the President without sufficient authority and without sufficient funds and that it had to be abandoned? Shall the people have wasted $1,500,000 of their funds which have been used in the purchase of a right-of-way for an abandoned canal? Is that the kind of picture which the opponents of the amendment propose to have submitted to the country?

That, of course, is aside from the main question. I speak particularly with reference to the Florida canal, leaving to the Senators from Maine, who are more familiar with the subject, all reference to the other provision in the amendment with reference to the Passamaquoddy project.

With reference to the canal, the surveys were authorized by the River and Harbor Act of 1927 and again by the act of 1930. Since those acts were passed the Chief of Engineers has been engaged in the work of making surveys, estimates of cost, and his reports thereon. Some 5 or 6 years of time have been spent and expenditures of large sums of money have been made for the purpose of making the investigations, surveys, and studies and ascertaining the data with reference to this project. Those data are all available. The board provided for in the amendment can easily examine the reports which have already been accumulated during past years respecting this project, and I think they can do so readily within the time limit of July 20. The data are all on hand. It will not be necessary to do any field work. It will not be necessary to sink 117 wells, or more, for they have already been sunk. It will not be necessary to do over again the work which has been done. The reports on that work are all now available.

The fact is that the following examinations of and reports on this project have already been made by agencies of the Federal Government:

(a) War Department, Corps of Engineers: Complete physical and economic surveys by a special board of survey, under the direction of the Chief of Engineers, pursuant to the provisions of the River and Harbor Acts of 1927 and 1930.

(b) Federal Administration of Public Works: An examination of the project with a view to determining the justification of a loan for its construction, to be repaid out of tolls to be collected from shipping.

It will be recalled that the application before the Public Works Administration was for a loan sufficient to build the canal. The Public Works Administration considered the application and made a thorough examination:

(c) A board of review, appointed by the President, and representing the Corps of Engineers and the Administration of Public Works: An independent study of the project and a review of the studies and reports of the special board of survey of the Corps of Engineers and the Administration of Public Works.

This board was composed of as able engineers as can be found in the country, two of them river and harbor engineers, two of them P. W. A. engineers, the Chief and his assistant; and they selected a fourth, Mr. Douglas, of New York, an engineer of international reputation.

(d) A special board of geologists and engineers appointed by direction of the Chief of Engineers.

An examination and study of the possible effects of a sea-level canal on the underground water supply of Florida.

Those reports are all on file, and all the special board will have to do is to examine those data and pass judgment upon them.

2. The coordinated findings of the above-named agencies are substantially as follows:

(a) A sea-level canal is preferable and will have no adverse effect on the agriculture or underground water supply of Florida.

(b) The cost of the project is estimated to be $142,700,000, exclusive of land and interest during construction. Land is being furnished by the State of Florida.

(c) The canal is economically justified as a river and harbor project, on a 4-percent basis, at a cost upward of $160,000,000.

The report of the board of review recommended to the President undertaking this project, and estimated that its cost at $160,000,000 would be economically justified. The amendment provides for a limit of cost of $150,000,000.

3. The type, plans, and cost estimate have been approved by the Chief of Engineers.

4. The project was recommended to the president by the board of review.

5. The project was duly authorized by the President pursuant to the provisions of the Emergency Appropriation Act of 1935, and work is now in progress under the direction of the Chief of Engineers.

So the objection that the time is too short to enable a board thoroughly to examine the subject and report to the President upon it is not well founded, because the data are already at hand, and all that it will be necessary for the board to do is to examine the various reports and files which have been accumulated during past years. I think they can do that within the time limited in the amendment; and it is important to do it as quickly as possible in order that there may not be an absolute disorganization of the forces now engaged in the work, and a laying-off of thousands of persons, and placing them on relief rolls.

OPPOSITION BY SHIP-OPERATING CONCERNS

The opponents of the administration have made much of what they claim to be the opposition of ship-operating concerns. It is undoubtedly a fact that many ship-operating concerns have expressed themselves as strongly opposed to the project, while others have attempted to discourage it. Among those which the record shows to be most strongly opposed is the Standard Shipping Co., a subsidiary of the Standard Oil Co.

I call to the attention of the Senate the real significance of this opposition.

The question at issue is not whether the Government will build this canal for the benefit of certain ship-operating concerns but whether, when built, it will benefit the general public to an extent commensurable with its cost. That is the real question; and all attempts to divert the argument by citing opposition of ship operators are beside the point.

Ship operators realize that in the long run substantially all of the savings in the operation of ships made possible by the canal will have to be passed on to the general public in the form of lowered freight rates. They also realize that the canal will greatly stimulate shipping into and out of the Gulf of Mexico, and they fear that this will mean new competition.

The Corps of Engineers, the Department of Commerce, and the Public Works Administration have all found that the construction and operation of the canal will result in general public benefits to the greater part of the United States. These benefits are much more than sufficient to justify the cost.

The Corps of Engineers, which is the highest authority on the safety and practicability for navigation of improved waterways, has stated that the canal is safe and feasible for ships to use.

The Bureau of Navigation, which is the highest authority on questions of time and distance on given courses for ships, has stated that ships using the canal will definitely make certain savings in time and distance.

In view of these facts, it is impossible to conclude that ships will not use the canal when it is opened. Whether some ship-operating concerns wish to see the canal built is not the question we are discussing here; and all evidence of this kind only serves to prove that the canal will undoubtedly bring about vast economies to the general public.

On March 17 last I had occasion to discuss this subject at some length; and I shall not now undertake to cover the whole ground. I call attention to that speech, printed in the CONGRESSIONAL RECORD of March 17, and desire to refer again to only a few observations made at that time on that particular point.

At that time I exhibited here a map showing the ships as they were actually in operation at noon on the 10th day of December 1932, the ships being placed on the map by the Department of Commerce.

About 900 ships were shown, and I stated then that an additional 100 or more could not be shown because they were in portions of the world not covered by the map. These ships make more than 10,000 transits per year through the straits of Florida. Every ship shown upon the map was bound through the straits of Florida, and would have used the canal if it had been open.

No other ships were shown on the map. There was no attempt to show any other ships on the sea except those which are now using the straits of Florida to the Gulf, and which would have used this canal if it had been constructed.

The location of the ships, as indicated on this map, was furnished by the Department of Commerce. The name of each ship can be obtained from the official marine register of that date.

The average savings in time which the canal would afford to these ships, so far as coastwise traffic is concerned, would be approximately 2 days on each round trip. A ship clearing from New York to New Orleans would save 2 days by passing through the canal on the round trip. A ship from Baltimore to Galveston would save about 2 days' time by using the canal on the round trip. Ships of foreign traffic would save approximately 1½ days. Only about 30 percent of the commerce which would be carried through the canal goes foreign. Seventy percent would be coastwise, the engineers estimate. This is a steadily increasing traffic. If the map were brought up to date, it would show more than 50 additional ships.

This is the greatest stream of ocean-borne traffic in the world, and is equivalent to one ship passing through the canal every 47 minutes, day and night, throughout the year. This is the actual traffic as it exists today available to the canal. It does not include any of the traffic passing through the straits of Florida which probably would not use the canal. The traffic available to the canal at the present time amounts to 90,000,000 deadweight tons per year. This is nearly double the traffic on the Suez Canal and almost one-half again as great as that on the Panama Canal.

This is an estimate based on information from the Corps of Engineers and the Department of Commerce, and I think it indicates that there is need for this canal as a great national enterprise, adding to the national wealth, increasing the commerce and trade of the United States, and developing them beyond any enterprise which has ever been undertaken.

Another objection has been urged, and some reference has been made to the action of the Public Works Administration in rejecting the application for the grant of a loan. It has been stated that the Florida canal has been disapproved by the Public Works Administration. This is entirely incorrect. The records of the Public Works Administration show, first, that the engineering division examined the project thoroughly and reported as follows:

It is concluded that the project covered herein constitutes a public necessity and is of real social value. The project will afford much employment to many classes of skilled and unskilled labor; that the design is in accord with sound engineering practice; and that the project is economically sound. It is recommended that the loan, with or without the grant, be made.

That was the action of the engineering division of the P. W. A. Second, the records of the P. W. A. show that the Administrator, Secretary Ickes, did not accept this recommendation of his engineering board to make a loan to construct the canal as a self-liquidating project, and he has stated that he did this without reference to the economic soundness of the project, but only because he did not feel that sufficient cash tolls could be collected from ships to

pay off the loan with interest within the period required by the regulations of the Public Works Administration in force at that time.

That was the holding. Application was made for a loan, which was to be paid out of tolls levied on shipping through the canal. The question of the rate of tolls, the amount of tonnage, and all that, had to be gone into and estimated, and as a loan proposition, a self-liquidating proposition, the secretary, contrary to the advice of his engineers, rejected the application. That is the situation with reference to the P. W. A. It has no real effect upon the proposal to make this a great highway of commerce, or consider it from the standpoint of river and harbor improvement.

No tolls are charged on any of our inland waterways. This is to be a free canal, a free highway of commerce, without any tolls. It is to be a sea-level canal, without any locks. The project considered by the P. W. A. was a type requiring at least two locks. The Board of Engineers had been considering a canal with three locks. The board of review reported in favor of a sea-level ship canal. That would eliminate the locks, make possible the transit of the canal in much shorter time, and save the expense of construction, maintenance, and operation of locks. That report was adopted by the President and substantially adopted by all the engineers. I think that today there is no idea of any type of canal other than a sea-level ship canal without locks.

Some arguments also have been made and statements have appeared to the effect that this project was adversely reported on by the Department of Commerce. That is decidedly incorrect. The Department of Commerce made only a statistical survey for the War Department, and made no findings whatever as to the justification for the project. A letter from the Secretary of Commerce, directed to me, explains this as follows:

DEPARTMENT OF COMMERCE,
Washington, May 18, 1936.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR FLETCHER: In reply to your letter of May 15, I am informed by the Director of the Bureau of Foreign and Domestic Commerce that its economic survey of the Florida ship canal was made at the request of the Chief of Engineers of the War Department for use by the Army Engineers in their study of the canal. In its survey of the economic phases of this project the Bureau did not pass upon the economic justification of the canal as related to the cost of construction.

Very sincerely,

DANIEL C. ROPER,
Secretary of Commerce.

So the statement that the Department of Commerce had reported adversely on the project is incorrect. The Department of Commerce did not pass upon the question of commercial or economic justification as related to the cost.

There is another feature in connection with the importance of this canal—that is, its use and value as a factor in national defense. I submit a letter from Rear Admiral Bassett, United States Navy, retired. He indicates clearly the tremendous value of this project as a factor in national defense. The letter is as follows:

FORT GEORGE ISLAND, FLA., *May 22, 1936.*

SPECIAL BOARD OF ENGINEERS,
Gulf-Atlantic Ship Canal, Camp Roosevelt, Ocala, Fla.

GENTLEMEN: I see by the press that your board has been appointed to review the reports of the Atlantic-Gulf Ship Canal.

As a retired rear admiral, United States Navy, and one who was, during a part of his service, hydrographer of the Navy, Washington, D. C., who since retirement has lived near the route approved for the Florida ship canal, and who has naturally, therefore, considered this project in its relation to the national defense: I wish to point out for the consideration of your board the benefits to the national defense as I view them.

Due to the fact that foreign possessions lie to the south and southeast of Florida, it would be most advantageous for the United States to be able to make the Gulf of Mexico as nearly as possible a closed sea during a war by mining the straits of Florida, and protecting the Yucatan Pass between Cuba and Central America.

With the above protection and with the Florida ship canal in existence, supply vessels and other vessels moving from the North Atlantic seaboard to the Panama Canal and to the west coast of the United States would then have a better protected passage from the eastern entrance of the Florida canal to the Panama Canal. Likewise, supply vessels and other vessels moving out of the ports of the Gulf of Mexico would be better protected until their arrival at the eastern entrance of the Florida canal, and at no time would they be as much subjected to possible submarine or other attacks than they might be by using the narrow straits of Florida.

It is clear to me that under certain conditions that might arise in a war in which the United States was involved that the peacetime route from northeast United States ports to the Panama Canal, 1,974 miles, would be abandoned to a great extent in favor of the Florida ship canal route.

Also, inasmuch as the completion of the Florida ship canal will provide a vital link in the inland waterway system from Boston to Mexico, this inside protected route will, no doubt, be used to great advantage in time of war in the movement of supplies and materials; and will thus relieve the freight congestion which was so much in evidence on the northern trunkline railroads during the World War.

In regard to the possible objections of steamship companies that the Florida ship canal is a needless expense and that vessels will not use it when completed, attention is invited to the fact that similar objections were raised when the Panama Canal was under discussion at congressional hearings. How badly they were misled in their prognostication it is idle to discuss.

I submit herewith a chart to substantiate my views, from which, I think, clear deductions can be made.

Yours very truly,

F. B. BASSETT,
Rear Admiral, United States Navy (Retired).

I quote also from a statement made to the press by the Secretary of War on April 27, in which he said:

The Florida canal is a feasible and worth-while project.
People who deride the proposed waterway as an impractical scheme do not know what they are talking about.

Mr. President, I have heard it whispered to some extent, indeed, I believe it has been stated openly, that ships will move so slowly through this canal that there will be no gain in transiting the canal instead of going around through the Straits of Florida. It is not necessary for me to refer to the fact that during certain months of the year the hazard of a voyage through the Straits of Florida ought to be considered. I will not stress that. But with reference to the speed of the ships operating through the canal I may say that the Corps of Engineers and the Bureau of Navigation have officially determined and reported that a normal ocean speed of 10½ knots will be maintained by ships throughout the full length of the canal, except in the central cut section, where they will proceed at 6⅔ knots. These are the official figures. For the greater part of its length the canal will be along a river which is from 1 to 2 miles wide. The cut referred to will be about 29 miles in length. Through that cut the speed will be 6⅔ knots, but through the whole distance of the canal outside of that cut the speed will be 10½ knots, which is the ordinary speed for cargo vessels.

There will be no locks to contend with. Ships will move straight through the canal, and, as I mentioned heretofore, much time will be saved in the movement of cargoes from the Atlantic coast to the Gulf of Mexico by way of the Florida ship canal.

On a previous occasion I deal with the subject in greater detail. I feel I should insist that the work of developing the Florida ship canal should proceed on its merits for the benefit of the Nation. The canal will add to the wealth of the Nation and will develop the trade and commerce of the whole country. The work should go on. It will give employment to many persons. Especially is the construction of the canal justified by every principle of river and harbor improvement adopted by this country. There is not a river and harbor project heretofore adopted and now under way which has received more thorough investigation and study and favorable consideration than has the Florida ship canal.

Mr. VANDENBERG obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Keyes	Pope
Austin	Clark	King	Reynolds
Bachman	Coolidge	La Follette	Robinson
Bailey	Copeland	Loftin	Russell
Barbour	Cousens	Lonergan	Schwellenbach
Barkley	Davis	Long	Sheppard
Benson	Duffy	McAdoo	Shipstead
Bilbo	Fletcher	McGill	Smith
Black	Frazier	McKellar	Steiwer
Borah	George	McNary	Thomas, Okla.
Brown	Gerry	Maloney	Thomas, Utah
Bulkley	Gibson	Minton	Townsend
Bulow	Glass	Murphy	Truman
Burke	Guffey	Murray	Vandenberg
Byrd	Hale	Neely	Wagner
Byrnes	Hastings	Norris	Walsh
Capper	Hatch	O'Mahoney	Wheeler
Caraway	Hayden	Overton	White
Carey	Johnson	Pittman	

The PRESIDENT pro tempore. Seventy-five Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, we are back again "moondoggling" on Quoddy Bay and pipe-dreaming on the phantom Florida canal. Most of us thought—or perhaps "hoped" would be a better word—that we were through with this quarter-billion-dollar extravaganza when Congress settled with it the last time. Even the taxpayers had started to sleep at night. We assumed that the disillusioned proponents of these hapless schemes were musing as the poet mused—

> I walked beside the evening sea,
> And dreamed a dream that could not be.
> The waves that plunged along the shore
> Said only, "Dreamer, dream no more!"

But we reckon without our host. Like the music that goes " 'round and 'round and 'round and comes out here", so does Quoddy and the ship canal.

Mr. President, the ship canal is no better today than it was when the Public Works Administration turned it down as a nonliquidating project because it was unsound in its business elements. The Florida canal is no better today than when the report of the Department of Commerce—regardless of what the letter of the Secretary read by the Senator from Florida may say—indicated that there is no economic justification whatsoever for the undertaking. The Florida canal is no better today than it was the day it was turned down by the subcommittee of the Appropriations Committee of the House, and then by the full Appropriations Committee of the House, and then by the House itself. The Florida canal is no better today than it was when it was turned down by the subcommittee of the Senate Committee on Appropriations, then by the full committee, and then by the Senate itself.

The Quoddy tidal scheme is no better today than it was when it was irrevocably and unreservedly condemned by the Federal Power Commission. It is no better today than it was when it was rejected by the Public Works Administration. It is no better today than it was when it was turned down by the Subcommittee of the House Appropriations Committee, by the full committee, and by the House itself. It is no better today than it was when the Senate was very glad to permit it to sleep in a dusty pigeonhole in the Senate Committee on Appropriations.

Both projects are the same today that they have always been. There never was any justification for them. There is none now. All in the world that the amendment of the Senator from Arkansas does is to offer a little convenient chloroform for the congressional conscience.

Mr. President, it is perfectly amazing to me that we should confront a request for a minimum of $200,000,000 of questionable public works—and that certainly puts it mildly—at the very moment when committees of Congress are struggling in an effort to raise $600,000,000 in taxes. It seems to be next to impossible—at least, it seems to be extremely difficult—to find $600,000,000 of taxes in this country to pay the already yawning deficit of the Government; yet, in the same week and in the same breath, when with difficulty we are finding $600,000,000 to apply upon existing debts, it is proposed that the Senate shall lend its authority—by indirection, yes, but none the less lend its authority—to the creation of $200,000,000 worth of additional obligations!

You are never going to catch up with your deficit, Mr. President, if every time you dig up $600,000,000 you spend $200,000,000 of it on some new scheme. If you are ever going to overtake the balancing of Federal finances upon a sound basis you will have to start somewhere to be realistic in respect to money going out, instead of forever emphasizing the quest for money coming in.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. CLARK. Does not the Senator think it is an extremely anomalous situation to have the Finance Committee—one of the great committees of the United States Senate—arguing and quibbling for nearly 2 weeks in an effort to raise an additional $600,000,000, which has been requested by the Treasury Department, while at the same time the Senate itself is considering a proposition offered by the majority leader of spending $200,000,000?

Mr. VANDENBERG. The Senator is entirely correct, and, of course, I agree with him. The statement he has made is clearly on the point. It is inconceivable to me that the consent of the Senate can be procured to an authorization of expenditures which at the very minimum will be $200,000,000, as I shall ultimately demonstrate, and which may be infinitely more, at a moment when it is so desperately difficult even to pick up a casual few million dollars to apply upon the existing national debt.

Mr. President, I agree with the distinguished Senater from Arkansas [Mr. ROBINSON], who offers the resolution, upon just one point, and that is that this question should be settled once and for all. Let us not "shadow-box", and let us not quibble about it. If the resolution shall be adopted, it will be an authorization to the President of the United States to pick his own advisers and upon the basis of their advice to proceed into another year of these operations. It would be perfectly absurd to enter upon another year of operations and then abandon the projects. The adopting of the resolution would settle the matter once and for all. The decision which the Senate now makes will be binding upon the Senate, so far as moral responsibility goes, in respect to subsequent appropriations which will be necessary from the general funds of the Government to complete these projects.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from New York?

Mr. VANDENBERG. I yield.

Mr. COPELAND. Mr. President, I am quite unwilling to go along with the Senator in the statement he has just made. I am in full harmony with his views regarding the projects themselves; but I made every effort in the Committee on Commerce to make it clear that, if these projects were adopted, as it proposed here today, they should not be considered binding upon the Congress or as authorizations in the ordinary sense of the term.

I know that the Senator from Michigan regards the pending proposal as affording the possibility of salving the conscience of some Senator and permitting him to vote for it, as it is merely a relief measure. I do not feel that way about it. The very fact that these are not authorized projects and that provision is not made for their continuance in the future by reason of authorizations, is to me conclusive that we ought not to adopt this amendment now, because to me it is unthinkable that we should spend another $10,000,000 to dig out Florida "snow", as they call the sand down there, and $9,000,000 more upon Quoddy Bay, because I cannot conceive it possible, in the absence of authorization now, that there should be a continuance of the projects in the future. So by adopting the amendment we simply make a great scar upon the face of the fair State of Florida, without any hope in the future of the completion of that work, and at the same time we pour $9,000,000 into Passamaquoddy

Bay, and we will not complete the work in the future. Those are considerations which make it impossible for me to think of voting for this amendment, because, as I regard it, it would be a sad waste, an immediate waste, of $19,000,000 of the people's money. But I rose to say specifically that I do not agree with the Senator from Michigan that this is an authorization which means that in the future there will be further appropriations to complete these grotesque projects.

Mr. VANDENBERG. Mr. President, I am obliged to the Senator from New York for his testimony, I never quarrel with anybody who is going to vote my way about why he is going to vote my way; but I insist that, so far as I am concerned, if I were to vote for this resolution and as a result of my vote another $10,000,000 were to be spent upon the canal this year, and another $5,000,000 were to be spent upon Quoddy this year, I would feel 12 months from today, when the next appropriations are asked, that I was morally bound "to go along." It seems to me that there is no escape from that logic. The Senator from New York may disagree with the logic, but I am happy that we completely and without reservation agree that the resolution should be defeated. My point is, however, that this is our conclusive hour of decision; and we cannot avoid it. We cannot send it by proxy to the President and to some of his self-selected engineers. This is the time and hour when we decide whether we are willing to put our congressional responsibility behind these two undertakings; and that is the reason why I propose that Senators shall know a little something about what these undertakings are, in reality, before they commit themselves to any such responsibility. The resolution itself, I freely concede, is a plausible, pious, painless, pregnant, and persuasive scheme to dull the effect of this responsibility, but the responsibility remains; it is inherent in the text of the resolution, as any realistic analysis of it must disclose.

In the first place, the effort was made to tie these two projects together and to make them sink or swim together. There is no relationship whatsoever between Maine and Florida in respect to these undertakings; there is no inherent reason whatsoever why the decision upon them should have to be joint, and I cannot escape the conclusion that the purpose of putting them together—and I remind the Senate that the Commerce Committee declined to let me separate them in the committee—was so that both could jointly "gang up" on the Treasury when alone they could not hope to succeed.

The able Senator from Maine [Mr. HALE], in his statement yesterday, asked for a division of the question, and I compliment him for the courageous statement he made in that connection. At least, the question is now to be divided so that each of these undertakings shall stand upon its own merits.

Secondly, looking at the resolution, which is now offered in the form of an amendment, it adroitly avoids raising the main issue. Instead it innocently seems to invite what is merely an expert survey; it seems to be merely the authorization of a quest for information, and, of course, who, from the face of the record of this session, could be less opposed to a quest for information than the junior Senator from Michigan? But, Mr. President, I will show that the quest for information is almost inevitably a direct delegation of power to six unnamed engineers to decide for us what the answer of the Senate is upon its own responsibility in respect to these two undertakings.

Mr. President, you will forgive me for being a little suspicious of these Presidential boards. I speak in no sense of reflection upon anybody's motives; but human nature is human nature. I know they never could get a board that would approve the Florida canal with finality until one day they thought of the scheme of appointing a special board of review by the President. They appointed the board, and they got exactly the report they expected and wanted. I cannot forget as to Quoddy, after every other instrumentality of the Government had said "'no'; this thing is unjustified", that when the political necessity arose to pour a little money into Maine there was a Presidential board appointed to survey Quoddy, and they got exactly the report they expected and exactly the report they wanted.

To be perfectly frank, I do not think much of these Presidential boards, and I cannot escape the conviction that the Presidential boards contemplated by the pending amendment inevitably will say that the projects are grand and the projects will be built; and I think any Senator confronting the realistic situation must use his vote in that contemplation.

Mr. President, I understand that a special Presidential board on Quoddy was appointed 2 or 3 weeks ago, and I understand that the report at this moment is upon the desk of the President. I do not know whether that is the board which will be named under this amendment; I do not know whether or not that is the report which is to be conveniently produced on July 20; but I know that is the fact, and I state it as the fact.

That is another reason why you will forgive me, Mr. President, for being suspicious of the amendment. I think the purpose of the amendment is to produce an indirect approval for Quoddy and the ship canal, when the proponents of these undertakings know that they cannot get a straight-out affirmative approval by the Congress. But they have it fixed now so that these projects never again have to come back to Congress for action during the years; they have it fixed now so that the moment the President, who is partial to these enterprises, has appointed his particular investigators and they have made their particular response the Congress is irrevocably committed to continue the expenditures upon both undertakings. The proponents of these projects are not going to take any more chances with a Congress which has flatly declined to have anything to do with either one of the projects whenever it has had a chance to meet the issue squarely.

I think it requires no very extravagant use of the imagination to contemplate the character of the reports called for by the amendment if the reports already made are not actually available somewhere. The distinguished Senator from Florida [Mr. FLETCHER], who is revered by everyone in this Chamber, read this morning from a letter or an interview or a statement of some sort made by Secretary of War Dern. Mr. Dern said:

> The canal is feasible and worth while.

Mr. Dern said:

> People who deride the proposed waterway as an impracticable scheme don't know what they are talking about.

I think I should say for the Secretary of War that when I asked him whether these were literally correct quotations, he said they were in effect, although the second quotation should have had something in it about "hare brained" schemes instead of "impracticable" scheme.

But the point I make is that Secretary of War Dern is a personal representative of the President of the United States. He is at the head of the particular Department which deals with tide harnessing and ditch digging under this administration. Mr. Dern is the official tide harnesser. Mr. Dern is the official ditch digger. He sits at the Presidential council table, and, in advance of the appointment of any piously impartial board of engineers, surrounded by all the plausible language that has been written into the amendment, in advance of any such independent investigation, the chief officer of the Government dealing with this particular responsibility announces that anybody who does not like it "does not know what he is talking about."

Mr. President, I digress to say very respectfully to the Secretary of War that I think he has set a very bad precedent for himself. In his Department is the Board of Rivers and Harbors Engineers, upon which Congress and the country have come to rely with complete faith and confidence for unprejudiced and unbiased findings in respect to engineering problems. What right has a civilian Secretary of War, in advance of a conclusive decision by his Board of Rivers and Harbors Engineers, what right has he in common, decent conscience, to prejudge the case and announce

that if their report is unfavorable they "do not know what they are talking about"?

That is precisely the position in which he places himself, and it is precisely the position in which he places these engineers. It is an utterly unfair position in which to put the Board of Engineers.

They will continue to be courageous, independent, honest-minded men; but, Mr. President, in the light of the experience of General Hagood, I respectfully submit that it becomes exceedingly hazardous and precarious for the Board of Rivers and Harbors Engineers ever again, so long as Secretary Dern is their superior officer, to say there is anything wrong with the Florida canal, because the Secretary has announced in advance that if they do say so they "do not know what they are talking about."

I complain very bitterly against the situation which the Secretary thus creates. I think he should be called to account for it. I think it is a direct and specific invasion of the independence of the Board of Rivers and Harbors Engineers, an independence which must be maintained if we are to have the continuing benefits of the kind of recommendations which have been such a joy and such a reliance to us heretofore.

I submit the exhibit, however, in this connection chiefly to support my contention that the adoption of the amendment, no matter how adroitly and cunningly it may be worded, is to continue these projects. I make that assertion to support my contention that every Senator in this body, when he votes upon the amendment, cannot soothe his conscience on the theory that he is simply ordering an investigation and report. He has to face the fact that in net effect he is putting his responsibility behind two utterly and totally indefensible, uneconomic undertakings which will involve the credit of the Federal Government to the extent of a quarter of a billion dollars at a time when the credit of the Federal Government is precarious enough at best.

Mr. President, let us take another look at the amendment. The joint resolution originally introduced by the Senator from Arkansas [Mr. ROBINSON] proposed to demand this independent, complete, and wholly persuasive report in about 3 weeks. Then, when it was realized that only 3 weeks would be allowed within which to survey and assess two of the greatest, most far-reaching, most unique engineering undertakings in modern times, the able Senator from Arkansas promptly said, when he came before the Commerce Committee, that he thought the time ought to be extended. Surely, it had to be extended. It was entirely too transparent the way it was written and originally introduced. Accordingly the time was extended. Yes; it was extended another 28 days.

Mr. President, if it takes Henry A. Wallace 2 months to get a few figures out of his own files to report to the Senate of the United States—and we have no assurance yet that we will get them even in 2 months—I respectfully submit that these new boards of independent, unprejudiced, unrelated engineers must have more than July 20 as the deadline in which to submit rationally sustained findings to the President of the United States. I think the deadline itself confesses that the procedure is purely a formality, and that I am justified in saying again that every Senator is voting upon his own responsibility when he votes for the amendment, and is deciding for himself whether he is satisfied to proceed with Quoddy and with the Florida ship canal.

Mr. President, let us look at another point in the amendment which is equally transparent. There is in the amendment much pious language, undertaking to soothe the tax nerve to the extent of promising that if the estimates for the Florida canal, as reported by these three self-chosen advisories of the President, shall exceed $150,000,000, or if the Quoddy estimate shall exceed $42,000,000, the President may not go ahead. That sounds at least like protection down to the point of $150,000,000 on the canal and down to the point of $42,000,000 on the Quoddy scheme.

But it is no protection at all. I mean that literally. Suppose the estimate is made in good faith—and I do not question the good faith of anyone in respect to this operation—and shows that the canal can be built for $150,000,000 and that Quoddy can be built for $42,000,000. Suppose 3 years hence it develops that they cannot be built for these amounts, but that they will cost infinitely more; what would happen? We would go right ahead with a larger expenditure. There is nothing in the world to protect against it.

Is that an illogical prospectus? Not at all. The original estimates for the Florida canal were submitted on the basis of the June trade index for 1934. That is where they got their $142,000,000 to which the Senator from Florida [Mr. FLETCHER] is referring. That was only 2 years ago.

Since that time the price index on most construction materials, according to the testimony of the Chief of the Board of Rivers and Harbors Engineers, has increased 25 percent. There goes that part of the estimate out of the window. Those figures last June were based upon the ordinary contractual operation in building the Florida canal. Instead of that, the contractual operation was abandoned and the whole thing is being done under W. P. A. on a work-relief basis; and the labor factor thereby increases at least 50 percent.

If we had been proceeding under the terms of the Robinson amendment 2 years ago, we could have smugly said to ourselves, "Well, we are protected by an estimate of $142,000,000"; and yet 2 years later the estimate would not have been worth the paper on which it was written, not because of any dishonesty or incapacity on the part of the engineers who made the estimate but because the sheer force of human events had wiped out the estimate as a reliance. The same thing may happen again. Indeed, these two particular projects are loaded with that contingency. If those persons in central and southern Florida are right who think that to cut the main water artery at the north of their State will reduce their fertile acres and areas to the status of a Sahara Desert, as one of them indicated, in whatever degree this happens the Federal Government will be responsible in damages that are incalculable and immeasurable. Where does that come into the estimate?

Up yonder at Quoddy within the past month those in charge of construction have had completely and entirely to revise half of their plans. Why? Because they are dealing in a totally novel, unexplored, unilluminated undertaking. Nobody knows what problems are to be met when we march out to sea with our power dams. Within the past 4 weeks, I repeat, the authorities in charge of Quoddy have had completely to change half of their program. Suppose they have to change it again and again and again—and I was told this morning by an engineer in whose opinion I place complete confidence that there is no more assurance at this moment that the existing plans are feasible than there is that the sun will go backward in its course. That whole contingency is yet to be explored and resolved and stabilized. What good is an estimate that the expense is not going to exceed $42,000,000? It does not amount to the paper on which it is written. It is just one more nice little piece of window dressing to make it easy for those Senators who wish to turn their backs upon their obligations to the citizens of the United States and change their minds upon this proposal to do so and have an excuse for doing so.

Mr. President, let me tell you something else about this amendment. Pretty soon, if you will be patient, I shall interest you immensely with some real bedtime stories about Quoddy and the ship canal; but at the moment I wish to pursue the clear demonstration that this joint resolution, offered in the form of an amendment to the pending bill, is sheer and colossal nonsense and nothing else.

Listen: Not a single power which the President of the United States does not now possess is given to him in the amendment. I mean that statement literally. The President has the right to call in any expert he wishes to advise him respecting these undertakings.

He has the right to make any allocations he pleases from relief funds prior to June 30, 1937. That is the way he started these things—by appointing special boards which produced the precise reports they were supposed to produce, and which, as a result, theoretically justified the allocation of relief

funds to the projects. The amendment does nothing more than to authorize the boards to repeat the same thing over again, and the President does not need a bit of this authority to do it. That statement cannot be controverted.

All right. Where does that leave us? It leaves us in just one place, Mr. President. It leaves us squarely confronting the fact that all in the world this amendment seeks to do is to have the Senate and the House share the responsibility for these two undertakings without getting back any authority whatever over them. It is purely and simply a purpose to bring us into the responsibility, although we are permitted no authority after we have discovered what our responsibility is.

Mr. President, when the relief measure was on the floor of the Senate a year ago, and some of us were trying to be allowed to earmark a few allocations and special funds, we were told by the Chief Executive and his high spokesmen yonder across the aisle that that was heresy; we should not be permitted to have anything to say specifically about where the money was going. Oh, no; we could not do that! That would run counter to all the schemes and purposes of the relief program, so we did not do it. The President did it. We did not. He started these projects. We did not; but just as soon as he runs into hot water with a couple of them, he is very glad, indeed, to come back here and ask us to share the bath.

That is all there is in this amendment. It is not necessary at all in respect to the projects themselves up to June 30, 1937, and that is all the amendment covers. It is not necessary in any degree. It is solely for the purpose of putting the President in a position to say, "Well, while the blood was on my hands alone at first, now it is on the hands of the House and Senate, too." There is not going to be any blood on my hands if I can help it.

Mr. President, I think I have sustained my contention that the reality of the problem now resting at the bar of the Senate is the personal decision on the part of every Member of the Senate as to whether or not he is personally prepared to endorse Quoddy and the ship canal. Since that is the status which I believe exists, I should like to have Senators who take this responsibility seriously in any degree, and who decline to subordinate a quarter of a billion dollars to expedient politics, know a little something which perhaps they have not known about Quoddy and the ship canal.

First, let me tell you something about Quoddy. It even sounds as though it were out of the Wizard of Oz.

This is a long-time dream to harness the tides in Passamaquoddy Bay, in northeastern Maine, and to put them to work for the production of electric energy.

I do not decry the dream itself, nor the brave vision of ingenious men who would like to experiment, at our expense, in this new invasion of Nature's mysteries; but I do not see that ingenious, expensive experiments in tidal phenomena have any essential relationship to the Nation's relief problem and relief burden. I am probably wrong about that, because the entire scheme of expenditure now rampant would indicate that I am terribly old-fashioned in a very orthodox view respecting the responsibility of spending agencies to the taxpayers; but listen:

On May 7, 1936, Dr. Karl T. Compton, president of the Massachusetts Institute of Technology—one of the country's greatest scientists, at the head of one of the country's foremost technical colleges—resigned from Secretary Roper's much-buffeted "Business Advisory Council." Now, perhaps this is just a coincidence, but it is a fact, nevertheless, that at the same time he made a New York speech in which he flayed Quoddy as "a type of Government expenditure uneconomically and politically conceived." This is not my opinion; it is the opinion of the leading scientist in the United States in relation to subjects of this character. It is an expenditure "uneconomically and politically conceived."

Let us see if the facts do not justify that conclusion.

Since 1919 private promoters have sought in vain to develop the Quoddy project as a commercial enterprise. Even in the wildest days of speculation in the last decade investors never became that wild, although they were repeatedly invited to do so. It remained for a generous, gullible old man named Uncle Sam to rush in where others feared to tread. But even he was at first reluctant to take the plunge, and it was not until some of his wisest counselors were brushed aside in favor of advice from one of these special Presidential boards, which we are again about to create, that he finally put up the first $5,000,000.

I shall not dwell on the details. I desire only to sketch the high spots so that Senators may have at least a casual understanding of what it is they are now asked to do.

I know that much romance is to be woven into eloquent apostrophes about this unique adventure, but when the echoes of this eloquence have died away there are a few cold, hard, disagreeable facts which ought to interest and control those who must now take the responsibility of diverting enormous public funds to what Dr. Compton curtly dismisses as a project "uneconomically and politically conceived."

Mr. President, I shall now call attention to some of the facts, and I challenge anyone at any time to question any of the facts I am presenting and I will promptly produce the proof.

Fact no. 1: When Quoddy asked Secretary Ickes to become its godfather, P. W. A. made an immediate investigation. The report was made on March 16, 1934, and this is the gist of it:

> We believe that the cost of this project is so great, for the amount of power and energy produced, that disposal of this energy at a profitable figure is very doubtful. * * * We find the loan is economically unsound.

Fact no. 2: Secretary Ickes sensibly asked the Federal Power Commission also to make a Quoddy survey. It reported under date of January 3, 1934. It found no prospect of a local market for Quoddy power and no possibility of delivering it in the Boston area at a price that could successfully compete with steam-generated power. It also found—and this is the Federal Power Commission speaking:

> The switchboard cost of Quoddy power, at 40-percent load factor, would be slightly less than the corresponding cost of steam-electric power. This is an apparent rather than a real advantage, however, since the steam plant would be constructed in units of about 35,000 kilowatts as required, with initial outlay of less than $4,000,000, as compared with the enormous initial investment in the hydro project.

Now listen to this, the Federal Power Commission speaking:

> Moreover, the steam-electric power would be cheaper at the higher-load factors.

Does anyone doubt that?

Fact No. 3: The Federal Power Commission says something else which is of conclusive significance if we are to deal with this subject seriously, and I submit that $42,000,000 still continues to be a serious subject. The Federal Power Commission says something else which has become of emphasized importance in the last 2 months, of importance not only to the Federal Government but also to the great State of Maine, in the light of recent devastating floods on the rivers of Maine—such floods as it is our Federal responsibility to help curb. The Federal Power Commission said this, and I ask Senators to listen carefully:

> The development of tidal power in Passamaquoddy Bay should not be seriously considered until after the potential water powers on the rivers of Maine have been thoroughly investigated. Such an investigation might disclose that power could be developed on those rivers and transported to Eastport at a cost below switchboard cost of Quoddy tidal power.

Since that subject was last in the Congress the country has been deluged with its recent tragic flood, and it developed a totally new challenge in respect to Federal responsibility across the country. That responsibility is a responsibility to meet these devastating flood conditions.

One of the areas chiefly affected by this last calamity was the State of Maine; and if we are to deal with floods and flood conditions in the State of Maine, we have to deal with the rivers of Maine; and if we deal with the rivers of Maine, we might just as well build power dams as mere flood dams;

and if we build power dams instead of flood dams, we have the testimony of our own Federal Power Commission that we can produce cheaper power than we can at Quoddy, and we can keep just as many men at work building the other dams.

What is there about this infatuation which requires us to pursue it regardless of facts, regardless of logic, regardless of alternative invitations? What is there about this thing—which Dr. Compton says is "politically conceived"—what is there about it, unless it is the potential conception itself, which makes us stick to it in spite of everything?

Now a few more facts. Fact no. 4: All the foregoing reports were submitted to a P. W. A. board of review. This board reported March 30, 1934. It agreed with the Federal Power Commission that the rivers of Maine offered far better and cheaper hydroelectric opportunities than did Quoddy. Now listen to what it says. This is the Federal Power Commission speaking. I never heard anyone question the reliability of the Federal Power Commission. I asked the Senator from Nebraska [Mr. NORRIS] a few days ago whether it was a reliable body, and he said it was. Remember, now, the amendment submitted by the Senator from Arkansas proposes a $42,000,000 investment to produce this hydroelectric energy at Quoddy. Listen to the Federal Power Commission:

A steam-generating plant of capacity equal to Quoddy would cost only $16,000,000.

What Senator cares to say upon his responsibility that he is prepared to waste the other $26,000,000 just because someone, in Dr. Compton's language, has "politically conceived" something which produces a progeny which I cannot define within the rules of the Senate?

Mr. GLASS. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Michigan yield to the Senator from Virginia?

Mr. VANDENBERG. I yield.

Mr. GLASS. I am not going to vote for Quoddy, but it seems to me that the Senator from Michigan loses sight of the fact that the $16,000,000 would simply be the initial expenditure, and that the steam plant would have to be forever thereafter maintained at a definite cost.

Mr. ROBINSON. Mr. President, will the Senator from Michigan yield to me?

Mr. VANDENBERG. Not until I have answered the Senator from Virginia.

I hope the Senator from Virginia does not think, to begin with, that I am advocating the $16,000,000 steam plant. On the contrary, I am simply pointing out that if somebody must produce power at Quoddy, the Federal Power Commission says it can be done with a steam-generating plant at about one-third of what it would cost to produce it by the other method.

Mr. ROBINSON. Mr. President, will the Senator yield now?

Mr. VANDENBERG. I yield.

Mr. ROBINSON. The Senator will recall that the testimony before the Committee on Commerce showed that the cost of operating the steam plant in connection with the production of electricity would be twice what it would cost to operate a tidal-power project.

Mr. VANDENBERG. Mr. President, I recall that the Federal Power Commission stated categorically, as I previously read, before the Senator entered the Chamber, that in the major power load the power from the steam plant will be cheaper than the power from Quoddy.

Now I quote the Federal Power Commission. It concluded:

From an economic standpoint, the time has not yet arrived for the development of this project, and the Board recommends that the application be denied.

Mr. President, let us bear in mind what has resulted from these intimate studies by the engineers of the Public Works Administration and the experts of the Federal Power Commission, two official governmental bodies which made an independent survey of Quoddy's prospectus.

I have omitted many details and many significant but inconclusive facts, such, for example, as the fact that the Quoddy proponents themselves proposed in the first instance that the Government should help finance aluminum and stainless-steel smelting plants at Eastport for the consumption of a major bloc of Quoddy power.

The P. W. A. Board of Review, another official governmental body, said:

Without these metallurgic plants—

And they have now disappeared from the picture—

the entire project is admittedly not economically justified.

These metallurgic plants are not part of the present program, and, therefore, according to the report of the P. W. A. Board of Review, the project is admittedly uneconomically justified.

Entirely aside from these collateral exhibits, however, we find that the Public Works Administration and the Federal Power Commission jointly have concluded as follows:

1. That the Quoddy project will cost a minimum of some $40,000,000, but that a comparable steam-generating plant at the same point can be constructed for $16,000,000.

2. That Quoddy power ultimately must sell for more than steam-generated power; that it will not be a low-cost operation; that it cannot compete with steam-power rates in export.

3. That there is no present or prospective market for Quoddy power at any price.

4. That hydroelectric energy, when needed, can be more cheaply generated on Maine's undeveloped rivers.

I add, on my own account, that river power can be developed entirely as a byproduct of flood control, which the Federal Government must underwrite regardless of whether Quoddy survives or not.

This was the conclusive situation, Mr. President—Quoddy was unanimously and unanswerably rejected—when the President apparently decided that he wanted to go ahead with Quoddy anyway. Undoubtedly he had his reasons. They do not concern us. The head of the Massachusetts Institute of Technology says the project was not only uneconomically but also politically conceived. But no matter; on with the telltale chronology!

In spite of all this authentic information, when it became necessary to pour some political money into Maine, a new board was appointed on November 14, 1934, to make a new report. This is tremendously interesting and tremendously significant. Mark you, every spending agency in the Federal Government, calling upon all its expert resources, has said that Quoddy should not be built. All of a sudden the President says, "I am going to appoint a board of four"—one of these Presidential boards, such as the pending amendment again proposes to create—"I am going to appoint a board to find out whether all those who have reported against Quoddy knew what they were talking about."

So he appointed a board; and what do you suppose happened? Out of four members of the board, he appointed two members who were the original applicants for the Quoddy loan from the Government of the United States. Does anybody deny that? A board of four experts was appointed to survey, on behalf of the Government of the United States, a project involving, presently estimated, the expenditure of the tremendous sum of $40,000,000—but infinitely more than that in the long view. The President appointed a board of four, after every official instrumentality of the Government had turned down the Quoddy project; and half of the board of four which he named is composed of the distinguished gentlemen who had been the original applicants for a Quoddy loan from the Government of the United States! It would have been about as sensible, Mr. President, for a banker to say to an applicant for a loan, "You investigate the application and tell me whether or not I ought to make it."

This kind of a board did not need much time, of course. This kind of a board, precisely like the boards that are contemplated in the pending amendment, knew what its job was, and did it in a hurry. The board reported in 8 short weeks; and what do you suppose? The Federal Power Com-

mission was all wrong! The Public Works Administration was all wrong! The private investors of this Nation, who for a decade had declined to proceed with the undertaking, were all wrong!

The new Presidential board, half of which was related by blood to Quoddy, said that Quoddy is a grand idea, socially desirable, engineeringly sound, and economically feasible. There was no rebuttal in this report of the Presidential board of the challenge from the Federal Power Commission. There was just the pretty picture of an aspiration. All previous reports went out of the window. The Federal Power Commission had found that Quoddy power would cost 5.63 mills per kilowatt-hour at the switchboard. P. W. A. engineers had found that it would cost 7.81 mills per kilowatt-hour at the switchboard. The new board, however, in 8 short weeks found that it would cost only 3.4 mills per kilowatt-hour at the switchboard. So the Quoddy project immediately was transmuted into a grand and glorious economic scheme which earned the $10,000,000 benediction of the President of the United States.

Portions of this scheme are not reliably settled even today. Serious engineering problems are still lingering in the realm of speculation. I quote a few revelatory sentences from the Engineering News-Record for April 23, 1936:

> The Government project still has many unknowns.

Mark that—

> The Government project still has many unknowns.

Yet the Senator from Arkansas solemnly assures us that if the present estimates do not exceed $42,000,000, we may rely upon it that that is a protection for the taxpayers—when, I repeat, it is not worth the paper upon which it is written so long as "the Government project still has many unknowns."

I continue the quotation:

> Information as to foundation conditions for the reservoir dikes was lacking; but more important still was information as to the character of the 100-foot clay beds in the bottom of the deep channels upon which it was proposed to build high rock-filled dams. * * * Mr. Cooper's preliminary examination indicated that the maximum depth of the underlying clay was about 100 feet. * * * Core drilling by the Army Engineers has revealed depths to rock reaching a maximum of 264 feet below low water.

He missed it by only 164 percent. If we should happen to proceed under the pending amendment, and should miss by 140 or 150 percent the plausible and piously protecting estimate which the Senator from Arkansas puts in his amendment, what becomes of the protection he pretends to give us?

I continue the quotation from the Engineering News-Record:

> The Haycock reservoir site has been abandoned.

They have not even got started yet, but they have already begun to abandon part of the project—

> The Haycock reservoir site has been abandoned. * * * The whole pumped-storage plan may be abandoned—

What good is the estimate which the Senator from Arkansas is talking about, when nobody knows what the project is to be? An estimate may be made in good faith on the basis of things as they are, yet day after tomorrow things as they are may have been totally wiped away.

I continue the quotation:

> The whole pumped-storage plan may be abandoned and an auxiliary steam or diesel station substituted, or interchange made with existing utility systems.

Mr. President, what good does it do us pretentiously to authorize another special board to spend 5 or 6 weeks merely in reviewing the reports heretofore rendered? Now, mark you, that is a quotation from the amendment. These boards cannot go out and find out anything for themselves—oh, no! They are merely to review the reports heretofore rendered. The result of their review of the reports heretofore rendered will be precisely like the result of the work of the last board the President appointed for a similar purpose.

So far as Congress is concerned, what right have we, with an eye to our constitutional responsibilities, to turn our backs upon the official warnings of the Public Works Administration and our own Federal Power Commission? Oh, it may be a neat escape, if escape is our objective, to authorize another cursory examination, which, without directly incriminating us, may comfortably permit this "uneconomically and politically conceived" project to eat up all its multiplied millions; but I do not believe it will fool the American people at all, nor do I believe it can satisfy the conscience of the Senate. I say to you again that if you adopt this amendment, on July 20 the President will announce that Quoddy and the canal are to be continued; and if July 20 is not P. T. Barnum's birthday, it ought to be! [Laughter.]

Mr. President, the very distinguished Governor of Maine came down and appeared before our committee. He made a very eloquent statement, which was beautifully presented, and which completely avoided any semblance or discussion of realities of the Quoddy challenge. He presented a stack of telegrams and said there were 700 telegrams from Maine; "Look at these; Maine wants you to build Quoddy; Maine begs you to build Quoddy." What Maine sought was that we continue to spend $42,000,000.

The popularity of $42,000,000 will produce 700 telegrams from any section of the country; but listen to a very simple calculation. The entire plea today for Quoddy—and this includes the testimony of the Governor of Maine—when you sift out the poppies and lilacs, is an appeal for relief. Very good. Maine is entitled to a square deal in respect to relief, and it probably has not had it, but if you are prepared, Mr. President, to spend $36,000,000 on work relief—listen to me—to employ 5,000 people, then if you deal equitably with the remainder of the people of the United States, you must be prepared to spend $26,200,000,000 to employ the rest of Harry Hopkins' 3,500,000 work-relief clients.

What Senator, in his right mind, would concede any such prospectus? And when you go down to Florida and apply the same rule where we meet the same plea that the ship-canal project must not be interrupted because it is such a grand work-relief idea, what is the mathematics that result at that point? Well, Mr. President, the Florida canal is providing work for 7,000 people; it will cost a minimum of $150,000,000. Listen! I say to you, at that rate, if you deal equitably with the remainder of the United States you have got to be prepared to spend $75,000,000,000 upon work-relief projects in order to employ the remainder of Harry Hopkins' 3,500,000 work-relief clients.

You are not going to say to me, Mr. President, that it is not our responsibility to deal equitably with the various sections of the United States; you would not dare say that. And you are not going to say to me that we would be entitled to launch a $75,000,000,000 work-relief program. So, take which horn of the dilemma you please you are not going to say to me that this thing is justified; and, if it is not justified, you cannot turn your responsibility over to any three engineers named by a complacent President of the United States. It comes right back home to you to answer for it.

Now just one further exhibit on Quoddy. I think every prominent engineer in the United States already has an opinion about Quoddy; he knows pretty well, because Quoddy has been very widely publicized, whether or not he thinks the project is economically sound. So when you tell the President to appoint a board of engineers all he has to do is to find the engineers, if he can—I will agree it will be difficult—who are partial to Quoddy and he has got the answer that he asked for.

I just want to demonstrate how difficult it is going to be for him to find six impartial, independent, high-minded engineers to bring him in a favorable report. Oh, he will find them; do not have any worry about that, but it is going to be difficult, and he will probably have to go down into the "second string" in order to fill out the board. Why? I asked for a list of 10 leading hydraulic engineers in the United States from a great authority, and I got the list. I inquired of the engineers on the list whether they had a considered opinion regarding the economic sufficiency of the Passamaquoddy tidal power project, and 10 of them replied. One of them said it was fine. I want to mention that first and I want to name him, too—Harold S. Boardman. I

also want to tell the Senate where he lives—at Orono, Maine. I do not mean to reflect on him at all and I submit that it shows my own good faith when I included Maine in the list indicated.

Professor Boardman says it is fine. But what do the other nine say? They say everything, from the verdict of one engineer who apparently did not think it was worth while to spend much time writing a letter about it and so he just wired me back one word—"asinine." The other eight said there was no justification on earth for it. I will give their names—Prof. Henry Riggs, of the University of Michigan, at Ann Arbor; Daniel W. Mead, of Madison, Wis.; Frank A. Barbour, of Boston, Mass.; John A. McPherson, of Greenville, S. C.; H. S. Morse, of Indianapolis, Ind.; Robert Ridgway, of New York City; J. M. Howe, of Houston, Tex.; Robert E. Horton, of Voorheesville, N. Y.; and J. F. Coleman, of New Orleans, La. That is my board.

Mr. HALE. Mr. President, will the Senator yield for a question?

Mr. VANDENBERG. I will be delighted to yield.

Mr. HALE. Will the Senator tell me how he put the question up to these engineers?

Mr. VANDENBERG. I have been waiting for a long time to engage in colloquy with the Senator from Maine on this subject.

Mr. HALE. I should like to have the information I ask for, namely, in what form did the Senator put the question up to these experts?

Mr. VANDENBERG. I will be very happy to tell the Senator verbatim. I have not a copy with me but it is approximately this:

> Will you kindly advise me whether you have any considered opinion regarding the engineering and economic sufficiency of the Passamaquoddy tidal-power project in Maine?

It was as free from prejudice as a question could be.

Mr. HALE. But, Mr. President, the Senator will not say, from the replies which he received from them, that these men have made any expert examination of the project.

Mr. VANDENBERG. Oh, no; not all of them, although perhaps I ought to read some of these letters. I thought I would save the time of the Senate on this subject, and I do not think I will persist, anyway, but to answer the perfectly appropriate question which the senior Senator from Maine has asked me, let me read one typical letter from Frank A. Barbour, civil and sanitary engineer, Fremont Building, Boston, Mass.

> I know the area involved and the market for power in that section of the country. I have kept myself informed as to the various proposed methods of development. I have no personal knowledge of the possible power output or the ultimate cost, but I have carefully studied the reports which have been published from time to time in the technical press.
>
> On the basis of this information, the project—measured by any of the yardsticks known to engineers—is, in my opinion, so unsound economically as to be impossible of justification from any social or welfare standpoint.
>
> As has been said, "it breaks all records in getting the least electricity for the money", and, even if this were not the case, there is not and will not be for generations a market for the power.
>
> In my opinion, Passamaquoddy should remain a project to be dropped and forgotten, as soon as possible.

I should be glad, if time permitted, to read the other letter, but I assure the Senator that they run in the same general tenor.

Mr. HALE. Mr. President, from what the Senator has just read, I gather that the chief objection to this project turns around the question of the marketability of the power. It seems to me there is very little said about the engineering aspects.

Mr. VANDENBERG. Did the Senator hear this sentence?—

> It breaks all records in getting the least electricity for the money.

It seems to me that is rather conclusive.

Mr. President, I do not want to labor the Quoddy problem any longer. I have brought the reports of the Federal Power Commission, which tell us that we have no right to lend our sanction to this undertaking. I have brought the reports of the Public Works Administration engineers, which tell us that we have no right to lend our authority to this undertaking; and I have demonstrated, beyond the shadow of a doubt, it seems to me—because no one has challenged me as I have proceeded—that the sole purpose of this amendment is to commit the Congress to the permanent development of these undertakings by indirection, so as to avoid the hazard and the jeopardy of again asking for a square roll call on the merits of the projects themselves.

Mr. President, that leaves us with one other problem, and I can dismiss it very briefly relatively, because I have already previously discussed it at length in the Senate, and I have been complimented by the fact that the Senate has twice confirmed my conclusions. We are now back to the Florida canal, 200 miles long, extending from Jacksonville southwest to the Gulf.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. BURKE in the chair). Does the Senator from Michigan yield to the Senator from Idaho?

Mr. VANDENBERG. I yield.

Mr. BORAH. Are the Passamaquoddy enterprise and the Florida canal now tied together?

Mr. VANDENBERG. When the joint resolution was referred to the Commerce Committee the two projects were tied together. In the Commerce Committee I tried to divide them because I thought it was not quite fair to revert to pork-barrel, log-rolling methods to get votes. The Commerce Committee declined to divide them. The amendment came to the floor of the Senate. The senior Senator from Maine [Mr. HALE] yesterday asked that the question be divided when the vote is taken, and my understanding is that the Chair has ruled that he is entitled to have the question divided; so there will be two votes in the Senate, one on Quoddy and one on the Florida canal.

Mr. BORAH. That will be convenient.

Mr. VANDENBERG. That will be convenient and a little more conclusive.

Regarding the canal, I was simply indicating in a word what it is. It is a 200-mile tortuous waterway with twice as much restricted water as there is in any other waterway on earth, trailing across the northern part of Florida from Jacksonville southwest, and finally running out into the Gulf of Mexico. The canal has to be dug 25 miles out in the Gulf of Mexico itself in order to reach navigable water.

The proposed canal has been romantically discussed for 50 to 100 years, but it never remotely occurred to anybody to actually undertake it and to put any money into it until the present delightful dispensation of easy money came upon the land. Even in the presence of this delightful dispensation it was not too easy for the Florida canal to reach the Treasury because Secretary Ickes has a rather realistic viewpoint in respect to some of his responsibilities.

When the Florida project applied for a P. W. A. loan on August 14, 1933, the P. W. A. Administrator appointed several boards to inquire into it. I shall be very brief in this summary because I went over it in detail 2 months ago; but I do not want Senators to forget what it is upon which they are asked to vote.

Secretary Ickes' first board reported on costs, and it did report that a sea-level canal would cost $142,000,000 without interest and $160,000,000 with interest.

Let me digress just a moment. Senators will notice the clever language in the amendment which is now pending. In that portion of the amendment which pretends to offer a little protection by way of an upper limit on the cost of producing this atrocity, it is said:

> *Provided*, That the total estimated capital cost—

Note the word "capital"!—

> Capital cost of such canal shall not exceed $150,000,000.

Do Senators see what the use of the word "capital" means? It means that interest during construction is to be eliminated from the cost limitation, although, of course, unfortunately, it cannot be so conveniently eliminated when the

draft is drawn on the Treasury. According to the original report, to which the Senator from Florida [Mr. FLETCHER] has repeatedly referred, the real cost of the canal at that time, with a legitimate accounting for interest during construction, was $160,000,000. Thanks to the clever language of the pending amendment, interest during construction is eliminated without any particular notice to us except as we happen to understand what is meant in projects of this character by the adjective "capital" in front of the noun "cost."

The Secretary appointed another board. That board reported on the financial aspects of the Florida scheme and reported on September 13, 1934, saying:

> If 8-cent tolls were charged on the canal, the canal would pay for its maintenance and operation and repay cost of construction, without interest, in 80 years.

That is a fine business proposition! The Government could get its money back without interest in 80 years—maybe—but could not even do that unless it charged 8-cent tolls, and there are not going to be any tolls charged at all on this canal.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Florida?

Mr. VANDENBERG. I am glad to yield.

Mr. FLETCHER. The proposal at that time was to make it a toll canal and the idea was to obtain a loan for building it.

Mr. VANDENBERG. That is correct.

Mr. FLETCHER. The 8-cent tolls may not be compared to the charge on the Panama Canal. The Panama Canal toll amounts to $1 per ton. If we should increase the rate of toll on the Florida canal we would get more revenue. Eight cents a ton is a nominal sum and is not a reasonable charge.

Mr. VANDENBERG. The Senator is entirely correct, but I fail to understand what bearing it has upon the point I was making. I was not discussing whether or not the 8-cent charge was appropriate. I was simply discussing the fact that Secretary Ickes' board found that even with the revenue which would accrue to the Government from a toll of at least 8 cents, still the project could not be justified on a business basis.

The matter went through the works of the P. W. A. and on December 21, 1934, the P. W. A. Acting Administrator, whose name, I believe, was Fleming, recommended that the Florida canal project be disapproved for a loan as "not self-liquidating." In other words, it was not a sound business proposition. That puts it in a nutshell.

January 29, 1935, the project was formally disapproved by the Secretary of the Interior acting as Public Works Administrator.

That was not entirely satisfactory to the Florida proponents, so they submitted a revised plan. The revised plan was sent around by Administrator Ickes to the various bureaus for renewed reports.

February 2, 1935, the P. W. A. legal division said "No." April 10, 1935, the P. W. A. finance division said "No."

Secretary Ickes finally declined to reopen the case and the dismissal stands today. So far as the official attitude of the Public Works Administration and Administrator Ickes is concerned, the project stands today under their condemnation.

After that there was only one way left by which to get Government money, and that was through one of the W. P. A. allocations. Of course, there had to be some excuse for making an allocation from the W. P. A. The President found himself in precisely the same situation he had confronted in Maine. The official bodies of the Government had said, "This will not do. We cannot approve it." So there had to be some new authority created in order to set up a semblance of justification of some sort. Accordingly provision was made for another of these Presidential boards, the kind which are provided in the amendment offered by the Senator from Arkansas [Mr. ROBINSON]. To the surprise of nobody, the Presidential board which had been appointed for that purpose said it was a grand idea, and promptly $5,000,000 flowed into the canal project by allocation of September 3, 1935.

Mark you, a great deal is said about the Board of Rivers and Harbors Engineers and their reports in connection with this undertaking, and frequently a studied effort is made to make it appear that these official engineering and surveying authorities in the War Department have put their stamp of approval upon the Florida canal; but the fact is—and I quote Gen. G. B. Pillsbury, Acting Chief of Engineers, December 21, 1935:

> The customary procedure for the authorization of river and harbor projects has not been followed in the authorization of this canal.

Worse!—and this is highly significant, from the same letter—

> The review of the board has been deferred at the request—

Who do you suppose requested them to defer this official, formal, final, conclusive finding by the experts of the Government of the United States in the War Department? Who do you suppose asked them not to let anybody know what they thought about it? I am reading General Pillsbury's letter:

> The review of the board has been deferred at the request of local Florida interests desirous of submitting additional data.

Mr. President, that report has not been made to this good hour.

Mr. FLETCHER. Mr. President, the matter was then being considered by the board of review.

Mr. VANDENBERG. That is not all. The Secretary of War tells me, in a letter dated May 25, 1936:

> The Florida canal project is now under formal study by the Corps of Engineers, with its customary thoroughness and fairness. The next step of that study is a responsibility of the "special board" to which you refer.

I wonder if the Secretary of War was unwittingly ironical when he used the language "its customary thoroughness and fairness" as he wrote about the Florida canal? The Corps of Engineers has not even conclusively reported yet, and we have already sunk millions of dollars in the project; and we are asked, indirectly, to put our final stamp of approval on it this afternoon through the adoption of an amendment which is sheer camouflage so far as relieving the Congress of the United States of its responsibility is concerned.

Those were the credentials the Florida canal enjoyed.

I wish to be fair about the special board of review to which the able Senator from Florida [Mr. FLETCHER] has repeatedly referred, and upon which he entirely and exclusively relies for his case. It is the only thing he has on which to rely. They did just exactly what the Presidential board in Maine did.

They were not inhibited by any of the facts that had previously been disclosed, nor by any of the recommendations previously made. They drew their own picture, and they concluded that the canal was economically justified in this fashion. Now, follow me:

They counted all the ships that had traversed the area from the Atlantic Ocean around Florida to the Gulf in a year; and then they said:

> If every one of these ships had gone through the Florida canal, it would have saved six or seven million dollars in navigation costs.

That is a very interesting contemplation, but it is an enormous "if." "If they had all gone through", there would have been a six- or seven-million-dollar benefit which would have "justified" the expenditure of one hundred and fifty or two hundred million dollars. Of course I do not see that a $7,000,000 benefit, by simple mathematics, justifies a $200,000,000 or $150,000,000 investment; but, be that as it may, I am assessing their amazing line of logic.

Mr. MURPHY rose.

Mr. VANDENBERG. Does the Senator from Iowa wish to ask me something?

Mr. MURPHY. Only to suggest, as the Senator's words suggested to me, that putting the statement in the subjunctive was a good deal like a goose-farm prospectus. [Laughter.]

Mr. VANDENBERG. I thank the Senator; and if he will undertake to translate that lexicon into an adequate definition of this amendment, I should like to yield to him again later.

Now, Mr. President, you see how the board of review figured out the economic "justification."

Mr. MURPHY. Mr. President, will the Senator yield again?

Mr. VANDENBERG. Yes; I should love to yield to the Senator.

Mr. MURPHY. Having reference to the estimate which the Senator quoted of $160,000,000 as the capital cost of the canal, is the Senator prepared to say what a fair computation of interest on the capital cost would make the total cost?

Mr. VANDENBERG. The $160,000,000 figure includes the interest. The capital cost is $142,000,000. The average interest rate charged against these projects over the years is 4 percent. That brings the total to $160,000,000; but, lest the Senator may not have been here when previously I was discussing the cost figure, I call his attention to the fact that that estimate is based upon the price index of June 1934. Since then the cost of construction materials has increased 25 percent. That estimate is based upon contractual labor and not upon relief labor. The canal is now being built entirely by relief labor. Of course, the idea is perfectly fantastic that we can rely upon an estimate of $140,000,000 under those circumstances.

Let me get back, however, to the hypothesis of justification, because I think it is so amusing, or it would be if it were not so serious. If every ship that the board of review found for a year on the waters connecting the Atlantic Ocean to the Gulf had gone through the canal, there would have been a navigation saving of six or seven million dollars.

First, every ship would not go through the canal. I am not going to remind the Senate of the evidence I presented 2 months ago, except in this brief summation: I did not find a single major ship operator in the entire waters who, in response to a fair questionnaire from me, would say that he had the remotest idea of ever using the canal if it were built. On the contrary, ship operator after ship operator testified, in unequivocal language, that they did not think the enterprise was economically justified. They testified that it is not essential, and that it should not be pursued. What becomes of all these ships that the board of review counted on the ocean and the Gulf to reach this hypothetical conclusion? Why, Mr. President, they are just "painted ships upon a painted ocean." They have no relationship whatever to the mathematics that the Senate of the United States should consult upon its responsibility when it is dealing with one hundred and fifty or two hundred million dollars of the public money.

Second, the Department of Commerce, in the survey it made of the proposed canal, said that of this hypothetical trade two-thirds would be oil tankers. So two-thirds of the beneficiaries whom we are presuming to serve with this hypothetical advantage, two-thirds of the beneficiaries of this $200,000,000 grace are the oil operators and oil shippers of the country. I do not think they need our aid that much or that badly. Neither do I think all the oil tankers put together, if they did go through the canal and did get a hypothetical benefit from the transit, would reduce the price of oil to the ultimate consumer by one fraction of a mill. What becomes of this hypothetical advantage? Are we to be led astray by mere assumptions which, under analysis, utterly fail to justify themselves?

Do not take my word for that. What did the Department of Commerce survey say? The Department of Commerce made a very profound survey, and the result is attested in a pile of books about 2 feet high. Believe it or not, I have read them all, and I am perfectly prepared to discuss their contents with anybody.

This is what the Department of Commerce said:

> The consensus of opinion of that part of the shipping industry with which contact has been established in the preparation of this study appears to be that the probable cost of building the projected waterway is not justified through any benefits which might thereby accrue to the cargo or the vessel. The significance of this is that it rests primarily upon the considered opinion of the principal and naturally most interested group, namely, the tanker trade.

Mr. President, the question always inevitably arises in the minds of those who contemplate this interesting problem, why would they not use the canal if it were in existence? Let the Department of Commerce answer that question for itself.

> A significant question which has been generally raised relates to the length of time a vessel would be confined to restricted waters. It has been pointed out by ship operators that the proposed waterway would be practically twice as long as the world's longest canal—the Suez—and that roughly 36 to 40 hours would be required to move a vessel from open water to open water over this distance. The question reflects directly the reluctance of those responsible for the operation of ships to have them confined to restricted waters.

Mr. President, it is impossible to drive a ship operator into restricted water by any fiat of Congress or by any dream respecting the Florida canal. Because of many factors and many elements, the cost of operating ships in restricted waters is greater than the cost of operating ships in unrestricted waters. When the ship operators of this country almost unanimously testify that they would not use the canal even if it were available, I submit we are entitled to say they probably know what they are talking about, and that the net result of their testimony and evidence is infinitely more reliable than the hypothetical calculations of somebody who sat in a swivel chair down Pennsylvania Avenue and counted all the ships he found on the ocean off Florida and in Gulf waters during a period of 12 months.

Mr. President, I desire to refer to only one other phase of this matter, and I feel required to do so with apologies to the senior Senator from Florida because of the almost countless messages from central and southern Florida which have poured in upon me during the last 2 or 3 weeks, as they did during our previous debate, namely, that their viewpoint may be submitted to the Senate.

I will not undertake to say—it would be presumptuous if I did—what the State of Florida thinks about the Florida canal. I do not presume upon the prerogatives of my able friend the senior Senator from Florida, but I think I owe it to those of his people who have asked that their viewpoint be submitted that it should be submitted, and I say to the Senate that it is their opinion, rightly or wrongly, it is their conviction, that if this gash is cut across the northern end of Florida, it will sever the main water artery, and it will either destroy or tremendously endanger and injure the ground-water supply of those areas.

The Senator from Florida is entitled to answer me by saying that upon this question the Presidential board of review, to which I have previously referred, has said that its considered view is that there is no such menace. The fact remains that we are guessing, at best, because there are equally reliable and profound engineers who put to themselves the responsibility of asserting that the construction of the proposed canal would result in incomparable damages to central and southern Florida.

Dr. Henry S. Sharp, geologist, of Columbia University, has asserted:

> All geologists unite in predicting that the canal will cause some damage to the water supply, while a considerable number believe that it will prove to be a textbook example of the large-scale destruction of water resources by artificial interference with underground flow.

Since I used that quotation in the first debate I have had a reasonably long correspondence with Professor Sharp, and he has submitted to me a supplementary brief, in which he specifically sustains his own conclusion that we are put upon notice that we proceed at our peril so far as this water problem is concerned.

The United States Geological Survey itself says:

To summarize, there appears to be no reasonable doubt that serious adverse effects will be produced upon the important underground-water supplies of the Ocala limestone in a wide zone extending outward from the canal line by the construction of a sea-level canal along Route 13-B.

Mr. President, I do not know whether there will be resultant jeopardy or not, but I am put upon notice, and so are other Senators, that there can be jeopardy, that there may be jeopardy; some go so far as to say there probably will be jeopardy. If there is jeopardy, and if destruction in whatever degree shall pursue the fertile acres of central and southern Florida, the Government will make itself liable for a bill in damages beside which this appropriation, enormous as it is, may become merely pin money.

Mr. President, I submit we are not entitled to take that chance. I submit we cannot get any conclusive answer to this question from any 3 or 4 or 5 weeks' survey of reports previously made, as required by the amendment submitted by the Senator from Arkansas. It cannot be done in that fashion, and it is mere window dressing to talk about doing it in that fashion. The jeopardy exists. If you separate this amendment, Senators, you accept your share of responsibility for that jeopardy because you cannot hide behind these Presidential boards.

Mr. President, I merely desire to add for the RECORD, in behalf of the citizens of Florida who have urged me to bespeak their opposition, that I have had 93 petitions from civic, social, political, and religious organizations in the State of Florida, begging Congress not to bring the shadow of this menace upon them. They run all the way from the city of Sanford to the city of Orlando, to the city of Kissimmee, to the city of Winter Haven, to the city of Miami, to the city of Fort Lauderdale, to the city of Stuart, to the city of Vero Beach, to the city of Fort Pierce, to the city of Tampa, to the city of Sarasota; from the Seminole County commissioners, the Orange County commissioners, the Osceola County commissioners, the De Soto County commissioners, the Hillsboro County commissioners, the Dade County commissioners, the Broward County commissioners, the Martin County commissioners, the Sarasota County commissioners, the Seminole County Agricultural Association, and so forth, and so forth, and so forth.

Mr. President, I think I have discharged my entire responsibility in respect to these two undertakings. I had expected to present a series of amendments to each of these project definitions in the amendment, in an effort, from my viewpoint, to inject some minimum degree of rationality into them. But I have concluded that the issue is clear and distinct, and that it ought to be left clear and distinct. The Senate should vote the amendment up or down after it is divided. I shall not offer the amendments to which I have referred. I shall be content to accept the judgment of the Senate based upon the facts.

Mr. President, I say in conclusion that this amendment cannot successfully transfer to the President and to three unnamed engineers the responsibility of the American Congress over the public purse. That responsibility stays here, in spite of any detour, in spite of any camouflage. We cannot evade the responsibility 1 year from today for dipping into the general revenues of this Government to continue these projects. If we agree to this amendment today, this is the last and final hour when the Senate of the United States will say upon its responsibility that it is satisfied to have Quoddy and the Florida ship canal proceed. I, for one, vote "no."

AGRICULTURAL DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER (Mr. MALONEY in the chair) laid before the Senate the action of the House of Representatives on certain amendments of the Senate to House bill 11418, the Agricultural Department appropriation bill, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
May 29, 1936.

Resolved, That the House recede from its disagreement to the amendments of the Senate nos. 2, 16, and 71 to the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate no. 85 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert:

"Enforcement of the Sea Food Inspectors Act: For personal services of sea-food inspectors designated to examine and inspect sea food and the production, packing, and labeling thereof upon the application of any packer of any sea food for shipment or sale within the jurisdiction of the Federal Food and Drugs Act, in accordance with the provisions of act entitled 'An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended', approved August 27, 1936 (49 Stat., p. 871), $40,000"; and

That the House recede from its disagreement to the amendment of the Senate no. 86 to said bill and concur therein with the following amendment:

In lieu of the sum proposed to be inserted by said amendment insert "$2,077,758."

Mr. RUSSELL. I move that the Senate agree to the amendments of the House to Senate amendments Nos. 85 and 86.

The motion was agreed to.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

Mr. WHITE. Mr. President, I voted against the $4,880,000,000 bill in the last session of Congress. I did so because of my belief that it proposed an unconstitutional delegation of power to the President. I did so because I was opposed to vesting in the President of the United States authority to spend in his discretion such a staggering sum. I was hostile to the legislation because of my fear that this money would be extravagantly and wastefully spent, with sectionalism and partisanship influencing its distribution and its use. I am against the pending bill in its present form for precisely the same reasons.

Mr. President, unlimited authority has heretofore been given to the President to spend vast amounts. Billions of dollars have been appropriated and placed at his disposition. The policy of public-works expenditures is in full swing, and the pending measure simply continues and enlarges the program.

Disapproval of the program as a whole does not, in my judgment, demand that I should oppose every project within its scope. On the contrary, I feel free and I feel obligated affirmatively to express myself with respect to particular undertakings included in the general program as they from time to time are presented to me.

Mr. President, I have twice voted against the Florida canal. There is my record with respect to that project, and that record I cannot erase. Yesterday my colleague, for whose mental integrity and political courage I have unbounded respect, stated, not in words, but in fair intendment, that he was not in the market. I stand with my colleague in that declaration of principle. I do not propose by any act of mine that it may be charged or that it may be thought that a Senator of the United States from the State of Maine is for sale, whatever the price may be that is offered. Because of my past attitude, I feel compelled now to vote against the Florida canal amendment.

Mr. President, I favor the proposal for the completion of Quoddy. The President of the United States had original authority to approve this undertaking. He has under present law power to continue and complete its construction. He has available the funds to carry on the work. I had hoped that he would do so. He has, however, asked that further study of the project be made, and the amendment relating to Quoddy makes completion thereof contingent upon favorable recommendation by the commission to be designated.

I regard the pending amendment not as an enlarged authority to the President, not as a new power, but rather as a restriction and a limitation upon present power. I regret

that it has seemed advisable to the President, that it has seemed necessary, to ask for further legislation which, in my judgment, makes contingent the completion of the project in the State of Maine.

I do not feel—and I have already indicated this—that opposition to the whole program of the Government makes it necessary that I should oppose an expenditure from the relief fund to be made within my own State. On the contrary, I welcome the opportunity to recapture for my State some of the contributions she, of force, makes to these huge expenditures. In so doing I am not increasing the total of expenditures to be made by the Federal Government, but I am influencing, so far as I can do so, the equitable distribution of these funds.

Mr. President, the proposal to build this tidal power plant at Passamaquoddy is not a conception of recent days. As early as 1925 the Legislature of Maine chartered a corporation authorized to build this plant. At almost the same or about the same time a Canadian charter was secured for this corporation. A statute of the State passed in 1909 forbade the exportation from the State of electrical energy developed by any corporation within the State, but upon a referendum the people of the State of Maine voted overwhelmingly to authorize the shipment of this Quoddy power to points beyond the State's limits. The engineering problems involved became the subject of study by great industrial companies of the United States, and until the crash of 1929 hope was entertained by those most intimately connected with this project that private capital would finance the undertaking.

The original plan contemplated an international undertaking, but this has been abandoned for the time being at least. As the plans have been studied they have undergone substantial change. The present project will provide for the generation of power by creating and maintaining at high-tide level a pool approximately 37 square miles in area by means of the construction of the necessary dams and filling gates. Under the plan this basin, when filled, and the sea outside will be at the same level. When the tide outside recedes approximately 5 feet, the water will be discharged from the tidal basin through the turbines for the generation of power. This operation will continue throughout the ebb tide and on the rising tide until the sea level is within 5 feet of the basin level. When the difference in head on the rising tide is only 5 feet, the turbines will be stopped. The filling gates will then be opened to refill the tidal basin, which during the period of operation will have been drawn down from 1 to 3 feet. The two cycles of operation, that is, operation during the time in which the tide is running out and during the time in which the tide is running in, will approximate 15 hours out of the 24-hour period. During the balance of the 24 hours there must be an auxiliary source of power. This may be obtained by the installation of a Diesel plant, or by connection with an existing power company. Under the plan now being followed the initial installation will provide 62,500 kilowatts at the tidal plant and 30,000 kilowatts at the auxiliary plant. The estimated cost of this plant is approximately $36,000,000, upon which somewhere in the neighborhood of six or seven million dollars has already been expended.

No man, in my opinion, can question the engineering feasibility of the Passamaquoddy undertaking. On the contrary the engineers of private companies and those of the Government as well regard the project from the engineering standpoint as wholly practicable. There have been assaults upon it because of the allegation that the cost of power there generated would be excessive, and because of an alleged absence of a market for power. I do not contend that the single unit of development now proposed will produce cheap power, but I do insistently urge that the figures adduced by the Senator from Michigan are wholly beside the mark. He has referred to various reports. He has referred to a Public Works Administration report made in March 1934 to a Federal Power Commission report made in January 1934, and to another Public Works Administration report made on March 30, 1934. Those reports are more than 2 years old. All of them dealt with and all of them related to an entirely different project than that which is now under consideration. Then, Mr. President, they were talking about two tidal basins. Then they were talking about a great reservoir into which water should be pumped at an enormous cost and held as a reserve source of power and energy. Then they were talking about a hydroelectric development on the St. Croix River to be used as an auxiliary of the tidal power plant. Figures drawn from those studies and those proposals then pending have no relation whatsoever to the present plan now under contemplation and now under discussion.

What are the figures with respect to the cost of power to be here generated?

I have immediately at hand figures, given to me within recent days, based upon the existing plan upon which the engineers have presently agreed and which has been approved by the President of the United States. On the basis of an estimated cost of $36,740,000, the report shows that the cost of power there would be 9 mills per kilowatt-hour. What is power being sold for in the State of Maine generally? From a report of the Maine Planning Commission, a body appointed by the Governor of the State and whose report was made recently, it appears that the rate for residential service in the State of Maine, while steadily decreasing in 1931 was 5.91 cents per kilowatt-hour, and that the average revenue from all electrical energy sold by the public-utility companies in Maine in 1931 was 2.3 cents per kilowatt-hour. As against those figures, I set this estimated cost at 9 mills per kilowatt-hour.

Mr. President, something has been said about there being no need for additional power in the State of Maine within a reasonable limit of time.

Mr. HALE. Mr. President, will my colleague yield?

The PRESIDING OFFICER. Does the Senator from Maine yield to his colleague?

Mr. WHITE. I yield.

Mr. HALE. Does the Senator know what is the cost of power at Eastport at the present time? I have been informed that it is somewhere in the neighborhood of 8 cents per kilowatt-hour.

Mr. WHITE. I have the exact figures somewhere, but I think the Senator has stated it approximately as it is.

Mr. President, I was referring to the present power situation in the State of Maine. We have in Maine today developed approximately 630,000 horsepower. We have in our State, according to surveys recently made, a potential horsepower of 1,200,000.

Reports show that the demand for power in the State of Maine doubles in about every 8 or 10 years, and, assuming these figures to be accurate, and assuming this estimate to be accurate, the time is not far distant when the users of power in Maine will be looking elsewhere for the sources of their needed electric energy.

I do not contend, however, that the single unit of development now proposed will produce power as cheaply as it can be produced in other sections of the country. It will, however, produce power in Eastport and in the extreme eastern end of the State at a figure only approximately above that required for the generation of power from coal or the generation of power from oil.

Mr. President, this proposed single plant may, however, be regarded as an integral part of an international development originally conceived from which an abundance of relatively cheap power may be had. Those of us who believe it the part of wisdom for the Federal Government to continue with this undertaking, upon which already nearly $7,000,000 have been spent, are hopeful that power will ultimately be generated at a price commercially desirable.

We justify the project upon other grounds. First of all, Mr. President, we look upon it as a relief measure. There have been employed on this project even during this period of doubt as to its completion from 2,700 or 2,800 men to more than 5,000 men. These men, with limited exceptions, have been taken from relief rolls. The discontinuance of this work will mean that this number of men must be given

employment elsewhere. It is not economical to take from three to five thousand men from an undertaking well begun and to scatter them about the State or about the country to work on projects already going or to create new projects to absorb them.

Mr. President, the distinguished Senator from Michigan made the statement that it was costing $36,000,000 to furnish employment to 5,000 men upon this project, but I call the attention of the Senate to the fact that the expenditure of the $36,000,000 is to furnish employment to this body of men over a period of from 3 or 4 years while this work is going on.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. WHITE. I yield for a question.

Mr. SCHWELLENBACH. I should like to ask just two questions. Does the Senator have the figures as to the cost of construction per horsepower?

Mr. WHITE. I am afraid I do not have those figures immediately available.

Mr. SCHWELLENBACH. I should like to ask the Senator another question. Do I understand that the Senator is advocating this project as a public power development?

Mr. WHITE. I am advocating it as a great experiment in connection with the development of power from the utilization of the tides; I am advocating it as a relief measure; I am advocating it because of its possibilities of rehabilitating a vast area in my State; and I am advocating it, to be perfectly frank, because I feel that this far eastern section of the country is entitled to some consideration in the huge expenditures of these public funds; and I will say more about that if I may proceed in my own way.

Mr. SCHWELLENBACH. I do not like to interrupt the Senator, but there has been considerable criticism in certain sections of the country because of our public power developments in the West, and I should like to understand whether or not the Senators from Maine are now advocating public ownership of power in the State of Maine?

Mr. WHITE. I am not.

Mr. President, I was speaking about the employment of men upon this project and making reference to the statement of the Senator from Michigan that $36,000,000 was required to furnish employment to 5,000 men, and I was calling attention, when interrupted, to the fact that this project and the expenditure of $36,000,000 upon this project will run on for a period of from 3 to 4 years; and I was about to say, if you figure the life of this undertaking to its completion as involving 3 years' time, that is equivalent to the employment of 15,000 men for a single year; and when you divide $36,000,000 by 15,000 men you find that the cost is at the rate of approximately $2,400 per man per year, which is not out of line with the general cost for relief upon public-works projects throughout the entire United States.

We in Maine urge that this expenditure promises the rehabilitation of a desperately pressed section of our country and of the people thereof. In the not distant past this section of Maine was active and prosperous. Lumbering and allied operations employed thousands and brought in substantial revenue to the entire area. In large measure the lumber has gone, and profitable operation of what remains has been made well-nigh impossible by Canadian and other competition, to which strength has been added through the recently negotiated Canadian reciprocity treaty. Along the coast in this neighborhood a profitable fishery industry once flourished. That, too, has felt the impact of Canadian competition, the severity of which will be more keenly felt in the future years. In the particular county in which Eastport is located there was once, and until recently, a prosperous canning industry. That, too, has suffered severely within recent years.

In this section of Maine live a hardy, an intelligent, and an industrious citizenship, whose livelihood has been in large measure taken from them through conditions and circumstances beyond their control. Already from the work done at Quoddy new life has flowed throughout this whole area. Five thousand workers have spent portions of their money in the immediate neighborhood and have sent the balance to their homes. The local post office at Eastport reports an average of $2,000 daily in money orders. Quoddy has paid to Bangor nearly a half-million dollars in labor and supplies; and Portland, many miles away, has profited to the extent of almost a million dollars. Quoddy has paid to 170 concerns in the city of Boston nearly $900,000 up to March 30 of this year. All these returns to communities are exclusive of labor and are exclusive of large contracts closed or about to be closed.

Many of the thriving western communities built by the forty-niners and their successors are largely of the past. Except for the spectacular development of southern California, due to the discovery of her oil fields, the West in no small degree has retained its industries and its population through irrigation and water-power developments. Just as public funds have enabled the West to enlarge from a country of scattered mines and mining communities to a prosperous agricultural and manufacturing section of our country, so now are public funds required to give to the eastern portion of Maine her chance. The expenditures of the Government on this project have revived the courage and given new hope throughout this portion of our State.

Mr. President, a further justification for this undertaking is its very experimental character. No one knows the possibilities involved in this work. The distinguished Senator from Michigan [Mr. VANDENBERG] said that this is a novel undertaking. He said no one knows what is involved in it or what would come from it. In large measure he spoke the truth when he uttered those words. England has been experimenting with tidal power on the River Severn, and France has experimented with the ebb and flow of the tides for power purposes on the coast of Brittany, but this is the first major adventure in this field to which engineers look with interest and expectation.

Power today is generated by falling water and by the use of exhaustible natural resources. When our oil and coal are gone the single source of power in America will be our rushing inland streams, unless we unlock and open wide the now closed doors behind which hide the opportunities and the possibilities of future years. There are those who speak of this undertaking with derision, who would measure it by the dollar yardstick alone. They forget the millions upon millions of dollars which have been poured out in endless experimentation before there came into commercial usefulness a hundred necessities of the hour. I ask them what would this America be industrially today had the great laboratories of research, of experiment, and of adventure been restricted and denied by the requirement that their existence must depend upon first showing a money return.

Mr. President, Queen Elizabeth of Spain lost her jewels and Columbus languished in jail, but they gave to the world this Western Hemisphere. Pasteur and Morse and Bell and men like them all have traveled the high road of experiment. They are the ones who have enriched and enlightened the world and this Nation.

Here in America our War Department experiments with poison gas that men may die. Our Army and Navy experiment with guns, with tanks, with airships, with vessels upon the sea. In the city of Washington we may see our Bureau of Standards, which is a great organization of experimentation for the benefit of the industrial life of the United States. I am not afraid of the Federal Government directly trying this experiment that we may learn the lessons to be found therein.

Engineers of national and international prominence have a profound faith in this project. In its completion they see the hope that along the northeast coast and elsewhere in our country the ceaseless ebb and flow of the tides will give that power which modern industry and modern life demand—power which now depends in substantial and increasing degree upon the growing use of diminishing resources.

Mr. President, I have suggested that Maine has uncomplainingly made her contributions to vast expenditures of the Federal Government designed to bring to the people of other sections of our country new and larger opportunities in life.

West of the ninety-ninth meridian live about 12 percent of the population of the United States. Within this area are what we commonly call the arid portions of the West. In this section the United States Reclamation Service, the Reconstruction Finance Corporation, and other agencies of our Government have spent and are spending enormous sums. To June 30 of last year the total amounts advanced to the Bureau of Reclamation from the Federal Treasury totaled $243,000,000.

Other great projects have been inaugurated calling for hundreds of millions of dollars more. Grand Coulee will cost at least $395,000,000. The Central Valley plan in California calls for $170,000,000 as the estimated cost of the first development, with an ultimate development costing in excess of $600,000,000. Boulder Dam will cost $109,000,000. The all-America Canal through the Imperial Valley is estimated to cost $30,000,000. The Parker-Gila project will cost $20,000,000 more. Other undertakings bring the grand total expenditures under the Reclamation Service to $1,488,000,000.

The Reconstruction Finance Corporation is financing the metropolitan water district of Los Angeles to the extent of $250,000,000.

In this same general region the War Department is carrying on as rapidly as possible four mammouth projects. It is estimated that Bonneville Dam will cost $54,000,000; that Conchas Dam in New Mexico will require $12,000,000; that the Los Angeles flood-control district will receive the Government's contribution of $14,000,000; and that Fort Peck will cost $110,000,000. These War Department works, which are entirely exclusive of river and harbor work, call for a total expenditure of approximately $200,000,000. In addition to this the Indian Service has spent for irrigation and water development a total of more than $61,000,000.

None of these figures include any P. W. A. projects common to the entire United States. As to most of them there is no pretense of economic justification if by this we mean adequate and effective provision for amortization and for interest in a reasonable time and at reasonable rates. The estimated cost of these governmentally financed projects in this area reaches the staggering sum of $2,020,000,000.

Mr. President, I deplore invidious comparisons, but I submit that if such amounts are to be scattered with prodigal hand in this far western section of our country, the State of Maine is not unreasonable in asking that the Quoddy project may be completed.

Mr. ADAMS. Mr. President, I send to the desk two perfecting amendments to title II of the bill. As a result of the discussion, the committee decided to offer these amendments.

The PRESIDING OFFICER. Without objection, the amendments to the committee amendment will be received and stated.

The LEGISLATIVE CLERK. In the committee amendment it is proposed to strike out lines 14 to 24, inclusive, on page 31, and the numerals "1937", in line 1, page 32, and in lieu thereof to insert the following:

That in order to provide relief, work relief, and to increase employment by providing for useful projects and public works, the Federal Emergency Administrator of Public Works (hereinafter called the Administrator) may, upon direction of the President, use not to exceed $300,000,000 from funds on hand or to be received from the sale of securities, for the making of grants to aid in the financing of projects capable of being substantially completed, in the determination of the Administrator, not later than June 30, 1937.

Mr. ADAMS. Mr. President, in connection with that amendment a word of explanation should be offered.

In the statement made day before yesterday in reference to the public-works provision of the bill, the statement was made by me that the Public Works Administration had $50,000,000 in cash which was available for grants. That was a general statement which had been made frequently in the committee and in the discussion. Subsequently, upon rechecking, I discovered that the $50,000,000 was available, but that the cash was under the limitation of the securities, and could be used only for loans. Therefore the committee has raised the amount in the original amendment from $250,000,000 to $300,000,000. That is, as it stood before we understood that $250,000,000 was available from the revolving fund and $50,000,000 in cash. As they are all under the same limitation, we are making the same release of restrictions apply to the entire $300,000,000.

Mr. FLETCHER. Mr. President, in reference to the pending amendment, I wish to say just a few words in response to some points raised by the Senator from Michigan [Mr. VANDENBERG]. I desire to hurry on as fast as possible and let the Senate come to a vote; but the Senator from Michigan mentioned some opposition in the State of Florida to the canal and seemed to raise some question about the sentiment in the State.

It is due to myself, perhaps, to say—and I think it is quite true and may be of interest to the Senate—that I believe 80 percent of the people of the State are in favor of the construction of the canal. Possibly 20 percent of them may be opposed to it. Some of them are opposed to it because they do not understand the condition and because the facts have been misrepresented to them.

With reference to the water supply, in addition to the examination made as mentioned by the Senator from Michigan, a special board of five experts—the choice experts of the whole country—made a special study of the whole subject; and they have reported that there will be no consequential damage by reason of digging the canal nor any adverse effect on the water supply. The truth of the matter is that Florida is not dependent on the Great Smoky Mountains or any other mountains for its water supply. Florida gets its water supply, particularly the ground water, from the heavens. Providence provides for that. The State has an annual rainfall of 62 inches, and it is equally distributed. It has an ample rainfall. The water supply is not only sufficient to take care of all the needs of the State, but an immense amount of it moves off to the Gulf and the Atlantic.

There is no danger from that source. Some people are entirely misled on that score; but the scientific people who have examined the matter, after sinking hundreds of wells and making a thorough examination, report that there will be no damage to the water supply, and the Chief of Engineers so testified before our committee.

The Senator from Michigan mentioned the opposition of shipping. On September 5, 1934, Admiral H. I. Cone, then Chairman of the United States Shipping Board, wrote as follows:

It is axiomatic that the success or failure of any industrial enterprise is in great measure determined by the cost of operation. This is particularly true of shipping, which is so highly competitive that economies must be sought for in every item that enters into the calculation. Aside from the cost of the ship itself, no factor is more important than the element of time. To cut down the turn-around is to cut down the ratio of expense to income, and thus to reduce the outlay per voyage for fuel, wages, subsistence, stores, and every other item chargeable to the debit side of the operating account. With these considerations in mind, I cannot escape the conclusion that the proposed sea-level ship canal across the State of Florida, if operated on a basis that would preserve for the shipowner a reasonable share of the savings due to lessened time per voyage, would tend to stimulate Gulf commerce, and prove of substantial value to American shipping.

I submit that statement, and with that I submit the matter.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Colorado [Mr. ADAMS] to the amendment of the committee is agreed to.

The Senator from Colorado has a further amendment to the committee amendment which will be stated.

The LEGISLATIVE CLERK. In the committee amendment, it is proposed to strike out lines 24 and 25, page 29, line 1, page 30, and line 2, page 30, to and including the word "completion", and in lieu thereof to insert:

No part of the funds herein appropriated shall be expended upon or be allocated to any Federal project unless the funds so expended or allocated will be sufficient to complete such project.

Mr. ROBINSON. Mr. President, I inquire how this amendment arises? My attention was distracted for a moment.

Mr. ADAMS. I explained that matter when the amendments were sent up some time ago. The two amendments were sent up, and one of them was taken up first.

Mr. ROBINSON. But there was an amendment pending.

Mr. ADAMS. This is a perfecting amendment. The Senator from Arkansas has an amendment pending to a section of the committee amendment. This is a perfecting amendment to the committee amendment which underlies the Senator's amendment. I understand we have a right to perfect the committee amendment before passing upon amendments to it.

Mr. ROBINSON. My amendment merely adds to the committee amendment. I do not know what this amendment is about. I have not had an opportunity of reading it. How did the Chair entertain this amendment, with an amendment pending?

The PRESIDING OFFICER. By unanimous consent.

Mr. ROBINSON. I was not advised that unanimous consent was asked. I ask the Senator from Colorado to withdraw his amendment for the present, and let us vote on the pending amendment.

Mr. ADAMS. Very well; I withdraw it. I wish to say, however, that it corrects the amendment in accordance with certain very proper suggestions, I think, which were made in the debate yesterday, as to the form of the amendment. It has been taken up with other members of the committee and seems to be an appropriate and proper amendment to improve the form of the committee's amendment.

Mr. ROBINSON. Let us dispose of the pending amendment first, and then we will take up the amendment of the Senator from Colorado.

Mr. ADAMS. Very well.

Mr. ROBINSON. As I understand, we are now ready for a vote on the pending amendment. Yesterday there was a demand for a division of the amendment. I inquire of the Chair what is the question now to be submitted to the Senate for a vote.

The PRESIDING OFFICER. The question is on agreeing to the branch of the amendment relating to the Florida Canal Board.

Mr. ROBINSON. The trouble about that is that the projects are not completely separated. I have no objection to separate votes, and I am raising the question merely out of fairness to the Senate.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield to the Senator from Oregon.

Mr. McNARY. That point was raised yesterday, and was decided by virtue of rule XVIII.

Mr. ROBINSON. I understand that.

Mr. McNARY. It is my opinion that the vote fairly may come first upon the Florida canal project.

Mr. ROBINSON. Certainly; that is true.

Mr. McNARY. I do not see that anyone would be embarrassed by virtue of the holding of the Chair yesterday, which was entirely proper, in view of the rule. Every Senator can vote intelligently and properly, and express his views, by voting first on the project which appears first in the amendment offered by the Senator from Arkansas; namely, the Florida canal. Secondly, of course, the question will come on the Passamaquoddy project in Maine, and then, naturally, upon the amendment in the form in which it is finally presented.

Mr. ROBINSON. Mr. President, personally I do not make any objection to any arrangement which will fairly separate the questions; but the point I am making is that, considering the form of the amendment, it is difficult to separate the questions. If the Senator will look at the amendment, he will see what I mean.

The first paragraph apparently relates to both projects. The second paragraph relates only to the Florida canal board. The third paragraph apparently relates to the Passamaquoddy board. I think we might, by a gentleman's agreement, have an understanding that we shall vote first on the questions in the amendment relating to the Florida ship canal, and, when that vote shall have been taken, then on the questions in the amendment relating to the Passamaquoddy project.

Mr. McNARY. Mr. President, the answer to that is an easy one. On page 3, line 17, the language of the amendment is:

> For a ship canal across the State of Florida, not to exceed $10,000,000.

The vote properly may be taken first upon that amendment. Then, if that should carry, or if it should lose, whatever the result may be, the general language of the amendment may be amended conformably with the vote and expression of the sentiment of the Senate.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly.

Mr. FLETCHER. The two phases of the amendment not being separated in general terms, I suggest that the first question should be on all that portion of the amendment which relates to the canal across the State of Florida.

Mr. McNARY. Certainly.

Mr. FLETCHER. Then the second question should be on all matters in the amendment referring to the Passamaquoddy project.

Mr. McNARY. Of course; but the thing is done by the language I read, and that follows by implication.

Mr. ROBINSON. Mr. President, I ask unanimous consent that the questions be divided so that there may be submitted to the Senate, first, all provisions of the amendment relating to the Florida canal, and, when that matter shall have been voted upon, all provisions of the amendment relating to the Passamaquoddy project.

Mr. McNARY. Mr. President, I think that is eminently fair, and presents the matter just about as I had it in mind.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and the question is on agreeing to the portion of the amendment having reference to the Florida ship canal.

Mr. GLASS. Mr. President, I have consistently voted against putting riders on appropriation bills, and in order that there may be no misunderstanding of my attitude as to the pending question, I may say that I voted for the Florida ship canal when the matter was before us last, but I shall vote against it now, and I shall vote against the portion of the amendment relating to the Passamaquoddy project, as riders on the pending appropriation bill.

Mr. ROBINSON. Mr. President, in reply to what the Senator from Virginia has said, I point out to him that the amendment is not a rider in any proper use of that term. It is an amendment to a committee amendment which proposes to preclude the construction of these and other projects similarly situated unless such an amendment as that now pending shall be agreed to.

Mr. GLASS. Mr. President, in the judgment of the Senator from Virginia, the amendment should have been ruled out on a point of order. The fact that the Presiding Officer decided otherwise and that the Senate decided otherwise has not changed my judgment in the least.

Mr. VANDENBERG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Keyes	Overton
Austin	Chavez	King	Pittman
Bachman	Clark	La Follette	Reynolds
Bailey	Copeland	Loftin	Robinson
Barbour	Couzens	Lonergan	Russell
Barkley	Duffy	Long	Schwellenbach
Benson	Fletcher	McAdoo	Sheppard
Bilbo	Frazier	McGill	Steiwer
Black	George	McKellar	Thomas, Okla.
Borah	Gerry	McNary	Thomas, Utah
Brown	Gibson	Maloney	Truman
Bulkley	Glass	Minton	Vandenberg
Bulow	Guffey	Murphy	Wagner
Burke	Hale	Murray	Walsh
Byrd	Hatch	Neely	Wheeler
Byrnes	Hayden	Norris	White
Capper	Johnson	O'Mahoney	

The VICE PRESIDENT. Sixty-seven Senators having answered to their names, a quorum is present.

The question is on the first portion of the amendment, that part of it relating to the Florida ship canal.

Mr. McNARY. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. How would one opposed to the project vote?

The VICE PRESIDENT. The Senate yesterday decided to divide the amendment. The question is now on the first portion of the amendment, whether the survey of the Florida ship canal shall be authorized. A vote in the negative would be against the survey; a vote in the affirmative would be in favor of the survey.

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BILBO (when his name was called). I have a general pair with the senior Senator from Iowa [Mr. DICKINSON], which I transfer to the senior Senator from Colorado [Mr. COSTIGAN], and vote "yea."

Mr. GLASS (when his name was called). I have a general pair with the Senator from Minnesota [Mr. SHIPSTEAD]; but being assured that if present he would vote as I shall vote and that he has been especially paired, I am at liberty to vote. I vote "nay."

Mr. McNARY (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the senior Senator from South Dakota [Mr. NORBECK] and vote "nay." If the Senator from South Dakota [Mr. NORBECK] were present, he would vote "nay."

Mr. MINTON (when his name was called). On this vote I have a pair with the senior Senator from Washington [Mr. BONE]. I am advised that if he were present he would vote "yea", and if I were permitted to vote I should vote "nay."

Mr. FRAZIER (when Mr. NYE's name was called). My colleague the junior Senator from North Dakota [Mr. NYE] is absent. He has a pair on this vote with the junior Senator from Texas [Mr. CONNALLY]. If my colleague [Mr. NYE] were present, he would vote "nay", and I understand that if the Senator from Texas [Mr. CONNALLY] were present he would vote "yea."

The roll call was concluded.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent. I am advised that if present he would vote as I intend to vote, and I am therefore at liberty to vote. I vote "nay."

Mr. BARKLEY. I have a general pair with the senior Senator from Delaware [Mr. HASTINGS]. I transfer that pair to the senior Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is unavoidably absent due to the death of his brother. If present, he would vote "yea."

Mr. McKELLAR (after having voted in the affirmative). I have a pair with the junior Senator from Delaware [Mr. TOWNSEND], who is absent. I transfer that pair to the senior Senator from Arizona [Mr. ASHURST], and allow my vote to stand.

Mr. AUSTIN. I announce the following pairs on this vote:

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN];

The Senator from Rhode Island [Mr. METCALF] with the Senator from West Virginia [Mr. HOLT]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from South Carolina [Mr. SMITH].

If the Senator from Pennsylvania [Mr. DAVIS] were present, he would vote "nay", and the Senator from Kentucky [Mr. LOGAN] would vote "yea." If the Senator from Rhode Island [Mr. METCALF] were present, he would vote "nay", and the Senator from West Virginia [Mr. HOLT] would vote "yea." If the Senator from Minnesota [Mr. SHIPSTEAD] were present, he would vote "nay", and the Senator from South Carolina [Mr. SMITH] would vote "yea."

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. McCARRAN], and the Senator from South Carolina [Mr. SMITH] are detained from the Senate on account of illness.

The Senator from Washington [Mr. BONE], the Senator from Texas [Mr. CONNALLY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from New Jersey [Mr. MOORE], the Senator from Idaho [Mr. POPE], the Senators from Maryland [Mr. RADCLIFFE] and [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained.

The Senator from South Dakota [Mr. BULOW] is detained in attendance of the Memorial Services at Arlington Cemetery.

The Senator from Alabama [Mr. BANKHEAD] is paired on this question with the Senator from Oklahoma [Mr. GORE]. If present and voting, the Senator from Alabama would vote "yea", and the Senator from Oklahoma would vote "nay." I am advised that if present the Senator from Maryland [Mr. TYDINGS] would vote "nay."

The result was announced—yeas 35, nays 30, as follows:

YEAS—35

Bachman	Chavez	McAdoo	Russell
Bailey	Fletcher	McKellar	Schwellenbach
Barkley	George	Murray	Sheppard
Benson	Guffey	Neely	Thomas, Okla.
Bilbo	Hatch	Norris	Thomas, Utah
Black	Hayden	Overton	Truman
Brown	Johnson	Pittman	Wagner
Byrnes	Loftin	Reynolds	Wheeler
Caraway	Long	Robinson	

NAYS—30

Adams	Clark	Hale	Murphy
Austin	Copeland	Keyes	O'Mahoney
Barbour	Couzens	King	Steiwer
Borah	Duffy	La Follette	Vandenberg
Bulkley	Frazier	Lonergan	Walsh
Burke	Gerry	McGill	White
Byrd	Gibson	McNary	
Capper	Glass	Maloney	

NOT VOTING—31

Ashurst	Davis	Lewis	Pope
Bankhead	Dickinson	Logan	Radcliffe
Bone	Dieterich	McCarran	Shipstead
Bulow	Donahey	Metcalf	Smith
Carey	Gore	Minton	Townsend
Connally	Harrison	Moore	Tydings
Coolidge	Hastings	Norbeck	Van Nuys
Costigan	Holt	Nye	

So the branch of Mr. ROBINSON's amendment with respect to the Florida ship canal to the committee amendment was agreed to.

The VICE PRESIDENT. The question now is on the branch of the amendment to the amendment of the committee relating to the Passamaquoddy project.

Mr. McNARY. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. HASTINGS]. I transfer that pair to the senior Senator from Illinois [Mr. LEWIS], and will vote. I vote "yea."

Mr. BILBO (when his name was called). I have a general pair with the senior Senator from Iowa [Mr. DICKINSON], which I transfer to the senior Senator from Colorado [Mr. COSTIGAN], and will vote. I vote "yea."

Mr. BULKLEY (when his name was called). Making the same announcement I made on the previous roll call concerning my pair with the senior Senator from Wyoming [Mr. CAREY], I vote "nay."

Mr. GLASS (when his name was called). I have a general pair with the Senator from Minnesota [Mr. SHIPSTEAD]; but being advised that he has been specially paired on this question, I feel at liberty to vote. I vote "nay."

Mr. McNARY (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who is unavoidably absent. I transfer that pair to the senior

Senator from South Dakota [Mr. NORBECK], and will vote. I vote "nay." If the Senator from South Dakota were present, he would vote "nay."

Mr. FRAZIER (when Mr. NYE's name was called). My colleague [Mr. NYE] is paired with the junior Senator from Texas [Mr. CONNALLY]. If my colleague were present, he would vote "nay." I understand that the Senator from Texas, if present, would vote "yea."

The roll call was concluded.

Mr. McKELLAR (after having voted in the affirmative). I have a pair with the junior Senator from Delaware [Mr. TOWNSEND], who is absent. I transfer that pair to the senior Senator from Arizona [Mr. ASHURST], and allow my vote to stand.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. McCARRAN], and the Senator from South Carolina [Mr. SMITH] are detained from the Senate on account of illness.

The Senator from Washington [Mr. BONE], the Senator from Texas [Mr. CONNALLY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from New Jersey [Mr. MOORE], the Senator from Idaho [Mr. POPE], the Senators from Maryland [Mr. TYDINGS and Mr. RADCLIFFE], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained.

I am advised that if present the Senator from Maryland [Mr. TYDINGS] would vote "nay" on this question.

Mr. AUSTIN. I announce the following pairs:

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN]. If present, the Senator from Pennsylvania would vote "nay", and the Senator from Kentucky would vote "yea."

The Senator from Rhode Island [Mr. METCALF] with the Senator from West Virginia [Mr. HOLT]. If present, the Senator from Rhode Island would vote "nay." I am not advised how the Senator from West Virginia would vote.

The Senator from Minnesota [Mr. SHIPSTEAD] has a general pair with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 28, nays 39, as follows:

YEAS—28

Bachman	Chavez	Johnson	Pittman
Barkley	Fletcher	Loftin	Reynolds
Benson	George	Long	Robinson
Bilbo	Guffey	McAdoo	Sheppard
Black	Hale	McKellar	Thomas, Utah
Brown	Hatch	Neely	Truman
Caraway	Hayden	Overton	White

NAYS—39

Adams	Capper	King	O'Mahoney
Austin	Clark	La Follette	Russell
Bailey	Copeland	Lonergan	Schwellenbach
Barbour	Couzens	McGill	Steiwer
Borah	Duffy	McNary	Thomas, Okla.
Bulkley	Frazier	Maloney	Vandenberg
Bulow	Gerry	Minton	Wagner
Burke	Gibson	Murphy	Walsh
Byrd	Glass	Murray	Wheeler
Byrnes	Keyes	Norris	

NOT VOTING—29

Ashurst	Dickinson	Logan	Shipstead
Bankhead	Dieterich	McCarran	Smith
Bone	Donahey	Metcalf	Townsend
Carey	Gore	Moore	Tydings
Connally	Harrison	Norbeck	Van Nuys
Coolidge	Hastings	Nye	
Costigan	Holt	Pope	
Davis	Lewis	Radcliffe	

So the branch of Mr. ROBINSON's amendment with respect to the Passamaquoddy project to the committee amendment was rejected.

Mr. ROBINSON. Mr. President, I ask unanimous consent that the Secretary be authorized to make the changes in the text of the amendment which are made necessary by the action which the Senate has just taken.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and the Secretary is so authorized.

The question is on agreeing now to the amendment as a whole.

Mr. LA FOLLETTE. Mr. President, does the Chair refer to the amendment offered by the Senator from Arkansas?

The VICE PRESIDENT. The Senator from Arkansas asked unanimous consent that the clerk be authorized to make the necessary changes as a result of the action just taken.

Mr. LA FOLLETTE. Yes; but I am making an inquiry as to the statement of the Chair. The Chair announced the question was on agreeing to the amendment in its entirety.

The VICE PRESIDENT. The question now is on the committee amendment as amended.

Mr. LA FOLLETTE. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LA FOLLETTE. What portion of the committee amendment has thus far been agreed to, without regard to the amendment offered by the Senator from Arkansas?

The VICE PRESIDENT. The Chair is advised by the Parliamentarian that the committee amendment on page 29, beginning in line 24, was submitted to the Senate; one branch of the amendment of the Senator from Arkansas has been agreed to, and now the question is on the committee amendment as amended.

Mr. LA FOLLETTE. I understood the Senator from South Carolina [Mr. BYRNES] was going to offer some amendments to the paragraph which begins on line 11, page 30. Have those amendments already been agreed to? I have been detained from time to time in conference.

Mr. BYRNES. Mr. President, the amendment of the Senator from Arkansas was offered to the paragraph which begins in line 24, on page 29, and extends to line 10, inclusive, on page 30. The paragraph to which the Senator from Wisconsin refers has not as yet been reached. When it is reached I will offer amendments to it.

Mr. LA FOLLETTE. May I inform the Senator that the Chair was just about to put the question on the entire committee amendment, as amended, and if his amendments shall be considered they must be offered now?

The VICE PRESIDENT. The Chair understands the parliamentary situation to be that to that portion of the committee amendment beginning on line 24, page 29, and extending down to line 11, on page 30, the Senator from Arkansas offered his amendment. The Chair was about to put the question on the adoption of that portion of the committee amendment as amended.

Mr. LA FOLLETTE. That is perfectly agreeable to me, since the Chair has inserted the words "that portion of the committee amendment." What I was concerned about was the remainder of the committee amendment.

The VICE PRESIDENT. The pending committee amendment only extends to line 11, page 30.

Mr. JOHNSON and Mr. McNARY addressed the Chair.

The VICE PRESIDENT. Just a moment. Is there objection to agreeing to that portion of the committee amendment as amended?

Mr. JOHNSON. Mr. President, I simply rose for the purpose of getting a clear understanding. The committee amendment runs to the end of line 11, page 32. There will be an endeavor to amend a portion of that amendment hereafter, and we will not be precluded from the offering of amendments that may be desired if we agree to the motion as submitted?

The VICE PRESIDENT. The Chair will again state the situation as he understands it. The Senator from Arkansas offered an amendment to the committee amendment, beginning on line 24, page 29, and extending to line 11, on page 30. As the Chair construes the situation, if that portion of the committee amendment as amended should be agreed to it would not preclude any other portion of the committee amendment being amended.

Mr. JOHNSON. Then I beg the Chair's pardon, because I thought the committee amendment extended clear down to line 11, on page 32.

The VICE PRESIDENT. No; the committee amendment about to be acted upon only extends to line 11 on page 30.

Mr. JOHNSON. So that the amendment, if agreed to as amended by the amendment of the Senator from Arkansas, will only touch that which is prior to line 11, on page 30?

The VICE PRESIDENT. The Senator has stated it correctly. The only portion of the committee amendment affected at the present moment is that portion beginning in line 24, page 29, and extending down to line 11, on page 30. Is there objection to agreeing to the committee amendment as amended? The Chair hears none, and the amendment as amended is agreed to. The question now is on the remainder of the committee amendment.

Mr. McNARY. Mr. President, I wish to appeal to the Senator from Arkansas at this hour that the Senate may take a recess and that we have a unanimous-consent agreement as to business on Monday.

Mr. ROBINSON. I understood the Senator from South Carolina [Mr. BYRNES] desired to offer some noncontroversial amendments, and it was my impression that it would be satisfactory to the Senator from Oregon for the Senator from South Carolina to do so.

Mr. McNARY. That was true, but that was before we had the final vote on the amendment just disposed of, which has taken a great deal out of Monday's work. I am willing to wait for a few moments, but this is a holiday; I think we are all tired, and I should like to have the Senate adjourn until Monday.

Mr. ROBINSON. I will submit a request for unanimous consent. I will state to the Senate that I have discussed the matter with the Senator from Oregon, and I understand my request will be satisfactory to him and also to the Senator from Michigan, and others.

I ask unanimous consent that when the Senate completes its labors today, it adjourn until 11 o'clock a. m., on Monday next; that, after the conclusion of the routine morning business on Monday, the Senate proceed to the consideration of unobjected bills on the calendar; that at not later than 1 o'clock p. m. on Monday, the Senate resume the consideration of the unfinished business; and after the hour of 3:30——

Mr. McNARY. Make it 3 o'clock.

Mr. ROBINSON. That after the hour of 3 o'clock, no Senator shall speak more than once, or longer than 15 minutes on the bill or any amendment that may be pending or that may be offered.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly.

Mr. COPELAND. We have set 11 o'clock Monday morning for the final meeting of the conferees on the flood-control bill. It is important that we should finish the conference and have the conference report before us. Would it seriously discommode the Senator if the hour for meeting should be fixed at 12 o'clock on Monday?

Mr. ROBINSON. I am not sure that it would. Let me state that the purpose of the proposed agreement is to complete this bill on Monday next, so that on Tuesday the Senate may proceed to the consideration of other legislation.

Now, with the understanding that an effort will be made to keep the Senate in session Monday until the bill shall have been disposed of, and with a view to having Senators take notice of the fact that an evening session will be asked for if it shall prove necessary, I will modify my request, with the consent of the Senator from Oregon, so as to provide that the Senate shall meet at 12 o'clock on Monday and to fix the time 1 hour later for the conclusion of the consideration of the calendar and for the beginning of the operation of the limitation of debate on the unfinished business.

Mr. McNARY. If we retard the hour, we certainly will have a night session, which I think we all would like to avoid. Let me suggest to the Senator from New York that he have the conference to which he has referred on Tuesday, because the conference report on the bill he has in mind could not be considered by the Senate before that day in any event.

Mr. ROBINSON. Mr. President, I will resubmit the request in the original form, and I hope the Senator from New York will agree to it.

Mr. COPELAND. Very well. I will undertake to reach the House Members and fix the hour of meeting on Monday at 10 o'clock a. m. instead of 11 o'clock a. m.

Mr. McNARY. I only made the suggestion because I am one of the conferees, and I am satisfied it would be agreeable all around if a meeting were held on Tuesday, and then let the original request for unanimous consent stand as presented by the Senator from Arkansas.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

Mr. NORRIS. Mr. President, my attention was diverted. I did not hear the first part of the Senator's request. I understand it relates to a call of the calendar.

Mr. ROBINSON. Yes; my request is that when the Senate completes its labors today it adjourn until 11 o'clock a. m. on Monday next, and that at the conclusion of the routine morning business the Senate proceed to the consideration of unobjected bills on the calendar.

Mr. NORRIS. Until when?

Mr. ROBINSON. Until the hour of 1 o'clock, when the consideration of the unfinished business will be resumed.

Mr. NORRIS. I have no objection.

Mr. McNARY. Question.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and the order is made.

Mr. BYRNES. Mr. President, I ask the attention of the Senator from Oregon [Mr. McNARY]. Consideration of the bill has proceeded to line 10, page 30, but the paragraph preceding that, on page 29, lines 16 to 23, was passed over at the request of the Senator from Oregon yesterday. Would he now agree to have action taken upon that section?

Mr. McNARY. After conference with the Senator from Pennsylvania [Mr. DAVIS] I have no objection.

Mr. BYRNES. I ask for a vote upon the adoption of the preceding section on page 29, beginning at line 16 and ending at line 23. Yesterday this amendment was passed over at the request of the Senator from Oregon, who now indicates his willingness to have action taken upon the amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 29, after line 15, it is proposed to insert the following new paragraph:

The President shall cause to be made a survey of the lists of employable persons for work in continental United States provided for by the appropriations made available in this act and shall not knowingly permit to remain upon said lists any alien who is illegally within the limits of the United States or who has not filed a declaration of intention to become a citizen of the United States, and wherever such a person has been employed he shall be dismissed.

Mr. FRAZIER. Mr. President, before the vote is taken I wish to ask a question or two in regard to the paragraph. In lines 16 and 17 reference is made to "a survey of the lists of employable persons for work." I should like to know just what is meant by the word "lists"? Does it contemplate the present list, or the list which was made in November of last year, or lists which may be made in the future.

Mr. BYRNES. It means the lists of persons who are eligible for employment upon Works Progress Administration projects. The direction in the paragraph would continue as to any list made during the continuation of the appropriation, as well as the list as it now stands.

Mr. FRAZIER. Under rulings of the W. P. A., as I understand, last November farmers who had been on relief prior to that time were excluded from employment on work-relief projects. I am wondering if farmers who happen to be without means for some cause or other will be excluded from the list to which reference is here made?

Mr. BYRNES. I am afraid the Senator does not understand the provisions of the paragraph. It has nothing to

do with changing the lists. It simply provides that a survey shall be made of the lists for the purpose of determining whether or not aliens are upon the lists, and, if any aliens upon the lists have illegally entered the country, that they shall not be eligible to remain upon the lists. It does not change the lists at all, but simply affects such aliens who may be on the lists either now or hereafter during the continuation of the appropriation.

Mr. FRAZIER. Does it refer only to aliens?

Mr. BYRNES. The paragraph has no relation except to the aliens upon the lists.

Mr. FRAZIER. I cannot understand from the language of the paragraph how that interpretation can be made.

Mr. BYRNES. Because it provides that surveys shall be made of the lists, and wherever the name of an alien appears his name shall be removed from the list.

Mr. FRAZIER. Then, as I understand, it will be the old lists already in vogue?

Mr. BYRNES. Yes; wherever they are.

Mr. FRAZIER. The lists made up last November excluded farmers who had been on relief, and farmers who were under the resettlement projects were excluded. I want to know whether the farmers who were on relief and are now on relief are going to be taken care of.

Mr. BYRNES. The paragraph has no reference to that subject at all, but simply provides that the lists in the various employment bureaus of the United States shall be investigated to determine whether or not there are upon them any aliens who have illegally entered the country. It does not say anything about farmers and does not affect them in any way.

The VICE PRESIDENT. The question is upon agreeing to the committee amendment.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, I should like to ask the Senator from South Carolina if the committee proposes to offer amendments to that portion of the amendment on page 30, lines 11 to 20? I have a number of amendments to offer to that portion of the committee amendment unless it shall be corrected by the committee itself.

Mr. BYRNES. Whenever that paragraph is reached several amendments will be offered to it. It is the next paragraph in the bill to be considered.

Mr. FLETCHER. I have a number of amendments which I desire to offer to it.

Mr. BYRNES. I can assure the Senator that a number of amendments will be offered which have the approval of the Senator from Georgia [Mr. RUSSELL], who offered the paragraph in the committee.

PROHIBITION OF PRICE DISCRIMINATION

Mr. ROBINSON. Mr. President, the bill (H. R. 8442) to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended, United States Code, title 15, section 13, and for other purposes, is on the Vice President's desk.

On April 30 of the present year the Senate passed a bill on the same subject and sent it to the House of Representatives. Instead of acting on the Senate bill, the House took up and considered a House bill relating to the same subject matter. The two bills as originally introduced were identical. The House took no notice of the Senate bill, but passed its own bill and has sent it to the Senate.

That, of course, is a parliamentary practice which is inexplicable, because it requires the Senate to pass the bill twice. It would seem that the procedure should have been to substitute the provisions of the House bill, in the form of a single amendment, to the Senate bill, and thus throw the whole subject into conference.

It is my purpose to ask the Senate to proceed to consideration of the House bill with a view to striking out all after the enacting clause and inserting, in lieu of the part stricken out, the language of the original Senate bill so that the whole subject may be in conference. That, of course, manifestly is what should have been done at the other end of the Capitol; but it was not done. It now becomes necessary for the Senate to pass another bill on the same subject.

The only proper procedure that I can think of is that which I have just described. Accordingly I ask unanimous consent to proceed to the consideration of the House bill to which I have referred, with the intention of moving to strike out all after the enacting clause and substituting the language of the Senate bill.

Mr. BORAH. Mr. President, that would leave the Senate bill as we passed it finally?

Mr. ROBINSON. Yes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

Mr. McNARY. Mr. President, the Senator has expressed his intention of taking the action which he has outlined, but before that may be done it is necessary to grant unanimous consent; otherwise the bill must be referred to a Senate committee, which would be the procedure which was followed in connection with the original Robinson bill relating to the subject.

I am not prepared at this time to give unanimous consent to the request. There are several Members who want to consider the course of procedure to be pursued in connection with the bill, and for that reason I shall object at this time. However, I shall be willing to consider the matter again on Monday.

Mr. ROBINSON. Mr. President, I should like to supplement the statement I have already made.

The course which the matter has taken, and which I have described, has put the proposed legislation in jeopardy. Only a few days of the session are left. There may not be an opportunity to force consideration of this measure. I hope it will not be necessary to do that. I hope that when my request is repeated the Senator from Oregon and other Senators will find themselves justified in granting it.

Mr. McNARY. I may add that opportunity must be given to some of the Members to consider the parliamentary situation. The Senator knows that as soon as we dispose of the unfinished business he may gain recognition from the Chair and move to do the very thing he is now seeking to have done by unanimous consent; so no rights are being lost. A little time is being given, at my request, for the purposes of study only.

Mr. ROBINSON. Of course, I am not now going to persist in the request. It would be futile to do so; but I shall renew the request on Monday.

I should like to finish the statement I began. If the bill should be referred to a committee, probably it would be impossible to have it reported in time for passage during the present session. The only effective course I have been able to devise is the one I am attempting to pursue. I am not sure that it would be in order to move to proceed to the consideration of a House bill that is on the Vice President's desk, unless it has been read twice.

The VICE PRESIDENT. It has been read twice.

Mr. ROBINSON. If the bill has been read twice, it probably would be in order, but it would be necessary to displace whatever measure might be the unfinished business; and at this stage of the proceedings of the Congress it would be manifestly impossible to displace the tax bill or the relief bill for that purpose. I hope it may be found possible to dispose of the matter on Monday.

Mr. McNARY. Mr. President, it is my solemn judgment that if this matter goes over until Monday there will be no objection to taking up the bill with the amendment offered by the Senator from Idaho [Mr. BORAH] and the Senator from Indiana [Mr. VAN NUYS], and the one which I proposed at the request of the dairy industry, and which was inserted in the Senate bill. If the bill comes up in that fashion it is my judgment that unanimous consent will be granted, but not tonight.

Mr. ROBINSON. Very well.

Mr. NORRIS. Mr. President, the condition to which our attention has been called by the Senator from Arkansas illustrates a practice which has been going on for several years between the House and the Senate. It is unscientific

and contrary to the general parliamentary practice in all parliamentary bodies.

The Senator says that the Senate passed a certain bill and sent it to the House. The committee of the House put it in a pigeonhole and reported out a House bill just like it and sent it to the Senate. That is contrary to the recognized procedure of all parliamentary bodies in all civilization; and yet it is going on regularly, right along. Senators are loath to call attention to it, because usually the criticism would come from someone who was the author of a Senate bill that had gone to the other House and to all intents and purposes had been killed there, and a similar bill introduced there would come here afterward.

Such a course delays the consideration of legislation just one step. If the Senate should proceed on the same theory on which the House has proceeded, we should not have any legislation. The Senate would be insisting on its bill and the House on its bill. The Senate bill would be in a pigeonhole in the House, and the House bill would be in a pigeonhole in the Senate, and we should not make any progress.

When a bill comes here from the House, we have a right, of course, to amend it in any way we see fit; but fair consideration requires that we should not pigeonhole it somewhere and have a Senate bill just like it passed by the Senate and sent to the House. That procedure would get us nowhere.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. ROBINSON. When the two bills were introduced they were identical. The Senate committee amended the Senate bill, as the Senator will recall, and then certain amendments were adopted on the floor. The House committee amended the House bill. I do not know what amendments were adopted on the floor of the House. The two bills were identical when they were introduced, but not when they were passed.

Mr. NORRIS. That does not make any difference.

Mr. ROBINSON. I agree that it does not make any difference, but I thought the RECORD ought to show the fact.

Mr. NORRIS. Mr. President, I will illustrate the practice I have in mind.

Several years ago, on different occasions, the Senate passed the "lame duck" joint resolution, providing for an amendment to the Constitution, and it went to the House. On one of those occasions a similar joint resolution was introduced in the House by a member of the committee which would have jurisdiction of the Senate joint resolution. The Senate joint resolution went over to the House and was kept on the Speaker's desk, as I remember, for 11 days.

I may be mistaken as to the time; it may have been more or less; but the measure was kept there for some time. In the meantime the House committee took up a joint resolution which had been introduced in the House by a member of the committee, and finally reported it to the House. It went on the House Calendar, and then the Senate joint resolution which was on the Speaker's desk was referred to the same committee, where it went into a pigeonhole, and is there yet. That was several years ago. The Senate joint resolution was held on the Speaker's desk until the House joint resolution had been reported. It is true that that was not the joint resolution which finally was enacted, and out of which the constitutional amendment grew; but it illustrates the principle I am discussing.

That has happened time and time again. I might call the Senate's attention to some very important legislation in connection with which it happened. The anti-injunction bill is another illustration. That subject had been heard by the Senate committee for several years.

The bill was passed in the Senate. It went to the House, where the same bill, word for word, was introduced—because it came from my office and went to a House Member to be introduced—was reported out by the committee, and the House bill was passed. When the bill came over here, the Senate disregarded the discourtesy that existed and took up the House bill in the regular way. It was delayed one parliamentary step by that procedure; but the law when it was finally enacted was the House bill and not the Senate bill.

As I understand, the Senator from Arkansas has stated an identical case which now exists. It is not the right way to proceed. I might name several others bills of which the same thing is true. The present presiding officer, our Vice President, was the majority leader of the House in the instance I have given, and he knows that what I am stating is the exact truth.

Various reasons are given why that procedure is sometimes followed. In the first place, it always delays legislation. In the next place, some persons think there is something in having the name of a particular man attached to a measure which afterward becomes law. It is not courtesy between the Senate and the House, however. Neither body ought to adopt that kind of procedure. It is not the right way to proceed; and I feel that some action ought to be taken to correct that evil practice, which has been going on for a good while. I hope that calling attention to the matter may be sufficient to put an end to that kind of procedure.

Mr. ROBINSON. Mr. President, I give notice that I will renew my request on Monday.

BRIDGES IN ALABAMA OVER THE TENNESSEE AND OTHER RIVERS

Mr. BLACK. Mr. President, Order of Business 2222, being Senate bill 4622, proposes to grant the consent of Congress for the erection of bridges in the State of Alabama. The bill has been reported from the Committee on Commerce in the usual form. I ask unanimous consent for its immediate consideration.

Mr. McNARY. Mr. President, I have stated that I would not consent to action today on any general legislation, but we always make an exception in the case of a bridge bill.

Mr. BLACK. That is what I understood, and I thank the Senator.

The VICE PRESIDENT. Is there objection to the request of the Senator from Alabama?

There being no objection, the bill (S. 4622) to amend section 2 of the act entitled "An act granting the consent of Congress to the Alabama State Bridge Corporation to construct, maintain, and operate bridges across the Tennessee, Tombigbee, Warrior, Alabama, and Coosa Rivers, within the State of Alabama", approved May 26, 1928, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act granting the consent of Congress to the Alabama State Bridge Corporation to construct, maintain, and operate bridges across the Tennessee, Tombigbee, Warrior, Alabama, and Coosa Rivers, within the State of Alabama", approved May 26, 1928, is amended by striking out, wherever they appear therein, the words "18 years" and inserting in lieu thereof the words "28 years."

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing several nominations), which were referred to the appropriate committees.

(For nominations this day received and nominations withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McADOO, from the Committee on Patents, reported favorably the following nominations:

Justin W. Macklin, of Ohio, to be First Assistant Commissioner of Patents, vice Richard Spencer, resigned;

Henry Van Arsdale, of New York, to be Assistant Commissioner of Patents, vice Bryan M. Battey, deceased; and

Floyd J. Porter, of New York, to be Examiner in Chief, United States Patent Office, vice Frank C. Skinner, retired.

Mr. KING, from the Committee on Finance, reported favorably the nomination of A. Miles Pratt, of New Orleans, La., to be collector of customs for customs collection district no.

20, with headquarters at New Orleans, La., to fill an existing vacancy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Harry A. McBride, of Michigan, to be Foreign Service officer of class 1, consul general, and secretary in the Diplomatic Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Herbert C. Hengstler, of Ohio, to be Foreign Service officer of class 1, consul general, and secretary in the Diplomatic Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

CADETS AT UNITED STATES MILITARY ACADEMY

Mr. SHEPPARD. Mr. President, I have today reported from the Committee on Military Affairs the nominations of the cadets at West Point who are to be graduated on June 12 next, to be second lieutenants in the Army, and by authority of the committee I ask unanimous consent that the nominations be confirmed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations are confirmed.

Mr. SHEPPARD. I ask unanimous consent that the President be notified.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

The clerk will state the next nomination in order on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of David W. Ling, of Arizona, to be United States district judge, District of Arizona.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John W. Holland, of Florida, to be United States district judge, southern district of Florida.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. FLETCHER. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination of Judge Holland.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

THE COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. ROBINSON. I ask that the nominations in the Coast Guard be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nomination of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. WALSH. I ask unanimous consent that the nominations in the Marine Corps be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

ADJOURNMENT

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate adjourn until 11 o'clock a. m. on Monday.

The motion was agreed to; and (at 4 o'clock and 32 minutes p. m.) the Senate, under the order previously entered, adjourned until Monday, June 1, 1936, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate May 30 (legislative day of May 12), 1936

UNITED STATES TARIFF COMMISSION

Robert Lincoln O'Brien, of Massachusetts, to be a member of the United States Tariff Commission for the term expiring June 16, 1942. (Reappointment.)

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. Earl Thomas McCullough, Infantry, with rank from October 1, 1934.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. James Howard Laubach, Quartermaster Corps, from May 9, 1936.

Lt. Col. Ralph Wayne Dusenbury, Infantry, from May 14, 1936.

TO BE LIEUTENANT COLONELS

Maj. Parley Doney Parkinson, Infantry, from May 9, 1936.

Maj. John Hobert Wallace, Field Artillery, from May 14, 1936.

TO BE MAJORS

Capt. William Rebert Gerhardt, Ordnance Department, from May 9, 1936.

Capt. Theodore Earl Buechler, Field Artillery, from May 14, 1936.

APPOINTMENTS IN THE REGULAR ARMY

TO BE SECOND LIEUTENANTS WITH RANK FROM JUNE 12, 1936

Corps of Engineers

1. Oliver Garfield Haywood, Jr.
3. Charles Henry Waters.
4. Ralph Dickson King.
5. Raymond John Harvey.
7. William Reeves Shuler.
8. Roy Dean McCarty.
9. John Herbert Kerkering.
11. Pierre Victor Kieffer, Jr.
12. Karl Theodore Klock, Jr.
13. Richard Rawlins Waugh.
14. Arthur Milton Jacoby.
16. Dwight Oliver Monteith.
18. Walter Alexander Faiks.
19. George Ervin White, Jr.
20. Carroll Keleher Bagby.
21. Gilbert Meding Dorland.
22. Thomas Reuben Conner.
23. Thomas Jay Hayes, 3d.
25. George Alexander Finley.
28. Wright Hiatt.
30. Howard Allen Morris.

Signal Corps

17. Robert Warren Davis.
40. Walter Bernard Bess.
44. John Lindsay Bower.
55. Robert Frederick Frost.

61. Eugene Roberts Patterson.
273. Frank Pattillo Norman, Jr.
274. Conrad Francis Necrason.
275. Victor Hermann Wagner.
276. William Arthur Joyce.

Cavalry

6. Bruce Palmer, Jr.
10. Cecil Edward Combs.
46. Stephen Walsh Holderness.
72. Howell Marion Estes, Jr.
94. Edward Worthington Williams.
107. Albert Patton Clark, Jr.
108. William Raymond Prince.
109. Eugene Virgil Reece.
111. Ned Taylor Norris.
134. Edward Clare Dunn.
141. Wilfred Henry Tetley.
143. James Walter Twaddell, Jr.
144. William Russell Grohs.
146. Donald Paul Christensen.
148. Carl LaVerne Rickenbaugh.
156. Robert George Fergusson.
157. Francis McDonald Oliver, Jr.
158. Robert Edward McCabe.
166. Roy Wheaton Cole, Jr.
169. Carl Baehr, Jr.
172. Harry Ripley Melton, Jr.
173. John Harold Daly.
174. Robert James Quinn, Jr.
175. Edward Daniel Mohlere.
185. Creighton Williams Abrams, Jr.
189. Hilwert Schuyler Streeter.
191. Russel Victor Dolmar Janzan.
194. William Jackson Hanlon.
198. McPherson LeMoyne.
202. Robert Emmett O'Brien, Jr.
205. Albert Burnton Turner, Jr.

Field Artillery

26. William Mellard Connor, Jr.
33. William David Milne.
34. John Keeler Neff.
36. James Benjamin Lampert.
37. Gerald Herman Duin.
47. James Emmett Goodwin.
49. Paul Francis Oswald.
50. Gordon Harrison Austin.
53. Jay Dean Rutledge, Jr.
57. Clement Wirt Crockett.
59. John Daniel McElheny.
63. Thea Lewis Lipscomb.
64. Robert Dean Gapen.
66. David McCoach, 3d.
68. Harry Edgar Mikkelsen.
73. Ralph Richard Gnuschke.
74. Everett George Hahney.
76. Robert Matthew Burnett.
78. Clinton Dermott Vincent.
80. David Woodrow Hiester.
81. Charles Dudley Hartman, Jr.
83. Selwyn Dyson Smith, Jr.
84. Raymond Lemuel Cato.
85. Irwin Walton Rogers.
87. William Aldrich Davis.
89. Edward Alexander Grove.
91. Seward William Hulse, Jr.
92. Richard Henry Carmichael.
93. Robert Bruce Partridge.
100. Eldred George Robbins, Jr.
101. Napoleon Robertson Duell.
103. Carl Kenneth Bowen, Jr.
104. Orville Newton Stokes.
106. John Davis Torrey, Jr.
110. Donald Gilbert Grothaus.
112. William Childs Westmoreland.
113. John Earl Barlow.
115. Kenneth Francis Dawalt.
116. Harold William Wolf.
117. Norman Calvert Spencer, Jr.
119. Frederick Reynolds Terrell.
120. Leonard Copeland Shea.
121. Charles Bernard Tyler, Jr.
124. Frederick Charles Bothwell, Jr.
126. Beverley Evans Powell.
127. Donald Read Bodine.
128. Charles Milton McCorkle.
133. Robert Hall Safford.
135. Chester Victor Clifton, Jr.
136. William Denton Cairnes.
137. John Godfrey Brimmer.
139. Wilbur Maben Griffith.

Coast Artillery Corps

15. Charles Barnard Stewart.
24. Gordon Henry Holterman.
27. Henry Jacob Katz.
29. Arthur Kramer.
31. Stephen Elliott Smith.
32. Edgar Hall Thompson, Jr.
38. Reginald Joseph Beauregard Page.
39. Lawrence Edward Laurion.
41. Clarence Albert Cozart.
43. William Nott Beard.
48. William Parrish Fickes.
51. Cecil Eldon Spann, Jr.
52. Foster LeRoy Furphy.
54. Warren Smith Blair.
56. Howard Pinkney Persons, Jr.
58. Adam Stephen Buynoski.
60. Kenneth Einar Madsen.
65. Oren Swain.
67. Robert Henry Kessler.
69. William Henry Kinard, Jr.
70. Eugene Everett Lockhart.
71. Maxwell Morrison Kallman.
75. Clifford Frederick Cordes, Jr.
77. John Knox Arnold, Jr.
79. Richard Henry Mattern.
86. John Walter Romlein.
90. Joseph Barry Yost.
95. Frank Walter Gillespie.
98. Hervey Bennett Whipple.
99. Nicholas Tate Perkins.
118. Benjamin Merritt Warfield.
122. Fredrick Bell.
131. Leland Rodman Drake.
138. William Hamilton Jordan.
145. Henry David Lind.

Infantry

35. Benjamin Oliver Davis, Jr.
42. Andrew Davis Chaffin, Jr.
45. John Edward Kelly.
62. Edwin Van Valkenburg Sutherland.
82. John James Phelan.
88. William Charles Hay.
96. James Rutland Gunn.
97. Wilmer Charles Landry.
102. Howard McCrum Snyder, Jr.
105. James Edward Landrum, Jr.
114. John Richard Kelly.
123. Harold Roy Low.
125. Philip Cary Whitehead.
129. Edward Lawrence Parsons Burke.
130. Earl Franklin Holton.
132. Ridgway Pancoast Smith, Jr.
140. Langdon Andrew Jackson, Jr.
142. Joshua Asher Finkel.
147. Clarence Edward Gooding.
149. William Swinton Steele.
150. John Milton Bartella.
151. Loyd Kenneth Pepple.
152. William Charles Haneke.

153. James Tillman Willis.
154. Karl William Schwering.
155. Claude Lee Crawford.
159. John Joseph Jakle.
160. Clinton Utterback True.
161. Turner Clifton Rogers.
162. Robert Walter Breaks.
163. William Loud Longley.
164. Louis Frederick de Lesdernier.
165. Frederick Harold Gaston, Jr.
167. James Rainier Weaver.
168. George Paul Champion.
170. John Arnold Heintges.
171. Charles Chaney Segrist.
176. William Francis Meany.
177. Peter Woods Garland, Jr.
178. Ned Butler Broyles.
179. Randolph Charles Dickens.
180. Elmer Willford Grubbs.
181. Lawrence Frederick Prichard.
182. Fred Livingood Walker, Jr.
183. George Weldon Childs.
184. John Henry Chiles.
186. Samuel Edwin Beggs, Jr.
187. William Thomas Ryder.
188. William Edward Sievers.
190. William John Priestley.
192. Alfred William Hess.
193. Karol Anthony Bauer.
195. James Latham Crandell, Jr.
196. Thomas Worthington Cooke.
197. William Garnett Lee, Jr.
199. Louis Stewart Chappelear.
200. Laurence John Ellert.
201. Richard Wilkins Ripple.
203. Philip Sheffield Greene.
204. Thurman Wesley Morris.
206. Clyde Lafayette Layne.
207. Jesse Cyrus Drain, Jr.
208. John Marvin Williams.
209. David Henry Brown.
210. Carl Theodor Goldenberg.
211. Jackson Holt Gray.
212. Warren Newcomb Wildrick.
213. Austin Glenwood Fisher.
214. Charles Lee Simpson.
215. Robert Thomas Crowder.
216. Allen Leeds Peck.
217. John Hershey Michaelis.
218. Franklin Rogers Sibert.
219. James Michael Illig.
220. Henry Kreitzer Benson, Jr.
221. Augustus Herbert Bode, Jr.
222. John Proctor Stone.
223. Duncan Buist Dowling, Jr.
224. Von Roy Shores, Jr.
225. William Ellerbe Covington, Jr.
226. Philip Stearns Gage, Jr.
227. Robert Francis Curran.
228. Thomas Edgar Clifford, Jr.
229. Charles Burnham Milliken.
230. Peter McGoldrick.
231. Allen Clinton Miller, 2d.
232. James Renwick Hughes.
233. Leonard Clement Godfray.
234. William Hartman Hendrickson.
235. Howard Franklin McManus.
236. Robert John Trout.
237. Raymond Horace Tiffany.
238. John Clarke Goldtrap.
239. John Ridgen Van Dickson.
240. John Roland Singletary, Jr.
241. William Barret Sullivan.
242. Glenn Austin Sikes.
243. William Maurice McBee.
244. Godfrey Arthur Fowler.
245. Clark Lewis Hosmer.
246. Donald Wallace Noake.
247. William Wesley Jones.
248. David Lincoln Edwards.
249. Benjamin Otto Turnage, Jr.
250. Thomas James Lawlor.
251. William Pelham Yarborough.
252. Aloysius Elliott McCormick, Jr.
253. Joseph James Nazzaro.
254. Charles Morgan Prosser, Jr.
255. Frank Edward Shea.
256. Charles Billingslea.
257. Benjamin Franklin Evans, Jr.
258. Louis Shepard.
259. James Billy Leer.
260. Edmund Whritner Miles.
261. William Levere Kimball.
262. Robert Sears Blodgett.
264. Henry Andrew Mucci.
265. Thomas Walker Chandler.
266. Frederick Caesar Augustus Kellam.
267. John Matthew Lynch.
268. Charles Manly Pack.
269. Ernest Samuel Holmes, Jr.
270. Thomas Ryall Davis.
271. Wallace Conrad Barrett.
272. Theodore Janof.

POSTMASTERS

ALASKA

Harold T. Jestland to be postmaster at Bethel, Alaska. Office becomes Presidential July 1, 1936.

Augustus H. Kingsbury, Jr., to be postmaster at Haines, Alaska. Office becomes Presidential July 1, 1936.

ARKANSAS

David Compton to be postmaster at Bentonville, Ark., in place of E. H. Alfrey. Incumbent's commission expired March 17, 1936.

Logan Stafford to be postmaster at Green Forest, Ark., in place of J. I. Braswell. Incumbent's commission expired April 14, 1936.

Carrol L. Bird to be postmaster at Wilmar, Ark. Office becomes Presidential July 1, 1936.

CALIFORNIA

Jerome Beatty to be postmaster at Claremont, Calif., in place of R. E. Powell. Incumbent's commission expired March 10, 1936.

Lawrence C. Murphy to be postmaster at San Gabriel, Calif., in place of J. H. Strauch, Jr. Incumbent's commission expires June 1, 1936.

CONNECTICUT

Lillian N. Snow to be postmaster at Milldale, Conn., in place of E. J. Minnix, deceased.

GEORGIA

Joseph R. Nease to be postmaster at Lumber City, Ga., in place of William Renfroe. Incumbent's commission expires June 28, 1936.

William H. Freeman to be postmaster at Toomsboro, Ga. Office becomes Presidential July 1, 1936.

IDAHO

Alma Morrow to be postmaster at Challis, Idaho, in place of A. D. Kelley. Incumbent's commission expired January 7, 1936.

ILLINOIS

Alphonse J. Verdick to be postmaster at Annawan, Ill., in place of R. C. Moon. Incumbent's commission expired January 7, 1936.

INDIANA

Edward G. Arnold to be postmaster at Dubois, Ind. Office becomes Presidential July 1, 1936.

Guy C. Davison to be postmaster at Lewisville, Ind. Office becomes Presidential July 1, 1936.

Harvey W. Crouse to be postmaster at Losantville, Ind. Office becomes Presidential July 1, 1936.

Jeannette Manifold to be postmaster at Mooreland, Ind. Office becomes Presidential July 1, 1936.

Stephen A. Blood, Jr., to be postmaster at Owensville, Ind., in place of W. B. Johnson. Incumbent's commission expired April 5, 1936.

Orith A. Imhof to be postmaster at Porter, Ind. Office becomes Presidential July 1, 1936.

IOWA

George H. Abernathy to be postmaster at Blakesburg, Iowa. Office becomes Presidential July 1, 1936.

Omar H. Brooks to be postmaster at Cleghorn, Iowa. Office becomes Presidential July 1, 1936.

Walter H. Eppens to be postmaster at Colesburg, Iowa. Office becomes Presidential July 1, 1936.

Margaret Davidson to be postmaster at Crawfordsville, Iowa. Office becomes Presidential July 1, 1936.

Genevieve M. Lattin to be postmaster at Dakota City, Iowa. Office becomes Presidential July 1, 1936.

Emmett S. Armstrong to be postmaster at Nevada, Iowa, in place of H. E. Hadley. Incumbent's commission expired February 19, 1936.

KENTUCKY

Joseph E. Langley to be postmaster at Clarkson, Ky. Office becomes Presidential July 1, 1936.

LOUISIANA

Charles E. Hearne to be postmaster at Chatham, La. Office becomes Presidential July 1, 1936.

Jacques L. Goudchaux to be postmaster at Le Moyen, La. Office becomes Presidential July 1, 1936.

MAINE

Herbert Fred Hanson to be postmaster at Belfast, Maine, in place of M. E. Brown. Incumbent's commission expired March 10, 1936.

Ralph H. McEwen to be postmaster at Bowdoinham, Maine, in place of C. P. Curtis, removed.

Perl E. Woodbury to be postmaster at Damariscotta, Maine, in place of F. A. Pitts. Incumbent's commission expired January 7, 1936.

George R. Desjardins to be postmaster at Old Town, Maine, in place of H. M. Orr. Incumbent's commission expired January 22, 1936.

Allston M. Hatch to be postmaster at Stonington, Maine, in place of L. E. Stinson. Incumbent's commission expired April 12, 1936.

MARYLAND

Benjamin F. Johnson to be postmaster at Denton, Md., in place of L. T. Short. Incumbent's commission expired January 11, 1936.

James H. Bowling to be postmaster at Hughesville, Md. Office becomes Presidential July 1, 1936.

MASSACHUSETTS

Eugene J. LeMaire to be postmaster at Fisherville, Mass., in place of J. J. Tebo, deceased.

George F. McNamara to be postmaster at Haverhill, Mass., in place of F. D. Babcock, resigned.

John R. Walsh to be postmaster at Topsfield, Mass., in place of J. R. Walsh. Incumbent's commission expired March 28, 1936.

MONTANA

Lee Biggerstaff to be postmaster at Charlo, Mont. Office becomes Presidential July 1, 1936.

NEBRASKA

Arthur H. Logan to be postmaster at Ponca, Nebr., in place of A. H. Logan. Incumbent's commission expires June 1, 1936.

NEW HAMPSHIRE

Stuart W. Heard to be postmaster at Center Sandwich, N. H. Office becomes Presidential July 1, 1936.

NEW YORK

Rita McGoey to be postmaster at Hartsdale, N. Y., in place of M. A. McGoey, deceased.

NORTH CAROLINA

Clyde B. Archbell to be postmaster at Battleboro, N. C. Office becomes Presidential July 1, 1936.

William J. Smith, Jr., to be postmaster at Oriental, N. C. Office becomes Presidential July 1, 1936.

James K. Beaty to be postmaster at Paw Creek, N. C. Office becomes Presidential July 1, 1936.

Lois D. Braswell to be postmaster at Princeton, N. C. Office becomes Presidential July 1, 1936.

James B. Hayes to be postmaster at Rocky Point, N. C. Office becomes Presidential July 1, 1936.

Frank L. Nixon to be postmaster at Sunbury, N. C. Office becomes Presidential July 1, 1936.

NORTH DAKOTA

James L. Hatfield to be postmaster at Fullerton, N. Dak. Office becomes Presidential July 1, 1936.

Bernhard C. Hjelle to be postmaster at Mercer, N. Dak. Office becomes Presidential July 1, 1936.

OHIO

Anna L. Adams to be postmaster at Beaver, Ohio. Office becomes Presidential July 1, 1936.

Alice B. Romie to be postmaster at Fort Loramie, Ohio. Office becomes Presidential July 1, 1936.

Homer P. Galloway to be postmaster at Lore City, Ohio. Office becomes Presidential July 1, 1936.

Henry G. M. Rolston to be postmaster at McGuffey, Ohio. Office becomes Presidential July 1, 1936.

Ann W. Knotts to be postmaster at Magnolia, Ohio. Office becomes Presidential July 1, 1936.

Chester L. Jones to be postmaster at Otway, Ohio. Office becomes Presidential July 1, 1936.

Sylvie E. Sovacool to be postmaster at Peninsula, Ohio. Office becomes Presidential July 1, 1936.

Charles Calvin Myers to be postmaster at Risingsun, Ohio. Office becomes Presidential July 1, 1936.

Jessie W. Graham to be postmaster at North Fairfield, Ohio. Office becomes Presidential July 1, 1936.

Frank Thompson to be postmaster at Senecaville, Ohio. Office becomes Presidential July 1, 1936.

John Burton Wells to be postmaster at Waynesfield, Ohio. Office becomes Presidential July 1, 1936.

OKLAHOMA

Glenn D. Burns to be postmaster at Dover, Okla. Office becomes Presidential July 1, 1936.

Lester F. Wray to be postmaster at Terral, Okla. Office becomes Presidential July 1, 1936.

OREGON

Ethel M. Foster to be postmaster at Clackamas, Oreg. Office becomes Presidential July 1, 1936.

Charles W. Perry to be postmaster at Richland, Oreg. Office becomes Presidential July 1, 1936.

Gladys M. Heath to be postmaster at Rogue River, Oreg. Office becomes Presidential July 1, 1936.

PENNSYLVANIA

Clyde A. Plank to be postmaster at Aspers, Pa. Office becomes Presidential July 1, 1936.

Foster W. Haverley to be postmaster at Covington, Pa. Office becomes Presidential July 1, 1936.

Howard D. Brown to be postmaster at Friedens, Pa. Office becomes Presidential July 1, 1936.

William J. Tye to be postmaster at Gordon, Pa. Office becomes Presidential July 1, 1936.

Genevieve C. McMahon to be postmaster at Mildred, Pa. Office becomes Presidential July 1, 1936.

William R. Kimble to be postmaster at Nottingham, Pa. Office becomes Presidential July 1, 1936.

Ethel T. Croft to be postmaster at Osceola, Pa. Office becomes Presidential July 1, 1936.

John L. Gates to be postmaster at Quincy, Pa. Office becomes Presidential July 1, 1936.

James D. Brakeman to be postmaster at Union City, Pa., in place of E. M. Cooper, Jr. Incumbent's commission expired January 13, 1936.

Mary L. Carl to be postmaster at Vestaburg, Pa. Office becomes Presidential July 1, 1936.

Milton R. Luft to be postmaster at Wyomissing, Pa., in place of H. N. Yost. Incumbent's commission expired February 10, 1936.

SOUTH DAKOTA

Granvel N. Collins to be postmaster at Camp Crook, S. Dak. Office becomes Presidential July 1, 1936.

Aglae Bosse to be postmaster at Jefferson, S. Dak. Office becomes Presidential July 1, 1936.

Harvey J. Seim to be postmaster at Revillo, S. Dak., in place of W. W. Youells. Incumbent's commission expires June 28, 1936.

Albert H. Fogel to be postmaster at Rosholt, S. Dak., in place of J. W. Rydell. Incumbent's commission expires June 15, 1936.

Orval Ogle to be postmaster at Pine Ridge, S. Dak., in place of Richard Whalen. Incumbent's commission expired January 25, 1936.

Roy B. Nelson to be postmaster at Viborg, S. Dak., in place of H. R. Mortenson. Incumbent's commission expires June 15, 1936.

Clarence J. LaBarge to be postmaster at Wakonda, S. Dak., in place of L. W. Ford. Incumbent's commission expires June 15, 1936.

TENNESSEE

George V. Anderson to be postmaster at Gates, Tenn. Office becomes Presidential July 1, 1936.

Hugh B. Milstead to be postmaster at Hornsby, Tenn. Office becomes Presidential July 1, 1936.

Allen N. Williams to be postmaster at Newbern, Tenn., in place of A. H. Johnson. Incumbent's commission expired March 18, 1936.

Hughes H. Hunt to be postmaster at Rives, Tenn. Office becomes Presidential July 1, 1936.

TEXAS

George J. Bell to be postmaster at Aubrey, Tex. Office becomes Presidential July 1, 1936.

Charles M. Fagg to be postmaster at Blue Ridge, Tex. Office becomes Presidential July 1, 1936.

Devoe Dover to be postmaster at Carbon, Tex. Office becomes Presidential July 1, 1936.

Marion L. Garvin, Jr. to be postmaster at Como, Tex. Office becomes Presidential July 1, 1936.

J. Frank Weaver to be postmaster at Cumby, Tex. Office becomes Presidential July 1, 1936.

Walter B. May to be postmaster at Desdemona, Tex. Office becomes Presidential July 1, 1936.

Coin T. Seago to be postmaster at Gustine, Tex. Office becomes Presidential July 1, 1936.

C. Lola Hill to be postmaster at Highlands, Tex. Office becomes Presidential July 1, 1936.

James F. Mitchell to be postmaster at Lancaster, Tex., in place of L. C. Graham. Incumbent's commission expired March 10, 1936.

Henry T. Peace to be postmaster at La Pryor, Tex. Office becomes Presidential July 1, 1936.

Geneva M. Michael to be postmaster at May, Tex. Office becomes Presidential July 1, 1936.

Irene King to be postmaster at Neches, Tex. Office becomes Presidential July 1, 1936.

Ida A. Stockburger to be postmaster at Oglesby, Tex. Office becomes Presidential July 1, 1936.

Lillian Beazley to be postmaster at Quemado, Tex. Office becomes Presidential July 1, 1936.

Marcus E. Jud to be postmaster at Riesel, Tex. Office becomes Presidential July 1, 1936.

Janie W. Chandler to be postmaster at Smiley, Tex. Office becomes Presidential July 1, 1936.

William B. Richardson to be postmaster at Telephone, Tex. Office becomes Presidential July 1, 1936.

Andrew S. Tarpley to be postmaster at Truscott, Tex. Office becomes Presidential July 1, 1936.

VERMONT

Raymond P. Streeter to be postmaster at Franklin, Vt. Office becomes Presidential July 1, 1936.

VIRGINIA

James W. Foster to be postmaster at Arrington, Va. Office becomes Presidential July 1, 1936.

William H. Ranson to be postmaster at Bremo Bluff, Va. Office becomes Presidential July 1, 1936.

Joseph A. Turner to be postmaster at Hollins College, Va. Office becomes Presidential July 1, 1936.

Harrison H. Dodge to be postmaster at Mount Vernon, Va. Office becomes Presidential July 1, 1936.

Walter S. Wilson to be postmaster at Raphine, Va. Office becomes Presidential July 1, 1936.

Richard F. Hicks to be postmaster at Schuyler, Va. Office becomes Presidential July 1, 1936.

Lawrence Hottle to be postmaster at Toms Brook, Va. Office becomes Presidential July 1, 1936.

WASHINGTON

Alvin E. Scott to be postmaster at Benton City, Wash. Office becomes Presidential July 1, 1936.

Mary F. Stowers to be postmaster at Eastsound, Wash. Office becomes Presidential July 1, 1936.

Erica A. Sheehan to be postmaster at Lake Stevens, Wash. Office becomes Presidential July 1, 1936.

Edward V. Pressentin to be postmaster at Rockport, Wash. Office becomes Presidential July 1, 1936.

WEST VIRGINIA

Austin H. Elrick to be postmaster at Gormania, W. Va. Office becomes Presidential July 1, 1936.

Edson Stout to be postmaster at Nutter Fort, W. Va. Office becomes Presidential July 1, 1936.

Swepson J. Richter to be postmaster at White Sulphur Springs, W. Va., in place of F. M. Hippert. Incumbent's commission expired March 29, 1936.

WISCONSIN

Alfred E. Von Wald to be postmaster at Sauk City, Wis., in place of C. F. Ninman. Incumbent's commission expired January 18, 1936.

Eva K. Sheen to be postmaster at Union Grove, Wis., in place of E. W. Meredith. Incumbent's commission expired February 10, 1936.

Walter H. Sprangers to be postmaster at Waldo, Wis. Office becomes Presidential July 1, 1936.

WYOMING

Grace E. Lyon to be postmaster at Burns, Wyo. Office becomes Presidential July 1, 1936.

Austin R. Craven to be postmaster at Sunrise, Wyo. Office becomes Presidential July 1, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 30 (legislative day of May 12), 1936

DIPLOMATIC AND FOREIGN SERVICE

Harry A. McBride to be Foreign Service officer of class 1, consul general, and secretary in the Diplomatic Service.

Herbert C. Hengstler to be Foreign Service officer of class 1, consul general, and secretary in the Diplomatic Service.

UNITED STATES DISTRICT JUDGES

David W. Ling to be United States district judge, district of Arizona.

John W. Holland to be United States district judge, southern district of Florida.

APPOINTMENTS IN THE COAST GUARD

TO BE ENSIGNS

Gerald Tilliman Applegate	Thomas Fletcher Epley
Raymond William Blouin	Clifford Sylvester Gerde
George Rowland Boyce, Jr.	Samuel Gardner Guill
Christian Rewold Couser	Douglas Bruce Henderson
William Bromfield Ellis	Arthur Wilber Johnsen

Robert James Lafferty
John Wellman MacIntosh, Jr.
Joseph Paul Martin
James Schoolcraft Muzzy
Guy Leon Ottinger
George Winchester Playdon
George Richard Reynolds
Julius Edward Richey
Fred Jacob Scheiber
Benjamin Berry Schereschewsky
Richard Robert Smith
Frederick John Statts
James Pomeroy Stow, III
Clyde Harold Teague, Jr.
Edward Carter Thompson, Jr.
Paul Edwin Trimble
Russell Randolph Waesche, Jr.
Robert Wilcox
Harold Lambert Wood

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

Second Lt. John Burroughs Cary, to Air Corps.

APPOINTMENTS IN THE REGULAR ARMY

TO BE SECOND LIEUTENANTS WITH RANK FROM JUNE 12, 1936

Corps of Engineers

1. Oliver Garfield Haywood, Jr.
3. Charles Henry Waters.
4. Ralph Dickson King.
5. Raymond John Harvey.
7. William Reeves Shuler.
8. Roy Dean McCarty.
9. John Herbert Kerkering.
11. Pierre Victor Kieffer, Jr.
12. Karl Theodore Klock, Jr.
13. Richard Rawlins Waugh.
14. Arthur Milton Jacoby.
16. Dwight Oliver Monteith.
18. Walter Alexander Faiks.
19. George Ervin White, Jr.
20. Carroll Keleher Bagby.
21. Gilbert Meding Dorland.
22. Thomas Reuben Conner.
23. Thomas Jay Hayes, 3d.
25. George Alexander Finley.
28. Wright Hiatt.
30. Howard Allen Morris.

Signal Corps

17. Robert Warren Davis.
40. Walter Bernard Bess.
44. John Lindsay Bower.
55. Robert Frederick Frost.
61. Eugene Roberts Patterson.
273. Frank Pattillo Norman, Jr.
274. Conrad Francis Necrason.
275. Victor Hermann Wagner.
276. William Arthur Joyce.

Cavalry

6. Bruce Palmer, Jr.
10. Cecil Edward Combs.
46. Stephen Walsh Holderness.
72. Howell Marion Estes, Jr.
94. Edward Worthington Williams.
107. Albert Patton Clark, Jr.
108. William Raymond Prince.
109. Eugene Virgil Reece.
111. Ned Taylor Norris.
134. Edward Clare Dunn.
141. Wilfred Henry Tetley.
143. James Walter Twaddell, Jr.
144. William Russell Grohs.
146. Donald Paul Christensen.
148. Carl LaVerne Rickenbaugh.
156. Robert George Fergusson.
157. Francis McDonald Oliver, Jr.
158. Robert Edward McCabe.
166. Roy Wheaton Cole, Jr.
169. Carl Baehr, Jr.
172. Harry Ripley Melton, Jr.
173. John Harold Daly.
174. Robert James Quinn, Jr.
175. Edward Daniel Mohlere.
185. Creighton Williams Abrams, Jr.
189. Hilwert Schuyler Streeter.
191. Russel Victor Dolmar Janzan.
194. William Jackson Hanlon.
198. McPherson LeMoyne.
202. Robert Emmett O'Brien, Jr.
205. Albert Burnton Turner, Jr.

Field Artillery

26. William Mellard Connor, Jr.
33. William David Milne.
34. John Keeler Neff.
36. James Benjamin Lampert.
37. Gerald Herman Duin.
47. James Emmett Goodwin.
49. Paul Francis Oswald.
50. Gordon Harrison Austin.
53. Jay Dean Rutledge, Jr.
57. Clement Wirt Crockett.
59. John Daniel McElheny.
63. Thea Lewis Lipscomb.
64. Robert Dean Gapen.
66. David McCoach, 3d.
68. Harry Edgar Mikkelsen.
73. Ralph Richard Gnuschke.
74. Everett George Hahney.
76. Robert Matthew Burnett.
78. Clinton Dermott Vincent.
80. David Woodrow Hiester.
81. Charles Dudley Hartman, Jr.
83. Selwyn Dyson Smith, Jr.
84. Raymond Lemuel Cato.
85. Irwin Walton Rogers.
87. William Aldrich Davis.
89. Edward Alexander Grove.
91. Seward William Hulse, Jr.
92. Richard Henry Carmichael.
93. Robert Bruce Partridge.
100. Eldred George Robbins, Jr.
101. Napoleon Robertson Duell.
103. Carl Kenneth Bowen, Jr.
104. Orville Newton Stokes.
106. John Davis Torrey, Jr.
110. Donald Gilbert Grothaus.
112. William Childs Westmoreland.
113. John Earl Barlow.
115. Kenneth Francis Dawalt.
116. Harold William Wolf.
117. Norman Calvert Spencer, Jr.
119. Frederick Reynolds Terrell.
120. Leonard Copeland Shea.
121. Charles Bernard Tyler, Jr.
124. Frederick Charles Bothwell, Jr.
126. Beverley Evans Powell.
127. Donald Read Bodine.
128. Charles Milton McCorkle.
133. Robert Hall Safford.
135. Chester Victor Clifton, Jr.
136. William Denton Cairnes.
137. John Godfrey Brimmer.
139. Wilbur Maben Griffith.

Coast Artillery Corps

15. Charles Barnard Stewart.
24. Gordon Henry Holterman.
27. Henry Jacob Katz.
29. Arthur Kramer.
31. Stephen Elliott Smith.
32. Edgar Hall Thompson, Jr.
38. Reginald Joseph Beauregard Page.
39. Lawrence Edward Laurion.
41. Clarence Albert Cozart.
43. William Nott Beard.
48. William Parrish Fickes.
51. Cecil Eldon Spann, Jr.
52. Foster LeRoy Furphy.
54. Warren Smith Blair.
56. Howard Pinkney Persons, Jr.

58. Adam Stephen Buynoski.
60. Kenneth Einar Madsen.
65. Oren Swain.
67. Robert Henry Kessler.
69. William Henry Kinard, Jr.
70. Eugene Everett Lockhart.
71. Maxwell Morrison Kallman.
75. Clifford Frederick Cordes, Jr.
77. John Knox Arnold, Jr.
79. Richard Henry Mattern.
86. John Walter Romlein.
90. Joseph Barry Yost.
95. Frank Walter Gillespie.
98. Hervey Bennett Whipple.
99. Nicholas Tate Perkins.
118. Benjamin Merritt Warfield.
122. Fredrick Bell.
131. Leland Rodman Drake.
138. William Hamilton Jordan.
145. Henry David Lind.

Infantry

35. Benjamin Oliver Davis, Jr.
42. Andrew Davis Chaffin, Jr.
45. John Edward Kelly.
62. Edwin Van Valkenburg Sutherland.
82. John James Phelan.
88. William Charles Hay.
96. James Rutland Gunn.
97. Wilmer Charles Landry.
102. Howard McCrum Snyder, Jr.
105. James Edward Landrum, Jr.
114. John Richard Kelly.
123. Harold Roy Low.
125. Philip Cary Whitehead.
129. Edward Lawrence Parsons Burke.
130. Earl Franklin Holton.
132. Ridgway Pancoast Smith, Jr.
140. Langdon Andrew Jackson, Jr.
142. Joshua Asher Finkel.
147. Clarence Edward Gooding.
149. William Swinton Steele.
150. John Milton Bartella.
151. Loyd Kenneth Pepple.
152. William Charles Haneke.
153. James Tillman Willis.
154. Karl William Schwering.
155. Claude Lee Crawford.
159. John Joseph Jakle.
160. Clinton Utterback True.
161. Turner Clifton Rogers.
162. Robert Walter Breaks.
163. William Loud Longley.
164. Louis Frederick de Lesdernier.
165. Frederick Harold Gaston, Jr.
167. James Rainier Weaver.
168. George Paul Champion.
170. John Arnold Heintges.
171. Charles Chaney Segrist.
176. William Francis Meany.
177. Peter Woods Garland, Jr.
178. Ned Butler Broyles.
179. Randolph Charles Dickens.
180. Elmer Willford Grubbs.
181. Lawrence Frederick Prichard.
182. Fred Livingood Walker, Jr.
183. George Weldon Childs.
184. John Henry Chiles.
186. Samuel Edwin Beggs, Jr.
187. William Thomas Ryder.
188. William Edward Sievers.
190. William John Priestley.
192. Alfred William Hess.
193. Karol Anthony Bauer.
195. James Latham Crandell, Jr.
196. Thomas Worthington Cooke.
197. William Garnett Lee, Jr.
199. Louis Stewart Chappelear.
200. Laurence John Ellert.
201. Richard Watkins Ripple.
203. Philip Sheffield Greene.
204. Thurman Wesley Morris.
206. Clyde Lafayette Layne.
207. Jesse Cyrus Drain, Jr.
208. John Marvin Williams.
209. David Henry Brown.
210. Carl Theodor Goldenberg.
211. Jackson Holt Gray.
212. Warren Newcomb Wildrick.
213. Austin Gladwood Fisher.
214. Charles Lee Simpson.
215. Robert Thomas Crowder.
216. Allen Leech Peck.
217. John Hershey Michaelis.
218. Franklin Rogers Sibert.
219. James Michael Illig.
220. Henry Kreutzer Benson, Jr.
221. Augustus Herbert Bode, Jr.
222. John Proctor Stone.
223. Duncan Blair Dowling, Jr.
224. Von Roy Chores, Jr.
225. William Everbe Covington, Jr.
226. Philip Stearns Gage, Jr.
227. Robert Francis Curran.
228. Thomas Edgar Clifford, Jr.
229. Charles Barnham Milliken.
230. Peter McColdrick.
231. Allen Clinton Miller, 2d.
232. James Renwick Hughes.
233. Leonard Clement Godfray.
234. William Hartman Hendrickson.
235. Howard Franklin McManus.
236. Robert John Trout.
237. Raymond Horace Tiffany.
238. John Clarke Goldtrap.
239. John Ridgen Van Dickson.
240. John Rolland Singletary, Jr.
241. William Barret Sullivan.
242. Glenn Austin Sikes.
243. William Maurice McBee.
244. Godfrey Arthur Fowler.
245. Clark Lewis Hosmer.
246. Donald Wallace Noake.
247. William Wesley Jones.
248. David Lincoln Edwards.
249. Benjamin Otto Turnage, Jr.
250. Thomas James Lawlor.
251. William Pelham Yarborough.
252. Aloysius Elliott McCormick, Jr.
253. Joseph James Nazzaro.
254. Charles Morgan Prosser, Jr.
255. Frank Edward Shea.
256. Charles Billingslea.
257. Benjamin Franklin Evans, Jr.
258. Louis Shepard.
259. James Billy Leer.
260. Edmund Whritner Miles.
261. William Levere Kimball.
262. Robert Sears Blodgett.
264. Henry Andrew Mucci.
265. Thomas Walker Chandler.
266. Frederick Cæsar Augustus Kellam.
267. John Matthew Lynch.
268. Charles Manly Pack.
269. Ernest Samuel Holmes, Jr.
270. Thomas Ryall Davis.
271. Wallace Conrad Barrett.
272. Theodore Janof.

APPOINTMENTS IN THE NAVY

MARINE CORPS

Frederick R. Dowsett to be second lieutenant.
Ted E. Pulos to be second lieutenant.

POSTMASTERS

ARIZONA

George G. Babbitt, Jr., Flagstaff.
Louisa L. Staggs, Fort Defiance.
Winnie M. Johnson, Gilbert.
Josie B. Fenwick, Litchfield Park.
Mary W. Hand, Winkelman.

ARKANSAS

Mary C. Porter, Alpena Pass.
Howard R. Nabors, Chidester.
Joe C. Allen, Cove.
William L. Ellis, Cullendale.
Edgar G. Gunnels, Emerson.
Everett H. Bonds, Gillham.
Hoyt D. Estep, Hartman.
William J. Pruitt, Jasper.
Ruth D. Slaton, Joiner.
Lora E. Wilkerson, Knobel.
Thomas W. Moore, Magazine.
Alvin J. Wages, Norphlet.
Clyde V. Warr, State College.

KANSAS

George J. Roeback, Arcadia.
Kathryn Schieferecke, Lenora.

LOUISIANA

Pierre Mistrot, Arnaudville.
Rene Tate, Eunice.

MASSACHUSETTS

James W. Evans, Fairhaven.
John Joseph Mackin, Jr., Millers Falls.
Roy Seward Campbell, Rutland Heights.
Raymond L. Soule, West Boylston.
Michael E. Troy, West Stockbridge.
William P. Hatton, Woronoco.

MICHIGAN

Roland J. Boudreau, Garden.
William J. Faircloth, Onaway.
Edith B. Kleiber, Rock.
Charles A. Vogelheim, Rogers City.

MINNESOTA

J. Harold Johnson, Elmore.
Andrew Lubinski, Greenbush.
Theodore Zimmerman, Le Center.
William W. O'Malley, Le Sueur.
Carl V. Hawkinson, St. James.

OKLAHOMA

Dudley C. Allsup, Willow.

PENNSYLVANIA

John F. Erdly, Beaver Springs.
Leslie H. Lockerman, Cheswick.
Mary Dessie Blayney, Claysville.
Harry Tarbotton, Sr., Darby.
Ewing D. Minerd, Dunbar.
Harry D. Farnen, East Butler.
William Scott Rinedollar, Everett.
Mildred E. Wagner, Freemansburg.
Eugene M. Burke, Karns City.
Earle Phillips Robbins, Knoxville.
Brian W. Kauffman, Middleburg.
Arthur O. Shafer, Montoursville.
Margaret A. Mash, Nanty Glo.
Robert E. Walley, Sr., Spring City.
Randall H. Weaver, Worthington.
Edgar S. Abel, Wrightsville.

TENNESSEE

John W. Nicholson, Ashland City.
Riley M. Grills, Trimble.

TEXAS

Olive P. Jordan, Beckville.
Samuel G. Hampton, Goree.
Herman H. Cooke, Hempstead.
John A. Wilson, Knox City.
John Henry Read, Memphis.
Neville W. Durham, Merkel.
John M. Meiners, Moulton.
Mary Foster, Waelder.

WITHDRAWALS

Executive nominations withdrawn from the Senate May 30 (legislative day of May 12), 1936

PROMOTIONS IN THE ARMY

TO BE COLONEL

Lt. Col. James Howard Laubach, Quartermaster Corps, from May 14, 1936.

TO BE LIEUTENANT COLONEL

Maj. Parley Doney Parkinson, Infantry, from May 14, 1936.

TO BE MAJOR

Capt. William Rebert Gerhardt, Ordnance Department, from May 14, 1936.

SENATE

MONDAY, JUNE 1, 1936

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, who as at this time didst teach the hearts of Thy faithful people by sending to them the light of Thy Holy Spirit: Grant us by the same spirit to have a right judgment in all things as we face the solemn duties of this day.

Wilt Thou bestow upon our President, our Vice President, and all others in authority, wisdom and strength to know and to do Thy will, and upon every Member of the Senate that nobility of soul which sees in reason and forbearance the highest attributes of courage, that each may speak his truth as God doth bid.

Help us to be pure and honest in our lives, just and irreproachable in our dealings with our fellow men, that we may be ever dear to our friends, honored by our country, and beloved at our firesides. We ask it in the name and for the sake of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, May 30, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	King	Robinson
Austin	Coolidge	La Follette	Russell
Bachman	Copeland	Loftin	Schwellenbach
Bailey	Couzens	Lonergan	Sheppard
Barbour	Davis	Long	Shipstead
Barkley	Dieterich	McAdoo	Smith
Benson	Duffy	McGill	Steiwer
Bilbo	Fletcher	McKellar	Thomas, Okla.
Black	Frazier	McNary	Thomas, Utah
Bone	George	Maloney	Townsend
Borah	Gerry	Minton	Truman
Brown	Gibson	Moore	Tydings
Bulkley	Glass	Murphy	Vandenberg
Bulow	Guffey	Murray	Van Nuys
Burke	Hale	Neely	Wagner
Byrd	Hastings	Norris	Walsh
Byrnes	Hatch	O'Mahoney	Wheeler
Capper	Hayden	Overton	White
Caraway	Holt	Pope	
Carey	Johnson	Radcliffe	
Chavez	Keyes	Reynolds	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. MCCARRAN] are absent because of illness, and that the Senator from Texas [Mr. CONNALLY],

the Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr. GORE], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], and the Senator from Nevada [Mr. PITTMAN] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from Rhode Island [Mr. METCALF] are necessarily absent.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

COMMITTEE ON ARRANGEMENTS FOR INAUGURATION OF THE PRESIDENT-ELECT

The VICE PRESIDENT appointed the Senator from West Virginia [Mr. NEELY], the Senator from Arkansas [Mr. ROBINSON], and the Senator from Maine [Mr. HALE] as the members on the part of the Senate of the Joint Committee on Arrangements for the Inauguration of the President-elect of the United States, authorized by Senate Concurrent Resolution 38.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the Senate of the State of California, favoring the construction and completion of the Central Valley project in California and the making of adequate appropriation therefor, which was ordered to lie on the table.

(See resolution printed in full when presented today by Mr. MCADOO.)

The VICE PRESIDENT also laid before the Senate resolutions adopted by the Armstrong County Central Labor Union, of Kittanning, Pa., and the council of the city of Superior, Wis., favoring the prompt enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which were referred to the Committee on Education and Labor.

He also laid before the Senate the petition of International Falls Local No. 159, International Brotherhood of Paper Makers, and several citizens, of International Falls, Minn., favoring the adoption of measures looking to the making of a moderate profit by the newsprint industry, a fair wage by workers, and a fair price for farmers and other pulpwood producers, which was referred to the Committee on Finance.

He also laid before the Senate a telegram in the nature of a memorial from M. J. Steger, secretary, etc., Phoenix, Ariz., remonstrating against the confirmation of the nomination of David W. Ling, of Arizona, to be United States district judge, district of Arizona, which was ordered to lie on the table.

Mr. GEORGE presented a petition of sundry citizens, being railroad employees of the State of Georgia, praying for the repeal of Public Law No. 399 (H. R. 8651), Seventy-fourth Congress, known as the Railroad Retirement Act of 1935, and Public Law No. 400 (H. R. 8652), Seventy-fourth Congress, known as an act to levy excise tax upon carriers and income tax upon their employees, which was referred to the Committee on Interstate Commerce.

Mr. COPELAND presented a petition of sundry citizens of Brooklyn, N. Y., praying for the enactment of a more stringent neutrality law, which was referred to the Committee on Foreign Relations.

He also presented the petition of members of the National Union for Social Justice, of New York City, N. Y., praying for the enactment of the so-called Frazier-Lemke farm-debt refinancing bill, which was ordered to lie on the table.

Mr. WALSH presented a resolution adopted at a meeting of the Student Association of Boston University, College of Liberal Arts, favoring the enactment of the so-called American youth bill, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by Gas Fitters' Local Union No. 175, Association of Journeymen Plumbers and Steam Fitters, of Boston, Mass., favoring the prompt enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Cambridge (Mass.) Central Labor Union, protesting against the discontinuance of W. P. A. projects and against further lay-offs of workers on such projects, and favoring the expansion of so-called white-collar projects under the W. P. A., which was ordered to lie on the table.

CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. MCADOO. I ask unanimous consent to have printed in the RECORD as a part of my remarks and to lie on the table a resolution adopted by the Senate of the Legislature of the State of California in respect to the Central Valley water project.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas California is in urgent need of the development, conservation, and stabilization of its water resources to prevent the abandonment of thousands of farms and homes and to avert tremendous financial losses; and

Whereas the State of California has prepared a comprehensive coordinated plan for the progressive economic development of the water resources of the State, carefully formulated over a period of 14 years, which provides for the control of floods and salinity encroachment, the improvement of navigation, the conservation and stabilization of water supplies for municipal, irrigation, industrial, and mining uses, and for the generation of electric power; and

Whereas the Legislature of the State of California in 1933 passed the Central Valley Project Act, which was signed by the Governor and was thereafter approved by vote of the people of the State at a special election held on December 19, 1933; and

Whereas the said Central Valley Project Act created the Water Project Authority of the State of California to execute and administer the Central Valley project, which project is a coordinated plan for the immediate needs of the great Central Valley of California; and

Whereas said Central Valley project has been investigated and approved by 13 agencies of the Federal Government and has been recommended for Federal financing; and

Whereas said project has further been recommended by the President's Committee on Water Flow and by the National Resources Board as one of the country's foremost projects for a national program of public works; and

Whereas the House of Representatives has passed H. R. 6732, authorizing the improvement of the Sacramento River in accordance with the plan as set forth in House of Representatives Document No. 35, Seventy-third Congress, which recommends a Federal contribution of $12,000,000 to the cost of the Kennett Dam of the Central Valley project; and

Whereas the said project will be self-liquidating and the cost thereof will be returned to the Federal Government from revenues obtained by the sale of water and power; and

Whereas the consummation of the said project will enable 50,000 American people to sustain themselves by their present means of livelihood and will prevent their being thrown into the ranks of the unemployed, and, further, will stop the reversion to desert of one-half million acres of highly developed and settled lands, valued at $100,000,000; and

Whereas a greater degree of flood protection in the Sacramento Valley is highly desirable; and

Whereas the construction of said project will give employment to thousands of workers now unemployed, not only in California but throughout the Nation, thereby relieving unemployment in many branches of industry, particularly in the heavy manufacturing industries in the East and Middle West; and

Whereas the Secretary of the Interior did heretofore report to the President that said project was feasible from engineering, agricultural, and financial standpoints and was adaptable for settlement and farm homes, that the estimated construction cost was adequate, and that the anticipated revenues would be sufficient to return the cost to the United States, and did approve and recommend the construction of said project, which recommendation was thereafter approved by the President; and

Whereas the President did, by virtue of the authority of the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, allocate the sum of $15,000,000 from the appropriation made under said act to the Department of the Interior, Reclamation Service, to be reimbursable in accordance with the reclamation law, for the construction of the Central Valley project; and

Whereas said project is now in the course of construction in accordance with said allocation and it is imperative that continuing appropriations be made under congressional authorization to assure the successful completion of the project; and

Whereas the cost of said project has been carefully estimated by competent Federal and State authorities to be $170,000,000 and will be repaid to the United States in accordance with the reclamation law out of the revenues of said project; and

Whereas there is now pending before the Congress Department of the Interior appropriation bill, H. R. 10630, which, among other things, authorizes construction of said Central Valley project by the United States, and appropriates for the construction thereof the sum of $16,000,000 for the fiscal year 1937: Now, therefore, be it

Resolved by the senate, That the State of California, through its legislature, recommends the Central Valley project to the President and to the Congress of the United States as of first and prime

importance to the State of California, and respectfully requests that the construction of said Central Valley project be authorized, and that adequate funds be appropriated so that the construction of said project may be continued, to the end that the same may be completed, thereby conferring lasting benefits not only upon the people of the State of California but upon the entire Nation, and thus affording substantial unemployment relief now vitally necessary and rehabilitating a vast area of valuable and highly developed lands, thereby enabling thousands of American families to sustain themselves on their present farms; and be it further

Resolved, That certified copies of this resolution be transmitted by the secretary of the Senate of the State of California to the President and to the Vice President of the United States, the Speaker of the House of Representatives, and to the Senators and Representatives of the State of California in the Congress.

REPORTS OF COMMITTEES

Mr. KING, from the Committee on Finance, to which was referred the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, reported it with amendments and submitted a report (No. 2156) thereon.

Mr. BLACK (for himself and Mr. LA FOLLETTE), from the Committee on Finance, submitted minority views on the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, which were ordered to be printed as part 2 of Senate Report No. 2156.

Mr. POPE, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 4062) to provide for a survey of the Cabinet Gorge on the Clark Fork of the Columbia River, reported it with amendments and submitted a report (No. 2157) thereon.

He also, from the same committee, to which was referred the bill (S. 4142) for the relief of owners of property damaged by high waters in the Blackfoot Reservoir, reported it with an amendment and submitted a report (No. 2158) thereon.

Mr. WALSH, from the Committee on Education and Labor, to which was referred the bill (S. 4424) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the development of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, reported it with amendments.

Mr. COOLIDGE, from the Committee on Immigration, to which was referred the bill (H. R. 4900) to amend the naturalization laws in respect of residence requirements, and for other purposes, reported it without amendment and submitted a report (No. 2159) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 4713) validating a town-lot certificate and authorizing and directing issuance of a patent for the same to Ernest F. Brass, reported it with amendments and submitted a report (No. 2161) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. GEORGE:

A bill (S. 4730) to authorize the issuance of a special series of postage stamps commemorative of the one hundredth anniversary of the founding of Wesleyan Female College; to the Committee on Post Offices and Post Roads.

By Mr. WALSH:

A bill (S. 4731) to exempt fraternal societies from the tax on employers under the Social Security Act; to the Committee on Finance.

By Mr. SHEPPARD:

A bill (S. 4732) for the relief of Walter G. Harrell; to the Committee on Military Affairs.

By Mr. ROBINSON (for Mr. HARRISON):

A bill (S. 4733) for the relief of Thomas A. Smith; to the Committee on Military Affairs.

RETIREMENT FOR OFFICIALS OF FEDERAL BUREAU OF INVESTIGATION—AMENDMENT

Mr. McKELLAR submitted an amendment intended to be proposed by him to the bill (S. 4552) to extend the retirement privilege to the Director, Assistant Directors, inspectors, and special agents of the Federal Bureau of Investigation, which was ordered to lie on the table and to be printed.

INFORMATION PERTAINING TO COTTON COOPERATIVE ASSOCIATIONS

Mr. McKELLAR submitted a resolution (S. Res. 310), which was ordered to lie on the table, as follows:

Resolved, That the Farm Credit Administration be, and it is hereby, directed to furnish immediately to the Senate copies of the following documents:

1. Report on general functional survey, American Cotton Cooperative Association and member associations, January 30, 1932.
2. Operating plans and policies of the Georgia Cotton Cooperative Association, 1933–34 and 1934–35 seasons, September 1935. O. W. Hermann.
3. An analysis of the operating policies of the Georgia Cotton Growers' Association. June 21, 1932. Petrow and Hermann.
4. Copy of the Report No. 40, made by O. W. Hermann.
5. A statement of accounts between the Government and the American Cotton Cooperative Association.
6. A statement of the account between the Government and the various State cotton cooperatives.
7. What loans the Farm Credit Administration expects to make to the American Cotton Cooperative Association or any of its subsidiaries during the present year.

FEDERAL EXPENDITURES FOR COTTON COOPERATIVES—EXTENSION OF SENATE RESOLUTION 185

Mr. McKELLAR submitted the following resolution (S. Res. 313), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the authority conferred by Senate Resolution 185, concerning expenditures by the Federal Government for cotton cooperatives, etc., agreed to August 24, 1935, be, and the same is hereby, extended and continued in force until the expiration of the Seventy-fifth Congress.

ASSISTANT CLERK TO COMMITTEE ON PATENTS

Mr. McADOO submitted the following resolution (S. Res. 311), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Patents is hereby authorized to employ for the duration of the Seventy-fifth Congress an assistant clerk, to be paid from the contingent fund of the Senate at the rate of $2,400 per annum.

JIMMY REILLY—APPOINTMENT OF SPECIAL MESSENGER

Mr. McNARY submitted the following resolution (S. Res. 312), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Sergeant at Arms of the Senate be, and he is hereby, authorized and directed to appoint Jimmy Reilly, who has been an employee of the Senate since 1903, a special messenger at the special gallery door of the Senate Chamber, and that, so long as the position is held by him, and until otherwise provided by law, he shall receive compensation at the rate of $2,400 per annum, to be paid from the contingent fund of the Senate.

RAMEY BROS.—CONFERENCE REPORT

Mr. BAILEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1362) for the relief of Ramey Bros., of El Paso, Tex., having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments.

JOSIAH W. BAILEY,
JOHN G. TOWNSEND, Jr.,
Managers on the part of the Senate.

AMBROSE J. KENNEDY,
W. A. PITTENGER,
J. BURRWOOD DALY,
Managers on the part of the House.

The report was agreed to.

MR. AND MRS. BRUCE LEE—CONFERENCE REPORT

Mr. BAILEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3952) for the relief of Mr. and Mrs. Bruce Lee, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate; and agree to the same.

JOSIAH W. BAILEY,
JOHN G. TOWNSEND, Jr.,
EDWARD R. BURKE,
Managers on the part of the Senate.

AMBROSE J. KENNEDY,
W. A. PITTENGER,
Managers on the part of the House.

The report was agreed to.

IMMIGRATION AND DEPORTATION OF ALIENS

Mr. REYNOLDS. Mr. President, I have here five statistical tables compiled from the annual reports of the present Commissioner of Immigration and Naturalization and his predecessors, and I ask to have them printed in the CONGRESSIONAL RECORD at this point, because of the studied, erroneous, and misleading statements of the present Commissioner of Immigration and Naturalization last Monday in an address that appeared in the CONGRESSIONAL RECORD last Thursday, May 28, in which he says we have no immigration or alien problem and that public men who say we have are merely "playing politics."

The first two tables, A and B, compiled, as I said, from the annual reports of the Commissioner, reveal that during the first 10 years of the 1924 Quota Restriction Act, 1925–35, 3,687,547 aliens of all classes entered the United States lawfully; that our immigration officers actually counted the noses of 3,687,547 aliens entering our country legally. Doubtless, judging by the large number of high-powered autos, speed boats, and airplanes seized smuggling aliens in, as many more millions must have entered illegally.

The second pair of tables, C and D, likewise compiled from the same official sources, show that during the past 5 fiscal years, 1931 to 1935, inclusive, 949,903 aliens of all classes entered the United State legally.

No one knows how many aliens left the country. No immigration official is charged with counting aliens departing, except the aliens mandatorily deported. All we know about alien departures, other than alien deportees, is what the steamship companies, an "interested party", say. It seems to me immaterial how many the steamships report departing. Even if the nearly 7,000,000 aliens, the last and only official enumeration we have record of in the United States, left the country during the past 5 years, still we should not have allowed the 949,903 aliens who entered legally to have come into our country. We should not have allowed a single alien job seeker or alien dependent to have come here, because his coming was sure to further increase our unemployment and relief problems just that much. We have enough unemployed and enough public charges; and enough radicals, and enough criminals, and enough lawbreakers, and enough Communists without allowing not only another one to enter but to justify the prompt deportation of every such alien here.

These official statistics show there is an immigration problem, that too many aliens are entering legally, and too many are also entering illegally, and that existing alien-deportation statutes are not being enforced as they have been or as they should be. I am getting sick and tired of the present Commissioner running about the country from border to border, coast to coast, and resort to resort making statements that cannot be substantiated by the facts, and casting slurs upon Members of Congress by publicly asserting that those of us who are not in accord with his views are merely "playing politics."

I ask unanimous consent that the tables may be printed in the RECORD.

There being no objection, the statement and tables were ordered to be printed in the RECORD, as follows:

TABLE A.—*Aliens admitted to the United States under the provisions of the Immigration Act of 1924 from 1925 to 1935*

[Compiled from the annual reports of the Commissioner General of Immigration and from figures furnished by the Commissioner of Immigration and Naturalization]

	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	10-year total
Quota immigrants	145,971	157,432	158,070	153,231	146,918	141,497	54,118	12,983	8,220	12,483	990,923
Nonquota immigrants	250,912	249,916	284,227	247,768	232,435	198,004	132,688	88,064	78,210	72,986	1,835,210
(*a*) Residents returning from visit	64,632	83,754	95,910	94,502	101,007	99,154	91,442	67,057	62,610	55,169	815,237
(*b*) New immigrants	186,280	166,162	188,317	153,266	131,428	98,850	41,246	21,007	15,600	17,817	1,019,973
i. Relatives of citizens	7,217	11,154	18,505	25,761	30,313	32,105	17,264	9,490	6,658	7,891	166,358
ii. Natives of nonquota countries [1]	175,865	151,454	159,735	124,122	97,785	63,404	21,375	9,461	7,549	8,237	818,987
iii. Ministers, professors, etc	1,736	1,551	1,853	1,404	1,254	1,340	943	660	380	475	11,596
iv. Students [2]	1,462	1,920	1,833	1,816	1,898	1,902	1,538	1,266	877	1,048	15,580
v. Women, formerly citizens					132	72	97	105	101	134	641
vi. Miscellaneous		2,003	6,391	163	48	27	29	25	35	32	8,753
Nonimmigrant aliens	60,203	88,758	95,704	99,632	99,974	106,713	93,873	73,824	64,298	78,435	861,414
i. Government officials, etc	1,950	5,666	5,683	6,348	6,266	6,389	4,973	3,844	4,053	4,363	49,535
ii. Temporary visitors, business	14,461	19,951	22,515	21,570	21,465	23,442	17,150	13,741	11,360	13,068	178,723
iii. Temporary visitors, pleasure	20,865	36,663	37,993	43,011	42,845	47,381	38,486	26,724	25,539	36,765	356,272
iv. Persons in transit through United States	22,697	25,574	28,312	27,257	27,776	27,991	32,169	28,678	22,693	23,687	266,834
v. Admitted to trade under a treaty	230	904	1,201	1,446	1,622	1,510	1,096	837	653	552	10,050
SUMMARY											
New immigrants:											
Quota immigrants	145,971	157,432	158,070	153,231	146,918	141,497	54,118	12,983	8,220	12,483	990,923
Nonquota immigrants	186,280	166,162	188,317	153,266	131,428	98,850	41,246	21,007	14,848	17,817	1,019,973
Total	332,251	323,594	346,387	306,497	278,346	240,347	95,364	33,990	23,068	30,300	2,010,896
Nonquota returning residents	64,632	83,754	95,910	94,502	101,007	99,154	91,442	67,057	62,610	55,169	815,237
Nonimmigrant aliens	60,203	88,758	95,704	99,632	99,974	106,713	93,873	73,824	64,298	78,435	861,414
Total admissions, all classes	457,086	496,106	538,001	500,631	479,327	446,214	280,679	174,871	150,728	163,904	3,687,547

[1] Persons born in Canada, Newfoundland, Mexico, Cuba, Haiti, Dominican Republic, Canal Zone, or independent countries of Central or South America, and their wives and unmarried children under 18 years of age.

[2] Students are really not new immigrants as they are admitted only during period of study, and must leave at the end of that period.

TABLE B.—*Quota immigration visas issued by the Department of State 1925-34, under the Immigration Act of 1924*

[NOTE.—The number of visas issued is generally slightly higher than the number admitted, as shown in the first line of table A above. This is due to the fact that some visas are not utilized, and for several similar minor reasons.]

	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	Total
Total quota	164,667	164,667	164,667	164,667	164,667	153,714	153,831	153,831	153,831	153,774	1,592,199
Quota visas issued	160,616	161,857	162,396	162,429	155,912	180,879	48,528	12,697	7,954	13,900	1,037,168
First preference visas:											
(*a*) Relatives of citizens	6,114	6,713	6,790	7,209	6,470	8,459	6,713	3,743	1,964	2,715	56,890
(*b*) Farmers (new workers)	22,490	13,343	18,145	18,679	17,129	15,108	4,240	55	47	26	109,285
Second preference visas: Relatives of aliens					25,508	34,335	10,742	4,027	2,211	2,494	69,307
Nonpreference visas: Chiefly new workers	132,012	141,796	137,461	136,541	105,805	102,987	26,833	4,872	3,732	8,665	801,704

TABLE C.—*Aliens deported from the United States, 1925-34*

	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	Total
Criminals	637	793	953	1,211	1,409	1,711	1,773	1,709	1,770	1,569	13,535
Narcotic-law violators	42	76	54	67	52	44	44	138	167	122	806
Anarchists, etc	22	4	9	1	1	1	18	51	74	20	201
Immoral classes	336	417	597	565	395	700	884	906	785	383	5,968
Mental or physical defects	913	1,243	1,042	1,106	672	1,042	952	1,107	1,056	662	9,795
Remained longer than permitted		26	192	1,165	2,064	2,019	2,835	3,284	3,148	986	15,719
Entered without proper visa	2,723	4,582	5,464	5,367	6,874	6,694	6,205	8,167	9,099	3,611	58,786
Likely to become public charge	1,761	889	571	478	373	305	1,240	187	166	98	6,068
Unable to read (over 16 years of age)	474	494	708	333	63	2,696	2,056	1,403	1,393	539	10,169
Under Chinese Exclusion Act	93	178	141	139	33	165	207	516	249	101	1,823
Other causes	2,494	2,202	1,931	1,193	972	1,253	1,918	1,958	1,958	788	16,667
Total	9,495	10,904	11,662	11,625	12,908	16,631	18,142	19,426	19,865	8,879	139,537

TABLE D.—*Aliens admitted to the United States under provisions of the Immigration Act of 1924*

[Compiled from official figures furnished by the United States Commissioner of Immigration and Naturalization]

	1931	1932	1933	1934	1935	Total
I. Quota immigrants	54,118	12,983	8,220	12,483	17,207	105,011
II. Nonquota immigrants:						
(a) Alien residents of United States returning from visit	91,442	67,057	62,610	55,169	51,081	327,359
(b) Students, admitted for temporary stay	1,538	1,266	877	1,048	1,377	6,106
(c) New immigrants	30,708	19,741	14,723	16,769	17,572	108,513
i. Husbands of citizens	527	296	1,232	1,021	705	3,781
ii. Wives of citizens	9,684	5,779	3,643	4,348	4,925	28,379
iii. Children of citizens	7,053	3,415	1,783	2,522	3,598	18,371
iv. Natives, nonquota countries [1]	21,139	9,328	7,475	8,183	7,661	53,786
v. (Their wives and unmarried children) [1]	236	133	74	54	86	583
vi. Ministers, professors, their wives and children	943	660	380	475	458	2,916
vii. Women, formerly citizens	97	105	101	134	116	553
viii. Miscellaneous	29	25	35	32	23	144
III. Nonimmigrant aliens:						
(a) Government officials, families, servants, etc	4,975	3,844	4,053	4,363	5,194	22,427
(b) Temporary visitors for business	17,150	13,741	11,360	13,068	13,166	68,485
(c) Temporary visitors for pleasure	38,486	26,724	25,539	36,765	48,467	175,981
(d) In continuous transit through United States	32,169	28,678	22,093	23,687	24,931	132,158
(e) To trade under treaty	1,095	837	653	552	726	3,863

SUMMARY OF ALIENS ADMITTED TO THE UNITED STATES 1931 TO 1935, INCLUSIVE

	1931	1932	1933	1934	1935	Total
New immigrants:						
Quota immigrants	54,118	12,983	8,220	12,483	17,207	105,011
Nonquota immigrants	39,708	19,741	14,723	16,769	17,572	108,513
Total new immigrants	93,826	32,724	22,943	29,252	34,779	213,524
Other than new immigrants:						
Returning residents	91,442	67,057	62,610	55,169	51,081	327,359
Students	1,538	1,266	877	1,048	1,377	6,106
Nonimmigrant aliens	93,873	73,824	64,298	78,435	92,484	402,914
Total	186,853	142,147	127,785	134,652	144,942	736,379
Total, all admissions	280,679	174,871	150,728	163,904	179,721	949,903

[1] Natives of nonquota countries include persons born in Canada, Newfoundland, Mexico, Cuba, Haiti, Dominican Republic, Canal Zone, or independent countries of Central or South America. The separate classification for their wives and children shows only those who were born in quota countries, but come in under the man's nonquota status.

NOTE.—The official figures for new immigrants admitted for permanent residence always differ slightly from figures developed as above. This is because in establishing these figures, it is necessary to take into account laws prior to the 1924 act in the classification, even though all admissions actually occur under the provisions of the 1924 act. The official figures for immigrants admitted for permanent residence are: 1931, 97,139; 1932, 35,576; 1933, 23,068; 1934, 29,470; 1935, 34,956; 5-year total, 220,209.

NOTATION.—The only statistics available as to the number of aliens departing from the United States is what the steamship companies report, except aliens mandatorily deported, who are counted "out" by the immigration officials. The only official and dependable statistics as to the number of aliens in the United States is the last census. There is no question but that aliens illegally and unlawfully in our country, whose number has been variously estimated by foreign-born and pro-aliens at 150,000 to 5 or 6 or 7 millions by patriotic Americans, avoided and evaded our census enumerators. With 12 millions unemployed and our relief rolls and charities, public and private, strained to the breaking point, it is immaterial how many aliens depart. If the nearly 7 million here had left last year still there would have been 5 million of our own citizens, native and naturalized, unemployed. We did not need to import and should have excluded every alien job seeker or dependent that came.

TABLE E.—*Aliens deported from the United States*

	1931	1932	1933	1934	1935
Criminals	1,773	1,709	1,770	1,569	1,632
Federal narcotic law violators	44	138	167	122	111
Anarchists, etc	18	51	74	20	17
Immoral classes	884	906	785	383	413
Mental or physical defects	952	1,107	1,056	662	510
Remained longer than permitted	2,835	3,284	3,148	986	786
Entered without proper visa	6,205	8,167	9,099	3,611	2,824
Likely to become public charge	1,240	187	166	98	33
Unable to read (over 16 years old)	2,066	1,403	1,393	539	416
Under Chinese Exclusion Act	207	516	249	101	77
Had previously been deported	1,003	1,202	1,010	359	933
Miscellaneous causes	915	756	948	429	567
Total deported	18,142	19,426	19,865	8,879	8,319
Deportable aliens allowed to depart voluntarily at own expense	11,719	10,775	10,347	8,010	7,978
Grand total	29,861	30,201	30,212	16,889	16,297

TEACHING OR ADVOCACY OF COMMUNISM IN DISTRICT PUBLIC SCHOOLS

Mr. THOMAS of Utah. Mr. President, the Senate today passed over Senate bill 4370, introduced by Senator WHEELER, repealing what is known as the "red rider", in connection with the public schools of the District of Columbia. The bill had the unanimous support of the Senate Committee on Education and Labor.

I ask unanimous consent to have inserted in the Appendix of the RECORD a memorandum prepared by Richard W. Hogue, director of the Independent Legislative Bureau, of Washington, concerning this bill.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

I beg to submit this memorandum on a measure which many organizations and individuals believe should receive the immediate attention of Congress.

Favorable action, without a dissenting vote, has been taken by the committee of the Senate and the House to which the measure was referred. This action followed extensive hearings by the House committee. With the exception of the Hearst papers, it has been strongly endorsed by practically the entire press of the country. The issue involved has aroused such general interest that a Nation-wide poll has recently been taken by the American Institute of Public Opinion. The published results of that poll show that a large majority in favor of the principle embodied in the bill was cast in every State in the Union.

THE ISSUE AT STAKE

The measure referred to provides for the repeal of the so-called "red rider", which the facts show was adopted not only without consideration but without the knowledge of almost every Member of Congress. The issue at stake involves:

1. The undoing of a serious though inadvertent wrong that places the Members of Congress in a false light before the country, and particularly before educators and students.

2. The lifting of an unjust ban of legislative coercion in the field of local school administration.

3. The removal from the National Capital of a dangerous precedent for political control of teachers.

It is these issues that have aroused public opinion as expressed by the Nation-wide poll referred to and by such organizations as the National Education Association with its membership of over 200,000 public-school superintendents, principals, and teachers. At its annual convention this association vigorously called for the repeal of the "red rider."

THE EVIDENCE

Conclusive evidence in favor of the immediate repeal of the "red rider" is set forth in the 283 pages of the printed hearings before the House committee. From this source the following summary is submitted:

1. The few witnesses in favor of retaining the "red rider" offered testimony which was chiefly a mass of irrelevancy, hearsay, or second-hand material. The part of their testimony that was relevant was discredited as either contrary to the facts or based upon misunderstanding or misinterpretation of the facts. This is amply shown in the report of the committee.

2. The effect of the "red rider" has been the very reverse of its alleged purpose. It has created an unhealthy interest in the subject of communism among public-school children. It has aroused the curiosity that always attaches to a forbidden and mysterious subject. Denied information at the hands of trained teachers, this curiosity seeks satisfaction from less trustworthy sources.

3. It has given school children misleading and harmful impressions. One of these reflects upon the Members of Congress who allowed the "red rider" to be enacted into law. That impression is, as expressed by one high-school student, that "it's just plain dumb."

A second impression is that something is wrong with their teachers when they are forbidden by law to handle a subject they have hitherto taught.

This has resulted in lowering classroom morale and lessening the respect and confidence of pupil toward teacher.

A third impression is that the American Government is either so frail or so devoid of public loyalty and support as to be endangered by contrast with the Soviet system of proletarian dictatorship.

4. It is an unmerited and unjust reflection upon the teaching profession. It places the whole body of teachers under suspicion, despite their unbroken record of loyalty to the oath each teacher has signed without protest. The testimony fails to show a single case of a teacher who has advocated communism or any "subversive" doctrine.

5. It is a reflection upon the Board of Education and upon the body that selects its members, namely, the Supreme Court of the District. The evidence shows that there is absolutely no excuse for the implied charge that the board members are either disloyal or guilty of gross neglect. The facts show that the reverse is true and that the present school board members are men and women of genuine patriotism, marked competence, and a strong sense of public duty.

6. It is as unnecessary as it is unjustified. It accomplishes nothing more than the long existing oath of loyalty which the teachers have lived up to. Violation of that oath and the teaching of subversive doctrines were amply provided against before the "red rider" was thought of. The Board of Education is empowered to dismiss a disloyal teacher and the Supreme Court can remove a disloyal member of that board. The fact that neither of these steps has had to be taken is a significant tribute to both the teachers and the school board. It should be sufficient cause for removing the uncalled-for insult which the "red rider" constitutes.

7. It is an unwarranted and unparalleled intrusion of legislative restriction and coercion in the field of school administration and discipline. No State has seen fit to enact similar legislation. Its effect is subversive of the American principle of committing administrative school matters to local boards of education. Congress should not inflict such demoralizing and undemocratic legislation on the residents and the schools of the Nation's Capital City or set such a precedent for the country at large.

8. It has placed both Congress and the District schools in an unfair and a false light before the people of the country.

9. Its imposition on the schools of Washington does not represent the considered judgment of the Congress. It was attached as permanent legislation to an appropriation bill, contrary to the rules of both Houses. Few members of either party in either House knew that it had been inserted at the last moment in the conference report of an appropriation bill covering 33 pages. It was not subject to debate, it was not even subject to a point of order.

Congress is not in the habit of allowing faulty and unfair legislation to be enacted by default. When such a thing happens it should be speedily corrected. The first step toward this end has been taken. Committees in both Houses have endorsed the repeal bill. The next step is the passage of the bill. This step should be taken promptly.

PROPOSED TRANSIENT LEGISLATION—EDITORIAL FROM FLORIDA TIMES-UNION

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Florida Times-Union of May 29, 1936, under the heading "Proposed Transient Legislation."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Florida Times-Union of May 29, 1936]

PROPOSED TRANSIENT LEGISLATION

There is pending in the United States Senate a measure affecting the transient problem of America that should receive favorable action at this session. Introduced by Senator POPE, of Idaho, the measure provides for the appointment of a special Senate committee to study, survey, and investigate the movement of indigent persons across State lines.

It is receiving the support of the Florida Transient Coordinating Committee, the National Committee on the Care of Transients and Homeless, and other organizations concerned with obtaining legislation to deal with the problem from a Nation-wide standpoint. Joseph S. Diver, vice chairman of the Florida committee, returning to Jacksonville from a visit to Washington and New York, reports that the measure, in the form of a resolution, has been referred to the Senate Committee on Education and Labor and that action may be expected within a few days.

Transiency has become during the last few years one of the Nation's most serious welfare problems. It is a problem that places unnecessary burdens on different communities throughout the country as the seasons change. Persons who normally make their homes in one section get the idea into their heads that they may be able to find a job in some distant community, and by whatever means possible set out on a journey in that direction, depending upon the people resident in the intermediate areas to provide them with food, clothing, and lodging.

Others—thousands upon thousands of them—prefer the nomadic life of a transient, wandering from place to place, to remaining for any length of time in a city or community. Those belonging to this class are largely of the confirmed "panhandler" class. They don't want work and wouldn't do a day's labor unless forced to. Formerly they were known as "hoboes", but the more modern description has elevated them to the general classification of "transient." Under whatever name, however, they form a part of the general problem created by the migratory element of the American people.

What the country needs as a weapon to deal with these conditions is a law that will place transiency up to the Federal Government for its solution. Federal laws have been enacted to protect the birds of the air—those which fly from the far north southward each fall to enjoy the climate of this section and return northward when the days of spring arrive. The Government should not discriminate in favor of one and against another.

There is this to be said in favor of the feathered birds, however: They manage to find their own food and shelter by their own efforts during their stay in the South. They do not fly around from place to place making a nuisance of themselves by calling on the native birds for the use of nests already built, nor for food already stored as the result of the natives' efforts. If they did make a nuisance of themselves they would not receive the protection of the Government. Soon they would find themselves unwelcome and become the target of the hunters' guns.

There may be some variance in the analogy of the transients and the birds, but it is sufficiently accurate to emphasize the idea that better control should be established of the transient movement, and that control should be in the hands of the Federal authorities. It is an interstate proposition and should be placed on a basis where transiency can be governed adequately, without placing a hardship on anyone desiring to move from one State to another who is able to show that he is capable of taking care of himself and not becoming a charge upon a community other than that in which he was reared.

Nothing should be done by a transient-control program, however, that would curb the ambition of a man to improve his station in life by migrating from one place to another. That is not the motive behind the plans to study the problem. Something should be done, though, to keep the indigent and ne'er-do-wells within the confines of the areas that produced them, instead of letting them roam over and land at their will, eking out an existence as best they can. When such control is established, perhaps the respective communities will pay more attention to the training of youth along proper lines and other measures designed to build the finest type of citizenship.

If by the adoption of the resolution authorizing a study of the problem the Senate can start the transient ball rolling in this desirable direction, then hasten the action and let the work begin.

PROHIBITION OF PRICE DISCRIMINATION

Mr. McNARY. Mr. President, on Saturday afternoon the Senator from Arkansas [Mr. ROBINSON] referred to the anomalous procedure followed by the other House with respect to Senate bill 3154, and stated his desire to have the bill which was passed by the House, being House bill 8442, considered, and to substitute for its provisions the bill as heretofore passed by the Senate by striking out all after the enacting clause of the House bill. At that time I objected because some Senators signified a desire to study the procedure, as it was rather unusual, made so by the action of the House. After conference with those who desired to consider the matter, and after it has been explained, I find no objection to the procedure suggested by the Senator from Arkansas, as it will take the bill to conference, where it should be. So I withdraw the objection I made at that time.

Mr. ROBINSON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 8442, being the so-called price-discrimination bill. I will state that it is my intention, if the request be granted, to move to strike out all after the enacting clause of the House bill and to insert the language of the bill passed by the Senate.

The VICE PRESIDENT. Is there objection?

Mr. AUSTIN. Mr. President, reserving the right to object, I wish to call attention to something at this time in order to bring it out into relief. I do not doubt that it will be noticed and properly attended to, but I wish to call attention to it because I regard it as important. I refer to the change made by House bill 8442 in the Senate bill in one certain respect more than any other; that is, in taking off the limitation or the standard as contained in the Senate bill with respect to the power of the Federal Trade Commission to fix quantity limits. The Senate bill provided a yardstick or a guide in that respect to the effect that where the Federal Trade Commission finds "that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce", then the Federal Trade Commission may exercise the power of fixing quantity limits and of changing the limits from time to time as may be found necessary by them.

The House bill has in it no such yardstick, no such standard, no basis for the exercise of legislative power, but provides as follows:

That the Federal Trade Commission, after due investigation and hearing to all interested parties, following insofar as applicable the procedure and subject to the recourse of the courts, provided in section 11 of this act, may issue an order fixing and establishing quantity limits and revising the same as it finds necessary, as to particular commodities or classes of commodities, and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established.

In other words, it is an unrestricted, unlimited power to legislate. I merely invite attention to it in order to bring it out in relief for the benefit of those who may have under consideration the conflicts between the House and Senate bills.

Mr. ROBINSON. Mr. President, I merely wish to say that I think the suggestion just made by the Senator from Vermont is well worthy of consideration by the conferees.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas to proceed to the consideration of the bill?

There being no objection the Senate proceeded to consider the bill (H. R. 8442) to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes.

Mr. ROBINSON. I offer an amendment in the nature of a substitute, to strike out all after the enacting clause and insert the text of the bill heretofore passed by the Senate.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and in lieu thereof to insert the following:

That section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), is amended to read as follows:

"SEC. 2. (a) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price or terms of sale between different purchasers of commodities of like grade and quality where either or any of the purchases involved in such discrimination are in commerce, where such commodities are manufactured or produced and sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them: *Provided*, That where such commodities are sold for use in further manufacture and in the production of a new product to be sold to the public, nothing herein contained shall prevent discrimination in price by reason of differences in quantity of the commodity sold: *Provided further*, That nothing herein contained shall prevent differentials in prices as between purchasers depending solely upon whether they purchase as factors, or wholesalers, or retailers, or consumers, or for use in further manufacture; nor differentials which make only due allowance for differences in the cost, other than brokerage, of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered; nor differentials which are based exclusively upon recognized changes in the market price of the product or products sold: *Provided, however*, That the Federal Trade Commission may, after due investigation and hearing to all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce; and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona-fide transactions and not in restraint of trade: *And provided further*, That nothing herein contained shall prevent price changes from time to time where, in response to changing conditions affecting the market for or the marketability of the goods concerned, such as but not limited to actual or imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned: *And provided further*, That nothing herein contained shall prevent discrimination in price in the same or different communities made in good faith to meet competition.

"(b) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price or services or facilities furnished, the burden of rebutting the prima-facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however*, That nothing herein contained shall prevent a seller rebutting the prima-facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

"(c) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, in connection with the sale or purchase of goods, wares, or merchandise, either to the other party to such transaction or to an agent, representative, or other intermediary therein where such intermediary is acting in fact for or in behalf, or is subject to the direct or indirect control, of any party to such transaction other than the person by whom such compensation is so granted or paid.

"(d) That it shall be unlawful for any person engaged in commerce to pay or contract for the payment of anything of value to or for the benefit of a customer of such person in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such person, unless—

"(1) such payment or consideration is offered on proportionally equal terms to all other customers competing in the distribution of such products or commodities; or unless

"(2) the business, identity, or interests of such customer are in no way publicly associated, by name, reference, allusion, proximity, or otherwise, with or in the furnishing of such services or

facilities, and the consideration paid therefor does not exceed the fair value of such services or facilities in the localities where furnished.

"(e) For purposes of suit under section 4 of this act, the measure of damages for any violation of this section shall, where the fact of damage is shown, and in the absence of proof of greater damage, be presumed to be the pecuniary amount or equivalent of the prohibited discrimination, payment, or grant involved in such violation; limited, however—

"(1) Under subsections (a) and (c) above, by the volume of plaintiff's business in the goods concerned, and for the period of time concerned, in such violation;

"(2) Under subsection (d) above, to the amount or share, or its pecuniary equivalent, to which plaintiff would have been entitled if the payment concerned in such violation had been made or offered in accordance with paragraph (1) of said subsection (d).

"(f) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, knowingly to induce or receive a discrimination in price or terms of sale which is prohibited by this section.

"(g) Nothing in this section contained shall prevent the sale or purchase of crude mineral products or metals in the form in which they are loaded for shipment at prices or terms of sale based upon differences in the grade, quality, or quantity of such products, or that make only due allowance for differences in the cost of selling or transportation, or discrimination in the price of such products in the same or different communities made in good faith to meet competition.

"(h) It shall be unlawful for any person engaged in commerce, in the course of such commerce, to be a party to, or assist in, any transaction of sale, or contract to sell, which discriminates to his knowledge against competitors of the purchaser in that any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount, rebate, allowance, or advertising service charge available at the time of such transaction to said competitors in respect of a sale of goods of like grade, quality, and quantity; to sell, or contract to sell, goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition, or eliminating a competitor in such part of the United States; or to sell, or contract to sell, goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.

"Nothing in this subsection shall prevent a cooperative association from returning to producers or consumers, or a cooperative wholesale association from returning to its constituent retail members, the whole, or any part of, the net surplus resulting from its trading operations in proportion to purchases from, or sales to, the association.

"Any person violating any of the provisions of this subsection shall, upon conviction thereof, be fined not more than $5,000 or imprisoned not more than 1 year, or both."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. ROBINSON. I move that the Senate insist on its amendment, ask for a conference, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. LOGAN, Mr. VAN NUYS, Mr. MCGILL, Mr. BORAH, and Mr. AUSTIN conferees on the part of the Senate.

Mr. ROBINSON. Mr. President, I ask unanimous consent to make a brief statement, which will only require 4 or 5 minutes, relating to the bill just passed.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. ROBINSON. Mr. President, there have been unaccountable misrepresentations concerning the bill to amend section 2 of the Clayton Act relating to price discrimination. It is not possible to take note of everything published that is misleading and untrue, but this seems an appropriate time, briefly, to make clear in a general way, for the understanding of the public, the purposes of the legislation.

In illustration of the misrepresentations to which reference is made attention is now invited to an editorial in Collier's Weekly, published May 23, 1936. Editors usually inform themselves before expressing opinions on measures involving public policy. The editor who wrote the editorial mentioned was either ignorant or deliberately unfair in some of his statements.

For instance, referring to the bill which passed the Senate, which is closely analogous to the House bill, he said:

> The purpose, of course, is to use the taxing power to restrict the growth of the chains and to benefit the independent dealers.

Neither the Senate bill nor the House bill employs the taxing power or has any reference to it.

Again, the editorial contains the statement:

> Nobody thinks that chain stores or any other agency ought to have secret rebates or any other special privileges such as were current in the past. Senator ROBINSON, however, seeks to deny to the chains advantages which other merchants are allowed to enjoy.

The sole purpose of the proposed legislation is to prevent unfair discriminations by a seller in favor of certain purchasers who have enormous buying power. This is sought to be accomplished chiefly by outlawing rebates, discounts, and other allowances not made in good faith, but granted for the actual purpose of giving the beneficiary of such allowances unfair advantage over competitors.

The editorial concedes the merit of the legislation when it declares that—

> Nobody thinks that chain stores or any other agency ought to have secret rebates or any other special privilege such as were current in the past.

Another misleading statement by Collier's in the same connection is the following:

> For example, the chain stores would, by his bill, be deprived of the advantages of large-scale buying. The Senator would in effect fix the price for large orders and small orders.

This last statement contains two assertions, both of which are unsupported by the facts. First, the bill does not deprive the chain stores of the advantage of fair large-scale buying. It expressly makes allowances for such advantage when based on differences in cost. Second, it does not fix any price either for large or small orders, and merely forbids unfair discriminations in price. The seller may dispose of his commodities at any price that he pleases, and he may allow discounts for large orders, provided the discounts are based on the differences in cost.

Another statement in the editorial that is not justified by the language in the bill is:

> In cunningly devised phraseology the Federal Trade Commission would be instructed by the law not to do anything of benefit to the chain stores in fixing these prices and limits.

The sole authority vested by either bill in the Federal Trade commission is that contained in the Senate bill which authorizes the Federal Trade Commission to fix the quantity on which discounts for large purchases may be based. This is sought to be done in order to prevent monopoly.

Finally the editorial declares:

> Rebates of any kind are improper and should be prohibited by law, but that law should deal equally and justly with all.

That is exactly what the legislation seeks to accomplish. Many believe that monopoly inevitably will result in excessive prices to consumers, and that unless the rule of equality be applied monopoly in many spheres will become inevitable through unfair discriminations in favor of large buyers who may, in order to drive their feebler competitors out of existence, sell for a time at prices which it is impossible for their competitors to meet.

It is surprising that a publication enjoying the reputation that Collier's has established should give publicity to untruthful declarations and to fallacious arguments such as are embraced in the editorial referred to.

EXTENSION OF INVESTIGATION OF SO-CALLED RACKETS AND RACKETEERING

Mr. COPELAND. Mr. President, on page 28 of the calendar is stated the resolution (S. Res. 306) extending the authority for an investigation of so-called rackets and racketeering. It is desired that the authority given shall be continued during the next Congress without any appropria-

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 306), submitted by Mr. COPELAND on May 26, 1936, was read, considered, and agreed to, as follows:

Resolved, That the authority conferred by Senate Resolution No. 74, Seventy-third Congress, first session, authorizing an investigation of the matter of so-called rackets, with a view to their suppression, and Senate Resolution No. 196, Seventy-third Congress, second session, enlarging the scope of the investigation of so-called rackets and racketeering practiced in the United States, shall be extended and continued in force until the expiration of the Seventy-fifth Congress.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On May 26, 1936:

S. 560. An act for the relief of the Western Electric Co., Inc.;

S. 760. An act for the relief of Harry P. Hollidge;

S. 1328. An act for the relief of the Snare & Triest Co., now Frederick Snare Corporation;

S. 2520. An act for the relief of T. D. Randall & Co.; and

S. 4317. An act to authorize the Secretary of War to grant to the city of Buffalo, N. Y., the right and privilege to occupy and use for sewage-disposal facilities part of the lands forming the pier and dikes of the Black Rock Harbor improvement at Buffalo, N. Y.

On May 27, 1936:

S. 3789. An act authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.; and

S. 4023. An act to provide for the continuation of trading in unlisted securities upon national securities exchanges, for the registration of over-the-counter brokers and dealers, for the filing of current information and periodic reports by issuers, and for other purposes.

On May 28, 1936:

S. 4448. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the issuance of the charter to the city of Lynchburg, Va.

On May 29, 1936:

S. 1186. An act for the relief of Frank P. Ross; and

S. 1490. An act for the relief of Earl A. Ross.

THE CALENDAR

The VICE PRESIDENT. If there be no resolutions coming over from a previous day, morning business is closed. Under the rule and under the unanimous-consent agreement entered into on Saturday last, the calendar, under rule VIII, is in order. The clerk will state the first business in order on the calendar.

BILLS PASSED OVER

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act was announced as first in order.

Mr. VANDENBERG and Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909 (35 Stat. 1109; U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act, was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1460) to fix standards for till baskets, climax baskets, round stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on the subject, and for other purposes, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 212) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve Banking System, and creating a board of agriculture to supervise the same, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1476) to provide for unemployment relief through development of mineral resources, to assist the development of privately owned mineral claims, to provide for the development of emergency and deficiency minerals, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 476) relating to promotion of civil-service employees was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1952) extending the classified executive civil service of the United States was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2405) to provide for a special clerk and liaison officer was announced as next in order.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 916) to carry into effect the decision of the Court of Claims in favor of claimants in French spoliation was announced as next in order.

Mr. VANDENBERG and Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. COPELAND and other Senators. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3072) to amend the Tariff Act of 1930, as amended, was announced as next in order.

Mr. COPELAND. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, was announced as next in order.

Mr. RUSSELL and other Senators. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1826) for the retirement of employees in the classified civil service to include employees in the legislative branches was announced as next in order.

SEVERAL SENATORS. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid in national defense, and for other purposes, was announced as next in order.

Mr. COPELAND (and other Senators). Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3420) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3393) to create a Federal Board of Foreign Trade was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

WELFARE OF AMERICAN SEAMEN

The Senate proceeded to consider the bill (S. 2003) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea", which had been reported from the Committee on Commerce with an amendment.

Mr. COPELAND. Mr. President, it will be recalled that this bill has been on the calendar for a long time; and I ask that House bill 8597, Calendar No. 2163, which is an identical bill coming from the House, as amended by the Senate, may be substituted for the Senate bill and considered. The bill has to do with safety of life at sea.

The VICE PRESIDENT. Is there objection to substituting the House bill for the Senate bill? The Chair hears none.

The Senate proceeded to consider the bill (H. R. 8597) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to maintain discipline on shipboard; and for other purposes, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and to insert:

That section 13 of the act of March 4, 1915, be amended to read as follows:

"SEC. 13. (a) That no vessel of 100 tons gross and upward, except those navigating rivers exclusively and the smaller inland lakes and except as provided in section 1 of this act, shall be permitted to depart from any port of the United States unless she has on board a crew not less than 75 percent of which, in each department thereof, are able to understand any order given by the officers of such vessel, nor unless 65 percent of her deck crew, exclusive of licensed officers and apprentices, are of a rating not less than able seamen. Every person shall be rated an able seaman, and qualified for service as such on the seas, who is 19 years of age or upward, and has had at least 3 years' service on deck at sea or on the Great Lakes, on a vessel or vessels to which this section applies, including decked fishing vessels, and vessels in United States Government service; and every person shall be rated an able seaman, and qualified to serve as such on the Great Lakes and on the smaller lakes, bays, or sounds who is 19 years of age or upward and has had at least 18 months' service on deck at sea or on the Great Lakes or on the smaller lakes, bays, or sounds, on a vessel or vessels to which this section applies, including decked fishing vessels and vessels in the United States Government service; and graduates of school ships approved by and conducted under rules prescribed by the Secretary of Commerce may be rated able seamen after 12 months' service at sea after graduation: *Provided*, That no boy shall be shipped on any vessel to which this section applies unless he is physically qualified to join the Navy and that no boy shall be placed on the lookout or at the wheel except for the purpose of learning, and that in narrow and crowded waters or in low visibility none below the rating of able seaman shall be permitted at the wheel: *Provided further*, That no deck boy shall be held qualified to fill the place of ordinary seaman until he has had at least 6 months' service as deck boy: *Provided further*, That upon examination, under rules prescribed by the Department of Commerce as to eyesight, hearing, and physical condition, such persons or graduates are found to be competent: *Provided further*, That upon examination, under rules prescribed by the Department of Commerce as to eyesight, hearing, physical condition, and knowledge of the duties of seamanship, a person found competent may be rated as able seaman after having served on deck 12 months at sea or on the Great Lakes, but seamen examined and rated able seamen under this proviso shall not in any case compose more than one-fourth of the number of able seamen required by this section to be shipped or employed upon any vessel.

"(b) Application may be made to any board of local inspectors for a certificate of service as able seaman, and upon proof being made to said board by affidavit and examination, under rules approved by the Secretary of Commerce, showing the nationality and age of the applicant, the vessel or vessels on which he has had service, that he is skilled in the work usually performed by able seamen, and that he is entitled to such certificate under the provisions of this section, the board of local inspectors shall issue to said applicant a certificate of service as able seaman, which shall be retained by him and be accepted as prima-facie evidence of his rating as an able seaman.

"(c) Each board of local inspectors shall keep a complete record of all certificates of service issued by them and to whom issued and shall keep on file the affidavits and records of examinations upon which said certificates are issued.

"(d) The collector of customs may, upon his own motion, and shall, upon the sworn information of any reputable citizen of the United States setting forth that this section is not being complied with, cause a muster of the crew of any vessel to be made to determine the fact, at which muster said reputable citizen must be present; and no clearance shall be given to any vessel failing to comply with the provisions of this section: *Provided*, That the collector of customs shall not be required to cause such muster of the crew to be made unless said sworn information has been filed with him for at least 6 hours before the vessel departs, or is scheduled to depart: *Provided further*, That any person that shall knowingly make a false affidavit for such purpose shall be deemed guilty of perjury and upon conviction thereof shall be punished by a fine not exceeding $500 or by imprisonment not exceeding 1 year, or by both such fine and imprisonment, within the discretion of the court. Any violation of any provision of this section by the owner, master, or officer in charge of the vessel shall subject the owner of such vessel to a penalty of not less than $100 and not more than $500: *Provided further*, That the Secretary of Commerce shall make such rules and regulations as may be necessary to carry out the provisions of this section, and nothing herein shall be held or construed to prevent the Board of Supervising Inspectors, with the approval of the Secretary of Commerce, from making rules and regulations authorized by law as to vessels excluded from the operation of this section: *And provided further*, That no certificate of service as able seaman shall be issued by any board of local inspectors until after examination of the applicant therefor, under rules and regulations prescribed by the Secretary of Commerce, as to his efficiency, and upon proof, as a result of such examination, that he has been trained in and is acquainted with the duties entitling him to such rating. No seaman shall be considered an 'able seaman' within the meaning of the laws of the United States relating to the manning of vessels unless he is in possession of such certificate issued by the board of local inspectors. All certificates as 'able seaman' and 'lifeboatman' issued by the several boards of local inspectors or other Federal officers prior to the passage of this act shall, within 6 months thereafter, be surrendered to such boards of local inspectors for cancelation, and there shall be issued in lieu thereof to all able seamen, and lifeboatmen found qualified by such examination new certificates as required by law: *Provided*, That if due to inability on the part of the Department of Commerce to carry out the provisions of this subsection with regard to

all seamen, the Secretary of Commerce may, in his discretion, extend the time for a period not to exceed 3 months. Such new certificates shall be stamped with the seal of the board of local inspectors, placed partially over the signature of the applicant for such certificate; and there shall be attached thereto a photograph of the applicant. Any other safeguards which, in the judgment of the Secretary of Commerce, may be necessary and advisable to establish the authenticity of the certificate, are hereby authorized.

"(e) No vessel to which this section applies may be navigated unless all of the complement in her engine department above the rating of coal passer or wiper and below the rating of licensed officer shall be holders of a certificate of service as a qualified member of the engine department. The local inspectors of the Bureau of Marine Inspection and Navigation shall, upon application and examination as to competence and physical condition, as prescribed by the Secretary of Commerce, issue such a certificate of service. An applicant for such rating shall produce to such inspectors definite proof of at least 6 months' service at sea in a rating at least equal to that of coal passer or wiper in the engine department of vessels required by this act to have such certificated men.

"(f) As to the certificates of service or efficiency, the Secretary shall promulgate rules covering the form, contents, and manner of issuance, which shall include a provision that copies of these and all documents pertaining thereto be filed in the local offices and in the central office in Washington.

"(g) That the boards of local inspectors of the Bureau of Marine Inspection and Navigation shall, without examination (except food handlers who must be free from communicable disease), issue to all members of the crews of merchant vessels of the United States (except licensed officers), certificates of service for ratings other than as able seamen or a qualified member of the engine department, which certificates shall authorize them to serve in the capacities specified in such certificates: *Provided*, That such certificates shall not issue before oath has been taken before one of the said inspectors that the applicant therefor will faithfully and honestly perform all the duties required of him by law, and carry out the lawful orders of his superior officers on shipboard, and, in the case of a radio operator, shall produce to the local inspectors his unexpired license issued by the Federal Communications Commission to act in that capacity: *And provided further*, That when a certificate has been revoked or suspended under the provisions of subsection (h) of this section, a new certificate shall not be issued until a board of local inspectors shall determine that the issue of such new certificate is compatible with the requirements of good discipline and safety at sea.

"(h) That all certificates of service or efficiency issued by the Bureau of Marine Inspection and Navigation shall be subject to suspension or revocation on the same grounds and in the same manner and with like procedure as is provided in the case of suspension or revocation of licenses of officers under the provisions of section 4450 of the Revised Statutes.

"(i) It shall be unlawful to employ any person, or for any person to serve aboard any merchant vessel of the United States below the rating of licensed officer, who has not a certificate of service issued by a board of local inspectors, and anyone violating this section shall be liable to a penalty of $100 for each offense.

"(j) This section is not to amend or repeal any of the provisions of chapter 3 of title 47, United States Code—Telegraphs, Telephones, and Radio Telegraphs.

"(k) Nothing herein shall be construed to impose, sanction, or permit any condition of involuntary servitude nor to impair, restrict, or limit the right of any seaman to leave the service of any vessel when in a safe harbor.

"(l) This section shall take effect 6 months after the enactment of this act: *Provided*, That if it is found impracticable on the part of the Department of Commerce to furnish the certificates herein provided, the Secretary of Commerce may, in his discretion, extend the effective date for a period not exceeding 3 months."

SEC. 2. That section 2 of the act of March 4, 1915, is hereby amended to read as follows:

"SEC. 2. That in all merchant vessels of the United States of more than 100 tons gross, excepting those navigating rivers, harbors, lakes (other than Great Lakes), bays, sounds, bayous, and canals, exclusively, the licensed officers and sailors, coal passers, firemen, oilers, and water tenders shall, while at sea, be divided into at least three watches, which shall be kept on duty successively for the performance of ordinary work incident to the sailing and management of the vessel. The seamen shall not be shipped to work alternately in the fireroom and on deck, nor shall those shipped for deck duty be required to work in the fireroom, or vice versa; nor shall any licensed officer or seaman in the deck or engine department be required to work more than 8 hours in 1 day; but these provisions shall not limit either the authority of the master or other officer or the obedience of the seamen when in the judgment of the master or other officer the whole or any part of the crew are needed for maneuvering, shifting berth, mooring, or unmooring, the vessel or the performance of work necessary for the safety of the vessel, her passengers, crew, and cargo, or for the saving of life aboard other vessels in jeopardy, or when in port or at sea, from requiring the whole or any part of the crew to participate in the performance of fire, lifeboat, or other drills. While such vessel is in a safe harbor no seaman shall be required to do any unnecessary work on Sundays or the following-named days: New Year's Day, the Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day, but this shall not prevent the dispatch of a vessel on regular schedule or when ready to proceed on her voyage. And at all times while such vessel is in a safe harbor, 8 hours, inclusive of the anchor watch, shall constitute a day's work. Whenever the master of any vessel shall fail to comply with this section and the regulation issued thereunder, the owner shall be liable to a penalty not to exceed $500, and the seaman shall be entitled to discharge from such vessel and to receive the wages earned. But this section shall not apply to fishing or whaling vessels, or yachts."

SEC. 3. Section 4551 of the Revised Statutes (U. S. C., title 46, sec. 643) is amended to read as follows:

"SEC. 4551. (a) Every seaman upon a merchant vessel of the United States of the burden of 100 gross tons or upward, except vessels employed exclusively in trade on the navigable rivers of the United States, shall be furnished with a book, to be known as a 'continuous discharge book', which shall be retained by him and which shall contain the signature of the seaman to whom it is so furnished and a statement of his nationality, age, personal description, photograph, and home address. Such books shall be in such form and issued by the shipping commissioners and collectors and deputy collectors of customs at ports where no shipping commissioners have been appointed in such manner as the Director of Bureau of Marine Inspection and Navigation, subject to the approval of the Secretary of Commerce, shall determine. Any person, corporation, or association, other than a shipping commissioner, who shall issue or cause to be issued any such book or imitation thereof, or any person, other than the real owner, who uses or endeavors to use any such book, or who makes any statement or endorsement in any such book not herein authorized, shall be deemed guilty of a misdemeanor and shall be imprisoned not less than 1 month nor more than 3 months, in the discretion of the court.

"(b) Upon the discharge of any seaman and the payment of his wages, the shipping commissioner shall enter in the continuous discharge book of such seaman the name of the vessel, the nature of the voyage (foreign or coastwise), the class to which the vessel belongs (steam, motor, sail, or barge), the date and place of the shipment and of the discharge of such seaman, and the rating then held by such seaman. Whenever a seaman is discharged in any collection district where no shipping commissioner has been appointed, the master of the vessel shall perform the duties of such commissioner and shall make the proper entries in such continuous discharge book; and when the seamen are not required by law to be signed on and discharged before a shipping commissioner, the master shall make such proper entries in the discharge book. Any master who fails to make such entries shall be fined the sum of $50 for each such offense.

"(c) There shall be maintained in the Bureau of Marine Inspection and Navigation in Washington a record of every discharge book and certificate issued under the provisions of this act, together with the name and address of the seaman to whom it is issued, his next of kin, and a certified copy of all discharge entries in such book, which copy shall be forwarded to such Bureau by the shipping commissioner or person duly authorized to act as such before whom such holder is discharged.

"(d) In case of the loss of a book by shipwreck or other casualty the seaman shall be supplied with another discharge book, in which shall be entered all data contained in the last book so far as this may be available from copies of records kept by the Bureau of Marine Inspection and Navigation; in other cases of loss the seaman may obtain a duplicate of such book containing the same entries upon payment of a sum equivalent to the cost thereof to the Government, to be determined from time to time by the Secretary of Commerce."

SEC. 4. (a) The local inspectors of the Bureau of Marine Inspection and Navigation shall inspect the crew quarters of every American vessel at least once in each month, or at such times as such vessel shall enter an American port, and shall satisfy themselves that such quarters are of the size required by law or regulations issued thereunder, are properly ventilated and in a clean and sanitary condition, and are equipped with the proper plumbing and mechanical appliances required by law or regulations issued thereunder, and that such plumbing and mechanical appliances are in good working order and condition.

(b) Whenever it shall be found that the crew quarters of any such vessel are not of the size required by law or regulations issued thereunder or are not properly ventilated or are not in a clean and sanitary condition or are not equipped with the proper plumbing and mechanical appliances required by law or regulations issued thereunder, or that such plumbing and mechanical appliances are not in good working order and condition, the appropriate board of local inspectors shall withdraw the certificate of inspection of such vessel and refuse to reissue the same until such improper conditions have been corrected; and the master or other licensed officer of such vessel who shall have willfully or negligently permitted such vessel to be in such improper condition shall be subject to a penalty of not more than $500.

SEC. 5. (a) From and after the enactment of this act all licensed officers and pilots of vessels of the United States, shall be citizens of the United States, native-born, or completely naturalized.

(b) From and after the enactment of this act upon each departure of any such vessel from a port of the United States, 75 percent of the crew in each department thereof, excluding licensed officers, shall be citizens of the United States, native-born or completely naturalized, and thereafter the percentage of citizens as above defined shall be increased 5 percent per annum until 90 percent of the crew in each department of such vessels shall be citizens of the United States, native-born, or completely naturalized, unless the Secretary of Commerce shall, upon investigation, ascertain that such citizen seamen are not available, when, under such conditions, he may reduce the above percentages.

(c) If any vessel while on a foreign voyage is for any reason deprived of the services of any member of the crew, such position or vacancy caused by the promotion of another to such position may be supplied by a person other than defined in paragraph (a) and (b) until the first call of such vessel at a port in the United States where such replacements can be obtained.

(d) The owner, agent, or officer of any such vessel, who shall employ any person in violation of the provisions of this section, shall be subject to a penalty of $500 for each offense.

SEC. 6. That any person who (1) shall receive or have in his possession any certificate, license, or document issued to vessels or officers or seamen by the Bureau of Marine Inspection and Navigation or by any officer or employee of the United States authorized by law to represent such Bureau, to which he is not lawfully entitled, with intent unlawfully to use the same; or (2) shall use or exhibit or attempt to use or exhibit any such certificate, license, or document to which he is not lawfully entitled; or (3) shall alter or change, or attempt to change, any such certificate, license, or document by addition, interpolation, deletion, or erasure; or (4) shall forge, counterfeit, or steal, or shall attempt to forge, counterfeit, or steal, any such certificate, license, or document; or (5) shall unlawfully have in his possession, or knowingly use any such altered, changed, forged, counterfeit, or stolen certificate, license, or document; or (6) shall print or manufacture, or cause to be printed or manufactured, any blank form of such certificate, license, or document without first obtaining the authority of the Bureau of Marine Inspection and Navigation; or (7) shall have in his possession without lawful excuse, and with intent unlawfully to use the same, any blank form or such certificate, license, or document; or (8) shall in any manner transfer, or cause to be so transferred, or negotiate such transfer of, any blank form of such certificate, license, or document, or any such altered, changed, forged, counterfeit, or stolen certificate, license, or document, or any such certificate, license, or document to which the party transferring or receiving the same is not lawfully entitled; or (9) shall aid or abet the perpetration of any of the foregoing acts shall for each offense, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than 5 years, or both.

SEC. 7. The Secretary of Commerce shall enforce this act as to all vessels of the United States subject to the provisions of this act through collectors of customs and other Government officers acting under the direction of the Bureau of Marine Inspection and Navigation, and shall make such rules and regulations as he may deem necessary to carry out the provisions of this act.

SEC. 8. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of the provisions thereof, shall not be affected thereby.

SEC. 9. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The VICE PRESIDENT. Without objection, Senate bill 2003 will be indefinitely postponed.

BILLS, ETC., PASSED OVER

The bill (S. 3646) to repeal an act of March 3, 1933, entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes", was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 3604) to place William H. Clinton on the retired list of the Navy was announced as next in order.

SEVERAL SENATORS. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3113) to provide a government for American Samoa was announced as next in order.

SEVERAL SENATORS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S. J. Res. 205) providing for disposition of certain cotton held by the United States was announced as next in order.

Mr. AUSTIN. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

FRANCIS GERRITY

The bill (S. 3627) for the relief of Francis Gerrity was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Francis Gerrity shall be held and considered as having been honorably discharged from the military service of the United States as a private, Troop D, Fourth Regiment United States Cavalry, on December 16, 1901: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

BILLS PASSED OVER

The bill (S. 3659) to promote the efficiency of the Judge Advocate General's Department of the Army was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3726) to provide suitable rank for the Deputy Chief of Staff, United States Army, was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be pased over.

The bill (S. 3580) granting and confirming to the East Bay Municipal Utility District, a municipal utility district of the State of California and a body corporate and politic of said State and a political subdivision thereof, certain lands, and for other purposes, was announced as next in order.

Mr. JOHNSON. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 70) for the relief of agriculture, the producers of livestock, and the producers of raw materials generally, and for other purposes, was announced as next in order.

Mr. KING and Mr. VANDENBERG. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

J. HAROLD ARNOLD

The joint resolution (H. J. Res. 179) authorizing the President to present in the name of Congress a medal of honor to J. Harold Arnold was considered, ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution authorizing the President to present the Navy Cross to J. Harold Arnold."

BILLS PASSED OVER

The bill (H. R. 9074) granting pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows and dependents of such soldiers and sailors was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 3044) to amend the act of May 29, 1930 (46 Stat. 349), for the retirement of employees in the classified civil service and in certain positions in the legislative branch of the Government to include all other employees in the legislative branch was announced as next in order.

Mr. KING and Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 4886) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3500) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, was announced as next in order.

Mr. COPELAND. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

E. C. WILLIS

The Senate proceeded to consider the bill (H. R. 5867) for the relief of E. C. Willis, father of the late Charles R. Willis, a minor, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$5,000" and insert "$3,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. C. Willis, father of the late Charles R. Willis, a minor, the sum of $3,000 in full settlement of all claims against the Government of the United States for fatal injuries suffered by the said Charles R. Willis as a result of a Government-owned truck operated by an employee of the Government striking an automobile operated by the said Charles R. Willis near Sikes, La., November 18, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any

agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (H. R. 6719) to amend the Canal Zone Code was announced as next in order.

Mr. GIBSON, Mr. DAVIS (and other Senators). Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2609) for the relief of Charles G. Johnson, State treasurer of the State of California was announced as next in order.

Mr. JOHNSON. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

JOHN B. AND NANNIE B. MEISINGER

The bill (H. R. 8039) for the relief of John B. Meisinger and Nannie B. Meisinger was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3075) for the relief of John L. Summers, former disbursing clerk, Treasury Department, and various former treasurers of the United States was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

PASSAIC VALLEY SEWERAGE COMMISSIONERS

The Senate proceeded to consider the bill (S. 3143) for the relief of the Passaic Valley Sewerage Commissioners, which had been reported from the Committee on Claims with an amendment.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. BARBOUR. Mr. President, this bill provides for a payment in the amount of $109,088.03 to the Passaic Valley Sewerage Commissioners, a public body created under the laws of the State of New Jersey. The report of the Committee on Claims states the circumstances and all the facts very fully; but briefly—for I am very familiar with all the details—the Court of Claims found that on December 21, 1923, the *Leviathan*, bound from New York, stopped at a point about 2½ miles outside of the Ambrose Channel and there took on the pilot, one Joseph A. Bigley. With the pilot in charge, the *Leviathan* collided with one of the principal pipes of the plaintiff sewerage system laid in the bottom of the harbor at a point outside the channel through which the ship should have been navigated.

There was no dispute at all, and never has been, so far as I know, as to the amount of damage suffered or the circumstances which brought about the damage. The court has found that the claimant had no recourse in a court of admiralty; that while the pilot was negligent, the owner cannot be held responsible; so that the only way in which the Passaic Valley Sewerage Commissioners can be reimbursed is through congressional action.

I do not think, as I have said, that there is any item or fact in dispute here at all. The occurrence is a well-known one. It has been carefully investigated.

Mr. McKELLAR. This claim was committed to the Court of Claims, was it not?

Mr. BARBOUR. Yes.

Mr. McKELLAR. What did the Court of Claims hold? Did they hold that the commission was entitled to recover?

Mr. BARBOUR. No; the Court of Claims held, as I have said, that the claimant, as a public body of the State of New Jersey, had no recourse in admiralty; that they had no recourse against the steamship; and that their only recourse against the Government, because of the fact that the pilot was in command of the ship at the time, was through congressional action. In other words, there is no way in which this money can be recovered other than in the way we are now seeking to do it.

Mr. McKELLAR. What did the court hold about the amount?

Mr. BARBOUR. There is no dispute at all, may I say again to the Senator, about the amount. I can assure the Senator of that. It is a very long, well-known case; and the report, as I said at the outset, is very full and goes into all the details. The amount of damages which I have mentioned has been itemized in the report, as the Senator will see on page 4; and the opinion, which is along the line of what I have said, is certified to, as I understand, by Willard L. Hart, Chief Clerk, Court of Claims of the United States.

Mr. McKELLAR. Was the claim ever submitted to any department and a recommendation had?

Mr. BARBOUR. I think it may be truthfully said that this whole situation has gone through the gamut of everything it can go through, and the present relief is the only relief that can be afforded. It is justifiable relief for proven damage that undoubtedly was done. There is no good reason why it should not be accorded. It is not a private matter. The money will not go into the pockets of individuals, as I understand; it will go to the commissioners as such. I very much hope the bill will pass. I feel that it ought to pass.

The VICE PRESIDENT. The amendment of the committee will be stated.

The amendment was to add at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $109,088.03 to the Passaic Valley Sewerage Commissioners, a body politic and corporate, created by and under the laws of the State of New Jersey, and by said laws vested with the title to the Passaic Valley sewer, for damage done to the outlet of said sewer at or near Robbins Reef in the harbor of New York by the steamship *Leviathan*, a passenger vessel owned by the Government of the United States and operated under the direction and control of the United States Shipping Board and the United States Shipping Board Emergency Fleet Corporation, on the 21st day of December 1923: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INDIANS OF FORT BELKNAP RESERVATION, MONT.

The Senate proceeded to consider the bill (S. 3373) to credit the tribal funds of the Indians of the Fort Belknap Indian Reservation in Montana with certain sums expended therefrom for the purchase and maintenance of a tribal herd, and for the purchase of horses destroyed during a dourine epidemic, which had been reported from the Committee on Indian Affairs, with amendments.

Mr. McKELLAR. Mr. President, may we have a statement about this bill?

Mr. WHEELER. Mr. President, this is a bill to reimburse the Indians of the Fort Belknap Indian Reservation for certain losses. They had a herd of cattle on the reservation which was entirely under the control of the Government. This is a case in which the Government invested some Indian money in a herd of cattle. There was a great deal of difficulty with it; and, as a result, the Indians lost something like $71,000 of their money through the negligence of the Government agents, and through what the Indians contend was graft and corruption on the reservation. The second item is for $14,000 to reimburse the Indians for horses killed by the Government during a dourine epidemic.

Mr. McKELLAR. The Government killed them?

Mr. WHEELER. The Government killed them.

The VICE PRESIDENT. The amendments of the committee will be stated.

The amendments were, on page 1, line 6, after the word "exceeding", to strike out "$72,000" and insert "$71,138.20"; and on the same page, line 8, before the word "shall", to strike out "$16,000" and insert "$14,355"; so as to make the bill read:

Be it enacted, etc., That the amount of tribal funds of the Indians of the Fort Belknap Indian Reservation, Mont., heretofore expended for the purchase and maintenance of a tribal herd of cattle, not exceeding $71,138.20, and for the purchase of horses destroyed during a dourine epidemic, not exceeding $14,355, shall be reimbursed from the Treasury of the United States and placed to the credit of the Fort Belknap Tribe and be available for such expenditures for the benefit of said tribe as Congress may hereafter direct.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OSCAR GUSTOF BERGSTROM

The bill (H. R. 3914) for the relief of Oscar Gustof Bergstrom was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3879) for the relief of James W. Grist was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

MONTIE HERMANSON

The bill (H. R. 9170) for the relief of Montie Hermanson was considered, ordered to a third reading, read the third time, and passed.

JOSEPH M. PURRINGTON

The bill (H. R. 11052) for the relief of Joseph M. Purrington was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 3041) to authorize the appointment of John Easter Harris as a major, Corps of Engineers, Regular Army, was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3405) for the relief of Capt. James W. Darr was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 11690) relating to the admissibility in evidence of certain writings and records made in the regular course of business was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

AMENDMENT OF INTERSTATE COMMERCE ACT

The bill (S. 1636) to amend the Interstate Commerce Act, as amended, and for other purposes, was announced as next in order.

Mr. McNARY. Mr. President, the senior Senator from Delaware [Mr. HASTINGS] desired to offer an amendment to this bill. I thought he was on the floor, but he has stepped out of the Chamber.

Mr. WHEELER. Mr. President, the Senator from Delaware just spoke to me about this matter, and asked me to have the bill go over temporarily. He has an amendment which he desires to submit to me, and the bill will be called up later.

The VICE PRESIDENT. The bill will be passed over.

NAVAL TREATY CATEGORIES OF VESSELS

The Senate proceeded to consider the bill (H. R. 5730) to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934, which had been reported from the Committee on Naval Affairs with amendments, on page 2, line 9, to strike out the words "profit: *Provided*, That if there is a net loss on all such contracts or subcontracts completed by the particular contractor or subcontractor within any income-taxable year, such net loss shall be allowed as a credit in determining the excess profit, if any, for the next succeeding income-taxable year" and to insert in lieu thereof the word "profit"; on page 2, line 15, after the words "United States", to strike out the words "by inserting the word *'further'* after the word *'Provided'* "; on page 3, line 19, after the word *"Provided"*, to strike out the words "That if there is a net loss on all such contracts or subcontracts completed by the particular contractor or subcontractor within any income-taxable year, such net loss shall be allowed as a credit in determining the excess profit, if any, for the next succeeding income-taxable year: *Provided further*"; and on page 4, line 17, after the word "thereof", to insert the words *"And provided further*, That the income-taxable years shall be such taxable years beginning after December 31, 1935, except that the above provisos relating to the assessment, collection, payment, or refunding of excess profit to or by the Treasury shall be retroactive to March 27, 1934," so as to make the bill read:

Be it enacted, etc., That section 3 (b) of an Act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934 (48 Stat. 505), is hereby amended by striking out the word "price" and inserting the words "prices, of such contracts within the scope of this section as are completed by the particular contracting party within the income-taxable year", after the words "of the total contract"; by inserting the words "but the surety under such contracts shall not be liable for the payment of such excess profit" after the words "property of the United States"; by deleting the word "may" after the words "the Secretary of the Treasury" and substituting therefor the word "shall"; and by adding at the end of the section the following proviso: *"Provided further*, That all provisions of law (including penalties) applicable with respect to the taxes imposed by title I of the Revenue Act of 1934, and not inconsistent with this section, shall be applicable with respect to the assessment, collection, or payment of excess profits to the Treasury as provided by this section, and to refunds by the Treasury of overpayments of excess profits into the Treasury: *And provided further*, That this section shall not apply to contracts or subcontracts for scientific equipment used for communication, target detection, navigation, and fire control as may be so designated by the Secretary of the Navy, and the Secretary of the Navy shall report annually to the Congress the names of such contractors and subcontractors affected by this provision, together with the applicable contracts and the amounts thereof." so that as amended said section 3 (b) will read as follows:

"SEC. 3. (b) To pay into the Treasury profit, as hereinafter provided shall be determined by the Treasury Department, in excess of 10 percent of the total contract prices, of such contracts within the scope of this section as are completed by the particular contracting party within the income-taxable year, such amount to become the property of the United States, but the surety under such contracts shall not be liable for the payment of such excess profit: *Provided*, That if such amount is not voluntarily paid the Secretary of the Treasury shall collect the same under the usual methods employed under the internal-revenue laws to collect Federal income taxes: *Provided further*, That all provisions of law (including penalties) applicable with respect to the taxes imposed by title I of the Revenue Act of 1934, and not inconsistent with this section, shall be applicable with respect to the assessment, collection, or payment of excess profits to the Treasury as provided by this section, and to refunds by the Treasury of overpayments of excess profits into the Treasury: *And provided further*, That this section shall not apply to contracts or subcontracts for scientific equipment used for communication, target detection, navigation, and fire control as may be so designated by the Secretary of the Navy, and the Secretary of the Navy shall report annually to the Congress the names of such contractors and subcontractors affected by this provision, together with the applicable contracts and the amounts thereof: *And provided further*, That the income-taxable years shall be such taxable years beginning after December 31, 1935, except that the above provisos relating to the assessment, collection, payment, or refunding of excess profit to or by the Treasury shall be retroactive to March 27, 1934."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JOSEPH W. HARRISON

The bill (S. 3736) authorizing and directing the appointment of Joseph W. Harrison as a captain in the Chaplain Reserve Corps was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to appoint Joseph W. Harrison in the Chaplain Reserve Corps with the rank of captain.

GOLD STAR MOTHER'S DAY

The joint resolution (S. J. Res. 115) designating the last Sunday in September as Gold Star Mother's Day, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. Objection being heard, the joint resolution will be passed over.

Mr. COPELAND subsequently said: Mr. President, I did not hear objection to Order of Business 2077. Surely no one in the Senate will object to the privilege accorded the Gold Star Mothers who would be affected by this measure.

The VICE PRESIDENT. There was objection, and the joint resolution went over under objection.

Mr. COPELAND. I ask unanimous consent that it may be considered at this time.

The VICE PRESIDENT. Is there objection?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Joint resolution designating the last Sunday in September as "Gold Star Mother's Day", and for other purposes

Whereas the service rendered the United States by the American mother is the greatest source of the country's strength and inspiration; and

Whereas we honor ourselves and the mothers of America when we revere and give emphasis to the home as the fountainhead of the state; and

Whereas the American mother is doing so much for the home and for the moral and spiritual uplift of the people of the United States and hence so much for good government and humanity; and

Whereas the American Gold Star Mothers suffered the supreme sacrifice of motherhood in the loss of their sons and daughters in the World War: Therefore be it

Resolved, etc., That the President of the United States is hereby authorized and requested to issue a proclamation calling upon the Government officials to display the United States flag on all Government buildings, and the people of the United States to display the flag and to hold appropriate meetings at their homes, churches, or other suitable places, on the last Sunday in September, as a public expression of the love, sorrow, and reverence of the people of the United States for the American Gold Star Mothers.

SEC. 2. That the last Sunday in September shall hereafter be designated and known as "Gold Star Mother's Day", and it shall be the duty of the President to request its observance as provided for in this resolution.

MISSOURI RIVER BRIDGE, NEBRASKA

The bill (S. 4376) authorizing the State of Iowa, acting through its State highway commission, and the State of Nebraska, acting through its department of roads and irrigation, to construct, maintain, and operate a free or toll bridge across the Missouri River at or near Dodge Street in the city of Omaha, Nebr., was announced as next in order.

Mr. BENSON. Let this go over.

Mr. BURKE. Mr. President, will the Senator withhold his objection for a moment so that I may explain the bill?

Mr. BENSON. Certainly.

Mr. BURKE. Mr. President, this bill makes provision for the granting of a franchise for the building of a bridge across the Missouri River, and since the bill was introduced, a similar bill, House bill 12056, passed the House of Representatives, on May 19. Unless there is some serious objection to the granting of this franchise, the nature of which I do not know, I believe the bill ought to be passed. Will the Senator who made the objection state whether he wishes to persist in it?

Mr. BENSON. Yes; I wish to have the bill go over.

Mr. BURKE. Very well.

The VICE PRESIDENT. Objection being heard, the bill will be passed over.

BILL PASSED OVER

The bill (H. R. 8824) for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually, was announced as next in order.

Mr. COPELAND. Over.

The VICE PRESIDENT. The bill will be passed over.

LOANS TO DRAINAGE, IRRIGATION, AND CONSERVANCY DISTRICTS

The bill (H. R. 9009) to make lands in drainage, irrigation, and conservancy districts eligible for loans by the Federal land banks and other Federal agencies loaning on farm lands, notwithstanding the existence of prior liens of assessment made by such districts, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF BLACKFEET INDIANS

The Senate proceeded to consider the joint resolution (S. J. Res. 243) authorizing distribution to the Indians of the Blackfeet Indian Reservation, Mont., of judgment rendered by the Court of Claims in their favor, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That the Secretary of the Interior is hereby authorized and directed to withdraw from the tribal fund of the Blackfeet, Blood, and Piegan Indians of the Blackfeet Reservation, Mont., credited or to be credited on the books of the Treasury under the act of March 13, 1924 (43 Stat. 21), a sufficient sum to make a per-capita distribution of $85 to each member of said tribes who was living and entitled to enrollment with said Indians on the date final judgment was rendered in their favor by the Court of Claims in the case Docket No. E-427; such per-capita distribution to be made under such rules and regulations as the Secretary of the Interior may prescribe.

SEC. 2. The balance remaining in the tribal fund of the Blackfeet, Blood, and Piegan Indians after the per-capita distribution herein authorized shall be available for disposition by the tribal council of said Indians, with the approval of the Secretary of the Interior, in accordance with the constitution and bylaws of the Blackfeet Tribe of the Blackfeet Indian Reservation.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

PLANT QUARANTINE

The bill (H. R. 8495) to amend certain plant-quarantine laws was considered, ordered to a third reading, read the third time, and passed.

OATHS OF GOVERNMENT EMPLOYEES

The bill (S. 4519) to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That civilian employees of the executive departments and independent establishments of the United States who, upon original appointment, have subscribed to the oath of office required by section 1757 of the Revised Statutes, shall not be required to renew the said oath because of any change in status so long as their services are continuous in the department or independent establishment in which employed, unless in the opinion of the head of the department or independent establishment the public interests require such renewal.

PRECEDENCE OF CASES IN WHICH UNITED STATES IS A PARTY

The bill (S. 4341) to give precedence to certain proceedings to which the United States is a party, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That if, in any civil or criminal proceeding to which the United States is a party, arising under the customs or internal-revenue laws, the district attorney files, at any time after joinder of issue, with the clerk of the district court in which such proceeding is pending a certificate that such proceeding involves a charge of fraud upon the revenues of the United States, thereupon such proceeding shall be given precedence over other cases on the civil or criminal docket of such court and shall be assigned for hearing and trial at the earliest practicable date, and be expedited in every way.

IMPORTATIONS FOR EXHIBITION AT NATIONAL PETROLEUM EXPOSITION

The joint resolution (H. J. Res. 497) to permit articles imported from foreign countries for the purpose of exhibition

at the International Petroleum Exposition, Tulsa, Okla., to be admitted without payment of tariff, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

DE ROSEY C. CABELL AND OTHERS

The Senate proceeded to consider the bill (S. 4289) to correct the military records of DeRosey C. Cabell and others, which had been reported from the Committee on Military Affairs with amendments, on page 1, line 7, after the name "Cabell", to strike out the name "Thomas McF. Cockrill" and to insert in lieu thereof the name "McFarland Cockrill"; on page 1, line 9, to strike out the name "Lang" and to insert in lieu thereof the name "Lange"; on line 9, to strike out the name "James DeB. Walbach" and to insert in lieu thereof the name "James deB. Walbach", so as to make the bill read:

Be it enacted, etc., That the following-named officers and former officers of the United States Army shall be entitled to count all their service as cadets at the United States Military Academy in computing for any purpose length of service of any officers of the Army: DeRosey C. Cabell, McFarland Cockrill, James N. Caperton, Junius H. Houghton, Otto F. Lange, Paul B. Parker, James deB. Walbach, and Victor W. B. Wales: *Provided*, That this act shall not be construed as authorizing the payment of any back pay and allowances that may have accrued prior to the passage of this act.

Mr. KING. Mr. President, I should like to have an explanation of this bill.

Mr. SHEPPARD. Mr. President, this bill is recommended favorably by the War Department, and is designed to correct the military records of eight Army officers, seven of whom are still in the service, and all of whom were members of the 1916 class at West Point.

As a result of having already passed through a previous summer camp, 13 members of the 1916 graduating class were ordered by the War Department to report at the academy on August 28, 1912, 4 days following the enactment of the act of August 24, 1912, which act precluded service at the Academy from being counted in computing for any purpose the length of service of any officer of the Army. The other members of this class had reported upon August 24, 1912, and were not affected by the act. The Comptroller General held that the 13 ordered to report on August 28 were subject to this act and were not allowed to count their cadet service as regular officer service, although their comrades in the same class were permitted to do so. Five of the 13 already have been relieved of the effect of this ruling by acts of Congress. The effect of this bill is to afford similar treatment to the remaining eight.

The rest of the class, of course, were not affected by the act. I trust the bill will be permitted to pass.

The VICE PRESIDENT. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to correct the military records of DeRosey C. Cabell, McFarland Cockrill, James N. Caperton, Junius H. Houghton, Otto F. Lange, Paul B. Parker, James deB. Walbach, and Victor W. B. Wales."

RIO GRANDE CANALIZATION PROJECT

The bill (S. 3536) authorizing construction, operation, and maintenance of the Rio Grande canalization project and authorizing appropriation for that purpose was announced as next in order.

Mr. HATCH. Mr. President, there is a similar bill on the calendar, being Order of Business 2140, House bill 11768, which I ask to have substituted for the Senate bill and considered at this time.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 11768) authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriations for that purpose.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. HATCH. Mr. President, this is the bill about which I spoke to the Senator from Tennessee some time ago, and which I explained to him fully.

Mr. McKELLAR. Yes; I recall the Senator explaining the bill.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3536 is indefinitely postponed.

COOPERATIVE AGRICULTURAL EXTENSION WORK

The bill (S. 4520) to amend the act approved June 29, 1935 (49 Stat. 436–439), entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges" was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, effective at the beginning of the first fiscal year following the date of enactment of this act, section 4 of title I of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges", approved June 29, 1935, is amended to read as follows:

"SEC. 4. (a) Thirty-nine percent of the sums appropriated for any fiscal year under section 3 shall be available for the purposes of section 1, including the administration and coordination of the research authorized thereunder.

"(b) Two percent of the sums appropriated for any fiscal year under section 3 shall be available for the administration of section 5 of this title.

"(c) The sums available for the purposes of section 1 shall be designated as the special research fund, Department of Agriculture, and no part of such special fund shall be used either for the prosecution of research heretofore instituted or for the prosecution of any new research project, except upon approval in writing by the Secretary. One-half of such special research fund shall be used by the Secretary for the establishment and maintenance of research laboratories and facilities in the major agricultural regions at places selected by him and for the prosecution, including administration, in accordance with section 1, of research at such laboratories."

SEC. 2. Effective at the beginning of the first fiscal year following the date of enactment of this act, section 5 (a) of title I of such act approved June 29, 1935, is amended by striking out the word "Sixty" and inserting in lieu thereof the word "Fifty-nine."

EMIGRATION OF FILIPINOS FROM THE UNITED STATES

The bill (H. R. 9991) to extend the time for applying for and receiving benefits under the act entitled "An act to provide means by which certain Filipinos can emigrate from the United States", approved July 10, 1935, was announced as next in order.

Mr. McKELLAR. Let the bill go over.

Mr. COPELAND. Mr. President, I hope this bill may be passed. It is simply a measure to extend the time until December 31, 1937, when the Filipinos affected by the bill may have the opportunity to resume their citizenship.

Mr. McKELLAR. I withdraw the objection.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

EXAMINATION OF NUECES RIVER, TEX.

The bill (H. R. 11006) providing for the examination of the Nueces River and its tributaries in the State of Texas for flood control purposes was considered, ordered to a third reading, read the third time, and passed.

USE OF LAND IN FORT BRADY RESERVATION

The bill (H. R. 190) granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years, was considered, ordered to a third reading, read the third time, and passed.

AMMUNITION STORAGE FACILITIES

The bill (H. R. 10849) to authorize an appropriation for improvement of ammunition storage facilities at Aliamanu, Territory of Hawaii, and Edgewood Arsenal, Md., was considered, ordered to a third reading, read the third time, and passed.

LEIF ERICSON DAY

The Senate proceeded to consider the joint resolution (S. J. Res. 246) requesting the President to proclaim October 9, as Leif Ericson Day, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 5, after the word "October", to strike out "9 of each year" and to insert in lieu thereof "9, 1936", so as to make the joint resolution read:

Resolved, etc., That the President of the United States is hereby authorized and requested to issue a proclamation designating October 9, 1936, as Leif Ericson Day and calling upon officials of the Government to display the flag of the United States on all Government buildings on said date and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution requesting the President to proclaim October 9, 1936, as Leif Ericson Day."

THE MARINE BAND AT THE ARKANSAS CENTENNIAL CELEBRATION

The Senate proceeded to consider the bill (S. 4354) to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration, at Little Rock, Ark., on June 2, 3, 4, and 5, 1936; the Texas Centennial, at Dallas, Tex., on June 6, 7, and 8, 1936; and the Forty-sixth National Confederate Reunion, at Shreveport, La., on June 9, 10, 11, and 12, 1936, which had been reported from the Committee on Naval Affairs with amendments.

The first amendment of the committee was, in section 1, page 1, line 6, after the word "Arkansas", to strike out the words "on June 2, 3, 4, and 5, 1936; the Texas Centennial, at Dallas, Tex., on June 6, 7, and 8, 1936; and the Forty-sixth National Confederate Reunion, at Shreveport, La., on June 9, 10, 11, and 12, 1936" and to insert in lieu thereof the words "the Texas Centennial at Dallas, Tex., and the National Confederate Reunion at Shreveport, La., between the dates from June 2 to June 12, 1936, inclusive", so as to make the section read:

That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the Arkansas Centennial Celebration, at Little Rock, Ark., the Texas Centennial at Dallas, Tex., and the National Confederate Reunion at Shreveport, La., between the dates from June 2, to June 12, 1936, inclusive.

Mr. ROBINSON. Mr. President, I offered an amendment to the committee amendment, on line 6, page 2, to strike out "June 2" and to insert in lieu thereof "June 6", and to strike out "June 12" and to insert in lieu thereof "June 16."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the committee was, in section 2, on page 2, line 10, to strike out "$15,000" and to insert in lieu thereof "$11,500", so as to make the section read:

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such celebrations and reunion there is authorized to be appropriated the sum of $11,500, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $5 per day each for actual living expenses while on this duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration, at Little Rock, Ark.; the Texas Centennial, at Dallas, Tex.; and the National Confederate Reunion, at Shreveport, La., between the dates from June 6 to June 16, 1936, inclusive."

PUNISHMENT OF RECALCITRANT WITNESSES

The bill (H. R. 8875) to clarify section 104 of the Revised Statutes (U. S. C., title II, sec. 194) was considered, ordered to a third reading, read the third time, and passed.

Mr. HATCH subsequently said: I ask unanimous consent to recur to House bill 8875, Calendar No. 2139. I reported the bill for the committee, but since it was passed I have been informed that the chairman of the committee has an amendment he desires to offer to the bill. I therefore ask that the votes by which the bill was ordered to a third reading, read the third time, and passed be reconsidered, and that the bill go over for the time being.

The PRESIDING OFFICER. Without objection, the votes by which the bill was ordered to a third reading, read the third time, and passed will be reconsidered, and the bill will be passed over.

THE AIR CORPS

The Senate proceeded to consider the bill (H. R. 11920) to increase the efficiency of the Air Corps, which had been reported from the Committee on Military Affairs with amendments, on page 2, line 1, after the word "be", to insert the word "in"; on page 2, line 18, after the word "appoint", to insert the words "by and with the advice and consent of the Senate"; on page 3, line 7, after the words "grade, and", to strike out the word "that" and to insert the words "such temporary appointments may be vacated at any time upon the recommendation of the Secretary of War: *Provided further*, That"; on page 4, line 9, after the words "determined by the", to strike out the words "Secretary of War" and to insert in lieu thereof the word "President"; on line 11, after the word "relieved", to insert the words "from such commands", so as to make the bill read:

Be it enacted, etc., That the President be, and he is hereby, authorized to call to active duty, with their consent, for periods of not more than 5 years, such number of Army Air Corps Reserve officers as he may deem necessary, not to exceed 1,350.

SEC. 2. Upon the termination of such a period of active duty of not less than 3 years in duration, such Air Corps Reserve officers shall be paid a lump sum of $500, which sum shall be in addition to any pay and allowances which they may otherwise be entitled to receive.

SEC. 3. The sixth proviso of section 2, act of July 2, 1926 (44 Stat. L. 781), is hereby amended by striking out the words "Whenever used in this act a flying officer in time of peace is defined as one who has received an aeronautical rating as a pilot of service types of aircraft", and by substituting in lieu thereof the following: "A flying officer in time of peace is defined as one who has received an aeronautical rating as a pilot of service types of aircraft or one who has received an aeronautical rating as an aircraft observer: *Provided*, That in time of peace no one may be rated as an aircraft observer unless he has previously qualified as a pilot: *Provided further*, That any officer rated as an aircraft observer in time of war must subsequently qualify as a pilot before he can qualify as an observer in time of peace following such war."

SEC. 4. The President is authorized to appoint, by and with the advice and consent of the Senate, to temporary rank in the grades of colonel, lieutenant colonel, and major, without vacating their permanent commissions, such numbers of officers of the Regular Army Air Corps as the Secretary of War, from time to time, may determine as necessary to meet the administrative, tactical, technical, and training needs of the Air Corps; the then resulting numbers in each grade, permanent and temporary, to be further increased by 5 percent to meet the additional needs of the War Department for Air Corps officers: *Provided*, That such temporary appointments shall be made in order of seniority of the appointees in each grade in accordance with their standing on the relative rank list of Air Corps officers in their permanent grade, and such temporary appointments may be vacated at any time upon the recommendation of the Secretary of War: *Provided further*, That when an officer holding a temporary appointment under the provisions of this section becomes entitled to permanent promotion his temporary appointment shall be vacated: *Provided further*, That all Air Corps officers temporarily advanced in grade take rank in the grade to which temporarily advanced after officers holding such grade through permanent appointment, and among themselves in the order in which they stand on the relative rank list of Air Corps officers in their permanent grade: *Provided further*, That Air Corps officers temporarily appointed under the provisions of this act shall be entitled to the pay, flying pay, and allowances pertaining to the grade to which temporarily appointed: *And provided further*, That no officer holding temporary rank under the provisions of this act shall be eligible to command outside his own corps except by seniority under his permanent commission.

SEC. 5. The President is hereby authorized, by and with the advice and consent of the Senate, to appoint to temporary rank

from among the permanent colonels and lieutenant colonels of the Air Corps who are "flying officers" as defined herein, or as may hereafter be defined, a commanding general of the General Headquarters Air Force with the rank of major general, and such number of wing commanders with the rank of brigadier general as may be determined by the President. Officers temporarily appointed under the provisions of this section shall hold such temporary appointments until relieved from such commands by order of the President. Such temporary appointments shall not vacate the permanent commissions of the appointees nor create vacancies in the grades in which they are permanently commissioned: *Provided*, That the provisions of this section shall not be construed to exclude the assignment to Air Corps tactical or other appropriate commands of qualified permanent general officers of the line who are "flying officers" as defined herein, or as may hereafter be defined.

SEC. 6. Such laws and parts of laws as may be inconsistent with the foregoing are hereby repealed.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

GROS VENTRE INDIANS

The Senate proceeded to consider the joint resolution (S. J. Res. 245) authorizing distribution to the Gros Ventre Indians of the Fort Belknap Reservation, Mont., of the judgment rendered by the Court of Claims in their favor, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That the Secretary of the Interior is hereby authorized and directed to withdraw from the Treasury and to distribute per capita, as provided herein, to the Gros Ventre Indians of the Fort Belknap Reservation, Mont., the sum arising from a judgment rendered in their favor by the Court of Claims in the case docketed as E-427, credited or to be credited to said Indians on the books of the Treasury under the act of March 13, 1924 (43 Stat. 21).

SEC. 2. That for the purpose of making the distribution herein authorized, the Secretary of the Interior shall cause a roll of said Indians to be prepared by a commission consisting of the Gros Ventre members of the Fort Belknap Community Council. In the preparation of said roll, those members of the Gros Ventre Tribe whose names appear on the allotment roll made pursuant to the act of March 3, 1921 (41 Stat. 1355), and who are alive on the date of approval of this resolution shall first be enrolled, to which number shall be added the names of all children of one-fourth or more Gros Ventre Indian blood born to all allotted Indians of the Fort Belknap Reservation, regardless of place of residence of such children or their parents: *Provided*, That all such children so enrolled shall be alive and in being on the date of approval of this resolution: *Provided further*, That there shall be added to and included in the roll herein authorized the names of George Gambler and Josephine Gambler White, two Gros Ventre Indians omitted from the Fort Belknap allotment roll due to absence from the reservation: *Provided, however*, That said George Gambler and Josephine Gambler White have not been enrolled with or participated in the benefits of any other tribe.

SEC. 3. When the roll herein provided for shall have been completed and approved by the Secretary of the Interior, he shall thereupon cause the per-capita share due each member of said Gros Ventre Tribe so enrolled to be credited to the individual Indian money account of such member for expenditure in accordance with the individual Indian money regulations.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSFER OF PROPERTY IN BREMERTON, WASH.

The bill (S. 4094) to provide for the transfer from the Treasury Department to the Navy Department of the property in Bremerton, Wash., known as the Navy Yard Hotel site, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Government property located on the south side of Fourth Street opposite the terminus of Park Avenue in the city of Bremerton, Wash., known as the Navy Yard Hotel site, is hereby transferred from the Treasury Department to the Navy Department.

MICHAEL STODOLNIK

The bill (H. R. 7825) for the relief of Michael Stodolnik was considered, ordered to a third reading, read the third time, and passed.

EARL ELMER GALLATIN

The bill (H. R. 8278) for the relief of Earl Elmer Gallatin was considered, ordered to a third reading, read the third time, and passed.

MRS. OLLIE MYERS

The bill (H. R. 8884) for the relief of Mrs. Ollie Myers was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT TO EMERGENCY FARM MORTGAGE ACT OF 1933

The bill (S. 4546) to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Emergency Farm Mortgage Act of 1933 as amended, is further amended by adding after section 36 thereof the following new section:

"SEC. 36A. In addition to the authority granted to the Reconstruction Finance Corporation by section 36 of this act, as amended, the corporation is authorized and empowered to make loans, as hereinafter provided, out of the funds available for loans under such section 36, as amended, to or for the benefit of counties, political subdivisions of States, political subdivisions of counties, and districts, duly organized under the laws of any State, in which the United States has acquired or shall hereafter acquire lands for purposes of watershed protection, timber production and conservation, protection of grazing areas, or preservation of wildlife. Such loans shall be made for the purpose of enabling any such county, political subdivision, or district (hereinafter referred to as the 'borrower') to refinance its outstanding indebtedness existing at the time the United States acquired or shall have acquired such land.

"Such loans shall be subject to the same terms and conditions as loans made under section 5 of the Reconstruction Finance Corporation Act as amended; except that (1) the term of any such loans shall not exceed 40 years; (2) each such loan shall, in the opinion of the corporation, be reasonably and adequately secured, and, in respect to the type of security, shall be secured (a) by bonds, notes, or other obligations for the payment of which shall be pledged the full faith and credit and taxing power of the borrower or of such taxing authority as may be authorized pursuant to State law to levy assessments, taxes, or other charges for the repayment of said obligations, or (b) by bonds, notes, or other obligations which are a lien on real property situated within the boundaries of the borrower, which is taxable under existing laws, or shall be secured by both of such methods, and (c) by such other collateral as may be acceptable to the corporation; and (3) the borrower shall agree insofar as it may lawfully do so, that so long as any part of such loan shall remain unpaid the borrower will in each year apply to the repayment of such loan, or to the purchase or redemption of the obligations issued to evidence such loan, an amount equivalent to a proportionate part of the principal of the loan, taking into consideration the number of years through which the loan will mature and taking into consideration the intention to place on the taxpayers a burden as nearly uniform as practicable throughout the entire term of the loan, and that it shall at all times make provision for such reasonable reserves as may be approved by the corporation. No loan shall be made under this section until the Reconstruction Finance Corporation (A) shall have determined that by reason of the acquisition of said land by the Government the financial condition of the borrower has been sufficiently affected to warrant the making of such loan; (B) has satisfied itself as to the security supporting the outstanding bonds or other obligations of the applicant; and (C) in the case of a loan to reduce or refinance the outstanding indebtedness of an applicant, has been satisfied that an agreement has been entered into between the applicant and holders of its outstanding bonds or other obligations under which the applicant will be able to purchase or refund all or a major portion of such bonds or other obligations at a price determined by the corporation to be reasonable after taking into consideration the average market price of such bonds over the 6 months' period ending April 1, 1936, and under which a reduction will be brought about in the amount of the outstanding indebtedness of the applicant, or under which a reduction in its annual charges of principal and interest will be accomplished, resulting in benefit to the community and promoting its general welfare. Loans made under this section shall bear interest at a rate or rates to be fixed by the corporation.

"When a loan is authorized pursuant to the provisions of this section and it shall then or thereafter appear that repairs and necessary extensions or improvements to the properties of borrower are necessary or desirable for the further assurance of the ability of the borrower to repay such loan, the corporation may make an additional loan or loans to such borrower for such purposes out of the funds available for loans under such section 36, as amended.

"The proceeds of any loan applied for by a borrower under this section may be paid either to such borrower or to the holders or representatives of the holders of the bonds, notes, or other obligations to be reduced and refinanced in connection with such loan, and such loans may be made upon promissory notes collateraled by such bonds, notes, or other obligations, or through the purchase of securities issued or to be issued by such borrower. In the discretion of the corporation, the borrower may, if consistent with State law, be authorized to deliver to the holders of such original obligations, refunding bonds bearing the same rate of interest and issued on the same basis of the refunding bonds to be held by the corporation."

AMENDMENT OF PERMANENT APPROPRIATION REPEAL ACT, 1934

The Senate proceeded to consider the bill (S. 4596) to amend section 21 of the Permanent Appropriation Repeal Act, 1934, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment, on page 2, line 1, to strike out section 2, as follows:

SEC. 2. The Treasurer of the United States is hereby authorized, in his discretion, to refund to the Philippine Islands or Puerto Rico, as the case may be, the amount of any check, heretofore or hereafter issued by him on account of public-debt obligations of either of those governments, which has not been paid or presented for payment by the close of the fiscal year next following the fiscal year in which it was issued; but only upon the execution, by the government to which refund is made, of an agreement to indemnify the United States against any loss whatsoever.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, what is the purpose of the bill?

Mr. ADAMS. Mr. President, in the Permanent Appropriation Repeal Act for 1934 was contained a section which the bill under consideration seeks to repeal. Under the fiscal operations of the Philippine Islands and Puerto Rico provision is made for certain funds for the payment of their obligations. The provisions of the statute provide that if checks issued are not paid within a year the funds go back into the General Treasury. The purpose of the bill is to leave those funds with the Philippine and Puerto Rican governments so that the unpaid checks, or the funds back of them, will not become a part of the Federal funds.

Mr. FLETCHER. Mr. President, there is an amendment to strike out section 2.

The PRESIDING OFFICER. The Chair will state that the committee amendment has been agreed to.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 21 of the Permanent Appropriation Repeal Act, 1934, be, and the same is hereby, amended by changing the period at the end thereof to a colon and inserting thereafter the following: *"Provided further*, That the provisions of this section shall not be construed to extend to any check heretofore or hereafter issued on account of public-debt obligations of the Philippine Islands or Puerto Rico."

The title was amended so as to read: "A bill to amend section 21 of the Permanent Appropriation Repeal Act, 1934."

AMENDMENT OF THE INTERSTATE COMMERCE ACT

Mr. WHEELER. Mr. President, I ask unanimous consent to return to Calendar No. 2066, being the bill (S. 1636) to amend the Interstate Commerce Act, as amended, and for other purposes. It will be recalled that I explained this bill to the Senate a short time ago, stating that the only purpose of the bill was to continue in effect the present law, which expires June 16 of this year, providing that the railroads should publish through rates. The only Senator who objected to it at that time, or stated that he wanted to amend the bill, was the Senator from Delaware [Mr. HASTINGS]. He has given me his amendment and asked that I should offer it, and I see no objection to it. I am glad to join with the Senator in offering the amendment, which provides as follows:

At the proper place it is proposed to add the following language:

In fixing through rates and in determining what is desirable or necessary in the public interest, the Commission shall not take into consideration the necessity or desirability of diverting revenue from one railroad to another.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana to return to Calendar 2066?

There being no objection, the Senate proceeding to consider the bill (S. 1636) to amend the Interstate Commerce Act, as amended, and for other purposes, which had been reported from the Committee on Interstate Commerce with amendments.

Mr. WHEELER. I offer an amendment which I thought had been adopted the other day. In reporting the bill there were some clerical errors. The amendment is offered in order to correct them.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert the following:

Paragraph (3) of section 15 of the Interstate Commerce Act, as amended, is further amended by adding the following: "The elimination of any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission shall be deemed prima facie unreasonable and contrary to the public interest."

SEC. 2. Paragraph (4) of section 15 of the Interstate Commerce Act is hereby amended to read as follows:

"In time of shortage of equipment, congestion of traffic, or other emergency declared by the Commission it may (either upon complaint or upon its own initiative without complaint, at once, if it so orders without answer or other formal pleadings by the interested carrier or carriers, and with or without notice, hearing, or the making or filing of a report, according as the Commission may determine) establish temporarily such through routes as in its opinion are necessary or desirable in the public interest."

The amendment was agreed to.

Mr. WHEELER. I submit an amendment at the request of the Senator from Delaware [Mr. HASTINGS].

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. After the amendment heretofore agreed to, it is proposed to add the following:

In fixing through rates, and in determining what is desirable or necessary in the public interest, the Commission shall not take into consideration the necessity or desirability of diverting revenue from one railroad to another.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REGULATION OF VESSELS OWNED IN PART BY ALIENS

The Senate proceeded to consider the bill (S. 1815) to require certain documents of vessels not wholly owned by citizens of the United States and navigated in the territorial waters of the United States, its Territories, or its possessions, to regulate vessels engaged in the fisheries, and for other purposes, which had been reported from the Committee on Commerce with an amendment, in section 8, page 5, line 20, after the word "Government", to insert "subject to the approval of the Secretary of the Navy with respect to naval personnel", so as to make the section read:

SEC. 8. The Secretary of Commerce shall make such regulation as may be necessary to effect the proper enforcement of this act by collectors of customs and other officers of the Government subject to the approval of the Secretary of the Navy with respect to naval personnel, and may mitigate or remit any penalty provided for herein if in his judgment such action is justified.

The amendment was agreed to.

Mr. OVERTON. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In section 3, on page 4, line 13, after the figures "1918", it is proposed to insert "and sailing vessels owned, operated, and navigated by citizens of the United States", so as to make the section read:

SEC. 3. That any vessel, not a vessel of the United States, engaging in the fisheries shall be subject to forfeiture: *Provided*, That vessels of less than 5 net tons wholly owned, operated, and navigated by citizens of the United States, and which are numbered in accordance with the act of June 7, 1918, and sailing vessels owned, operated, and navigated by citizens of the United States, shall be deemed vessels of the United States for the purposes of this act: *Provided further*, That no vessel of less than 5 net tons wholly owned by citizens of the United States shall be operated in the fisheries by a person not a citizen of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That no vessel owned in whole or in part by any person who is not a citizen of the United States shall, under penalty of forfeiture, be operated or navigated on any waters within the territorial jurisdiction of the United States, its Territories, or its possessions, unless such vessel is provided with

and has on board a register, or other document of like import in lieu thereof, issued to it under and in accordance with the laws of a foreign country the government of which is recognized by the United States and is also provided with and has on board a descriptive list of the entire crew showing their rating, nationality, and residence, and a descriptive list of all others on board showing their nationality, residence, and occupation or business; also a manifest of all cargo on board: *Provided*, That the terms "person" and "citizen of the United States" as used in this act shall have the meaning assigned to them by sections 1 and 2 of the Shipping Act, 1916, as amended by the Merchant Marine Act of 1920.

SEC. 2. That any officer of the United States authorized to board vessels for the purpose of enforcing the revenue, navigation, and/or immigration laws of the United States, and/or any officer of the United States Navy, is hereby authorized and empowered to board any vessel within the territorial waters of the United States, its Territories, or its possessions, for the purpose of enforcing the provisions of this act and to make such examination of the vessel, persons, and cargo on board, and all papers and/or documents relating or pertaining thereto which are required by this act, as may be necessary to carry out the purpose and intent thereof. If the master or person in charge or command of such vessel fails or refuses to deliver any list, manifest, or other document required by this act to be on board such vessels on demand of any officer herein authorized to examine the same, he shall be liable to a fine of not to exceed $200, for which fine the vessel shall be liable. If any person or persons obstruct or resist any authorized officer in the discharge of his duties under this act, or aid, abet, or assist in such obstruction or resistance, or if any such person or persons shall falsify any list, manifest, or other document required by this act to be on board such vessel, such person or persons shall be deemed guilty of a misdemeanor and shall, on conviction thereof, be subject to a fine of not more than $1,000 or to imprisonment for not more than 2 years, or to both such fine and imprisonment, at the discretion of the court, and if any such person shall be an owner in whole or in part of such vessel, or an employee or agent of such owner, the vessel shall be liable for said fine: *Provided*, That any officer authorized by this act to enforce its provisions may arrest, or, in the case of attempted escape, may pursue and arrest the master or other person in command, who shall fail or refuse to deliver any list, manifest, or other document required by this act and any person or persons who obstruct or resist such officer in the performance of his duties, or shall aid, abet, or assist in such obstruction or resistance, or who shall falsify any such list, manifest, or other document: *Provided further*, That any person or persons so arrested shall be taken forthwith before the nearest commissioner of a district court of the United States who, if the evidence warrants such action, shall hold such person or persons to answer and stand trial before the court of the United States having jurisdiction of the offense: *And provided further*, That nothing in this section shall be construed as repealing section 4336 of the Revised Statutes.

SEC. 3. That any vessel, not a vessel of the United States, engaging in the fisheries shall be subject to forfeiture: *Provided*, That vessels of less than 5 net tons wholly owned, operated, and navigated by citizens of the United States, and which are numbered in accordance with the act of June 7, 1918, and sailing vessels owned, operated, and navigated by citizens of the United States, shall be deemed vessels of the United States for the purposes of this act: *Provided further*, That no vessel of less than 5 net tons wholly owned by citizens of the United States shall be operated in the fisheries by a person not a citizen of the United States.

SEC. 4. That any vessel owned wholly or in part by a person not a citizen of the United States and engaged in fishing on the high seas or in foreign waters shall, on arriving within the territorial waters of the United States, its Territories, or its possessions, make formal entry at the nearest port of entry, and on leaving such port make formal clearance under the same conditions, regulations, and penalties as apply to vessels engaged in trade with foreign countries: *Provided*, That unless such vessel enters the United States from a foreign port, it shall not be required to pay tonnage dues or other fees not collectible from vessels of the United States under the same circumstances and conditions.

SEC. 5. That the provisions of this act shall be subject to the provisions of any existing treaty, convention, or agreement between the United States and any foreign government.

SEC. 6. That any vessel subject to forfeiture under any of the provisions of this act, or to liability for any other penalty prescribed herein, may be seized and proceeded against by way of libel in the district court of any district in which such vessel may be found.

SEC. 7. Nothing in this act shall be construed as repealing or limiting any existing law relative to the boarding of vessels.

SEC. 8. The Secretary of Commerce shall make such regulation as may be necessary to effect the proper enforcement of this act by collectors of customs and other officers of the Government, subject to the approval of the Secretary of the Navy with respect to naval personnel, and may mitigate or remit any penalty provided for herein if in his judgment such action is justified.

SEC. 9. This act shall become effective from and after 6 months from the date of its passage.

OPERATION BY BLIND PERSONS OF STANDS IN FEDERAL BUILDINGS

The Senate proceeded to consider the bill (H. R. 4688) to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes, which had been reported from the Committee on Education and Labor, with an amendment in section 1, on page 1, line 6, after the words "self-supporting", to strike out "all Federal buildings having suitable locations for vending stands are hereby authorized to be made available for operation of such stands therein by blind persons licensed under the provisions of this act", and to insert, "blind persons licensed under the provisions of this act shall be authorized to operate vending stands in any Federal building where, in the discretion of the head of the department or agency in charge of the maintenance of the building, such vending stands may be properly and satisfactorily operated by blind persons"; so as to make the section read:

That for the purpose of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting, blind persons licensed under the provisions of this act shall be authorized to operate vending stands in any Federal building where, in the discretion of the head of the department or agency in charge of the maintenance of the building, such vending stands may be properly and satisfactorily operated by blind persons.

The amendment was agreed to.

The next amendment was, on page 4, line 3, to strike out all of section 3, as follows:

SEC. 3. (a) Subject to such rules and regulations as the Commissioner of Education, with the approval of the Secretary of the Interior, may prescribe, the Office of Education is authorized—

(1) To purchase vending-stand equipment for use in Federal buildings. Such equipment shall be purchased on requisition of the custodian of the Federal building in which the stand is to be placed and shall thereafter remain in his custody, and be used for the purposes specified in this act; and

(2) To purchase vending-stand equipment for use in all other buildings where vending-stand concessions for blind persons have been obtained by the State licensing agencies designated by the Office of Education. Such equipment shall be purchased on requisition of such licensing agencies and loaned to such State licensing agencies under the conditions set forth in section 4 of this act.

(b) All stand equipment purchased under the provisions of subsection (a) of this section shall be made available, without charge, for the use of blind persons licensed under the provisions of this act.

The amendment was agreed to.

The next amendment was, on page 5, line 1, after "Sec.", to strike out "4" and to insert "3"; in line 3, after the word "stands", to strike out "and desiring to secure vending-stand equipment"; and in line 16, to strike out "(3) To keep such stand equipment in other than Federal buildings in repair", so as to make the section read:

SEC. 3. (a) A State commission for the blind or other State agency desiring to be designated as the agency for licensing blind persons for the operation of vending stands as provided in this act shall, with the approval of the Governor of the State, make application to the Commisisoner of Education and agree—

(1) To cooperate with the Commissioner of Education and with the division of vocational rehabilitation of such State in training, placing, and supervising blind persons.

(2) To provide through loan, gift, or otherwise, for each blind person licensed to operate a stand, an adequate initial stock of suitable articles to be vended therefrom.

The amendment was agreed to.

The next amendment was, on page 5, line 18, to renumber section 5.

The amendment was agreed to.

The next amendment was, on page 6, to renumber section 6.

The amendment was agreed to.

The next amendment was, in line 13, to renumber section 7; in line 21, to strike out "(c) The term 'State commission for the blind' means a commission established under authority of the State and engaged primarily in work for the blind"; and in line 24, to strike out "(d)" and insert "(c)", so as to make the section read:

SEC. 6. As used in this Act—

(a) The term "United States" includes the several States, Territories, and possessions of the United States, and the District of Columbia.

(b) The term "blind person" means a person having not more than 10 per centum visual acuity in the better eye with correction.

Such blindness shall be certified by a duly licensed ophthalmologist.

(c) The term "State" means a State, Territory, possession, or the District of Columbia.

The amendment was agreed to.

The next amendment was on page 7, line 1, to renumber section 8.

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. WALSH subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD the report of the Committee on Education and Labor accompanying House bill 4688.

There being no objection, the report (No. 2052) was ordered to be printed in the RECORD, as follows:

The Committee on Education and Labor, to whom was referred the bill (H. R. 4688) to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass with amendments.

The committee have reported H. R. 4688 in lieu of a similar measure (S. 2196), introduced by Mr. SHEPPARD, and which is pending before the committee.

This legislation would allow the setting up of stands by the blind in Federal buildings for the sale of newspapers, magazines, candy, tobacco products, etc., and provides that these stands be licensed by the Office of Education in the Department of the Interior, subject to the direction of the Commissioner of Education. The bill further provides that a survey be made of concession-stand opportunities for the blind in this country; second, that a survey be made throughout the United States of industries, with a view to obtaining information that will assist blind persons to obtain employment; third, that this data be made available to the public and especially to persons and organizations interested in helping the blind; and, fourth, that licenses be issued to blind persons, to be approved by the custodian of the building and the Commissioner of Education.

The Senate and House bills, as originally introduced, made mandatory rather than permissive the operation of stands by blind persons and excluded from the operation of such stands able-bodied persons and persons incapacitated by reasons other than blindness. These provisions were objected to by the Departments of the Treasury, Interior, and Labor, and upon the suggestion of the Secretary of the Interior, the committee have amended section 1 of the House bill, leaving "in the discretion of the head of the department or agency in charge of the maintenance of the building" whether such vending stands shall be operated by blind persons licensed under the act.

The committee has omitted section 3 of the House bill, which section authorized the Commissioner of Education, with the approval of the Secretary of the Interior, to purchase vending-stand equipment for use in Federal buildings, and also the purchase by the Federal Government, rather than by the State, of stands and stand equipment for loan by the States to the blind operators of such stands not only in Federal but also in non-Federal buildings in such States. The Bureau of the Budget has objected to such purchases by the Federal Government, estimating the cost to be $750,000, and citing further to the Secretary of the Interior recent liberal provisions for Federal aid to the blind, namely:

"The Social Security Act of 1935 provides $3,000,000 annually for grants to the States for assistance to needy individuals who are blind. That act also provides $841,000 annually (in addition to existing annual appropriations of $1,097,000) for grants to States for vocational rehabilitation of physically disabled persons, including the blind.

The House Committee on Labor, in reporting (H. Rept. No. 1094) the bill H. R. 4688, stated in part:

"The committee held hearings on the accompanying bill, during which the committee had the benefit of listening to such representative leaders as Hon. Martin L. Sweeney, Member of Congress from Ohio; Hon. Smith W. Purdum, Fourth Assistant Postmaster General; Mr. S. P. Meadows, legislative representative of the American Federation of Labor; Mr. Leonard A. Robinson, chairman of the Citizens' Welfare Sightless Committee of Cleveland; Mr. R. R. Irwin, executive director of the American Foundation for the Blind; Mr. Walter R. Handy, of the Lions International; Mr. Ralph H. Campbell, secretary of Columbia Polytechnic Institute for the Blind; Mr. Arthur J. Lovell, Brotherhood of Locomotive Firemen and Enginemen; Mr. Bert Piers, member of the committee on the blind of the Lions International.

"With rare exceptions, all those who appeared before the committee voiced their approval of this proposed legislation.

"The committee feels that this is the logical time for such legislation to be enacted into law.

"The Federal Government is spending billions of dollars to create employment opportunities for millions of persons, but not one blind person is benefited thereby. The blind cannot build bridges, buildings, and do other kinds of work now being authorized by the Public Works Administration. The blind, at the present time, receive very little benefit from the work being done by the Federal Bureau of Rehabilitation, not because this Federal agency does not want to help the blind, but rather because State commissions for the blind and other private and public agencies have been delegated the tasks of training and placing blind persons. The result has been that in some States some progress has been made by these agencies for the blind, while in other States little or no progress has been made. The fault, as can be plainly recognized, is the fact that there is no definite or practical national system or plan whereby placement work of this kind can be done. The Federal Division of Rehabilitation, together with the various State divisions of rehabilitation, can boast of having done splendid work in the training and placing of handicapped persons in the United States, despite the limited funds it has to work with. Very fine cooperation, harmony among the workers, and a keen understanding of the workers' problems account for the good work now being done by the Division of Rehabilitation.

"The committee believes that the speedy enactment of this measure into law would take care of a group of our people who are in distress and who are not being reached by any of the vast rehabilitation experiments which the Government is conducting."

The following letters from the Secretary of the Interior, the Secretary of Labor, and the Acting Secretary of the Treasury indicate their views on this legislation:

OFFICE OF THE SECRETARY OF THE INTERIOR,
Washington, April 23, 1935.

Hon. DAVID I. WALSH,
Chairman, Committee on Education and Labor,
United States Senate.

MY DEAR MR. CHAIRMAN: I have received your letter of March 11 enclosing a copy of S. 2196, entitled "A bill to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind and for other purposes", and requesting a report thereon.

There are several objections to this bill. It makes mandatory rather than permissive the operation of stands by blind persons. It excludes from the operation of stands able-bodied persons and persons incapacitated by reasons other than blindness. I feel that unemployed able-bodied persons, who can perform more effective service than blind persons in certain cases, deserve consideration, since they cannot command the same public assistance and sympathy as the blind.

At the present time there are in operation 23 stands in buildings in the District of Columbia under the supervision of the National Park Service of this Department, where newspapers, magazines, candies, tobacco products, etc., are on sale. Nine of these stands are operated by the Welfare and Recreational Association of Public Buildings and Grounds, a non-profit-making corporation. The nine stands so operated employ three persons afflicted with infantile paralysis, one blind person, and 25 able-bodied persons. There are several lunch counters and soda bars operated by the association in addition to the stands mentioned, where able-bodied persons are employed because blind persons could not meet the requirements.

Fourteen stands are operated by wards of the Columbia Polytechnic Institute for the Blind. Attendants at these stands are either blind or partially blind.

In the light of the above statements, I believe the employment of blind persons at stands should not be made mandatory, and I recommend that S. 2196 should not receive favorable consideration by the Congress.

Sincerely yours,

T. A. WALTERS,
Acting Secretary of the Interior.

OFFICE OF THE SECRETARY OF THE INTERIOR,
Washington, May 2, 1936.

Hon. DAVID I. WALSH,
Chairman, Committee on Education and Labor,
United States Senate.

MY DEAR MR. CHAIRMAN: I have received your letter of February 26 enclosing a copy of S. 2196, to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes, together with suggested amendments thereto.

By a letter dated April 24, 1935, you were advised that the bill was objectionable in that it excludes from the operation of stands able-bodied persons and persons incapacitated by reasons other than blindness. There are a number of vending stands located in buildings under the jurisdiction of this Department where the employment of able-bodied persons is necessary because blind persons cannot meet the requirements. I feel that unemployed able-bodied persons who can perform more effective service than blind persons in certain cases deserve consideration, since they cannot command the same public assistance and sympathy as the blind.

It is recommended that the proposed amendments be further amended in the following manner:

Page 1, line 6, after the word "self-supporting", strike out the words "all Federal buildings having suitable locations for vending stands are hereby authorized to be made available for the operation of such stands therein by blind persons licensed under the provisions of this act", and insert the following words: "blind persons licensed under the provisions of this act shall be authorized to operate vending stands in any Federal building where, in the discretion of the head of the department or agency in charge of

the maintenance of the building, such vending stands may be properly and satisfactorily operated by blind persons."

Page 3, section 4 (a), line 4, insert after the word "shall" and before the word "make", the words "with the approval of the Governor of the State."

As State agencies are limited to public agencies in accordance with the provisions of paragraph (4), section 2 (a), page 1, of the proposed amendments, it is recommended that section 7, on page 5 of S. 2196, be deleted.

If the amendments submitted with your letter are amended as indicated above, the Department would have no objection to the enactment of S. 2196.

However, I have submitted the proposed legislation, together with the amendments submitted with your letter and the amendments indicated by this Department, to the Bureau of the Budget for consideration and have been advised as follows:

"Your proposed reports recommend that the bills be amended to eliminate the mandatory requirement that all stands be awarded to the blind and leave to the discretion of the Department concerned the award of such stands as might be properly and satisfactorily operated by blind persons.

"While there would be no objection to the presentation of your proposed reports, those reports do not voice a further objection to the bills that to me is of such a character as to make it necessary to advise you that the bills, even if amended as you suggest, would still be considered as not in accord with the program of the President. I refer to the provision for purchase by the Federal Government, rather than by the State (at an estimated cost of $750,000), of stands and stand equipment for loan by the State to the blind operators of such stands not only in Federal but also in non-Federal buildings in that State. The Social Security Act of 1935 provides $3,000,000 annually for grants to the States for assistance to needy individuals who are blind. That act also provides $841,000 annually (in addition to existing annual appropriations of $1,097,000) for grants to States for vocational rehabilitation of physically disabled persons, including the blind.

"In view of these recent liberal provisions for Federal aid to the blind, and of their underlying policy of direct State management of operations under the funds provided, I think that the proposed legislation and, in particular, the proposal for purchase by the Federal Government of stands at a cost of $750,000, should be considered in conflict with the program of the President."

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, April 6, 1936.

Hon. DAVID I. WALSH,
Chairman, Committee on Education and Labor,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: I have your letter of March 31 requesting my views with respect to a bill now pending before your committee, H. R. 4688, entitled "An act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes."

This bill proposes to extend employment opportunities for blind people by making Federal buildings throughout the country available for the operation of vending stands. The administration of the act is entrusted to the Office of Education in the Department of the Interior. Under the plan which the bill contemplates the Commissioner of Education would be authorized to designate State agencies to issue licenses to blind persons permitting them to operate such stands. In granting applications for such licenses preference is to be given to blind persons who need employment and who have resided for at least 1 year in the State where the stand is to be located. It is further provided that the Office of Education may purchase vending-stand equipment for use in Federal buildings and similar equipment for use in other buildings where licenses have been granted to blind persons by State licensing agencies.

I am informed that the proponents of this legislation have discussed the plan with various officers in the executive branch of the Government and at their request the bill has been amended so as to provide that every license granted for the operation of a vending stand in a Federal building shall be subject to the approval of the Federal agency in charge of that building.

It would seem desirable also to have a further amendment requiring that the establishment of vending stands in buildings in the District of Columbia require the consent of both the National Park Service and the head of the department occupying the building, for it would obviously be inappropriate to have stands of this character in some of the buildings here.

Inasmuch as the vocational opportunities for blind persons are very limited I am of the opinion that the enactment of a bill of this sort will serve a useful purpose. It has been demonstrated that blind persons can be trained to carry on business of this kind successfully.

There is one feature of the bill, however, which conflicts with the budgetary program of the President. I refer to the provision for purchase by the Federal Government rather than by the States (an estimated cost of $750,000) of stands and stand equipment for loan by the State to the private operators of such stands, not only in Federal but also in non-Federal buildings in the States.

Sincerely yours,

FRANCES PERKINS.

OFFICE OF THE SECRETARY OF THE TREASURY,
Washington, April 27, 1936.

Hon. DAVID I. WALSH,
Chairman, Committee on Education and Labor,
United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your letter of March 31, 1936, requesting the views of this Department on H. R. 4688, an act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes.

This Department is in complete sympathy with efforts to better the condition of blind persons. It is felt, however, that it is definitely unfair to restrict the economic opportunities provided by this bill to those afflicted with this one handicap. As an administrative practice, both blind and otherwise physically handicapped persons are now given employment in Federal buildings under the Department's control. There would seem to be no justification for depriving the latter class of the opportunities now afforded them and for replacing them with blind persons—as would be the likely consequence of enactment of the above bill.

For the reason above stated, this Department is definitely opposed to the enactment of H. R. 4688 in its present form.

Furthermore, I am advised by the Acting Director of the Budget that in view of recent liberal provisions for Federal aid to the blind, and of their underlying policy of direct State management of operations under the funds provided, the proposed legislation, particularly the proposal for the purchase and loan of the stands by the Federal Government, is not in accord with the program of the President, even if the objection made by this Department were obviated.

Very truly yours,

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

PROTECTION OF TRADE AND COMMERCE

The Senate proceeded to consider the bill (S. 3822) to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890, which was read as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890, is amended by striking out the period at the end of the first sentence thereof and inserting in lieu thereof a colon and the following: "*Provided*, That nothing herein contained shall render illegal contracts or agreements prescribing minimum prices or other conditions for the resale of a commodity which bears, or the label or container of which bears, the trade mark, brand, or name of the producer of such commodity and which is in free and open competition with commodities of the same general class produced by others, when contracts or agreements of that description are lawful as applied to intrastate transactions, under any statute, law, or public policy now or hereafter in effect in any State, Territory, or the District of Columbia in which such resale is made, or to which the commodity is to be transported following such resale, and the making of such contracts or agreements shall not be an unfair method of competition under section 5, as amended and supplemented, of the act entitled 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes', approved September 26, 1914."

Mr. McKELLAR. Mr. President, I should like to have an explanation of that bill.

Mr. TYDINGS. In reply to the Senator from Tennessee let me say by way of brief explanation that this bill was reported unanimously from the Committee on the Judiciary after hearings were held. It grows out of the fact that 12 States—New York, Illinois, Pennsylvania, New Jersey, Oregon, Washington, Wisconsin, Iowa, Maryland, Ohio, Virginia, Rhode Island, and California—have all adopted acts within their States regulating loss-leader selling and the making of contracts between a manufacturer and a distributor of an article. This has been done in an effort to make trade equal and fair and to eliminate discrimination. After hearings, the committee reported the bill unanimously and favorably. It simply backs up the action of those States which have already enacted valid laws which have been passed on by the courts.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHARLES G. JOHNSON

The bill (H. R. 2479) for the relief of Charles G. Johnson, State treasurer of the State of California, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury

not otherwise appropriated, to Charles G. Johnson, State treasurer of the State of California, the sum of $17,500. Such sum represents the value of 10 coupons from 3½-percent Treasury notes, series C–1930–32, nos. 3512B, 3513C, 3514D, 4361A, 4362B, 4363C, 4364D, 4365E, 4366F, and 4367H, of the $100,000 denomination, which coupons were payable on December 15, 1929, and were lost or destroyed in the office of the State treasurer of California: *Provided*, That none of said coupons shall have been presented to the Treasury for payment and that Charles G. Johnson shall first file in the Treasury Department a bond in the penal sum of double the amount of the sum payable pursuant to the provisions of this act, in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury, to indemnify and save harmless the United States from any loss on account of such lost or destroyed coupons.

The PRESIDING OFFICER. Without objection, Calendar No. 1925, being Senate bill 2609, an identical bill to the one just passed, will be indefinitely postponed.

COAT OF ARMS OF THE SWISS CONFEDERATION

The bill (S. 4667) to prohibit the commercial use of the coat of arms of the Swiss Confederation pursuant to the obligation of the Government of the United States, under article 28 of the Red Cross Convention signed at Geneva, July 27, 1929, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it shall be unlawful for any person, partnership, incorporated or unincorporated company, or association within the jurisdiction of the United States to use, whether as a trade-mark, commercial label, or portion thereof, or as an advertisement or insignia for any business or organization or for any trade or commercial purpose, the coat of arms of the Swiss Confederation, consisting of an upright white cross with equal arms and lines on a red ground, or any simulation thereof: *Provided*, That no person, corporation, or association that actually used or whose assignors actually used a design or insignia identical with or similar to that described herein for any lawful purpose for 10 years next preceding the effective date of this act shall be deemed forbidden to continue the use thereof for the same purpose.

SEC. 2. Any person who willfully violates the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction shall be liable to a fine of not exceeding $500 or imprisonment for a term not exceeding 1 year, or both.

THREE HUNDREDTH ANNIVERSARY OF SETTLEMENT OF DELAWARE RIVER VALLEY

The joint resolution (H. J. Res. 499) authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

DISTRIBUTION OF OFFICERS OF COAST GUARD

The bill (S. 4654) to amend an act entitled "An act to distribute the commissioned line and engineer officers of the Coast Guard in grades, and for other purposes", approved January 12, 1923, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to distribute the commissioned line and engineer officers of the Coast Guard in grades, and for other purposes", approved January 12, 1923 (42 Stat. 1130), is hereby amended by striking out the first proviso in that section and inserting the following proviso in lieu thereof: "*Provided*, That any officer who is now serving or shall hereafter serve as commandant in the Coast Guard shall, when retired, be retired with the rank of commandant and with the pay of a rear admiral (upper half) of the Navy on the retired list and that an officer whose term of service as commandant has expired may be appointed a captain and shall be an additional number in that grade, but, if not so appointed, he shall take the place on the lineal list in the grade that he would have attained had he not served as commandant and be an additional number in such grade;".

LOAD LINES OF COASTWISE VESSELS

The Senate proceeded to consider the bill (H. R. 11915) to amend the Coastwise Load Line Act of 1935, which had been reported from the Committee on Commerce with amendments on page 2, line 1, after the word "hour", to strike out "engaged. In establishing load water lines on passenger vessels due consideration shall be given to, and differentials shall be made for, the age and condition of the vessel, its subdivision and efficacy thereof, and the stability of the vessel in a damaged condition", and insert "engaged:", and on the same page at the beginning of line 14, to strike out "vessels" and insert "tugs, barges, and self-propelled barges", so as to make the bill read:

Be it enacted, etc., That section 2 of of the Coastwise Load Line Act, 1935, approved August 27, 1935 (U. S. C., 1934 ed., Supp. I, title 46, sec. 88a), be amended to read as follows:

"SEC. 2. The Secretary of Commerce is hereby authorized and directed in respect of the vessels defined above to establish by regulations from time to time the load water lines and marks thereof indicating the maximum depth to which such vessels may safely be loaded and in establishing such load lines due consideration shall be given to, and differentials made for, the various types and character of vessels and the trades in which they are engaged: *Provided*, That the load-line provisions of this act shall apply to the Great Lakes and that no load line shall be established or marked on any vessel which load line gives a lesser freeboard and less buoyancy than the load line established by the International Treaty on Load Lines of 1930, and that the regulations established under this proviso shall have the force of law: *Provided further*, That in applying the load lines to vessels on the Great Lakes and to tugs, barges, and self-propelled barges engaged in special services on inter-island voyages and on coastwise voyages from port to port in the continental United States the Secretary of Commerce is vested with discretion to vary the load-line marks from those established by said treaty when in his opinion the changes made by him will not be above the actual line of safety."

Mr. McKELLAR. Mr. President, will the Senator from New York explain the bill?

Mr. COPELAND. Mr. President, this bill is one of three or four which follow on the calendar in immediate succession having to do with safety at sea. This particular bill has to do with the modification of the Load Line Act so that if a vessel has grown old it may be made sure that the load line is not too great. For example, the *Mohawk* was sunk by reason of the fact that the compartments did not come high enough. It is desired that there may be authority in the Department to insure the proper placing of the load line.

Mr. President, with regard to the first amendment the committee desires to modify the amendment which has been stated. The amendment has been considered by the committee. It is proposed to modify it so as to leave in the bill the language largely as it appeared originally:

engaged. In establishing load water lines on passenger vessels due consideration shall be given to, and differentials shall be made for, the age and condition of the vessel, its subdivision and efficacy thereof, and the probable stability of the vessel if damaged.

That is the way the committee would like to have the amendment as modified read.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York to the first amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The CHIEF CLERK. On page 2, at the beginning of line 14, it is proposed to strike out "vessel" and insert "tugs, barges, and self-propelled barges."

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I have had an inquiry as to whether the language in lines 14 to 16, page 2, referring to "vessels engaged in special services on inter-island voyages," should not be eliminated.

Mr. COPELAND. That is exactly the purpose of this amendment, so that not only on the Great Lakes but also as to the Hawaiian Islands there shall be no load line marked where the vessels carry no passengers.

Mr. VANDENBERG. So the amendment which has been adopted corrects the situation to which I have referred.

Mr. COPELAND. It does.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

SAFETY AT SEA IN NEIGHBORHOOD OF ICE AND DERELICTS

The Senate proceeded to consider the bill (S. 4648) to promote safety at sea in the neighborhood of ice and derelicts, and for other purposes.

Mr. McKELLAR. Mr. President, what is the purpose of this bill?

Mr. COPELAND. It is to carry out the provisions of the safety-at-sea treaty where we maintain an iceberg patrol on the Atlantic and yet have no authority of law to carry on the patrol.

Mr. McKELLAR. Very well.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc.

INTERNATIONAL AGREEMENTS ON ICE PATROL AND DERELICT DESTRUCTION

SECTION 1. The President is authorized to conclude agreements with interested maritime nations (a) to maintain in the North Atlantic Ocean a service of ice patrol, of study and observation of ice and current conditions, and of assistance to vessels and their crews requiring aid within the limits of the patrol; (b) to maintain a service of study and observation of ice and current conditions in such waters as may affect the set and drift of ice in the North Atlantic Ocean; and (c) to undertake all practicable steps to insure the destruction or removal of derelicts in the northern part of the Atlantic Ocean, east of the line drawn from Cape Sable to a point in latitude 34° north, longitude 70° west, if this destruction or removal is necessary. The President is further authorized to include in such agreements a provision for payment to the United States by the countries concerned of their proportionate share of the expense for maintenance of the services named, or for the United States to contribute its proportionate share should it be agreed that another country was to maintain the patrol.

PATROL SERVICES

SEC. 2. (a) Unless the agreements made in accordance with section 1 provide otherwise, an ice patrol shall be maintained during the whole of the ice season in guarding the southeastern, southern, and southwestern limits of the region of the icebergs in the vicinity of the Grand Banks of Newfoundland, and the patrol shall inform trans-Atlantic and other passing vessels by radio and such other means as are available of the ice conditions and the extent of the dangerous region. A service of study of ice and current conditions, a service of affording assistance to vessels and crews requiring aid, and a service of removing and destroying derelicts shall be maintained during the ice season and any or all of such services may be maintained during the remainder of the year as may be advisable.

(b) The ice-patrol vessels shall warn vessels known to be approaching a dangerous area and recommend safe routes.

(c) The ice-patrol vessels shall record the name, together with all the facts in the case, of any ship which is observed or known to be on other than a regular recognized or advertised ship route crossing the North Atlantic Ocean, or to have crossed the fishing banks of Newfoundland north of latitude 43° north during the fishing season, or, when proceeding to and from ports of North America, to have passed through regions known or believed to be endangered by ice. The name of any such ship and all pertinent information relating to the incident shall be reported to the government of the country to which the ship belongs, if the government of that country so requests.

(d) The Commandant of the Coast Guard, under the direction of the Secretary of the Treasury, shall administer the services provided for in this section and shall assign thereto such vessels, material, and personnel of the Coast Guard as may be necessary. Any executive department or agency may, upon the request of the Secretary of the Treasury, detail personnel, loan or contribute material or equipment, or otherwise assist in the carrying out of the services named.

(e) The Commandant of the Coast Guard shall publish each year a report of the activities of the services provided for in this section, a copy of which shall be furnished to each interested foreign government and to each agency assisting in the work.

NORTH ATLANTIC ROUTES

SEC. 3. (a) The owner or operating agent of any passenger vessel of the United States crossing the North Atlantic Ocean shall give public notice, in such manner as may be prescribed by the Secretary of the Treasury, of the regular routes which he proposes such vessel will follow and of any changes made in a route, and shall require the vessel to follow the published route as far as circumstances will permit. Any passenger vessel of the United States crossing the North Atlantic Ocean shall follow, as far as circumstances will permit, the recognized ship routes; it shall avoid, as far as practicable, the fishing banks of Nowfoundland, north of latitude 43° north during the fishing season; and shall, as far as circumstances will permit, pass outside of the regions reported or known to be endangered by ice.

(b) If the owner, or operating agent, of any such passenger vessel fails to comply with this section, he shall for each offense be liable to a fine not exceeding $100.

SEC. 4. (a) The master of every vessel of the United States, when ice is reported on or near his course, shall proceed at a moderate speed or alter his course so as to go well clear of the danger zone.

(b) If the master of any such ship fails to comply with this section, he shall for each offense be liable to a fine not exceeding $500.

PUBLICATION

SEC. 5. All rules and regulations, except such as have no general applicability and legal effect or are effective only against Federal agencies or persons in their capacity as officers, agents, or employees thereof, issued, prescribed, or promulgated pursuant to authority contained herein, shall be forwarded forthwith to the Division of the Federal Register in The National Archives for filing and publishing in the Federal Register.

WIRE AND RADIO COMMUNICATIONS AT SEA

The bill (S. 4619) to amend the Communications Act of 1934, approved June 19, 1934, for the purpose of promoting safety of life and property through the use of wire and radio communications, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the Communications Act of 1934 is hereby amended by inserting after the words "for the purpose of the national defense" a comma and the words "for the purpose of promoting safety of life and property through the use of wire and radio communication."

SEC. 2. Section 3 of the Communications Act of 1934 is hereby amended by adding at the end thereof four new subsections to read as follows:

"(w) (1) 'Ship' or 'vessel' includes every description of water craft or other artificial contrivance, except aircraft, used or capable of being used as a means of transportation on water, whether or not she is actually afloat.

"(2) A ship shall be considered a passenger ship if it carries or is authorized to carry more than 12 passengers.

"(3) A cargo ship means any ship not a passenger ship.

"(4) A passenger is any person carried on board a ship, except the officers and crew actually employed to man and operate the ship. Persons on board a ship shall not be considered passengers when they are carried either because of the obligation laid upon the master to carry shipwrecked, distressed, or other persons or by reason of any circumstance over which neither the master, the owner, nor the charterer (if any) has control.

"(x) 'Auto-alarm' on a foreign ship subject to the provisions of part II of title III of this act means an automatic alarm receiver which has been approved by the country to which the ship belongs: *Provided*, That the United States and the country in question are both parties to the same treaty or agreement in regard to the requirements for such apparatus. 'Auto-alarm' on a ship of the United States subject to the provisions of part II of title III of this act means an automatic alarm receiver approved by the Commission and which complies with at least the requirements of the General Radio Regulations annexed to the International Telecommunication Convention in force. Nothing in this act or in any other provision of law shall be construed to permit the recognition of an auto-alarm as complying with part II of title III of this act, on a foreign ship subject to such part, whose country of origin is not a party to a treaty or agreement with the United States in regard to such apparatus.

"(y) (1) For the purpose of part II of title III, a 'qualified operator' or 'operator' on a foreign ship means a person holding a certificate as such complying with the provisions of the General Radio Regulations annexed to the International Telecommunication Convention in force, or complying with an agreement or treaty between the United States and the country to which the ship belongs.

"(2) For the purpose of part II of title III, a 'qualified operator' or 'operator' on a ship of the United States means a person holding a radio operator's license of the proper class, as prescribed and issued by the Commission.

"(z) 'Harbor' or 'port' means any place to which ships may resort to load or unload passengers or goods, or to obtain fuel, water, or supplies. This term shall apply to such places whether proclaimed public or not and whether natural or artificial.

"SEC. 3. Subsection (k) of section 4 of the Communications Act of 1934 is hereby amended by substituting a colon for the period at the end of the subsection and adding the following: '*Provided further*, That each year, at the beginning of the session of the Congress, the Commission shall report to the Senate and the House of Representatives of the United States whether or not any new wire or radio communication legislation is required better to insure safety of life and property. If any new legislation is necessary the Commission shall prepare and submit it to the Congress.'"

SEC. 4. Section 4 of the Communications Act of 1934 is amended by adding at the end thereof a new subsection to read as follows:

"(o) For the purpose of obtaining maximum effectiveness from the use of radio and wire communications in connection with safety of life and property, the Commission shall investigate and study all phases of the problem and the best methods of obtaining the cooperation and coordination of these systems. The Commission shall, by proper rules and regulations or by conditions incorporated

in the authorization or license, prescribe the conditions and procedure to be observed, in harmony with the law, in communications involving safety of life and property."

SEC. 5. Paragraph (m) of section 303 of the Communications Act of 1934 is hereby amended to read as follows:

"(m) (1) Have authority to suspend the license of any operator upon proof sufficient to satisfy the Commission that the licensee—

"(A) has violated any provision of any act or treaty binding on the United States, which the Commission is authorized to administer, or any regulation made by the Commission under any such act or treaty; or

"(B) has failed to carry out a lawful order of the master of the ship on which he is employed or of the person in command of the aircraft on which he is employed; or

"(C) has willfully damaged or permitted radio apparatus or installations to be damaged; or

"(D) has transmitted superfluous radio communications or signals or communications containing profane or obscene words, language, or meaning, or has knowingly transmitted—

"(1) false or deceptive signals or communications, or

"(2) a call signal or letter which has not been assigned by proper authority to the station he is operating; or

"(E) has willfully or maliciously interfered with any other radio communications or signals; or

"(F) has obtained or attempted to obtain, or has assisted another to obtain or attempt to obtain an operator's license by fraudulent means.

"(2) No order of suspension of any operator's license shall take effect until 15 days' notice in writing thereof, stating the cause for the proposed suspension, has been given to the operator licensee who may make written application to the Commission at any time within said 15 days for a hearing upon such order. The notice to the operator licensee shall not be effective until actually received by him, and from that time he shall have 15 days in which to mail the said application. In the event that physical conditions prevent mailing of the application at the expiration of the 15-day period, the application shall then be mailed as soon as possible thereafter, accompanied by a satisfactory explanation of the delay. Upon receipt by the Commission of such application for hearing, said order of suspension shall be held in abeyance until the conclusion of the hearing which shall be conducted under such rules as the Commission may prescribe. Upon the conclusion of said hearing the Commission may affirm, modify, or revoke said order of suspension."

SEC. 6. Subsection (n) 303 of the Communications Act of 1934 is hereby amended to read as follows:

"(n) Have authority to inspect all radio installations associated with stations required to be licensed by any act or which are subject to the provisions of any act, or treaty binding on the United States, to ascertain whether in construction, installation, and operation they conform to the requirements of the rules and regulations of the Commission, the provisions of any act, the terms of any treaty binding on the United States, and the conditions of the license or other document under which they are constructed, installed, or operated."

SEC. 7. Section 321 of the Communications Act of 1934 is hereby amended by striking out the first sentence of subsection (a).

SEC. 8. Section 322 of the Communications Act of 1934 is hereby amended to read as follows:

"SEC. 322. Every land station open to general public service between the coast and vessels or aircraft at sea shall, within the scope of its normal operations, be bound to exchange radio communications or signals with any ship or aircraft station at sea and each station on shipboard or aircraft at sea shall, within the scope of its normal operations, be bound to exchange radio communications or signals with any other station on shipboard or aircraft at sea or with any land station open to general public service between the coast and vessels or aircraft at sea: *Provided*, That such exchange of radio communication shall be without distinction as to radio systems or instruments adopted by each station."

SEC. 9. Section 329 of the Communications Act of 1934 is hereby amended to read as follows:

"SEC. 329. The Commission is authorized to designate any officer or employee of any other department of the Government on duty in any Territory or possession of the United States to render therein such service in connection with the administration of this Act as the Commission may prescribe and also to designate any officer or employee of any other department of the Government to render such services at any place within the United States in connection with the administration of title III of this Act as may be necessary: *Provided*, That such designation shall be approved by the head of the department in which such person is employed."

SEC. 10. (a) The heading of title III of the Communications Act of 1934 is hereby amended to read as follows:

"TITLE III—PROVISIONS RELATING TO RADIO

"PART I—SPECIAL PROVISIONS"

(b) Such title III is further amended by adding at the end thereof a new part as follows:

"PART II—RADIO EQUIPMENT AND RADIO OPERATORS ON BOARD SHIP

"PURPOSE

"SEC. 351. It is the purpose of this part to promote safety of life and property at sea through the use of radio.

"SHIP RADIO INSTALLATIONS AND OPERATIONS

"SEC. 352. Except as provided in section 353 hereof, it shall be unlawful—

"(a) For any ship of the United States, other than a cargo ship of less than 1,600 gross tons, to be navigated in the open sea or on the Great Lakes outside of a harbor or port, or for any ship of the United States or any foreign country, other than a cargo ship of less than 1,600 gross tons, to leave or attempt to leave any harbor or port of the United States for a voyage in the open sea or on the Great Lakes, unless such ship is equipped with an efficient radio installation in operating condition, in charge of and operated by a qualified operator or operators, adequately installed and protected so as to insure proper operation, and so as not to endanger the ship and radio installation, as hereinafter provided:

"(b) For any passenger ship of the United States of 5,000 gross tons, or over, to be navigated outside of a harbor or port, or for any such ship of the United States or any foreign country to leave or attempt to leave any harbor or port of the United States for a voyage in the open sea or on the Great Lakes, unless such ship is equipped with an efficient radio direction finder apparatus (radio compass) properly adjusted in operating condition as hereinafter provided, which apparatus, in the case of a ship of the United States, has been approved by the Commission.

"(c) In special cases, where the Commission considers that the route or conditions of the voyage make it reasonable or necessary, the above requirements may be applied to a vessel engaged on inland voyages.

"EXCEPTIONS

"SEC. 353. (a) The provisions of this part shall not apply to—

"(1) A ship of war.

"(2) A ship of the United States belonging to and operated by the Government, except a ship of the United States Shipping Board Bureau, the United States Shipping Board Merchant Fleet Corporation, the Inland and Coastwise Waterways Service, or the Panama Railroad Co.

"(b) The Commission may, if it considers that the route or the conditions of the voyage are such as to render a radio installation unreasonable or unnecessary for the purposes of this part, exempt from the provisions of this part any ship, or any class of ships, which falls within any of the following descriptions:

"(1) Passenger ships which in the course of their voyage do not go more than 20 nautical miles from the nearest land or more than 200 nautical miles between two consecutive ports;

"(2) Cargo ships which in the course of their voyage do not go more than 150 nautical miles from the nearest land;

"(3) Barges in tow;

"(4) Sailing ships.

"(c) The Commission may exempt any foreign ship from any of the technical requirements prescribed in section 355 if such ship has on board a certificate, issued by the country to which it belongs, certifying that the radio installation complies with the radio safety rules or laws of that country: *Provided, however*, That the radio installation is in such operating condition that, in the opinion of the Commission, the ship can proceed to sea without danger to the passengers and crew and will be able to respond to radio calls of distress from another ship or coast station.

"OPERATORS, WATCHES, AUTO-ALARM

"SEC. 354. (a) Each cargo ship required by this part to be fitted with a radio installation and which is not fitted with an auto-alarm, and each passenger ship required by this part to be fitted with a radio installation, shall, for safety purposes, carry at least two qualified operators, and, where the hours out of port exceed 48, at least three qualified operators shall be provided.

"(b) A cargo ship, required by this part to be fitted with a radio installation, which is fitted with an auto-alarm in accordance with this title, shall, for safety purposes, carry at least one qualified operator.

"(c) Each ship of the United States required by this part to be fitted with a radio installation shall, while being navigated outside a harbor or port, keep a continuous watch by means of qualified operators: *Provided, however*, That in lieu thereof on a cargo ship fitted with an auto-alarm, a watch of at least 8 hours per day, in the aggregate, shall be maintained by means of a qualified operator.

"(d) The Commission shall, for safety purposes, have authority to prescribe the particular hours of watch on a ship of the United States required by this part to be fitted with a radio installation.

"(e) On all ships of the United States fitted with an auto-alarm, said apparatus shall be in operation at all times while the ship is being navigated outside of a harbor or port when the operator is not on watch.

"TECHNICAL REQUIREMENTS

"SEC. 355. The radio installation and the radio direction-finding apparatus required by section 352 of this part shall comply with the following requirements:

"(a) The radio installation shall comprise a main and an emergency or reserve installation: *Provided, however*, That on a cargo ship, if the main installation complies also with all the requirements of an emergency or reserve installation, the emergency or reserve installation may be omitted.

"(b) The ship's radio operating room and the emergency or reserve installation shall be placed in the upper part of the ship in a position of the greatest possible safety and as high as practicable above the deepest load water line.

"(c) The main and emergency or reserve installations shall be capable of transmitting and receiving on the frequencies and types of waves designated by the Commission for the purpose of distress and safety of navigation.

"(d) The main installation shall have a normal transmitting and receiving range of at least 200 nautical miles, that is to say, it must be capable of transmitting and receiving clearly perceptible signals from ship to ship over a range of at least 200 nautical miles by day under normal conditions and circumstances.

"(e) Sufficient power shall be available at all times to operate the main radio installation efficiently under normal conditions over the range specified in subsection (d) of this section.

"(f) The emergency or reserve installation shall include a source of energy independent of the propelling power of the ship and of any other electrical system and shall be capable of being put into operation rapidly and of working for at least 6 continuous hours. For the emergency or reserve installation, the normal range as defined in subsection (d) of this section shall be at least 100 nautical miles.

"(g) There shall be provided between the bridge of the ship and the radio room, and between the bridge and the location of the direction finding apparatus, when the direction finding apparatus is not located on the bridge, an efficient means of communication.

"(h) The direction finding apparatus shall be efficient and capable of receiving clearly perceptible radio signals and of taking bearings from which the true bearing and direction may be determined. It shall be capable of receiving signals on the frequencies prescribed for distress, direction finding, and radio beacons by the General Radio Regulations annexed to the International Telecommunication Convention in force and in new installations after the effective date of this part, such other frequencies as the Commission may for safety purposes designate.

"LIFEBOATS

"SEC. 356. Every motor lifeboat, required by treaty to which the United States is a party, by statute, or by regulation made in conformity with a treaty or statute, to be carried on a ship, shall be fitted with an efficient radio installation under such rules and regulations as the Commission may find necessary to promote the safety of life.

"APPROVAL OF INSTALLATIONS

"SEC. 357 (a). Insofar as is necessary to carry out the purposes and requirements of this part, the Commission shall have authority, for any ship subject to this part—

"(1) To approve the details as to the location and manner of installations of the equipment required by this part or of equipment necessitated by reason of the purposes and requirements of this part.

"(2) To approve installations, apparatus, and spare parts necessary to comply with the purposes and requirements of this part.

"(3) To prescribe such additional equipment as may be determined to be necessary to supplement that specified herein, for the proper functioning of the radio installation installed in accordance with this part or for the proper conduct of radio communication in time of emergency or distress.

"(b) The Commission shall have authority to issue, or provide for the issuance of, radio certificates to ships of the United States in such form as may be necessary or desirable to facilitate the entry and departure of such ships into and from foreign ports.

"TRANSMISSION OF INFORMATION

"SEC. 358. (a) The master of every ship of the United States equipped with radio transmitting apparatus, on meeting with dangerous ice, a dangerous derelict, a tropical storm, or any other direct danger to navigation, shall cause to be transmitted all pertinent information relating thereto, to ships in the vicinity and to the appropriate authorities, in accordance with rules and regulations issued by the Commission, which authorities of the United States shall, when they consider it necessary, promptly bring the information received by them to the knowledge of those concerned and foreign authorities interested.

"(b) No charge shall be made by any ship or station in the mobile service of the United States for the transmission, receipt, or relay of the information designated in subsection (a) originating on a ship of the United States or of a foreign country.

"(c) The transmission by any ship of the United States, made in compliance with subsection (a), to any station which imposes a charge for the reception, relay, or forwarding of the required information, shall be free of cost to the ship concerned and any expense incurred by the ship for transmission, relay, or forwarding of the information may be certified to the Commission for reimbursement out of moneys appropriated to the Commission for that purpose.

"(d) No charge shall be made by any ship or station in the mobile service of the United States for the transmission of distress messages and replies thereto in connection with situations involving the safety of life and property at sea.

"(e) Notwithstanding any other provision of law, any station or carrier may render free service in connection with situations involving the safety of life and property, including hydrographic reports, weather reports, reports regarding aids to navigation and medical assistance to injured or sick persons on ships and aircraft at sea. All free service permitted by this subsection shall be subject to such rules and regulations as the Commission may prescribe, which rules may limit such free service to the extent which the Commission finds desirable in the public interest.

"AUTHORITY OF MASTER

"SEC. 359. The radio installation, the operators, the regulation of their watches, the transmission and receipt of messages, and the radio service of the ship except as they may be regulated by law or international agreement, or by rules and regulations made in pursuance thereof, shall in the case of a ship of the United States be under the supreme control of the master.

"FORFEITURES

"SEC. 360. The following forfeitures shall apply to this part, in addition to the penalties and forfeitures provided by title V of this act:

"(a) Any ship that leaves or attempts to leave any harbor or port of the United States in violation of the provisions of this part, or the rules and regulations of the Commission made in pursuance thereof, or any ship of the United States that is navigated outside of any harbor or port in violation of any of the provisions of this part, or the rules and regulations of the Commission made in pursuance thereof, shall forfeit to the United States the sum of $500, recoverable by way of suit or libel. Each such departure or attempted departure, and each day during which such navigation occurs, shall constitute a separate offense.

"(b) Every willful failure on the part of the master of a ship of the United States to enforce or to comply with the provisions of this act or the rules and regulations of the Commission as to equipment, operators, watches, or radio service shall cause him to forfeit to the United States the sum of $100."

SEC. 11. Paragraph (a) of section 402 of the Communications Act of 1934 is hereby amended by inserting after the words "or for modifications of an existing radio station license" a comma and the words "or suspending a radio operator's license."

SEC. 12. Subsection (b) of section 402 of the Communications Act of 1934 is hereby amended by adding at the end thereof a new paragraph to read as follows:

"(3) By any radio operator whose license has been suspended by the Commission."

SEC. 13. Paragraph (c) of section 402 of the Communications Act of 1934 is hereby amended by inserting after the words in the last sentence "upon the application" the words "or order".

SEC. 14. Section 504 of the Communications Act of 1934 is hereby amended to read as follows:

"PROVISIONS RELATING TO FORFEITURES

"SEC. 504. (a) The forfeitures provided for in this act shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States, brought in the district where the person or carrier has its principal operating office, or in any district through which the line or system of the carrier runs: *Provided*, That in the case of forfeiture by a ship, said forfeiture may also be recoverable by way of libel in any district in which such ship shall arrive or depart. Such forfeitures shall be in addition to any other general or specific penalties herein provided. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of forfeitures under this act. The costs and expenses of such prosecutions shall be paid from the appropriation for the expenses of the courts of the United States.

"(b) The forfeitures imposed by title III, part II, of this act shall be subject to remission or mitigation by the Commission, upon application therefor, under such regulations and methods of ascertaining the facts as may seem to it advisable, and, if suit has been instituted, the Attorney General, upon request of the Commission, shall direct the discontinuance of any prosecution to recover such forfeitures: *Provided, however*, That no forfeiture shall be remitted or mitigated after determination by a court of competent jurisdiction."

SEC. 15. Section 602 of the Communications Act of 1934 is hereby amended by adding at the end thereof a new subsection to read as follows:

"(e) The act entitled 'An act to require apparatus and operators for radio communication on certain ocean steamers', approved June 24, 1910, as amended, is repealed as of the effective date of title III, part II."

SEC. 16. This act shall take effect 1 year after the date of enactment.

SEC. 17. The Communications Act of 1934 is hereby further amended by adding at the end thereof the following new section:

"PUBLICATION

"SEC. 610. All rules and regulations, except such as have no general applicability and legal effect or are effective only against Federal agencies or persons in their capacity as officers, agents, or employees thereof, issued, prescribed, or promulgated pursuant to authority contained herein, shall be forwarded forthwith to the Division of the Federal Register in The National Archives for filing and publishing in the Federal Register."

SHIPOWNERS' LIABILITY

The Senate proceeded to consider the bill (S. 4655) relative to limitation of shipowners' liability, which was read, as follows:

Be it enacted, etc., That section 4283 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 183; Supp. I, title 46, sec. 183), is hereby amended to read as follows:

"SEC. 4283. (a) The liability of the owner of any vessel, whether American or foreign, for any embezzlement, loss, or destruction

by any person of any property, goods, or merchandise shipped or put on board of such vessel, or for any loss, damage, or injury by collision, or for any act, matter, or thing, loss, damage, or forfeiture, done, occasioned, or incurred, without the privity or knowledge of such owner or owners, shall not, except in the cases provided for in subsection (b) of this section, exceed the amount or value of the interest of such owner in such vessel, and her freight then pending.

"(b) In the case of any seagoing vessel, if the amount of the owner's liability as limited under subsection (a) is insufficient to pay all losses in full, and the portion of such amount applicable to the payment of losses in respect of loss of life or bodily injury is less than $60 per ton of such vessel's tonnage, such portion shall be increased to an amount equal to $60 per ton, to be available only for the payment of losses in respect of loss of life or bodily injury. If such portion so increased is insufficient to pay such losses in full, they shall be paid therefrom in proportion to their respective amounts.

"(c) For the purposes of this section the tonnage of a seagoing steam or motor vessel shall be her gross tonnage without deduction on account of engine room, and the tonnage of a seagoing sailing vessel shall be her registered tonnage: *Provided*, That there shall not be included in such tonnage any space occupied by seamen or apprentices and appropriated to their use.

"(d) The owner of any such seagoing vessel shall be liable in respect of loss of life or bodily injury arising on distinct occasions to the same extent as if no other loss of life or bodily injury had arisen.

"(e) In respect of loss of life or bodily injury the privity or knowledge of the master of a seagoing vessel or of the superintendent or managing agent of the owner thereof, at or prior to the commencement of each voyage, shall be deemed conclusively the privity or knowledge of the owner of such vessel.

"(f) As used in subsections (b), (c), (d), and (e) of this section and in section 4283A, the term 'seagoing vessel' shall not include pleasure yachts, tugs, towboats, towing vessels, tank vessels, fishing vessels or their tenders, self-propelled lighters, nondescript self-propelled vessels, canal boats, scows, car floats, barges, lighters, or nondescript non-self-propelled vessels, even though the same may be seagoing vessels within the meaning of such term as used in section 4289 of this chapter, as amended."

SEC. 2. Chapter 6 of title 46 of the Revised Statutes, as amended, is hereby amended by inserting after section 4283A the following new section:

"SEC. 4283B. STIPULATIONS LIMITING LIABILITY FOR NEGLIGENCE INVALID.—It shall be unlawful for the manager, agent, master, or owner of any vessel transporting passengers between ports of the United States or between any such port and a foreign port to insert in any rule, regulation, contract, or agreement any provision or limitation (1) purporting, in the event of loss of life or bodily injury arising from the negligence or fault of such owner or his servants, to relieve such owner, master, or agent from liability, or from liability beyond any stipulated amount, for such loss or injury; or (2) purporting in such event to lessen, weaken, or avoid the right of any claimant to a trial by court of competent jurisdiction on the question of liability for such loss or injury, or the measure of damages therefor. All such provisions or limitations contained in any such rule, regulation, contract, or agreement are hereby declared to be against public policy and shall be null and void and of no effect."

SEC. 3. Section 4285 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 185) is hereby amended to read as follows:

"SEC. 4285. The vessel owner, within 6 months after a claimant shall have given to or filed with such owner written notice of claim, may petition a district court of the United States of competent jurisdiction for limitation of liability within the provisions of this chapter, as amended, and the owner (a) shall deposit with the court, for the benefit of claimants, a sum equal to the amount or value of the interest of such owner in the vessel and freight, or approved security therefor, and in addition such sums, or approved security therefor, as the court may from time to time fix as necessary to carry out the provisions of section 4283, as amended, or (b) at his option shall transfer, for the benefit of claimants, to a trustee to be appointed by the court his interest in the vessel and freight, together with such sums, or approved security therefor, as the court may from time to time fix as necessary to carry out the provisions of section 4283, as amended. Upon compliance with the requirements of this section all claims and proceedings against the owner with respect to the matter in question shall cease."

SEC. 4. Section 4289 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 188), is hereby amended to read as follows:

"SEC. 4289. Except as otherwise specifically provided therein, the provisions of the nine preceding sections and of section 18 of the act entitled 'An act to remove certain burdens on the American merchant marine and encourage the American foreign carrying trade and for other purposes', approved June 26, 1884 (23 Stat. 57; U. S. C., 1934 ed., title 46, sec. 189), shall apply to all seagoing vessels, and also to all vessels used on lakes or rivers or in inland navigation, including canal boats, barges, and lighters."

SEC. 5. Section 2 of the act entitled "An act relative to limitation of shipowners' liability", approved August 29, 1935 (U. S. C., 1934 ed., Supp. I, sec. 183a), is hereby repealed.

Mr. McKELLAR. Mr. President, let us have an explanation of the bill.

Mr. COPELAND. Mr. President, this bill proposes to amend the Owners' Liability Act which was passed last year. That act places a definite responsibility upon the owner of the vessel in case of loss of life to the extent, as I recall, of $75 or $80 a ton. However, some of the smaller operators, and immoral ones, have printed on the back of the ticket in fine type that in case of death the loss shall be limited to $200 or something like that. The bill is for the protection of the American people.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMERICAN NATIONAL INSTITUTE AT PARIS, FRANCE

The bill (S. 2550) to incorporate the American National Institute (Prix de Paris), at Paris, France, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be ie enacted, etc., That Rev. Nathan A. Seagle, doctor of divinity; Col. Edward N. Wentworth; J. M. Clinton; Charles P. Gardiner; Sarah E. Henderson; George A. Conlon; Emanuel A. Cavacos; Edward A. Minizzoli; Matilda Smedley, the founder; Blanche Smedley von Daur; Dean Frederick Beekman, Procathedral of the Holy Trinity, Paris, France; Bishop Charles Wesley Burns, doctor of divinity, of the San Francisco area of the Methodist Episcopal Church, San Francisco, Calif.; Bishop Louis C. Sanford, doctor of divinity, Protestant Episcopal Church, Fresno, Calif.; Bishop Edwin H. Hughes, D. D., Chicago area of the Methodist Episcopal Church, Chicago, Ill.; Bishop Francis J. McConnell, D. D., Methodist Episcopal Church, New York City, N. Y.; Rev. S. Parkes Cadman, D. D., Brooklyn, N. Y.; Rev. Dr. Dillon Bronson, Los Angeles, Calif.; Rev. Dr. Harry Marsh Warren, New York City, N. Y.; Tully C. Knowles, D. D., College of the Pacific, Stockton, Calif.; President Edmund D. Soper, Ohio Wesleyan University, Delaware, Ohio; President John L. Roemer, Lindenwood College, St. Charles, Mo.; Prof. Richard Gotthell, Columbia University, New York City, N. Y.; Prof. Willard H. Bonner, University of Buffalo, Buffalo, N. Y.; Prof. Herbert Adams Gibbons, Princeton University, Princeton, N. J.; Prof. John Shapley, University of Chicago, Chicago, Ill.; Hon. L. E. Behymer, impressario, Los Angeles, Calif.; Loring P. Rixford, architect, San Francisco, Calif., and New York City, N. Y.; Robert B. Harshe, director of the Art Institute of Chicago, Chicago, Ill.; Clarence C. Little, Roscoe B. Jackson Memorial Laboratory, Bar Harbor, Maine; Arthur G. Leonard, president, Union Stock Yard Transit Co., Chicago, Ill.; Dr. Frederick Schlieder, director and composer, New York City, N. Y.; Dr. Rudolf A. Clemen, Armour's Livestock Bureau, Chicago, Ill.; Robert C. Lafferty, architect, New York City, N. Y.; Dean Charles M. Dennis, conservatory of music, College of the Pacific, Stockton, Calif.; Howard Hanson, director Eastman School of Music, the University of Rochester, Rochester, N. Y.; President H. S. Boardman, University of Maine, Orono, Maine; Harvey Wiley Corbett, architect, president of the Society of Beaux Arts, New York City, N. Y.; William Adams Delano, architect, ex-president of the Society of Beaux Arts, New York City, N. Y.; William van Alen, architect, New York City, N. Y.; and Miss Florence Adams, Brooklyn, N. Y.; Dean Juliana Haskell, Columbia University, New York City, N. Y.; Rev. Roelif H. Brooks, M. A. S. T. D., St. Thomas Church, New York City, N. Y.; Hon. William J. Laub, Akron, Ohio; Lillian Elliott, Scarsdale, N. Y.; Hon. Burton Thompson Beach, New York City, N. Y.; Dean Arthur E. Westbrook, school of music, Illinois Wesleyan University, Bloomington, Ill.; Florence Heizer, Osage City, Kans., assistant professor of English, Kansas State College, Manhattan, Kans.; their associates and successors, are hereby created a body corporate and politic in the District of Columbia, by the name of the "American National Institute in Paris, France", with the right to implead and be impleaded and to adopt a constitution, bylaws, and corporate seal.

The objects of this corporation are to construct a building in said city of Paris, and there to provide favorable conditions of surroundings and direction for American students, to be admitted under proper certificates of examination of fitness by competition, and to facilitate their studies and training in the arts and sciences, including architecture, sculpture, painting, applied design, music, dramatic art, literature, languages, scientific instruction, and research.

SEC. 2. That said corporation is hereby empowered to acquire property, both real and personal, by deed, lease, devise, subscription, purchase, gift, or by any other lawful means in the United States and in France, and to take over, hold, and administer all the property of the American National Institute (Prix de Paris), a corporation heretofore incorporated under the laws of the State of New York, including all its scholarships, subscriptions, bequests, gifts and pledges, and ground conceded by the municipality of the city of Paris, France, seal and emblem.

SEC. 3. That the incorporators shall have the power to add to their number and to fill any vacancy which may occur therein by reason of death, resignation, or disability.

SEC. 4. That the corporation shall determine the times and places of its meetings and shall determine the number, tenure,

duties, and salaries of the officers, committees, and agents of the corporation.

The said corporation shall have its principal office in Washington, in the District of Columbia; that no official of the United States shall be eligible to serve as director of the said corporation. When any director shall become an official of the United States he shall cease by virtue of this act to be a director of the corporation hereby authorized. Under no circumstance shall the United States be liable for any obligation incurred by this corporation.

SEC. 5. That said corporation may send annually a report to the Secretary of State, who shall communicate to Congress such portion thereof as he may deem of national interest and importance.

SEC. 6. That said corporation or board of regents may send each year to the Library of Congress, subject to the approval of the Joint Committee on the Library of the two Houses of Congress, or such place as may be decided upon, such works of the students of the institute as may be agreed upon between the jurors of the American National Institute and the board of regents as suitable for preservation and exhibition.

SEC. 7. That all gifts and bequests of money to the institute, unless otherwise directed by the donor, shall be invested in United States bonds, so far as may be consistent with the conditions of such gifts and bequests.

SEC. 8. That any scholarship, donated or bequeathed, shall be applied to that branch of education specified by the donor. A 3 years' scholarship, a supplementary scholarship for a year's study, enabling our laureate students to continue their studies in other art centers of Europe.

BILL PASSED OVER

The bill (H. R. 9483) to extend the provisions of the Forest Exchange Act, as amended, to certain lands, so that they may become part of the Umatilla and Whitman National Forests, was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of the bill. I should like to know from the Senators from the State in which the forest reserves are located whether they are satisfied to have an extension of the Forest Exchange Act to those reserves. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over. The clerk will state the next business on the calendar.

AMOUNTS DUE ON DELINQUENT HOMESTEAD ENTRIES

The Senate proceeded to consider the bill (S. 3869) to authorize payment to the Indians of the Fort Peck Reservation of the amounts due on certain delinquent homestead entries, which had been reported from the Committee on Public Lands and Surveys with an amendment to strike out all after the enacting clause and insert:

That there is hereby authorized to be appropriated an amount equal to the amount of the unpaid balance of principal and interest which the Secretary of the Interior may find to be on homestead and other entries on opened lands of the Cheyenne River, Colville, Fort Berthold, Fort Totten, Fort Peck, Pine Ridge, Rosebud, Shoshone, and Standing Rock Reservations, and the Chippewa lands in Minnesota opened in accordance with the Act of January 14, 1889 (25 Stat. L. 642), on the date of the enactment of this Act, less an amount equal to the amount of payments made on such homestead entries after the enactment of this Act and before the appropriation herein authorized has been made. Such an amount when appropriated shall be placed to the credit of the Indian tribes of such reservations in the Treasury of the United States, and shall be available upon the recommendation of the Indian tribe or tribes concerned for making permanent improvements on lands of the Indians, including the development of irrigation and the granting of aid to individual Indians in establishing permanent homes, and for the purchase of lands on said reservations from individual Indians or from white owners, in the discretion of the Secretary of the Interior, and under such regulations as he may prescribe. Title to any lands so purchased shall be taken in the name of the United States in trust for the respective Indian tribes and such lands shall not be allotted in severalty.

SEC. 2. The provisions of this Act shall in no way affect the liability of entrymen on such opened lands in the said Indian reservations to complete payments on their entries. Any payments made by said homesteaders after the appropriation authorized by this Act has been made shall be covered into the general fund of the Treasury of the United States. If any entry shall be relinquished or canceled on which the United States shall have advanced payments to the Indians of the reservation involved, said payments shall be reimbursed to the United States out of any funds on deposit in the Treasury of the United States to the credit of the said Indians.

Mr. KING. Mr. President, I have had a very brief conversation with the Senator from Montana [Mr. MURRAY]. I have had some knowledge of the Fort Peck Reservation and of the large sums of money which have been expended there by the Government of the United States. I am not sufficiently familiar, however, with this particular angle of the relations between the Government and the reservation. I stated to the Senator, therefore, that, while I believed that this proposed legislation was not fair to the Government, yet I would not object to it, with the understanding that I would enter a motion during the day to reconsider, and then obtain further information, with a view to having the bill disposed of at an early date.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. POPE. Mr. President, I should like to ask the Senator from Montana where the reservations are located which are referred to in the bill?

Mr. MURRAY. The bill applies to various Indian reservations located in the Western States. A list of them is set forth in the report of the committee and in the report from the Secretary of the Interior.

Mr. POPE. Is it the purpose to include all reservations in the West which are in a similar situation?

Mr. MURRAY. Yes; the bill covers all the Indian reservations of the West where a similar situation exists.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize payment of the amounts due on delinquent homestead entries on certain Indian reservations."

GENERAL PULASKI'S MEMORIAL DAY

The Senate proceeded to consider the joint resolution (S. J. Res. 187) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the word "October", to strike out "11 of each year" and insert "11, 1936", so as to make the joint resolution read:

Resolved, etc., That the President of the United States is authorized and directed to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11, 1936, and inviting the people of the United States to observe the day in schools and churches or other suitable places, with appropriate ceremonies in commemoration of the death of Gen. Casimir Pulaski.

Mr. McKELLAR. Mr. President, may we have an explanation of the joint resolution?

Mr. VAN NUYS. Mr. President, the joint resolution as originally introduced authorized the President to proclaim October 11 of each year General Pulaski's Memorial Day, that being the anniversary of General Pulaski's birth. The committee reported an amendment proposing to strike out the words "of each year", and inserting "1936." The President signed a similar joint resolution last year for the year 1935, and similar measures along the line of the bill as proposed to be amended have been signed for several years.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution authorizing the President of the United States of America to proclaim October 11, 1936, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski."

ANNIVERSARY OF BATTLE OF ANTIETAM—COINAGE OF 50-CENT PIECES

The bill (S. 4394) to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Antietam, was announced as next in order.

Mr. TYDINGS. Mr. President, I move that House bill 12168, which is now on the calendar and which is identical with the Senate bill, be substituted for the Senate bill and be considered at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 12168) to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Antietam, which had been reported from the Committee on Banking and Currency, on page 1, line 6, after the word "not", to strike out "less than 25" and insert "to exceed 50", so as to make the bill read:

Be it enacted, etc., That in commemoration of the seventy-fifth anniversary of the Battle of Antietam there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 50,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1937, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the Washington County Historical Society of Hagerstown, Md., upon payment by it of the par value of such coins, but not less than 25,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such Washington County Historical Society of Hagerstown, Md., and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read the third time.

The bill was read the third time, and passed.

The PRESIDING OFFICER. Without objection Senate bill 4394 will be indefinitely postponed.

SAN FRANCISCO-OAKLAND BAY BRIDGE—COINAGE OF 50-CENT PIECES

The Senate proceeded to consider the bill (S. 4464) to authorize the coinage of 50-cent pieces in celebration of the opening of the San Francisco-Oakland Bay Bridge, which had been reported from the Committee on Banking and Currency, with an amendment, on page 2, section 2, at the beginning of line 9, to strike out "five" and insert "twenty-five", so as to make the bill read:

Be it enacted, etc., That in celebration of the opening of the San Francisco-Oakland Bay Bridge there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 200,000 silver 50-cent pieces of standard size, weight, and composition, and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the San Francisco Clearing House Association, upon payment by it of the par value of such coins, but not less than 25,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such association and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the celebration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FOUNDING OF YORK COUNTY, MAINE—COINAGE OF 50-CENT PIECES

The Senate proceeded to consider the bill (S. 4608) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of York County, Maine, which had been reported from the Committee on Banking and Currency, with an amendment, in section 2, page 2, line 9, after the word "than", to strike out "five" and insert "twenty-five", so as to make the bill read:

Be it enacted, etc., That in commemoration of the three hundredth anniversary of the founding of York County, Maine, there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 30,000 silver 50-cent pieces of standard size, weight, and composition and of special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the Committee for the Commemoration of the Founding of York County upon payment by it of the par value of such coins, but not less than 25,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FOUNDING OF ALBANY, N. Y.—COINAGE OF 50-CENT PIECES

The Senate proceeded to consider the bill (H. R. 7690) to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y., which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and insert:

That in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y., there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 25,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of a committee of not less than three persons duly authorized by the mayor of the city of Albany, N. Y., upon payment by it of the par value of such coins, but not less than 25,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

FOUNDING OF ELGIN, ILL.—COINAGE OF 50-CENT PIECES

The Senate proceeded to consider the bill (H. R. 8234) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city

of Elgin, Ill., and the erection of a heroic pioneer memorial, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and insert:

That in commemoration of the one hundredth anniversary of the founding of the city of Elgin, Ill., and the erection of the heroic Pioneer Memorial, there shall be coined at a mint of the United States, to be designated by the Director of the Mint, not to exceed 25,000 silver 50-cent pieces of standard size, weight, and composition, and of a special appropriate single design containing a replica of the "Pioneers", to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the chairman of the coinage committee of the Elgin Centennial Monumental Committee, upon payment by him of the par value of such coins, but not less than 25,000 such coins shall be issued to him at any one time, and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ANNIVERSARY OF BATTLE OF GETTYSBURG—COINAGE OF 50-CENT PIECES

The Senate proceeded to consider the bill (H. R. 11533) to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and insert:

That in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg, there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 50,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of a committee of not less than eight persons duly authorized by the Governor of the State of Pennsylvania, upon payment by it of the par value of such coins, but not less than 25,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of the enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H. R. 11688) providing for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of the admission of the State of Arkansas into the Union was announced as next in order.

Mrs. CARAWAY. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

EXAMINATION AND SURVEY FOR DEEP WATER CHANNEL, LOUISIANA

The Senate proceeded to consider the bill (S. 4538) providing for an examination and survey for a deep-water channel from New Iberia, parish of Iberia, La., to the Gulf of Mexico, which had been reported from the Committee on Commerce with an amendment on page 1, after line 7, to insert "the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors"; so as to make the bill read:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination and survey to be made for a deep-water channel from New Iberia, parish of Iberia, La., to the Gulf of Mexico so as to meet the demands of present and prospective commerce, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Mr. KING. Mr. President, may I inquire of the Senator from New York why this and a number of other measures for surveys were not included in the omnibus bill which was recently passed and which provided for I do not know how many hundreds of such surveys?

Mr. OVERTON. I may say to the Senator that the surveys in the bill referred to by him related to flood-control projects. This proposal has no relation whatever to flood control.

Mr. KING. To what is it related?

Mr. OVERTON. The bill provides for a survey in order to ascertain whether or not a deep-water channel from New Iberia, La., to the Gulf of Mexico would be economically feasible.

Mr. ROBINSON. Mr. President, this bill has relationship to navigation and commerce but not to flood control.

Mr. OVERTON. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEPORTATION OF ALIEN CRIMINALS

Mr. COOLIDGE. Mr. President, I ask unanimous consent that the Senate recur to Order of Business 1210, being Senate bill 2969, relative to the deportation of alien criminals, and so forth.

Mr. ROBINSON. Mr. President, I suggest to the Senator that he wait until the call of the calendar shall have been concluded.

Mr. COOLIDGE. Very well.

BOUNDARIES OF HOT SPRINGS NATIONAL PARK, ARK.

The Senate proceeded to consider the bill (H. R. 9183) to provide for the extension of the boundaries of the Hot Springs National Park in the State of Arkansas, and for other purposes, which had been reported from the Committee on Public Lands and Surveys with an amendment, at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the boundaries of the Hot Springs National Park in the State of Arkansas be, and the same are hereby, extended to include the following land, to wit: Lot 11, block 101; lot 5, block 185; lot 6, block 186; lots 5, 6, and 7, block 187; and lots 1, 2, 3, 6, and 15, block 188, United States Hot Springs Reservation, as surveyed, mapped, and plotted by the United States Hot Springs Commission, and any of such lands when acquired by the Secretary of the Interior on behalf of the United States shall be and remain a part of the Hot Springs National Park, subject to all laws and regulations applicable thereto: *Provided*, That the lands hereinabove described may be acquired within funds already appropriated and at a cost not to exceed $15,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

OMAHA-COUNCIL BLUFFS MISSOURI RIVER BRIDGE BOARD OF TRUSTEES

The Senate proceeded to consider the bill (S. 4037) to amend the act relating to the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, approved June 10, 1930, and for other purposes, which had been reported from the Committee on Commerce with amendments, on page 3, section 2, line 7, after the words "limits of", to insert "either or"; and in line 21, after the word "thereof", to insert "Any other provisions of this act or of section 3 of such act of 1930, to the contrary notwithstanding, said Commission may create a fund from all or any part of the surplus earnings of any bridge owned and operated by it, in excess of the amounts required or pledged for operation, maintenance, interest, and amortization and apply same toward the payment of bonds held by the United States and outstanding against the bridge constructed under the provisions of section 4 of such act of 1930", so as to make the bill read:

Be it enacted, etc., That the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, created by section 3 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and completing the construction of other bridges over the navigable waters of the United States", approved June 10, 1930, shall henceforth be known and designated as the Omaha-Council Bluffs Bridge Commission, and each of its members shall be known and designated as a commissioner. The Commission may issue bonds payable from and secured by bridge revenues for the purpose of carrying out the powers vested in said Commission by this act and section 3 of such act of 1930. The Commission may enter into an agreement with any bank or corporation as trustee having the power to make such agreement, setting forth the duties of the Commission in respect of the construction, maintenance, operation, repair, and insurance of any bridge or bridges, the collection of tolls, the conservation and application of all funds, the safeguarding of moneys on hand or on deposit, and the rights and remedies of said trustee and the holders of bonds, as is customary in trust agreements respecting bonds of corporations.

SEC. 2. Any bridge constructed or to be constructed or owned and operated by said Commission shall be deemed to be an instrumentality for interstate commerce, the Postal Service, and military and other governmental purposes, and in the public interest, so that each bridge may be financed upon most advantageous terms and freed of tolls as expeditiously as possible, but in no case shall the amortization period exceed 20 years. Such bridge properties, including any bonds issued in connection therewith, real estate, easements, rights and privileges, and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation as are the publicly owned toll bridges constructed and operated by the several States, their agencies, instrumentalities, and political subdivisions. Said Commission may purchase and operate any existing bridge over the Missouri River which (including approaches) abuts upon or enters into the corporate limits of either or both the cities of Omaha, Nebr., and Council Bluffs, Iowa, and to pay the cost of any such bridge so purchased the Commission may, either separately or in conjunction with the financing of any other bridge, issue bonds as provided in this act and section 3 of such act of 1930: *Provided, however*, That said Commission shall operate each of the bridges under its control and charge and collect such rates of tolls for transit over same as will not reflect upon or impair the earnings of any other bridge to such an extent as to adversely affect any outstanding bonds which the Commission may have theretofore issued for account of such other bridge, and the construction of no competing bridge shall hereafter be authorized, the operation of which will adversely affect such outstanding bonds unless provision is otherwise made for the payment thereof. Any other provisions of this act or of section 3 of such act of 1930, to the contrary notwithstanding, said Commission may create a fund from all or any part of the surplus earnings of any bridge owned and operated by it, in excess of the amounts required or pledged for operation, maintenance, interest, and amortization and apply same toward the payment of bonds held by the United States and outstanding against the bridge constructed under the provisions of section 4 of such act of 1930.

(b) The Commission shall exercise the same powers, duties, and privileges, insofar as applicable, with respect to any bridge purchased under the provisions of this section as in the case of the bridge authorized to be constructed under section 3 of such act of 1930.

SEC. 3. The times for commencing and completing the construction of the bridge authorized to be built by section 3 of such act of 1930, as extended, are hereby further extended 1 and 3 years, respectively, from June 10, 1936.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ARTHUR LEE DASHER

The bill (S. 4491) for the relief of Arthur Lee Dasher, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to summon Arthur Lee Dasher, late captain, Field Artillery, Regular Army of the United States, before a retiring board for the purpose of hearing his case and to inquire into all facts touching upon the nature of his disabilities, to determine and report the disabilities which, in its judgment, have produced his incapacity and whether such disabilities were incurred during his active service in the Army and were in line of duty. That if the findings of such board are in the affirmative, the President is further authorized, in his discretion, to nominate and appoint, by and with the advice and consent of the Senate, the said Arthur Lee Dasher as a captain, Field Artillery, Regular Army of the United States, and to place him immediately thereafter upon the retired list of the Army with the same privileges and retired pay as are now or may hereafter be provided by law or regulations for the officers of the Regular Army: *Provided*, That the said Arthur Lee Dasher shall not be entitled to any back pay or allowance by reason of the passage of this act.

ADMINISTRATION OF UNITED STATES SOLDIERS' HOME

The bill (S. 4652) to provide for the administration of the United States Soldiers' Home was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. SHEPPARD. Mr. President, the bill merely provides that not more than five retired officers at the Soldiers' Home in Washington may be paid a small amount additional to their retired pay, the amount to be taken out of the revenues of the home. It involves no charge upon the Government.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That not to exceed five retired officers of the Regular Army may be assigned to active duty at the United States Soldiers' Home, who while so serving, and notwithstanding any other provision of law, shall be entitled to the pay and allowances of officers of the same rank and length of service on the active list of the Army: *Provided*, That the difference between active-duty pay and allowances and retired pay of such officers shall be paid from funds appropriated for the maintenance and operation of the Soldiers' Home.

AIR RESERVE TRAINING CORPS

The Senate proceeded to consider the bill (H. R. 11969) to promote national defense by organizing the Air Reserve Training Corps.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. SHEPPARD. Mr. President, at the request of the House Military Affairs Committee this bill was drafted by the War Department in order that legislation organizing an Air Reserve Training Corps would be strictly in line with the Department point of view. The bill authorizes and directs the Secretary of War to organize an Air Reserve Training Corps and to establish such rules and regulations for its operation as he may deem necessary and proper.

The War Department is of the opinion that this measure, if enacted, will encourage interest in aviation matters among the junior element of our population. The measure in no way prescribes compulsory military training.

Mr. McKELLAR. What is the expected cost of the proposal?

Mr. SHEPPARD. About $62,000 per year.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to organize the Air Reserve Training Corps, and to establish such rules and regulations as he shall deem fit and proper for carrying out the purposes and objects of this act.

SEC. 2. That all male citizens of the United States between the ages of 17 years and 24 years, of sound physical condition, good

character, and with a minimum education equivalent to at least a full high-school course, shall, after agreeing to serve in the Air Corps of the Army of the United States in the event of national emergency, be eligible to be listed as candidates of said Air Reserve Training Corps, and shall be entitled to receive such emblem or designation to wear upon the clothing as the Secretary of War may prescribe while receiving such course of technical instruction and flying training as shall be prescribed by the Secretary of War.

SEC. 3. That the Secretary of War is authorized to use all proper means and agencies for the encouragement of said corps, by detailing either Regular Army Air Corps officers or Air Corps Reserve officers called to extended active duty, to inspect the instruction and training of said candidates in such private flying schools, colleges, and universities, and centers of air instruction and training as may be selected by the Secretary of War for that purpose, under such regulations as he shall prescribe.

SEC. 4. That the Secretary of War is further authorized to encourage the development of said corps by permitting the use of such Army air fields from time to time as may not conflict with the work of the Air Corps of the Army of the United States and further by permitting the use in ground instruction only of airplanes, aircraft generally, and equipment, belonging to the Air Corps of the Army of the United States, if and when, in the judgment of the Secretary of War, such use is wise and proper in promoting the technical training of said corps.

SEC. 5. That upon the completion of such course of training as shall have been prescribed by the Secretary of War and upon the satisfactory passage of final examination and tests as may be prescribed for candidates of said Air Reserve Training Corps, the Secretary of War shall issue certificates of appointment as members in the Air Reserve Training Corps, and said members shall then be entitled to wear at pleasure such insignia and/or other designations and decorations upon the clothing as the Secretary of War shall prescribe. These members of the Air Reserve Training Corps shall be kept listed as to their addresses, business occupations, and other pertinent facts, so that the same may be available on shortest notice for service in the national defense in the event of a national emergency.

SEC. 6. That the Secretary of War is authorized to give preferment for appointment as flying cadets (heavier-than-air) and for detail to the Regular Army Air Corps Training Center for flying instruction of the most promising and desirable members in the Air Reserve Training Corps: *Provided*, That they also meet the mental, moral, physical, and educational qualifications prescribed by the Secretary of War for the appointment of flying cadets of the Air Corps, Army of the United States. The limitations on the appointment of cadets under this act will be only such as the limitation of vacancies under existing laws shall dictate.

SEC. 7. Such laws or parts of laws as may be inconsistent with the foregoing are repealed.

APPLICATION OF STATE WORKMEN'S COMPENSATION LAWS

The bill (S. 4671) to amend the act approved February 1, 1928, concerning action on account of death or personal injury within places under exclusive jurisdiction of the United States, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act concerning actions on account of death or personal injury within places under exclusive jurisdiction of the United States", approved February 1, 1928 (45 Stat. 54; U. S. Code of Laws, title 16, sec. 457), is amended to read as follows:

"In the case of the death of any person by the neglect or wrongful act of another within a national park or other place subject to the exclusive jurisdiction of the United States, within the exterior boundaries of any State, such right of action shall exist as though the place were under the jurisdiction of the State within whose exterior boundaries such place may be; and in any action brought to recover on account of injuries sustained in any such place the rights of the parties shall be governed by the laws of the State within the exterior boundaries of which it may be: *Provided, however*, That in a State having a workmen's compensation act, such act shall apply with respect to an injury or death sustained in any such place as though the place were under the jurisdiction of the State, irrespective of whether such injury or death is due to the neglect or wrongful act of another."

STATE OF MASSACHUSETTS

The bill (S. 3700) for the relief of the State of Massachusetts was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Governor of the State of Massachusetts, or his duly authorized agent, the sum of $233,885.82, out of any money in the Treasury not otherwise appropriated, being the costs, charges, and expenses properly incurred by such State for interest and premium paid for coin in payment of such interest on bonds issued for money borrowed and expended at the request of the President of the United States during the Civil War in protecting the harbors and fortifying the coast. The accounting officers of the Treasury having found that said expenditures were so incurred and paid by the State; and which the Court of Claims in its report to Congress under the act approved July 16, 1916, as set forth in House Document 369, Sixty-fifth Congress, first session, also found had been so incurred and paid.

SURVEY OF COLORADO RIVER, TEX.

The Senate proceeded to consider the bill (S. 4632) providing for a survey of the Colorado River, Tex., above the county line between Coke and Runnels Counties, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 4, to strike out the word "survey" and insert the words "preliminary examination", and on page 2, line 1, after the numerals "1917", to insert "the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors", so as to make the bill read:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Colorado River, Tex., above the county line between Coke and Runnels Counties, with a view to the control of floods in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill providing for a preliminary examination of the Colorado River, Tex., above the county line between Coke and Runnels Counties."

COMPENSATION OF DIRECTOR OF FEDERAL BUREAU OF INVESTIGATION

The bill (H. R. 11616) to fix the compensation of the Director of the Federal Bureau of Investigation was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, effective on the first day of the first month next following the approval of this act, the compensation of the Director of the Federal Bureau of Investigation of the Department of Justice shall be $10,000 per annum.

SALE OF SURPLUS WAR DEPARTMENT REAL PROPERTY

The Senate proceeded to consider the bill (S. 4565) to authorize the sale under the provisions of the act of March 12, 1926 (Public, No. 45), of surplus War Department real property, which had been reported from the Committee on Military Affairs with amendments.

The first amendment was in section 1 on page 2, to strike out lines 1 to 9, as follows: "Name of reservation: Fort Scammel, Maine; Fort Gorgas, Maine; Calf Island, including Little Calf Island, Mass.; Greater Brewster Island, Mass.; Port Newark Army Supply Base, N. J.; Norfolk Quartermaster Depot, Va.; Stewart Avenue Military Reservation, Atlanta, Ga.; Camp Furlong, N. Mex.; Fort Sill (portion consisting of 2,400 acres), Okla.; Fort Ward, Wash.; Boca Grande Military Reservation, Fla.", and to insert in lieu thereof the following: "Name of reservation with approximate amount of land involved in each instance: Fort Scammel, Maine, 12 acres; Fort Gorgas, Maine, 1.5 acres; Calf Island, including Little Calf Island, Mass., 18.05 acres; Greater Brewster Island, Mass., 21.7 acres; Norfolk Quartermaster Depot, Va., 180.18 acres; Stewart Avenue Military Reservation, Atlanta, Ga., 1.25 acres; Camp Furlong, N. Mex., 1,600 acres; Fort Sill (portion consisting of 2,400 acres), Okla.; Fort Ward, Wash., 320.33 acres; Boca Grande Military Reservation, Fla., 37 acres"; so as to make the section read:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to sell or cause to be sold, under the provisions of the act of March 12, 1926, the several tracts or parcels of real property hereinafter designated, or any portion thereof, upon determination by him that said tracts or parcels are no longer needed for military purposes, and to execute and deliver in the name of the United States and in its behalf any and all contracts, conveyances, or other instruments necessary to effectuate such sale and conveyance:

Name of reservation with approximate amount of land involved in each instance: Fort Scammel, Maine, 12 acres; Fort Gorgas,

Maine, 1.5 acres; Calf Island, including Little Calf Island, Mass., 18.05 acres; Greater Brewster Island, Mass., 21.7 acres; Norfolk Quartermaster Depot, Va., 180.18 acres; Stewart Avenue Military Reservation, Atlanta, Ga., 1.25 acres; Camp Furlong, N. Mex., 1,600 acres; Fort Sill (portion consisting of 2,400 acres), Okla.; Fort Ward, Wash., 320.33 acres; Boca Grande Military Reservation, Fla., 37 acres (portion excepted and reserved by act of Mar. 12, 1926): *Provided*, That no properties mentioned in this act shall be held for sale to any State, county, or municipality, pursuant to section 7 of the act of March 12, 1926, for a period longer than 6 months, unless the Secretary of War shall determine that an extension of time will cause no substantial loss to the United States: *Provided further*, That the net proceeds from the sale of the above properties shall be deposited in the Treasury to the credit of "Miscellaneous receipts."

The amendment was agreed to.

The next amendment was, in section 2, on page 3, line 18, after the words "miscellaneous receipts", to strike out "Laurel Hill Cemetery, Baltimore, Md. (67 lots); Confederate lot, Greenlawn Cemetery, Indianapolis, Ind.; tract designated no. 2 of the Confederate Cemetery, Point Lookout, Md.; Soldiers' lot, Camp Dennison, Ohio; tract of land on which is situated the lodge for the superintendent of the Cave Hill National Cemetery, Louisville, Ky.", and in lieu thereof to insert "Laurel Hill Cemetery, Baltimore, Md. (67 lots), area unknown; Confederate lot, Greenlawn Cemetery, Indianapolis, Ind., approximate acreage five-tenths acre; tract designated no. 2 of the Confederate Cemetery, Point Lookout, Md., approximate acreage 2.25 acres; Soldiers' lot, Camp Dennison, Ohio, approximate acreage six hundred and twenty-eight one-thousandths acre; tract of land on which is situated the lodge for the superintendent of the Cave Hill National Cemetery, Louisville, Ky., approximate acreage twenty-two one-hundredths acre", so as to make the section read:

SEC. 2. That the Secretary of War be, and he is hereby, authorized to sell or cause to be sold, in the manner and upon such terms as he shall deem expedient, the cemetery properties hereinafter designated and to execute and deliver in the name of the United States and in its behalf any and all contracts, conveyances, or other instruments necessary to effectuate such sale and conveyance, and that the expense of sale shall be paid from the proceeds thereof, and the net proceeds deposited in the Treasury to the credit of "Miscellaneous receipts": Laurel Hill Cemetery, Baltimore, Md. (67 lots), area unknown; Confederate lot, Greenlawn Cemetery, Indianapolis, Ind., approximate acreage five-tenths acre; tract designated "no. 2" of the Confederate Cemetery, Point Lookout, Md., approximate acreage 2.25 acres; Soldiers' lot, Camp Dennison, Ohio, approximate acreage six hundred and twenty-eight one-thousandths acre; tract of land on which is situated the lodge for the superintendent of the Cave Hill National Cemetery, Louisville, Ky., approximate acreage twenty-two one-hundredths acre.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAYTON COUNTY, IOWA, STATE PARK

The bill (S. 4346) granting to the State of Iowa for State park purposes certain land of the United States in Clayton County, Iowa, was announced as next in order.

Mr. MURPHY. Mr. President, House bill 11929 is an identical bill. I ask unanimous consent to substitute the House bill for the Senate bill and that the House bill be placed upon its passage.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 11929) granting to the State of Iowa for State park purposes certain land of the United States in Clayton County, Iowa, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby granted to the State of Iowa, upon the conditions and limitations hereinafter expressed, the following-described land of the United States lying and being in the Upper Mississippi River Wild Life and Fish Refuge, in Clayton County, Iowa, aggregating 544.27 acres, more or less, to be held and administered by said State for the purposes of a State public park:

Lots 2, 3, and 4, section 35, township 95 north, range 3 west, fifth principal meridian (excepting, however, from said lot 2 a strip of land on the north side 8 chains wide at the east end and 12 chains wide at the west end, containing 28.72 acres, more or less; and also excepting from said lots 2, 3, and 4, a strip of land containing 6.25 acres, more or less, being the right-of-way of the Chicago, Milwaukee, St. Paul & Pacific Ry.), the parcel hereby conveyed containing according to survey 127.73 acres, more or less.

Lot 21, block 11; lot 21, block 13; lots 7, 8, 12, 14, and 17, block 14; and lots 4, 5, 6, 7, 8, and 9, block 42; all situate in the James McGregor, Jr., addition to the town of McGregor, Iowa, containing according to survey 1.57 acres, more or less.

A parcel of land in sections 22 and 27, township 95 north, range 3 west, fifth principal meridian, described as follows:

Beginning at corner 1, the center of section 27, an established fence corner; thence south 89 degrees 23 minutes east, with quarter-section line, 18.93 chains to corner 2, a 2- by 2- by 15-inch oak stake beside fence corner of land formerly owned by Pearl Johnson; thence with boundary of land formerly owned by Pearl Johnson, north 44 degrees east 7.98 chains to corner 3, an elm post 5 inches in diameter, 4 feet above ground; thence south 54 degrees east exactly 5 chains to corner 4, an elm post 4 inches in diameter, 4 feet above ground; thence south 44 degrees west exactly 4 chains to corner 5, an elm stake 3 inches in diameter, 1 foot above ground; thence south 89 degrees 23 minutes east, with quarter-section line and leaving land formerly owned by Pearl Johnson, 14.60 chains to corner 6, the quarter-corner between sections 26 and 27, a 6- by 6- by 48-inch post above ground, scribed "US", and a 1½- by 15-inch iron pipe above ground, in a mound of stone, a 10-inch red oak bears north 35 degrees west thirty-eight one-hundredths, blazed and scribed "BT 5–2"; thence north, with the line between sections 26 and 27, 37.90 chains approximate, a 4- by 4- by 48-inch fir post in mound of stone on southwest side of road, exactly 40 chains to the line between sections 22 and 27, exactly 43 chains to corner 7, a point on west bank of the Mississippi River and in the east line of section 22; thence north 28 degrees 11 minutes west, with west bank of the Mississippi River, 5.30 chains to corner 8, in the south line of "C" Street of the town of McGregor; thence south 86 degrees 48 minutes west, with south line of "C" Street, 4.20 chains to corner 9, a 2- by 2- by 12-inch ash stake, above ground, at a point determined as the northeast corner of the unnumbered town lot owned by Eva Jordan; thence south 3 degrees 12 minutes east, with the east line of the Eva Jordan lot as determined by this survey, 1.51 chains to corner 10, a 2- by 2- by 12-inch ash stake; thence with four lines in rear of block 14, south 86 degrees 48 minutes west, 10.27 chains to corner 11, a point; thence south 77 degrees 21 minutes west, 4.19 chains to corner 12, a point; thence north 49 degrees 38 minutes west, forty-two one-hundredths chain to corner 13, the east corner of lot 19, block 14, a 4- by 4- by 36-inch fir post above ground in a mound of stone, scribed "US Corner 5–8"; thence south 40 degrees 22 minutes west, 6.19 chains to the line between sections 22 and 27, 6.33 chains to corner 14, the east corner of lot 1, block 13, a 7- by 7- by 36-inch butternut post above ground, scribed "US 5–9", in a mound of stone; thence south 49°38′ east, 1.51 chains to corner 15, a 9-inch white-oak tree with a 5- by 5- by 24-inch ironwood post above ground, scribed "US 5–10", in a mound of stone, beside it, a 15-inch red oak bears north 50° east eighteen one-hundredths, blazed and scribed "BT 5–10"; thence south 40°22′ W., 1.51 chains to corner 16, an 8- by 8- by 36-inch ironwood post above ground, scribed "US 5–11", in mound of stone; thence north 49°38′ W., 1.51 chains to corner 17, a 1- by 4- by 36-inch oak stake above ground, at the east corner of lot 3, block 13; thence south 40°22′ W. 18.75 chains to corner 18, the east corner of lot 5, block 11; thence south 49°38′ E. 1.59 chains to corner 19, a 2- by 2- by 12-inch elm stake above ground, in mound of stone; thence south 0°24′ E. 1.66 chains to corner 20, a 2- by 2- by 12-inch elm stake; thence south 20° E. 1.11 chains to corner 21, a 2- by 2- by 12-inch oak stake on the north line of Fayette Street; thence east, with the north line of Fayette Street, 2.83 chains to corner 22, at the intersection with the east line of State Street; thence south 0°24′ E., with the east line of State Street, 9.09 chains to corner 23, at the intersection with the south line of Howard Street, a 4- by 4- by 36-inch fir post above ground, scribed "US Cor 5–18", besides a 24-inch red oak; thence west 6.36 chains to corner 24, in the quarter-section line between the northwest quarter and the northeast quarter of section 27, a 4- by 4- by 36-inch fir post above ground, scribed "US Cor 5–19", a 14-inch white oak bears south 20° E. sixty one-hundredths, blazed and scribed "BT–19"; thence south 0°24′ E., with the quarter-section line between the northwest quarter and the northeast quarter of section 27, 4.53 chains to corner 25, a 4- by 4- by 36-inch fir post above ground, scribed "US Cor 5–20", an 8-inch hickory bears north 85° W. fifty one-hundredths, blazed and scribed "BT 5–20"; thence north 70°37′ W. 4.36 chains to corner 26, a 2- by 2- by 12-inch elm stake above ground; thence south 19°23′ W., with line in rear of block 42 seventy-six one-hundredths chain to the northeast corner of lot 1, block 42, 8.42 chains to corner 27, in the quarter-section line, a 6- by 6- by 48-inch post above ground, in mound of stone; thence south 89°23′ E. 6.85 chains to the place of beginning (excepting therefrom a circular piece of ground, 2.27 chains in diameter, surrounding the McGregor City Water Reservoir, containing forty-one one-hundredths acre, more or less; and a strip of land containing 1.50 acres, more or less, being the right-of-way of the Chicago, Milwaukee, St. Paul & Pacific Ry.), the parcel hereby conveyed containing according to survey 152.35 acres, more or less.

Lots 6, 7, 8, 12, 13, 14, 15, 16, 17, and 18, block 30; lots 1, 2, 3, 4, 5, 6, 7, west half lot 9, all of lots 10, 11, 12, 13, 14, and 15, block 33; lots 1, 2, 3, 4, 5, 9, 10, 11, and 12, block 36, all situate in

the James McGregor, Jr., addition to the town of McGregor, containing according to survey 3.72 acres, more or less.

A certain parcel of land in the northwest quarter section 27, township 95 north, range 3 west, fifth principal meridian, described as follows:

Beginning at corner 1, the quarter-corner between sections 27 and 28, an established fence corner with a 1½– by 12-inch iron pipe above ground, beside it; thence south 89° 23′ east, with the quarter-section line between the northwest quarter and the southwest quarter of section 27 11.16 chains to corner 2, an established fence corner; thence north 18° 14′ east, and 13.31 chains to corner 3, an established fence corner with a 4- by 4- by 36-inch hickory post above ground, scribed "US 6–3", beside it, a 10-inch hickory bears north 25° W. forty-two one-hundredths blazed and scribed "BT 6–3"; thence south 70° 57′ east 3.93 chains to corner 4, the northwest corner of lot 1, block 37, town of McGregor, thence north 19° 3′ east, with rear line of block 36, 10.93 chains to corner 5, a 2- by 2- by 12-inch ash stake above ground, marked "US 6–5", in the south line of Elm Street; thence north 68°55′ west, with south line of Elm Street, 10.44 chains to corner 6, a 3- by 3- by 12-inch ash stake above ground, marked "US 6–6", at the northeast corner of lot 1, block 33; thence south 21°5′ west, with two lines in rear of block 33 1.55 chains to corner 7, a 4- by 4- by 36-inch fir post above ground, scribed "US Cor 6–7", an 8-inch hickory bears south 30° west seventy one-hundredths blazed and scribed "BT 6–7"; thence south 73°25′ west 12.80 chains to corner 8, a point in Spring Creek on the line between sections 27 and 28, a witness corner falls fifteen one-hundredths east on bank of creek, a 4- by 4- by 40-inch fir post above ground, scribed "US Cor 6–8", in a mound of stone, a 30-inch elm bears south eighteen one-hundredths; thence south 0°2′ east, with line between sections 27 and 28, 20.25 chains to the place of beginning, containing according to survey 38.55 acres, more or less.

Lots 13, 14, 15, and 16, block 18; lots 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, and the east 20 feet of lot 15, block 26, all situate in the James McGregor, Junior, addition to the town of McGregor, Iowa, containing according to survey 1.84 acres, more or less.

A certain parcel of real estate in sections 22 and 27, township 95 north, range 3 west, fifth principal meridian, described as follows:

Beginning at corner 1, the point where the line between sections 21 and 22 intersects the south line of the Giard claim, an established fence corner; thence south 0°2′ east, with line between sections 21 and 22, 9.07 chains to corner 2, a point in fence line; thence south 69°11′ east, parallel to and 3.40 chains northeast of the northeast side of block 27, 10.13 chains to the line between sections 22 and 27, 18.07 chains to corner 3, the west side of Cemetery Road and northeast corner of the Chapin lands, a 4- by 4- by 36-inch fir post above ground, scribed "US Cor 1–3", besides an established fence corner; thence south 20°49′ west 3.41 chains to corner 4, the northeast corner of lot 17, block 26; thence south 69°11′ east, with the rear line of block 26, 12.12 chains to corner 5, a 1- by 12-inch iron pipe above ground at the rear corner to blocks 18 and 26; thence south 82°22′ east, with rear line of block 18, 2.85 chains to corner 6, a 1- by 12-inch pipe above ground and an 8- by 8- by 48-inch oak post above ground, scribed "US 1–6", in mound of stones; thence north 49°47′ west 1.47 chains to corner 7, a 5- by 5- by 24-inch basswood post above ground, scribed "US 1–7" in mound of stones; thence north 40°13′ east 3.03 chains to corner 8, 5- by 5- by 30-inch basswood post above ground, scribed "US 1–8", in mound of stones; thence south 49°47′ east 3.27 chains to corner 9, a 2- by 2- by 15-inch oak stake above ground, at the rear corner common to lots 4 and 5, block 18; thence north 40°13′ east with rear line of blocks 18 and 17, 12.51 chains to the line between sections 27 and 22, 14.46 chains to corner 10, a 2- by 2- by 15-inch oak stake above ground; thence north 49°47′ west 2.11 chains to corner 11, a 2- by 2- by 15-inch oak stake above ground; thence north 40°13′ east 1.14 chains to corner 12, a 2- by 2- by 12-inch oak stake above ground, on the line between lots 5 and 6, block 20; thence north 49°47′ west 1.96 chains to corner 13, the rear corner common to lots 5 and 6, block 20; thence south 40°13′ west with rear line of said lot 6, 1.25 chains to corner 14, an established fence corner on the northwest side of lot 6, block 20; thence north 59°12′ west 1.44 chains to corner 15, a stake; thence north 30°48′ east 1.51 chains to corner 16, in the rear line of block 21 at a point 1.70 chains westerly of the south corner of lot 1, block 21; thence north 59°12′ west with the rear line of block 21, 15.19 chains to corner 17, a 7- by 7- by 48-inch oak post above ground, scribed "US 1–17", on the south line of the Giard claim; thence south 87°49′ west, with the south line of the Giard claim, 25.86 chains to the place of beginning (excepting, however, therefrom, 12.19 acres, more or less, described as follows: Beginning at corner 1, a chiseled cross and mound of stones, on the extreme southwest point of the rock bluff northwest from what is known as Market Square in the town of McGregor, the intersection of Garnavillo Avenue and Buell Avenue bears S. 10°35′ E., 5.88 chains distant; thence N. 24°40′ W. 7.94 chains to corner 2, an established fence corner; thence N. 44°10′ E. 6.17 chains to corner 3, a 4- by 4- by 36-inch fir post above ground, scribed "US 3–X", in a mound of stones; thence north exactly 64° E. 3.51 chains to corner 4, a 4- by 4- by 42-inch fir post above ground, scribed "US 4–X", in mound of stones, on rock point at brink of bluff; thence S. 53°50′ E. 10.47 chains to corner 5, a 3- by 3- by 36-inch oak post above ground and a 2- by 12-inch iron pipe above ground, in mound of stones which is on brink of bluff over brick schoolhouse; thence south exactly 34° W. 2.34 chains to corner 6, a 4- by 4- by 42-inch fir post above ground, scribed "US. 6–X", in mound of stones and beside a chiseled cross on a large boulder; thence south exactly 55° W. 4.70 chains to corner 7, a 3- by 3- by 18-inch oak stake above ground; thense S. 71°55′ W. 7.77 chains to the place of beginning) the parcel hereby conveyed containing, according to survey, 53.58 acres, more or less, subject to any existing rights or easements for roads over or across the above-described land.

Lots 4, 5, and 6, block 46, in the James McGregor, Jr., addition, to the town of McGregor, Iowa, containing, according to survey, .34 acre, more or less.

A certain parcel of land in the southeast 160 acres of the Giard Claim, and within what would be sec. 22, T. 95 N., R. 3 W., fifth principal meridian, described as follows:

Beginning at corner 1, the rear corner common to lots 9 and 10, block 3, town of McGregor, or 1.51 chains northwesterly from the south corner of the Goodie Garden Confectionery Building; thence N. 48°53′ W. 6.08 chains to corner 2, a 1- by 12-inch galvanized iron pipe above ground, in a mound of stone; thence N. 79°5′ W. 8.34 chains to corner 3, in the rear line of block 46 and .69 chain southeast of the north corner of said block 46; thence S. 38°53′ E., with the rear line of blocks 46 and 45, 6.26 chains to corner 4, the rear corner common to lots 8 and 9, block 45; thence S. 21°43′ E., with two rear lines of block 45, 3.17 chains to corner 5, a point; thence S. 49°38′ E. 2.62 chains to corner 6, the east corner of lot 1, block 45, a 4- by 4- by 36-inch hickory post above ground, scribed "US 3–5", a 10-inch oak bears north 45° E., .29 chain, blazed and scribed "BT 3–5", an 8-inch hickory bears N. 55° W., .30 chain, blazed and scribed "BT 3–5"; thence S. 40° 22′ W., with the southeast line of block 45, 1.51 chains to corner 7, the south corner of lot 1, block 45; thence N. 88°59′ E., with the north line of "A" street, 2.34 chains to corner 8, in the rear line of block 3; thence N. 40°22′ E., with the rear line of block 3, 6.56 chains to the place of beginning, containing, according to survey, 6.11 acres, more or less.

A certain parcel of land, situated in lot 9 of the southeast 160 acres of the Giard claim and within what would be sec. 22, T. 95 N., R 3 W., fifth principal meridian, described as follows:

Beginning at corner 1, a point in the north line of said lot 9 and 11.35 chains east of the northwest corner thereof, being the north corner common to the Munn lands and the Lorang property, a 5- by 5- by 48-inch white oak post above ground, in a mound of stone, a 20-inch white oak bears S. 67° E., sixty one-hundredths chain, blazed and scribed "BT 2–1", a 10-inch hickory bears S. 6° E., eighty-nine one-hundredths chain, blazed and scribed "BT–21"; thence N. 89°59′ E., with the north line of said lot 9, 20.87 chains to corner 2, a 10- by 10- by 32-inch oak post above ground, scribed "US 2–2", and a 1½- by 15-inch pipe above ground, in a mound of stone, at the northeast corner of said lot 9, a 16-inch white oak bears S. 20° W., thirty-six one-hundredths chain, blazed and scribed "BT 2–2"; thence S. 3°35′ E., with line between lot 9 and lot 8 of southeast 160 acres of Giard Claim, 6.89 chains to corner 3, the northwest corner of lot 7, a 1- by 12-inch iron pipe above ground, between trees with old blazes, a 10-inch twin black oak bears S. 38° W., eight one-hundredths chain, scribed "BT 2–3", an 18-inch black oak bears N. 10° W., thirty-four one-hundredths chain, scribed "BT 2–3"; thence S. 58°14′ W. with line between Munn lands and property of the Northeastern Iowa Outers Association, 20.04 chains to corner 4, a 6- by 6- by 42-inch basswood post above ground, in a mound of stones, in the line between lots 9 and 10, a 12-inch butternut bears S. 28° E., thirty-five one-hundredths chain, blazed and scribed "BT 2–4", a 20-inch sycamore bears N. 68° E., forty-one one-hundredths chain, blazed and scribed "BT 2–4"; thence N. 29°51′ W., with two lines common to lots 9 and 10, 9.11 chains to corner 5, a point in said line; thence N. 69°15′ W., thirty-five one-hundredths chain to corner 6, a 5- by 36-inch ash post above ground, in mound of stone, the south corner common to the Munn lands and the Lorang property; thence north, with the line between Lorang and leaving the line between lots 9 and 10, 3.46 chains to a 4- by 4- by 42-inch fir post above ground, scribed "US 3.46" with arrow pointing south, being on the north side of the Heights Road, 9.33 chains to the place of beginning, containing 26.62 acres, more or less, subject to any existing rights or easements for roads over or across the land above described.

Lots 4, 5, 6, 7, 8, and 9, block 48, in James McGregor, Jr., addition to the town of McGregor, Iowa (excepting therefrom a strip of land being the right-of-way of the Chicago, Milwaukee, St. Paul & Pacific Ry.), the parcel hereby conveyed containing, according to survey, sixty-nine one-hundredths acres, more or less.

Lot 7, excepting a strip 1 chain in width along the west side, in the southeast 160 acres of the Giard claim and within what would be section 22, township 95 north, range 3 west, fifth principal meridian, described as follows:

Beginning at corner 1, a 2- by 12-inch iron pipe above ground, in a mound of stone, and on the north line of said lot 7, 1 chain easterly from the northwest corner thereof; thence south 9°17′ E., parallel with and 1 chain east of the west line of lot 7, 6.19 chains to corner 2, a point on brink of cliff in the south line of lot 7; thence north 82°30′ E., with line between lot 7 and lot 6, 3.08 chains to a 4- by 4- by 36-inch fir post above ground,

scribed "US 4–3", in mound of stone, on west side of McGregor-Marquette Road, 4.44 chains to corner 3, the corner common to lots 6 and 7 and block 48 of the James McGregor, Jr., addition to the town of McGregor; thence north 8°15′ west, with the line between lot 7 and block 48, 5.72 chains to corner 4, the corner common to lots 7 and 8 and block 48 of the town of McGregor; thence south 88°30′ W., with the line between lots 7 and 8, 1.84 chains to a 4- by 4- by 36-inch fir post above ground, scribed "US 4–4", in mound of stone, on west side of McGregor-Marquette Road, 4.58 chains to the place of beginning, containing, according to survey, 2.68 acres, more or less, subject to existing easements for roads and railroads.

A strip of land 4½ chains wide along the north side of lot 1, section 11, township 94 north, range 3 west, fifth principal meridian (excepting therefrom a strip of land containing sixty-five one-hundredths acres, being the right-of-way of the Chicago, Milwaukee, St. Paul & Pacific Ry.), the parcel thereby conveyed containing, according to survey, 10.89 acres, more or less.

Lot 4, section 11, township 94 north, range 3 west, fifth principal meridian (excepting therefrom a strip of land containing 3.09 acres being the right-of-way of the Chicago, Milwaukee, St. Paul & Pacific Ry.), the parcel hereby conveyed containing according to survey 42.36 acres, more or less.

Lot 1 and the north half of lot 2, section 23, township 94 north, range 3 west, fifth principal meridian (excepting therefrom a strip of landing containing 7.56 acres, being the right-of-way of the Chicago; Milwaukee, St. Paul & Pacific Ry.), the parcel hereby conveyed containing, according to survey, 75.24 acres, more or less.

The State shall improve and maintain the said land for such purpose, and not otherwise, and shall provide adequate conveniences for the public. No fee or other charge shall ever be imposed or exacted for admission of the public to the park or for use and enjoyment of the park by the public under such reasonable regulations as may be prescribed by the State or its authorized officials. The State shall seduiously safeguard the wildlife in the park from molestation and destruction, and shall do everything reasonably necessary to safeguard the park from injury by fire, or otherwise, and shall preserve the timber and other natural growth in the park from depredation and destruction. In the event the State shall fail to maintain the aforesaid granted land as a State park under the conditions and limitations herein prescribed, or upon abandonment of the park by the State, said land and all improvements thereon shall revert to the United States.

The PRESIDING OFFICER. Without objection, the bill (S. 4346) granting to the State of Iowa for State park purposes, certain land of the United States in Clayton County, Iowa, will be indefinitely postponed.

LANDS FOR CALIFORNIA STATE PARK SYSTEM

The bill (H. R. 1997) to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State park system, approved March 3, 1933, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to provide for the selection of certain lands in the State of California for the use of the California State park system", approved March 3, 1933, is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: *"Provided further*, That in order to consolidate park areas and/or to eliminate private holdings therefrom, lands patented hereunder may be exchanged, subject to the mineral reservation in the United States as hereinbefore provided, with the approval of, and under rules prescribed by, the Secretary of the Interior for privately owned lands in the area hereinbefore described of approximately equal value containing the natural features sought to be preserved hereby, and the lands so acquired shall be subject to all the conditions and reservations prescribed by this act, including the reversionary clause hereinbefore set out."

TITLE TO LOTS IN PENSACOLA, FLA.

The bill (H. R. 2737) extending and continuing to January 12, 1938, the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.", approved January 12, 1925, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.", approved January 12, 1925, are hereby extended and continued to January 12, 1938: *Provided*, That there be paid to the Commissioner of the General Land Office a fee of $5 for each lot described in an application for a deed of quitclaim under such act, which fee shall be considered earned, irrespective of the action taken on the application.

COLONIAL NATIONAL MONUMENT, VIRGINIA

The bill (H. R. 5722) to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to acquire by purchase and/or accept by donation, in behalf of the United States, such lands, easements, and buildings comprising the former Governor Berkeley's mansion and homestead in James City County and Carter's Grove mansion and homestead in the same county, and the Rosewell mansion and homestead in Gloucester County as are desirable for the proper rounding out of the boundaries and for the administrative control of the Colonial National Monument, and such lands as are necessary for parkways, not to exceed 500 feet wide, to connect said mansions to the said Colonial National Monument, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That the said acquisition of lands and/or improvements shall be made only from such funds as may be appropriated pursuant to the authorization of the act of March 3, 1931 (46 Stat. 1490).

SEC. 2. That the area now within the Colonial National Monument, together with such additions as may hereafter be made thereto, pursuant to section 1 hereof, shall be known as the "Colonial National Historical Park", under which name the aforesaid national park shall be entitled to receive and to use all moneys heretofore or hereafter appropriated for the Colonial National Monument.

SEC. 3. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed to the extent of such inconsistency.

RESTORATION OF FORT M'HENRY, MD.

The bill (H. R. 8074) to amend the act of March 3, 1925, relating to Fort McHenry, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of Congress entitled "An act to repeal and reenact chapter 100 (1914, Public, No. 108), to provide for the restoration of Fort McHenry, in the State of Maryland, and its permanent preservation as a national park and perpetual national memorial shrine as the birthplace of the immortal 'Star Spangled Banner', written by Francis Scott Key, for the appropriation of the necessary funds, and for other purposes", approved March 3, 1925 (43 Stat. 1109), be, and the same is hereby, amended by striking out from the third paragraph the words, "650 feet" and inserting in lieu thereof the following words: "680 feet."

ROGUE RIVER NATIONAL FOREST, OREG.

The bill (H. R. 8312) to add certain lands to the Rogue River National Forest in the State of Oregon was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purpose of forest management and municipal watershed protection, the following-described lands are hereby added to and made a part of the Rogue River National Forest in the State of Oregon and shall hereafter be administered subject to all the laws and regulations governing the national forests: Sections 31 to 35, inclusive, township 39 south, range 1 west; sections 2 to 11, inclusive, and sections 14 to 36, inclusive, township 40 south, range 1 west; section 1, and sections 11 to 36, inclusive, township 40 south, range 2 west, all Willamette base and meridian: *Provided*, That this action shall, as to all lands which are at this date legally appropriated under the public-land laws or reserved for any purpose, be subject to and shall not interfere with or defeat legal rights under such appropriation, nor prevent the use for such public purposes of lands so reserved so long as such appropriation is legally maintained or such reservation remains in force.

SEC. 2. That when the Secretary of Agriculture finds that merchantable timber may be cut without detriment to the purity or depletion of the water supply from such of the above-described lands title to which has been revested in the United States under the act of Congress approved June 9, 1916 (39 Stat. 218), said Secretary is hereby authorized to dispose of such merchantable timber on such lands in accordance with the rules and regulations of the Secretary of Agriculture for the national forests and the entire proceeds of any such sale shall be deposited in the Treasury of the United States in a special fund designated "The Oregon and California Land Grant Fund", referred to in section 10 of the said act of June 9, 1916, and be disposed of in the manner therein designated.

PRELIMINARY EXAMINATION OF BIG BLUE RIVER

The bill (H. R. 12370) to authorize a preliminary examination of Big Blue River and its tributaries with a view to the control of their floods, was considered, ordered to a third reading, read the third time, and passed.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 267) authorizing the President to invite foreign countries to participate in the New York World's Fair, 1939, Inc., in the city of New York during the year 1939 was announced as next in order.

Mr. JOHNSON. Mr. President, let the joint resolution go over temporarily.

The PRESIDING OFFICER. The joint resolution will be passed over.

PUNISHMENT FOR TRANSMITTING THREATENING COMMUNICATIONS

The bill (S. 4656) to amend the statutes providing punishment for transmitting threatening communications, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 1 and 2 of the act of July 8, 1932 (47 Stat. 649), as amended (U. S. C., title 18, secs. 338a and 338b), be, and the same are hereby, further amended to read as follows:

"SEC. 1. (a) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof or in any authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, or shall knowingly cause to be delivered by the post-office establishment of the United States according to the direction thereon, any written or printed letter or other communication with or without a name or designating mark subscribed thereto, addressed to any other person, and containing any demand or request for ransom or reward for the release of any kidnaped person; or whoever, with intent to extort from any person any money or other thing of value, shall deposit, cause to be deposited, or cause to be delivered, as aforesaid, any letter or other communication containing any threat to kidnap any person or any threat to injure the person of the addressee or of another, shall be fined not more than $5,000 or imprisoned not more than 20 years, or both.

"(b) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof or in any authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, or shall knowingly cause to be delivered by the post-office establishment of the United States according to the direction thereon, any written or printed letter or other communication with or without a name or designating mark subscribed thereto, addressed to any other person and containing any threat to kidnap any person or any threat to injure the person of the addressee of or another, shall be fined not more than $1,000 or imprisoned not more than 5 years, or both.

"(c) Whoever, with intent to extort from any person any money or other thing of value, shall knowingly deposit or cause to be deposited in any post office or station thereof or in any authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, or shall knowingly cause to be delivered by the post-office establishment of the United States according to the direction thereon, any written or printed letter or other communication with or without a name or designating mark subscribed thereto, addressed to any other person, and containing any threat to injure the property or reputation of the addressee or of another, or the reputation of a deceased person, or any threat to accuse the addressee or any other person of a crime, shall be fined not more than $500 or imprisoned not more than 2 years, or both.

"(d) Any person violating this section may be prosecuted in the judicial district in which such letter or other communication is deposited in such post office, station, or authorized depository for mail matter, or in the judicial district into which such letter or other communication was carried by the United States mail for delivery, according to the direction thereon.

"SEC. 2. (a) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter of any foreign country, any written or printed letter or other communication, addressed to any person within the United States, for the purpose of having such communication delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to such addressee in the United States, and as a result thereof such communication is delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to the address to which it is directed in the United States, and containing any demand or request for ransom or reward for the release of any kidnaped person; or whoever, with intent to extort from any person any money or other thing of value, shall deposit or cause to be deposited, as aforesaid, any letter or other communication for the purpose aforesaid, containing any threat to kidnap any person or any threat to injure the person of the addressee or of another, shall be fined not more than $5,000 or imprisoned not more than 20 years, or both.

"(b) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter of any foreign country, any written or printed letter or other communication, addressed to any person within the United States, for the purpose of having such communication delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to such addressee in the United States, and as a result thereof such communication is delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to the address to which it is directed in the United States, and containing any threat to kidnap any person or any threat to injure the person of the addressee or of another, shall be fined not more than $1,000 or imprisoned not more than 5 years, or both.

"(c) Whoever, with intent to extort from any person any money or other thing of value, shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter of any foreign country any written or printed letter or other communication, addressed to any person within the United States, for the purpose of having such communication delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to such addressee in the United States, and as a result thereof such communication is delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to the address to which it is directed in the United States, and containing any threat to injure the property or reputation of the addressee or of another, or the reputation of a deceased person, or any threat to accuse the addressee or any other person of a crime, shall be fined not more than $500 or imprisoned not more than 2 years, or both.

"(d) Any person violating this section may be prosecuted either in the district into which such letter or other communication was carried by the United States mail for delivery according to the direction thereon, or in which it was caused to be delivered by the United States mail to the person to whom it was addressed."

SEC. 2. That the act of May 18, 1934 (48 Stat. 781; U. S. C., title 18, sec. 408d), be, and the same is hereby, amended to read as follows:

"(a) Whoever shall transmit in interstate commerce, by any means whatsoever, any communication containing any demand or request for a ransom or reward for the release of any kidnaped person; or whoever, with intent to extort from any person, firm, association, or corporation any money or other thing of value, shall transmit, as aforesaid, any communication containing any threat to kidnap any person or any threat to injure the person of another, shall be fined not more than $5,000 or imprisoned not more than 20 years, or both.

"(b) Whoever shall transmit in interstate commerce, by any means whatsoever, any communication containing any threat to kidnap any person or any threat to injure the person of another, shall be fined not more than $1,000 or imprisoned not more than 5 years, or both.

"(c) Whoever, with intent to extort from any person, firm, association, or corporation any money or other thing of value, shall transmit in interstate commerce, by any means whatsoever, any communication containing any threat to injure the property or reputation of the addressee or of another or the reputation of a deceased person, or any threat to accuse the addressee or any other person of a crime, shall be fined not more than $500 or imprisoned not more than 2 years, or both.

"(d) Any person violating the provisions of this section may be prosecuted in the judicial district from or into which such threat is transmitted, as aforesaid. The term 'interstate commerce', as used in this section, shall include communication from one State, Territory, or the District of Columbia to another State, Territory, or the District of Columbia."

INVESTIGATION OF AGRICULTURAL INCOME

The joint resolution (S. J. Res. 268) to amend the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic conditions of agricultural producers generally", approved August 27, 1935, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 1 of the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally", approved August 27, 1935 (Public Res. No. 61, 74th Cong.), be, and the same is hereby, amended so as to read as follows:

"That the Federal Trade Commission is hereby authorized and directed to investigate and report, at the next session of Congress—

"First. (1) The extent of the decline in agricultural income in recent years, including the amount and percentage of such decline;

"(2) The extent of the increases or decreases in recent years in the income of the principal persons or corporations engaged in the sale, manufacturing, warehousing, and/or processing or other dealing in or handling of the principal farm products, and of table and juice grapes, fresh fruits, and vegetables, and of the other principal sellers, manufacturers, middlemen, warehousemen, and/or processors of the principal farm products, and of table and juice grapes, fresh fruits, and vegetables, as compared with the decline in agricultural income, including the amount and percentage of such changes; and

"(3) The proportion of total consumer cost of representative products manufactured or processed from the principal farm products, and of table and juice grapes, fresh fruits, and vegetables, which is represented by the proceeds received by (a) the farmer; (b) the manufacturers, processors, warehousemen, and middlemen; and (c) the distributors of such principal farm products, and of table and juice grapes, fresh fruits, and vegetables, and such representative products manufactured therefrom.

"Second. The financial position of the principal persons or corporations engaged in the manufacturing, processing, warehousing, intermediate handling, distribution, and marketing of the representative major products manufactured from such farm products, including—

"(1) The capitalization and assets of such persons or corporations and the means and sources of the growth of such capitalization and assets;

"(2) The investment, costs, profits, and rates of return of such persons or corporations;

"(3) The salaries of the officers of such companies or the income of such persons; and

"(4) The extent to which said persons or corporations avoid income taxes, if at all, and the extent to which officers receiving such salaries or persons receiving such income paid income taxes thereon.

"Third. The extent of concentration of control and of monopoly in the manufacturing, processing, warehousing, intermediate handling, distribution, and marketing of representative major farm products, and of table and juice grapes, fresh fruits, and vegetables, which is maintained or has been obtained by any person or corporation or other organization, including—

"(1) Methods and devices used by such persons or corporations for obtaining and maintaining their control or monopoly of the manufacturing, marketing, processing, warehousing, intermediate handling, and distribution of such commodities, and the proportion of any such major farm commodity, and of table and juice grapes, fresh fruits, and vegetables, handled by each of the large units involved; and

"(2) The extent to which fraudulent, dishonest, unfair, intimidating, and injurious methods are employed in the grading, warehousing, intermediate handling, transportation, and marketing of such farm products, and of table and juice grapes, fresh fruits, and vegetables, including combinations, monopolies, price fixing, and manipulation of prices on commodity exchanges, and by racketeering and so-called auction markets.

"Fourth. The extent to which the cooperative agencies have entered into the processing, warehousing, and marketing of representative major farm products and of table and juice grapes, fresh fruits, and vegetables, and the general effects of such cooperative agencies upon the producer and consumer.

"Fifth. The extent to which the intervention between producer and consumer of intermediaries, including warehousemen, brokers, speculators, jobbers, and other middlemen has increased, if at all, the cost of distribution of representative major farm products, and of table and juice grapes, fresh fruits, and vegetables, and the effect which the activities of such intermediaries has upon the producer and the consumer."

SEC. 2. That section 5 of the said joint resolution be, and the same is hereby, amended by striking out the figures "150,000" and inserting the figures "300,000."

SEC. 3. That section 6 of the said joint resolution be, and the same is hereby, amended by striking out all thereof and by substituting in lieu of the said section the following:

"SEC. 6. The Federal Trade Commission is directed to present a final report to the Congress in respect to such principal farm products and such representative products manufactured therefrom, together with recommendations for legislation not later than October 1, 1936, and a further report to the Congress in respect to table and juice grapes, fresh fruits, and vegetables, together with recommendations for legislation on or before January 31, 1937, and a final report in respect to the said last-mentioned products, together with any further recommendations, not later than May 31, 1937.

"It is hereby further provided that any unexpended balance of the appropriation of $150,000 made in the Independent Offices Appropriation Act for the fiscal year 1936 in accordance with the authority contained in Public Resolution No. 61, Seventy-fourth Congress, first session, is hereby made available for like purpose to and including October 1, 1936."

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.'S LEASE

The bill (S. 4567) to authorize the Secretary of Agriculture to extend and renew for the term of 10 years a lease to the Chicago, Milwaukee & St. Paul Railway Co. of a tract of land in the United States Department of Agriculture Range Livestock Experiment Station, in the State of Montana, and for a right-of-way to said tract, for the removal of gravel and ballast material, executed under the authority of the act of Congress approved June 9, 1926, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Agriculture be, and he is hereby, authorized, in his discretion, to extend and renew for a term of 10 years that certain lease to the Chicago, Milwaukee & St. Paul Railway Co., bearing date the 26th day of June 1926, of a tract of land in the United States Department of Agriculture Range Livestock Experiment Station, in the State of Montana, containing an approximate area of 241.67 acres, and also a strip of land for a right-of-way to said tract, executed by the Secretary of Agriculture under the authority of the Act of Congress approved June 9, 1926, upon the terms and conditions contained in said lease, or such other terms and conditions as the Secretary of Agriculture may deem proper; said renewal and extension to inure to the benefit of Chicago, Milwaukee, St. Paul & Pacific Railroad Co. (successor of said railway company), its trustees in bankruptcy, and of the corporation succeeding to the ownership of its railroad and property.

TAX ADJUSTMENTS ON STOCKS ON HAND

The bill (H. R. 11821) to correct an error in section 16 (e) (1) of the Agricultural Adjustment Act, as amended, with respect to adjustments in taxes on stocks on hand, in the case of a reduction in processing tax, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That paragraph (1) of subsection (e) of section 16 of the Agricultural Adjustment Act, as amended, is amended by striking out "subsequent to June 26, 1934" and inserting in lieu thereof "on or after June 1, 1934."

REDUCTION OF INTEREST ON LOANS BY FEDERAL LAND BANKS

The bill (H. R. 10101) to amend the Federal Farm Loan Act and the Farm Credit Act of 1935, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, let that bill go over for the present.

The PRESIDING OFFICER. The bill will be passed over temporarily.

Mr. WHEELER subsequently said: Mr. President, I ask to recur to Order of Business 2204, being the bill (H. R. 10101) to amend the Federal Farm Loan Act and the Farm Credit Act of 1935, and for other purposes.

Mr. McKELLAR. Mr. President, what is the purpose of the bill?

Mr. WHEELER. It is to reduce the rate of interest from 4 to 3½ percent.

Mr. ROBINSON. Mr. President, it is to continue the rate of interest now being enforced, is it not?

Mr. WHEELER. That is correct.

Mr. ROBINSON. It has been recommended by the Banking and Currency Committee and has passed the House?

Mr. WHEELER. Yes.

Mr. WAGNER. It passed the House and was reported from the Committee on Banking and Currency with an amendment.

Mr. WHEELER. I ask for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection?

The Senate proceeded to consider the bill (H. R. 10101) to amend the Federal Farm Loan Act and the Farm Credit Act of 1935, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment, on page 2, line 1, after the words "period of", to strike out the word "three" and insert the word "two", so as to make the bill read:

Be it enacted, etc., That effective July 1, 1935, the first sentence of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act, as amended and as further amended by section 3 (a) of the Farm Credit Act of 1935, is further amended by striking out the following: "occurring within a period of 1 year commencing July 1, 1935, and shall not exceed 4 percent per annum for all interest payable on installment dates occurring within a period of 2 years commencing July 1, 1936", and inserting in lieu thereof the following: "occurring within a period of two years commencing July 1, 1935."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 266) for the appointment of boards to study and report upon the Atlantic-Gulf Ship Canal project, Florida, and the Passamaquoddy tidal power

project, Maine, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

REGULATIONS FOR LIGHTER SERVICE

The Senate proceeded to consider the bill (H. R. 8525) prescribing regulations for carrying on the business of lighter service from any of the ports of the United States to stationary ships or barges located offshore and for the purpose of promoting the safety of navigation, which was read, as follows:

Be it enacted, etc., That it shall be unlawful for any person, firm, or corporation to operate any ship, boat, barge, or other means of transportation on which passengers are carried, or transported, from any port, landing, or wharf in the United States to any ship, barge, boat, or vessel anchored, or standing 3 or more miles offshore (pilot boats and vessels engaged exclusively in the fisheries excepted), without first obtaining from the Secretary of Commerce of the United States a permit to operate such vessel, such permit to be in such form and of such duration as the Secretary of Commerce of the United States may prescribe. A copy of this permit shall be kept on board each vessel and shall be exhibited on demand by qualified boarding officers, the original of such permit to be recorded in the customhouse of the port out of which such vessels operate.

SEC. 2. Before any such permit is issued for the operation of any such vessel the owner of same, or his authorized agent, shall make application therefor to the Secretary of Commerce of the United States, in which application the name or names and address or addresses of the owner or owners of such craft shall be set forth; also the port or place from which such vessel, or vessels, are to be operated; also the maximum number of persons such vessel will carry.

SEC. 3. If upon full investigation the Secretary of Commerce finds that the operation of such vessel is, or may become, a menace to navigation, or endangers human life, or is to be operated for the purpose of transporting passengers to or from any stationary or anchored vessels, barge, or other craft of similar character engaged in any business or occupation prohibited by law at the place of landing by said vessel covered by this act, the Secretary of Commerce shall deny such application and no permit for the operation of such vessel shall be issued.

SEC. 4. The Secretary of Commerce is hereby authorized to prescribe such regulations as may be necessary to carry out the purposes of this act, and such regulations shall have the force of law.

SEC. 5. For any violation of any of the provisions of this act or of the regulations issued thereunder, the owner of the vessel shall be subject to a penalty of $500 and the master or operator of such vessel to a penalty of $300; and such penalties shall constitute a lien on such vessel which may be proceeded against summarily by way of libel in any district court of the United States having jurisdiction thereof.

SEC. 6. The Secretary of Commerce is hereby authorized to mitigate or remit any penalty incurred for violation of this act on such terms as he may deem proper.

SEC. 7. This act shall take effect upon its enactment, except that sections 1, 5, and 6 shall take effect 60 days from the date of enactment of this act.

Mr. WALSH. Mr. President, I offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to add at the end of the bill a new section, as follows:

SEC. 8. The provisions of this act shall not apply to vessels engaged in fishing or the fisheries industries or to vessels engaged in transporting crews or supplies to or from vessels engaged in fishing or in the fisheries industries. The term "fishery industries" shall include salting, canning, smoking, filleting, freezing, rendering, and all other enterprises connected with the fisheries.

Mr. JOHNSON. Mr. President, I find myself unable to accept the amendment, much as I should like to do so.

May I impress it upon the Senate, if I can, that the bill is sponsored by the authorities of Long Beach, Calif., the United States district attorney of Southern California, and all those who are engaged in the administration of the law. The design of it is, wholly in the State of California, for Long Beach and particularly adjacent territory, to prevent the gambling ships which ply their nefarious activities just outside of the 3-mile limit. The United States district attorney advises me that he has had three murder cases recently because of the activities upon these ships. They are not gambling ships alone but worse, and this is the only way in which the evil may be reached.

We especially except in the bill ships engaged in the fishing business, but we make the bill applicable under the direction of the Secretary of Commerce to those lighters which are carrying individuals beyond the 3-mile limit to indulge in practices which are unlawful. Permits may be granted in the discretion of the Secretary of Commerce for any ships that may be engaged otherwise if they be deemed appropriate. It is a mere question of the right to stop the practices which have been indulged in in the past. I hope it will not be necessary to have the bill loaded with an amendment, for fear it would have to go over the session without enactment at all.

Mr. ROBINSON. Mr. President, what does the amendment provide?

Mr. JOHNSON. It provides, in part, that—

The provisions of this act shall not apply to vessels engaged in fishing or the fisheries industry or to vessels engaged in transporting crews or supplies to or from vessels engaged in fishing or in the fisheries industry.

It would simply put a loophole in the bill that would blow it to pieces, because the gambling ships would insist in each defense of each crime that they had committed, that they were engaged in fishing, and they would have their lines over the rails indicating that they were doing something of that sort.

Mr. ROBINSON. The Senator wishes the amendment rejected?

Mr. JOHNSON. I do.

Mr. WALSH. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

BAYOU ST. JOHN, LA.

The bill (S. 4676) declaring Bayou St. John in the city of New Orleans, La., a nonnavigable stream was announced as next in order.

Mr. OVERTON. Mr. President, an identical bill was passed by the House. I move that the bill (H. R. 11792) be substituted for the Senate bill and placed upon its passage.

Mr. ROBINSON. Is the House bill on the calendar?

Mr. OVERTON. I understand it is.

Mr. ROBINSON. Let it be passed over for the moment.

The PRESIDING OFFICER. The bill will be passed over temporarily.

Mr. OVERTON subsequently said: Mr. President, I ask unanimous consent to recur to Senate bill 4676, the bill we had under discussion a moment ago.

The PRESIDING OFFICER. Without objection, the Senate will recur to the bill.

Mr. OVERTON. I understand that the House bill to which I referred is still before the Senate Committee on Commerce, and I presume I should move that the Committee on Commerce be discharged from the further consideration of the bill, in order that I may again move that the House bill be substituted for the Senate bill.

The PRESIDING OFFICER. Without objection, the Committee on Commerce will be discharged from the further consideration of House bill 11792; and, without objection, it will be substituted for the identical Senate measure, Senate bill 4676, Calendar No. 2208.

The Senate proceeded to consider the bill (H. R. 11792) declaring Bayou St. John, in the city of New Orleans, La., a nonnavigable stream, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 4676 will be indefinitely postponed.

MAJ. GEN. CLARENCE R. EDWARDS

The joint resolution (H. J. Res. 570) authorizing the President of the United States to award posthumously a Distinguished Service Medal to Maj. Gen. Clarence Ransom Edwards was considered, ordered to a third reading, read the third time, and passed.

WILLIAM H. MORAN

The bill (S. 4659) to authorize the payment of an annuity to William H. Moran, Chief of the Secret Service Division of the Treasury Department, upon his retirement, in recognition and appreciation of his services to the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in recognition and appreciation of 53 consecutive years of faithful, courageous, and meritorious service in the Secret Service Division of the Treasury Department, the last 18 years of which were served in the capacity of Chief of such Division, the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William H. Moran, out of the annual appropriation "Salaries, Secret Service Division", beginning upon his retirement and continuing throughout his natural life, in semimonthly installments on the 15th and last days of each month, such sum as may be necessary, when added to the annuity which he will receive under the laws relating to the retirement of Government employees, to secure to him a total annuity of $4,000.

FEDERAL BUREAU OF INVESTIGATION

The bill (S. 4552) to extend the retirement privilege to the Director, Assistant Directors, inspectors, and special agents of the Federal Bureau of Investigation was announced as next in order.

Mr. COPELAND. Mr. President, may I ask the Senator from Michigan the purpose of this bill?

Mr. VANDENBERG. The purpose of the bill is to enclose within the civil-service retirement system the inspectors, Directors, and special agents of the F. B. I., the Federal Bureau of Investigation. It encloses them in the system on a contribution basis, the same as all others.

Mr. COPELAND. I am very much in favor of the bill; but I wonder why the Senator favors this bill and opposes the bill to let our clerks up here have a little relief.

Mr. VANDENBERG. I do not think there is the remotest parallel. Our clerks up here may occasionally suffer political casualty, but compared with the casualty which is confronted by the G-men of the Government I fail to see any analogy whatsoever.

Mr. McKELLAR. Mr. President, this is a little civil service for the G-men. I ask that the bill go over.

Mr. COPELAND. I hope it will not go over. I should hate to be a party to that.

The PRESIDING OFFICER. The clerk will state the next bill on the calendar.

Mr. COPELAND. I hope the Senator from Tennessee will withdraw his request.

Mr. McKELLAR. No; I cannot withdraw it, because, while I have not examined the bill carefully, as I understand, the bill creates a separate civil service for one department of the Government; and I am not going to agree to that.

Mr. VANDENBERG. The Senator says he does not understand the bill, and then proves that he does not understand it. I ask him if he will allow me to indicate to him its purpose.

Mr. McKELLAR. I have no objection to the Senator doing so; but, as I understand, the bill does not put these employees under civil service.

Mr. VANDENBERG. It does not.

Mr. McKELLAR. But it retires them under the laws of the civil service. It creates a civil service of their own, as I understand.

Mr. VANDENBERG. It does not create any civil service of their own at all. They already are chosen on the merit basis.

Mr. McKELLAR. Not under the civil service, though.

Mr. VANDENBERG. Not under the civil service, but on an infinitely stricter merit basis; and other noncivil service groups are already enclosed within the retirement privilege. So long as all the employees pay the same amount of money, they are entitled to equal treatment; and I do not think the Senator from Tennessee wishes to say that this particular group of Government employees, who are engaged in a hazardous business, ought to be prejudiced in this fashion.

Mr. McKELLAR. Let the bill go over.

The PRESIDING OFFICER. The clerk will state the next bill on the calendar.

Mr. COPELAND. Mr. President, if the Senator will bear with me for just a moment, I feel very much distressed that I even opened my head when this bill came up, because I do believe that these men—the G-men, who are subjected to all the dangers they are—should have this protection for their families. I hope the Senator from Tennessee will let the bill go along, because it is meritorious.

Mr. McKELLAR. I will go into the subject before the next call of the calendar, and will discuss it with the Senator; but for the present I wish to have the bill go over. I do not think we ought to have several systems of civil service within the Government.

Mr. COPELAND. I thank the Senator from Tennessee; and I hope in the meantime the Senator from Michigan, will review the bill relating to the employees of the Capitol, and see if he cannot likewise give favorable consideration to that bill.

Mr. VANDENBERG. Mr. President, I ask unanimous consent that at this point in the RECORD the recommendation of the Attorney General of the United States be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Due to the peculiar nature of their work and unusual qualifications required, the investigative personnel of the Federal Bureau of Investigation cannot properly be placed under civil-service requirements. And yet they obtain their positions under a merit system of their own, the vigor and reality of which no one challenges. It is hardly just that an investigative personnel, which is under great and continuous strain, should be denied retirement privileges which are extended to other Government employees. The enactment of the proposed legislation would go a long way toward strengthening the service, stimulating the morale, and make it possible to secure more readily the right type of men who would be willing to make a career of their work with the Department of Justice.

I am informed by the Acting Director of the Budget that the proposed legislation would not be in conflict with the program of the President.

Mr. McKELLAR. Mr. President, will not the Senator also state, for the RECORD, what other departments of the Government have a separate system like this?

Mr. VANDENBERG. I shall be very glad to get the list for the Senator and put it in the RECORD.

Mr. McKELLAR. I thank the Senator.

Mr. COPELAND. I think the bill itself includes the enumeration.

Mr. VANDENBERG. Yes; I think the bill does recite them.

ARTHUR VAN GESTEL, ALIAS ARTHUR GOODSELL

The bill (H. R. 11164) for the relief of Arthur Van Gestel, alias Arthur Goodsell, was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. Mr. President, in reference to the bill which has just been passed, I find that the Department recommends against it. I ask that the votes whereby it was ordered to a third reading and passed be reconsidered, and the bill allowed to go over.

The PRESIDING OFFICER. Without objection, the votes by which the bill was ordered to a third reading and passed will be reconsidered, and the bill will be passed over.

Mr. SHEPPARD. Mr. President, let me make a brief statement regarding the measure, in order that it may be in the RECORD, with the permission of the Senator.

Mr. McKELLAR. Certainly.

Mr. SHEPPARD. The War Department has no record of the service of the beneficiary of this bill. It passed the House on March 3; and since the bill was referred to the Senate Committee on Military Affairs, that committee has very carefully gone into it. The committee found that although the Department had no record of the beneficiary's service, Col. Theodore Roosevelt, afterward President Theodore Roosevelt, Maj. Gen. Joseph Wheeler, of Confederate fame, and other officers of unquestioned integrity, testified

that they knew that the beneficiary was in the service and that he was in the Medical Corps of the First Regiment United States Volunteer Infantry. In view of this evidence, and of the fact that the records of the Spanish-American War are very fragmentary and incomplete, the Senate committee decided to join the House committee and the House in favorable action on the bill.

Mr. McKELLAR. Mr. President, it will take just a moment to read part of the letter of Secretary Dern:

The enactment of a law such as that proposed in S. 756 will be a discrimination against many other persons who have claimed similar service and who have been denied military recognition, and in view of the fact that the official records of the War Department furnish no evidence of military service rendered by Arthur Van Gestal, alias Arthur Goodsell, and in view of the many rights, privileges, and benefits usually accorded to honorably discharged soldiers, it is recommended that the bill be not favorably considered.

Mr. ROBINSON. Mr. President, in cases of this nature each claimant must establish his case. When he proves that the records of the War Department are inadequate and incomplete—which we know is true of the records pertaining to the Spanish-American War—I think he should be granted relief. The soldier does not keep those records. He has no control over them. When officers like the late Col. Theodore Roosevelt and the late General Wheeler testify to a state of facts, I think all of us would like to accept their statements as true.

Mr. BACHMAN. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. BACHMAN. This case was referred to me; and in addition to what has been stated by the Senator from Arkansas and the Senator from Texas, I will state that there are in the record letters from an adjutant general and a surgeon general, who knew this man well and knew of his service in the Rough Rider Regiment. Very fragmentary records were kept of that regiment.

Mr. McKELLAR. Mr. President, in view of what my colleagues say about the matter, and since they have more knowledge of it than I have, I am willing to let the bill go through; but it seems to me the bill ought not to pass.

The PRESIDING OFFICER. The objection having been withdrawn, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 4664) authorizing the appointment of an additional district judge for the eastern district of Pennsylvania was announced as next in order.

Mr. DAVIS. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 4673) to authorize the Attorney General to provide instruction and information on the subject of crime control was announced as next in order.

Mr. WHEELER (and other Senators). Let the bill go over.

The bill will be passed over.

APPOINTMENT AND PROMOTION OF SUBSTITUTE POSTAL EMPLOYEES

The Senate proceeded to consider the bill (H. R. 7688) to provide for the appointment and promotion of substitute postal employees, and for other purposes, which had been reported from the Committee on Post Offices and Post Roads with an amendment to strike out all after the enacting clause and to insert:

That the ratio of classified substitute railway postal clerks, classified substitute post-office clerks, classified substitute city letter carriers, classified substitute village letter carriers, classified substitute laborers, watchmen, and messengers, and classified substitutes in the motor vehicle service, to regular railway postal clerks, post-office clerks, city letter carriers, village letter carriers, laborers, watchmen, and messengers, and employees of the motor vehicle service, shall be not more than one classified substitute to six regular employees, or fraction thereof, respectively, except that in offices having fewer than six regular employees there may be one substitute clerk and one substitute carrier, and one substitute in the motor vehicle service: *Provided*, That where the ratio of substitutes is now in excess of these ratios, no additional classified substitutes shall be appointed until these ratios are established: *Provided further*, That the provisions of this act shall not operate to furlough or dismiss (1) any classified substitute railway postal clerks, post-office clerks, city letter carriers, village letter carriers, or laborers, watchmen, or messengers; or (2) any classified substitutes in the motor vehicle service.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide for the appointment of substitute postal employees, and for other purposes."

MEMORIAL TO THOMAS JEFFERSON

The Senate proceeded to consider the joint resolution (S. J. Res. 240) to authorize the execution of plans for a permanent memorial to Thomas Jefferson.

Mr. THOMAS of Utah. Mr. President, there is on the clerk's desk an identical bill, House bill 12027. I ask that that bill be substituted for the Senate bill and passed.

The PRESIDING OFFICER. Without objection, House bill 12027, an identical bill, will be substituted for the Senate bill.

The Senate proceeded to consider the bill (H. R. 12027) to authorize the execution of plans for a permanent memorial to Thomas Jefferson, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, the Senate joint resolution will be indefinitely postponed.

TOLL BRIDGES ON FEDERAL-AID HIGHWAYS

The Senate proceeded to consider the bill (S. 4658) to aid the several States in making certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes, which had been reported from the Committee on Commerce with amendments, on page 1, line 3, after the word "State", to insert "or States or political subdivision or subdivisions thereof"; and, on line 7, after the word "State", to insert "or States or political subdivision or subdivisions thereof", so as to make the bill read:

Be it enacted, etc., That in the case of any State or States or political subdivision or subdivisions thereof which, prior to the date of approval of this act, shall have constructed and shall have in operation any toll bridges on the approved system of Federal-aid highways within such State or States or political subdivision or subdivisions thereof and which shall, prior to July 1, 1938, cause any such toll bridge, or toll bridges, to be made free, the Secretary of Agriculture shall be, and he is hereby, authorized to pay out of the Federal-aid road funds apportioned to the State not to exceed 50 percent of such amount as may be approved by the Secretary of Agriculture as the reasonable construction cost of any such toll bridge: *Provided*, That no payment of Federal funds shall be made on account of any such bridge which was not constructed in accordance with plans and specifications which would meet the standards required by the Secretary of Agriculture at the time such bridge was constructed, nor on account of any bridge the construction of which was commenced or completed prior to March 3, 1927: *And provided further*, That no such payment shall be made which will exceed 50 percent of the reasonable cost of the labor and materials which were actually incorporated in the construction of such bridge, excluding all costs of rights-of-way, property damages, and financing costs, and any amount so paid on account of any such bridge shall be used by the highway department of such State for matching unobligated Federal-aid road funds available for the State for expenditure in the improvement of highways on the system of Federal-aid highways.

The amendments were agreed to.

Mr. McNARY. Mr. President, this may be a meritorious measure, but it presents a very broad aspect of road and toll-bridge construction. I should like to have an explanation of the bill.

Mr. BLACK. I shall be glad to explain it to the Senator. I will state in the beginning that the amendments which appear in the bill were added because similar amendments had been added to the House bill by the House committee. There is a similar bill now pending in the House.

Under the existing Federal-aid law, where a bridge is constructed over a Federal-aid highway the Government bears 50 percent of the expense. A number of the States have

erected toll bridges over highways which are Federal-aid highways. When that was done the Federal Government did not assist as it would have done had the bridges not been toll bridges.

Under the law, if the States, or the counties, or whatever subdivisions construct a toll bridge, free the toll bridge on a Federal-aid highway, and take it out of the toll bridge class, such State or political subdivision can then receive credit on its Federal-aid funds for the 50 percent.

This would not include the Federal-aid funds to the States. It simply would do that which would have been done if the bridge had not been a toll bridge in the beginning.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THERESA E. THORESON

The Senate proceeded to consider the bill (S. 3723) granting an annuity to Theresa E. Thoreson, which was read, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of the Civil Service Retirement Act, of May 29, 1930, as amended, in respect of eligibility for retirement, the Civil Service Commission is authorized and directed to pay, out of the civil-service disability and retirement fund, to Theresa E. Thoreson, formerly postmaster, East Grand Forks, Minn., an annuity computed as provided in section 4 of such act, as amended; and the said Theresa E. Thoreson shall be credited with and entitled to count, for such purposes, in addition to all other periods of service to which she may be lawfully entitled, the periods of her employment as a postmaster of and employee in the post office at East Grand Forks, Minn., from July 1, 1909, to July 31, 1934, both dates inclusive. Payment of such annuity shall begin from the date of enactment of this act.

Mr. KING. Mr. President, I should like to have an explanation of this bill.

Mr. FRAZIER. Mr. President, the young woman named in this bill worked in the post office in East Grand Forks, Minn., for a little over 28 years. Twelve months of that time the post office was relegated from the second class to the third class. It was held by the Civil Service Commission during that time, during the war, that this lady lost her eligibility for retirement under the civil-service law.

Afterward, in 1926, a ruling was made by the Civil Service Commission that she was eligible, and all back payments for retirement were made and carried on faithfully until she was removed from office July 31, 1934. After that the Civil Service Commission ruled that she was ineligible for retirement.

The Committee on Civil Service of the Senate, which considered this measure, in view of the fact that the Civil Service Commission had ruled in 1926 that this claimant was entitled to civil-service retirement and had made her payments faithfully and worked in the post office for over 28 years, felt that she was entitled to retirement, as provided in the pending bill. I believe the bill ought to be passed, in all fairness.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OFFERING OF FINAL PROOF BY HOMESTEAD AND DESERT LAND ENTRYMEN

The bill (S. 3866) to further extend the period of time during which final proof may be offered by homestead and desert land entrymen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to extend the period of time during which final proof may be offered by homestead entrymen", approved May 13, 1932, as amended, is amended by striking out "December 31, 1935" and inserting in lieu thereof "December 31, 1936".

JAMES L. BARNETT

The bill (S. 565) for the relief of James L. Barnett was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of an act of the Congress of the United States of America entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920, and as subsequently amended, be extended and enlarged so as to grant relief to James L. Barnett, who was involuntarily retired from the Rural Mail Service of the United States by reason of personal injuries, said separation from the Service having taken place prior to the passage of the aforesaid original Retirement Act.

COMMISSIONED STRENGTH, CORPS OF ENGINEERS

The Senate proceeded to consider the bill (S. 4699) to provide a commissioned strength for the Corps of Engineers, United States Army, for the efficient performance of military and other statutory duties assigned to that corps, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and to insert the following:

That section 11 (Corps of Engineers), National Defense Act, as amended, is hereby further amended to provide one additional assistant to the Chief of Engineers with the rank of brigadier general, and 185 additional officers in grades from colonel to second lieutenant, inclusive: *Provided*, That the legally authorized commissioned strength of the Regular Army is increased by 185, which said increase shall be allotted to the Corps of Engineers: *Provided further*, That officers of the Corps of Engineers employed primarily on duty connected with nonmilitary public works prosecuted under the direction of the Chief of Engineers, including river and harbor improvements, flood control, and other such works, shall, while so employed, be paid their pay and allowances, mileage and travel allowances from the appropriation for the work or works upon which they are employed: *And provided further*, That the number of officers so engaged and so paid shall be exclusive of the commissioned strength of the Regular Army as now or hereafter limited by the funds appropriated for "Pay of the Army" in the annual War Department Appropriation Act.

Mr. WHEELER. Let the bill go over.

Mr. SHEPPARD. Mr. President, I may say to the Senator from Montana that this bill authorizes the Chief of Engineers to take from other branches of the Army a sufficient number of engineers to enable him to carry out the additional work, of a nonmilitary character, which has been imposed on him during the last few years.

Mr. WHEELER. I do not object.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMPENSATION TO EMPLOYEES OF CONTRACTORS

The Senate proceeded to consider the bill (S. 3238) to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works, which had been reported from the Committee on Education and Labor with amendments.

The first amendment of the committee was, in section 3, on page 3, line 2, after the word "works", to insert the words "or work for any public purpose"; on line 15, after the word "compensation", to insert the word "insurance"; on line 20, after the word "contract", to insert the words "a violation of this act"; on line 24, after the word "law", to insert the words "or where there is no State workmen's compensation law"; on page 4, line 1, after the word "employees", to strike out the words "provide liability insurance to secure the payment of compensation orders pursuant to such provisions of chapter 18 of title 33 of the Code of Laws of the United States (act of Mar. 4, 1929, 44 Stat. 1424)", and to insert in lieu thereof the words "secure the payments of compensation and the furnishing of other benefits pursuant to such provisions of the Longshoremen's and Harbor Workers' Compensation Act (ch. 18 of title 33 of the Code of Laws of the United States, act of Mar. 4, 1927, 44 Stat. 1424)", so as to read:

Be it enacted, etc., That this act may be cited as the "Federal Building Workmen's Compensation Act."

SEC. 2. When used in this act—

(1) The term "person" means individual, partnership, corporation, or association.

(2) The term "injury" means accidental injury or death arising out of and in the course of employment, and such occupational disease or infection as arises naturally out of such employment or as naturally or unavoidably results from such accidental injury, and includes an injury caused by the willful act of a third person directed against an employee because of his employment.

(3) The term "employer" shall be held to mean every person entering into a contract pursuant to section 3 of this act.

(4) The term "employee" shall be held to mean any person employed on work covered by a contract entered into pursuant to section 3 of this act, irrespective of whether such person is employed by the contractor or a subcontractor.

(5) The term "State" includes a Territory and the District of Columbia.

(6) The term "United States" when used in a geographical sense means the several States and Territories and the District of Columbia, including the territorial waters thereof.

(7) "Death" as a basis for a right to compensation means only death resulting from an injury.

(8) The singular includes the plural and the masculine includes feminine and neuter.

SEC. 3. Every contract entered into with the United States or any executive department, independent establishment, agency, or instrumentality thereof (including Government-owned and Government-controlled corporations) for the construction, alteration, or repair of any public building or public works, or work for any public purpose, shall contain provisions to the following effect, a violation of any of which shall be deemed a breach of the condition of the contract and a violation of this act:

(a) The contractor shall, before commencing performance of such contract, provide adequate workmen's-compensation insurance for employees on the work who may come within the protection of the workmen's-compensation laws of the State in which the work is to be performed.

(b) The contractor shall be deemed to satisfy the foregoing condition with respect to employees of a subcontractor if he requires such subcontractor, before commencing performance of his subcontract, to provide adequate workmen's compensation insurance for such of his employees on the work as may come within the protection of the workmen's-compensation laws of the State in which the work is to be performed, but any failure on the part of a subcontractor to provide such insurance shall be deemed a breach of contract and a violation of this act by the contractor.

(c) In the event that there are employees on the work, recovery for whose injury or death through workmen's-compensation proceedings may not validly be provided by State law, or where there is no State workmen's-compensation law, the contractor shall, with respect to the injury or death of such employees, secure the payments of compensation and the furnishing of other benefits pursuant to such provisions of the Longshoremen's and Harbor Workers' Compensation Act (chapter 18 of title 33 of the Code of Laws of the United States, act of Mar. 4, 1927, 44 Stat. 1424), as amended from time to time, as are made applicable by this act and the rules and regulations issued thereunder.

The amendments were agreed to.

The next amendment of the committee was, on page 4, line 12, in section 4 after the word "of", to strike out the words "chapter 18 of title 33 of the Code of Laws of the United States (Act of Mar. 4, 1927, 44 Stat. 1424)", and to insert in lieu thereof the words "the Longshoremen's and Harbor Workers' Compensation Act (ch. 18 of title 33 of the Code of Laws of the United States, act of Mar. 4, 1927, 44 Stat. 1424)"; on line 18 after the word "inappropriate", to strike out the words "to employment on public buildings or public works"; on line 23, after the word "validly", to strike out the word "proved" and to insert the word "provided"; on page 5, line 4, after the word "subcontractor", to insert the words *"Provided, however,* That with respect to an injury or death occurring to an employee on United States property within the exterior boundaries of a State having a workmen's compensation law which law would otherwise be applicable to such injury or death, such property shall be deemed to be within the jurisdiction of the State for the purpose of such compensation law", so as to make the section read:

SEC 4. The provisions of the Longshoremen and Harbor Workers' Compensation Act (ch. 18 of title 33 of the Code of Laws of the United States, act of Mar. 4, 1927, 44 Stat. 1424), as amended from time to time, insofar as such provisions are not inappropriate, shall apply in respect to the injury or death of any employee on work covered by a contract entered into pursuant to section 3 of this act, if recovery for such injury or death through workmen's-compensation proceedings may not be validly provided by State law; except in applying such provisions, the term "employer" shall be held to mean every person entering into a contract pursuant to section 3 of this act and the term "employee" shall be held to mean any person employed on work covered by such a contract irrespective of whether such person is employed by a contractor or subcontractor: *Provided, however,* That with respect to an injury or death occurring to an employee on United States property within the exterior boundaries of a State having a workmen's-compensation law which law would otherwise be applicable to such injury or death, such property shall be deemed to be within the jurisdiction of the State for the purpose of such compensation law.

The amendments were agreed to.

The next amendment of the committee was in section 6, on page 5, line 23, after the numerals "40" insert a comma and the word "section", so as to read:

SEC. 5. Any contractor who violates any of the provisions of this act or the rules and regulations issued thereunder shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than $1,000, or by imprisonment for not more than 1 year, or by both, such fine and imprisonment. This section shall not affect any other liability of the employer under this act.

SEC. 6. Any insurer who has a claim for unpaid premiums for any policies of insurance required by this act to be written shall have the right of action and of intervention against the contractor and his sureties conferred upon persons furnishing labor and materials by this act of August 13, 1894 (28 Stat. 278, U. S. C., title 40, sec. 270), as amended from time to time.

The amendment was agreed to.

The next amendment was, on page 6, to strike out section 7, as follows:

SEC. 7. The Secretary of the Treasury, the Secretary of the Interior, and the Secretary of Labor jointly shall make rules and regulations to aid in the enforcement of this act. Such rules and regulations shall prescribe the duties of the contracting officers in securing compliance with section 3 and shall authorize such contracting officers to waive the conditions of said section when compliance therewith would seriously impede the conduct of Government business.

And to insert in lieu thereof a new section, as follows:

SEC. 7. The United States Employees' Compensation Commission shall make such rules and regulations as may be necessary to carry out the provisions of this act. Such rules and regulations shall prescribe the duties of the contracting officers in securing compliance with section 3 of this act and shall authorize such contracting officers to waive the conditions of said section, subject to the approval of the United States Employees' Compensation Commission, when compliance therewith would seriously impede the conduct of Government business.

The amendment was agreed to.

The next amendment was, in section 9, on page 7, line 6, after the word "amended", to insert the words "or that act as extended in cases of injury or death to employees of the Tennessee Valley Authority, employees of the Federal Civil Works Administration, enrollees of the Civilian Conservation Corps, and the persons employed receiving security payments for services rendered to the United States under the Emergency Relief Appropriation Act of 1935", so as to read:

SEC. 8. If any provisions of this act, or the application of such provisions to any person or circumstance, shall be held invalid, the remainder of this act, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 9. This act shall not apply in respect to the injury or death of an employee subject to the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, or that act as extended in cases of injury or death to employees of the Tennessee Valley Authority, employees of the Federal Civil Works Administration, enrollees of the Civilian Conservation Corps, and the persons employed receiving security payments for services rendered to the United States under the Emergency Relief Appropriation Act of 1935.

The amendment was agreed to.

The next amendment was, on page 7, after line 12, to insert a new section, as follows:

SEC. 10. This Act shall apply to all contracts entered into pursuant to invitations for bids issued on or after 60 days from the effective date of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WHEELER. Mr. President, I ask that the report on this bill be printed in the RECORD.

There being no objection, the report (No. 2119) was ordered to be printed in the RECORD, as follows:

[Report to accompany S. 3238]

The Committee on Education and Labor, to whom was referred the bill (S. 3238) to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works, having considered the same, report thereon with the recommendation that the bill do pass with amendments.

The bill, as amended, is recommended by the Acting Secretary of the Treasury, the Secretary of Labor, the Acting Secretary of

the Interior, and the Chairman of the United States Employees' Compensation Commission, and their reports upon the bill are printed at the end of this report.

The purpose of the bill is to require that every contractor entering into contracts with the United States, or any executive department, independent establishment, agency, or instrumentality thereof (including Government-owned and Government-controlled corporations), before commencing the construction, alteration, or repair of any public building or public works, shall provide workmen's compensation insurance for employees on the work who may come within the protection of the workmen's compensation laws of the State in which the work is to be performed.

The bill further provides for the application of the Longshoremen's and Harbor Workers' Compensation Act (approved Mar. 4, 1927, 44 Stat. 1424), as amended, to such employees where compensation for injury or death may not be validly provided by State compensation laws or where there is no State workmen's compensation law.

Briefly, then, the bill is intended (1) to require compliance with the State workmen's compensation law by a contractor entering into a contract with the United States (as provided in sec. 3 thereof), as a condition precedent to commencing performance of the contract, and (2) to provide Federal workmen's compensation law for employees of such a contractor at places where at present no such remedy exists under the State laws.

The bill is designed to fill a conspicuous gap in the workmen's compensation field by furnishing protection against injury to laborers and mechanics employed in connection with Government construction. At present there is no Federal statute applying workmen's compensation to such employees. The various State courts have held that such employees, even though their injuries are sustained on Federal projects, are entitled to benefits of the State workmen's compensation acts. But the result of such decisions affords only partial protection, as some States (Arkansas and Mississippi, for example) do not have workmen's compensation laws, and in other States compliance with the statute is optional.

An even more serious situation has resulted from the fact that under a recent decision of the Supreme Court (*Murray* v. *Gerrick Co.*, 291 U. S. 315) there is some doubt as to whether State workmen's compensation acts, not having any extraterritorial force, have any application to deaths or injuries which occur in national parks or other property within the exclusive jurisdiction of the United States. This bill proposes to correct this situation by an amendment which provides expressly that a State workmen's compensation law which would otherwise be applicable to such an injury or death shall be deemed to apply with the same force and effect as if such injury or disability occurred on property within the jurisdiction of the State. The bill also attempts to provide more complete protection to workmen through a section designed to encourage insurance companies to keep policies of insurance in force, even though the contractor has defaulted in the payment of his premiums by conferring upon insurers a right of action on the contractor's bond.

The committee has adopted most of the amendments to the bill at the suggestion of the several departments which have made a study of the matter. Their recommendations are submitted herewith in full:

UNITED STATES EMPLOYEES' COMPENSATION COMMISSION,
Washington, April 28, 1936.

HON. DAVID I. WALSH,
Chairman, Committee on Education and Labor,
United States Senate, Washington, D. C.

MY DEAR CHAIRMAN: Reference is made to your letter of July 17, 1935, transmitting for the Commission's suggestions and recommendations the bill (S. 3238) to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works.

The purpose of the bill appears to be to require contracts entered into with the United States or any executive department, independent establishment, agency, or instrumentality thereof (including Government-owned and Government-controlled corporations), for the construction, alteration, or repair of any public building or public work, to contain provisions under which the contractor will be required to provide under State law adequate workmen's compensation insurance for employees on the work who may come within the protection of the workmen's compensation laws of the State in which the work is to be performed, and where compensation may not validly be provided by State law, to require the contractor to provide insurance to secure the payment of compensation under "the provisions of chapter 18 of title 33 of the Code of Laws of the United States" (the Longshoremen's and Harbor Workers' Compensation Act, approved Mar. 4, 1927, 44 Stat. 1424). Section 4 of the bill makes applicable, insofar as not inappropriate, the provisions of the Longshoremen's and Harbor Workers' Compensation Act, as amended from time to time, in cases of injury or death of employees on work covered by such a contract, if recovery for such injury or death through workmen's compensation proceedings may not be validly provided by State law.

Briefly, the bill is apparently intended (1) to require compliance with the State workmen's compensation law by a contractor entering into a contract with the United States (as provided in sec. 3 thereof), as a condition precedent to commencing performance of the contract, and (2) to provide a workmen's compensation law for employees of such a contractor at places subject to the exclusive jurisdiction of the United States where at present no such remedy exists.

Purpose (1) of the bill, as indicated above, does not seem to require any comment other than the statement that the Commission heartily approves the requirement that all employers as defined in the bill (including subcontractors) shall secure protection for their employees as provided therein.

Purpose (2) of the bill is no doubt intended, among other things, to fill a gap now existing. There is in effect at present a Federal act authorizing suit under State law for death or personal injury within a national park or other place subject to the exclusive jurisdiction of the United States, namely, the act of February 1, 1928 (45 Stat. 54, U. S. Code, Annotated, title 16, sec. 457). This act provides a right of recovery for injuries and death by the neglect or wrongful act of another, but does not provide a remedy in cases of nonnegligent injuries to employees such as may be compensated under workmen's compensation laws. The present measure, if enacted, would apparently supersede the act of February 1, 1928, above referred to, to the extent of the remedy as against the contractor provided under the Longshoremen's Act as proposed in cases of injury or death of employees which occur in national parks and other places subject to the exclusive jurisdiction of the United States. Section 5 of the Longshoremen's Act provides that the liability of an employer prescribed therein shall be exclusive and in place of all other liability of such employer to the employee, his legal representative, dependents, etc., entitled to recover damages from such employer on account of injury or death, with a right of action against the employer in such cases where the employer fails to secure the payment of compensation as required by the Longshoremen's Act, in which event certain defenses are removed.

It has been held in several cases that a State workmen's compensation law may be invoked to compensate employees or their dependents for injuries or death sustained on Federal property or at places subject to the exclusive jurisdiction of the United States. A case in point is Lynch's case (183 N. E. 834 (Mass., Jan. 1933)), where the injury was sustained during the construction of a post-office building in Boston on ground that had been purchased by the United States, the sole concurrent jurisdiction retained by the State being that for the purpose of executing civil and criminal process. The Supreme Judicial Court of Massachusetts held that since the workmen's compensation act of that State provided for extraterritorial force, and that as one employed in that Commonwealth can recover under that act for an injury which occurred in another State, the award under the State act should be affirmed. In consideration of the extraterritorial provision referred to, the court said: "In principle we are unable to perceive any sound ground for the application of a different rule when the injury occurs on Federal land." The court said further, however: "As there is no Federal workmen's compensation law there is no basis for a contention that the Federal Government has taken possession of the field, and for that reason all State laws on the subject were superseded." For other similar cases see: *State ex rel Loney* v. *Industrial Accident Board* (286 Pac. 408 (Mont. 1930)), where the award was sustained on the ground, among others, that the workmen's compensation law of Montana became a part of the contract between the employer and employee, notwithstanding that the injury occurred on land which had been ceded to the United States; *Nickell* v. *Dept. of Labor & Industries* (3 Pac. (2d) 1005 (Wash. 1931)); *State* v. *Dept. of Labor & Industries* (10 Pac. (2d) 213 (Wash. 1932)), where the State act was in force at the time when jurisdiction over the particular territory was ceded by the State to the United States for a national park and was held to remain in force in that territory until Congress should have passed an act to supersede it therein; *State* v. *State Industrial Accident Board* (286 Pac. 408 (Mont.)); *Walsh* v. *Apartment Engineering & Contracting Co.* (240 App. Div. (N. Y.), 1919), decided in November 1933, where the appellate division, by a divided court, sustained an award to a wire lather injured on Governors Island, ceded to the United States by New York, on the ground that the work on Governors Island was incidental to work within New York City. A dissenting opinion quoted subdivision (17) of section 8 of article I of the Constitution to support the exclusive jurisdiction of the Federal Government over Governors Island.

The Supreme Court of the United States, however, in the case of *Murray* v. *Gerrick & Co.* (291 U. S. 316), decided February 5, 1934, sustained the Supreme Court of Washington in holding that the compensation act of that State does not apply to territory beyond the authority of the State legislature, and also that it could not have any force in the navy yard at Puget Sound, since it was adopted many years after the cession of jurisdiction by that State and the consequent acquisition of the tract by the United States, and that after the effective date of the State's cession the jurisdiction of the Federal Government was exclusive. The Court pointed out, however, that Congress may adopt such later State legislation as respects territory under its jurisdiction; and in this connection it may be noted in the light of Lynch's case, cited above, that the Washington workmen's compensation law apparently contains no provision for extraterritorial effect. This feature was not discussed by the Supreme Court in the Murray case. But the case of *Hilding* v. *Department of Labor and Industries* (298 Pac. 321), decided in April 1931, in effect judicially construes the Washington act as having extraterritorial effect. In *Willis* v. *Oscar Daniels Co.* (166 N. W. 496 (Mich.)), the Court held that where a

State act ceded to the Federal Government land for a ship canal, a State workmen's compensation act thereafter passed by the State is not operative thereon.

The rule laid down by the Supreme Court in the Murray case in respect to the test of jurisdiction will no doubt affect subsequent cases. No case, however, has been noted since the decision of the Supreme Court in this case. The Commission accordingly believes that so far as purpose (2), referred to above, is concerned, there is need for the legislation proposed by the bill. At this juncture it may also be not inappropriate to call the comittee's attention to the need for workmen's compensation legislation affecting private employees employed at places subject to the exclusive jurisdiction of the United States, other than those who may be employed by contractors within the purview of section 3 of the bill. The Commission has in mind employees of concessioners and others not performing work for the United States under contract. It may be that the committee may desire to consider an addition to the bill to include employees of such employers.

As to the form of the bill, the Commission makes the following comments and suggestions:

On page 3, line 2, it is suggested that the words "or work for any public purpose" be inserted after the words "public works." It is no doubt intended that the bill should be as inclusive as possible with respect to the employees intended to be covered thereby. The addition of the words suggested may have the effect of preventing strict construction of the term "public works"; and in this connection it is to be noted that the term "public purpose" appears to have been construed in a larger and more diversified number of cases than the term "public works."

On page 3, section (c), line 23, it is suggested that the words "or where there is no State workmen's compensation law" be added after the word "law" in that line. The States of Arkansas and Mississippi do not have workmen's compensation laws. By the provision suggested employers entering into contracts with the United States within the purview of the bill for work in those States would be required to protect their employees under the applicable provisions of the Longshoremen's Act.

The term "liability insurance", appearing in line 24, on page 3, is not usually applied to workmen's compensation insurance. Moreover, no doubt self-insurance as provided for under the Longshoremen's Act may be appropriate and desirable as an alternative to an insurance policy. It would also seem that the use of the word "orders", in line 25, on page 3, may be unnecessarily restrictive of the purpose of this measure. It is therefore suggested that in lieu of the language in paragraph (c), beginning with the word "provide", in line 24, on page 3, and continuing to the end of line 2, of page 4, the following be substituted: "secure the payments of compensation and the furnishing of other benefits pursuant to such provisions of the Longshoremen's and Harbor Workers' Compensation Act (ch. 18, title 33, Code of Laws of the United States, act of Mar. 4, 1927, 44 Stat. 1424)."

It is suggested that the reference to the Longshoremen's Act, in section 4, on page 4, be made to conform to that just above indicated.

It is suggested that a comma be inserted after the word "inappropriate", in line 8, on page 4, and the words "to employment on public buildings or public works" be deleted. These words do not appear to be necessary to carry out the purpose of section 4, and they might be construed, if left in the bill, as a limitation upon the employments covered. Moreover, the scope of the act appears to be sufficiently set forth in section 3 of the bill.

On page 4, line 13, the word "proved" is no doubt intended to be "provided."

Section 7 of the bill provides, in effect, that contracting officers shall be authorized to waive the conditions of section 3 when compliance therewith would seriously impede the conduct of Government business. The Commission believes that this authority is too broad, in that it gives to the contracting officers authority to waive entirely the provisions of the proposed act and may create situations not tending to uniformity. Since the whole purpose of the measure relates to workmen's compensation for injuries sustained by employees of contractors contracting with the United States, and as the liability of the contractor is so clearly set forth in the provisions of section 3 of the bill, it may be entirely desirable and probably would be of administrative advantage to provide in section 7 for this Commission to make such rules and regulations as may be necessary to aid in the enforcement of this act. So far as the Longshoremen's Act is concerned, this Commission is authorized in section 39 thereof to make rules and regulations, and section 39 would no doubt be appropriate with respect to any rules and regulations necessary to administer such provisions of the Longshoremen's Act as by the proposed act would be made to apply at places where the Federal Government has exclusive jurisdiction. The Commission deprecates giving any officer power to waive and set aside this law; but if such right of waiver be deemed necessary, the Commission suggests that any such waiver be made subject to the approval of this Commission.

It is suggested that at the end of section 9 the period be changed to a comma and the following words be added: "or that act as extended in cases of injury or death to employees of the Tennessee Valley Authority, employees of the Federal Civil Works Administration, enrollees of the Civilian Conservation Corps, and persons employed receiving security payments for services rendered to the United States under the Emergency Relief Appropriation Act of 1935." Such an addition would appear to be necessary to include all employees with respect to whom the act of September 7, 1916, has been extended.

The Commission is entirely in accord with the purpose of the bill S. 3238 and accordingly recommends its enactment. This expression of the Commission's views, however, is not to be understood as a commitment with respect to the relation of the proposed legislation to the program of the President.

It is hoped that the foregoing suggestions and recommendations may be of assistance to the committee in its consideration of the bill. Delay in the submission of this report was occasioned by pressure of work in the office of the Bureau of the Budget, to which it was referred by the Commission on August 13, 1935.

Very truly yours,

(Mrs.) JEWELL W. SWOFFORD,
Chairman.

OFFICE OF THE SECRETARY OF THE INTERIOR,
Washington, December 21, 1935.

Hon. DAVID I. WALSH,
Committee on Education and Labor, United States Senate.

MY DEAR MR. CHAIRMAN: I have received your letter of July 17 requesting a report on S. 3238, entitled "A bill to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works."

This proposed legislation would require that contractors for the construction, alteration, or repair of any public building or public works shall, before commencing performance of such contract, provide adequate workmen's compensation insurance for employees on the work who may come within the protection of the workmen's compensation laws of the State in which the work is to be performed. The failure of the subcontractor to provide such insurance would be a breach of the contract by the contractor.

This bill is of especial significance, inasmuch as it would require that contractors provide liability insurance for employees not protected by State workmen's compensation laws, and it appears that all classes of employees would be protected thereunder. Rules and regulations would be promulgated by the Secretary of the Treasury, the Secretary of Labor, and the Secretary of the Interior, jointly, prescribing the duties of contracting officers in securing compliance with section 3. Contracting officers would have the authority to waive the conditions of this section when compliance therewith would seriously impede the conduct of Government business.

The provisions of the Longshoremen's and Harbor Workers' Compensation Act (44 Stat. 1424), as amended, are made to apply under this proposed legislation where injury or death of any employee on work covered by a contract entered into pursuant to section 3 may not be validly provided by State law, except as to the definitions of "employer" and "employee", which definitions seek to include all classes of employers and employees on contracts of this type.

On page 4, line 2, of this bill, I note an apparent typographical error. The year "1929" should read "1927".

As this legislation, when enacted, would provide a Federal statute that would fill a serious gap in the workmen's compensation field, and would be a protection to employees of contractors on public buildings and public works, I recommend that it receive favorable consideration by the Congress.

Sincerely yours,

CHARLES WEST,
Acting Secretary of the Interior.

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, July 23, 1935.

Hon. DAVID I. WALSH,
Chairman, Committee on Education and Labor,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: I have your letter of July 17, 1935, in which you request my comments on S. 3238, to provide compensation for disability or death resulting from injury to employees on contracts on public buildings and public works.

This bill is one which I recommend for the serious consideration of your committee. It is designed to fill a conspicuous gap in the workmen's compensation field by furnishing protection against injury to laborers and mechanics employed in connection with Government construction.

As you are undoubtedly aware, there is no Federal statute applying workmen's compensation to such employees. Various State courts have held that such employees, even though their injuries are sustained on Federal projects, are entitled to benefits of the State workmen's compensation act. This line of authority, however, affords only a partial protection. Some States do not have any compensation laws, and in others compliance with the statute is optional. Moreover, in certain jurisdictions the scope of the statute is so narrow that it does not cover all workers on building projects.

Earlier in the session Senator WHEELER introduced another bill intended to remedy this situation by the device of extending the obligation of the bonds of contractors to include the payment of compensation. This bill, S. 2144, was criticized by me in my letter of March 15 to your committee as not adequate to accomplish its purpose. The instant bill, however, meets all the criticisms in my letter.

The principal substantive provisions of the present bill are contained in section 3, which requires all contracts to stipulate that the contractor shall either provide adequate workmen's compensation insurance himself or to see to it that his subcontractors carry such insurance. In the event that there are employees on the work for whom State workmen's compensation insurance could not be validly provided, the contractor then must cover such workers by providing liability insurance to secure payment of compensation awards by the United States Employees' Compensation Commission pursuant to the Longshoremen's and Harbor Workers' Compensation Act (act of Mar. 4, 1927, 44 Stat. 1424, U. S. C., title 33, ch. 18). In other words, wherever possible all laborers and mechanics are to be covered by the local statute; but where this is impossible, either because of the absence of a statute or because the statute does not apply to death cases, certain occupations, or nonresidents, etc., such workers would be covered by the provisions of the Longshoremen's and Harbor Workers' Act. And section 4 makes the provisions of that act applicable to injury or death not provable under State compensation laws.

Incidentally, this particular Federal act was apparently selected rather than the United States Employees' Compensation Act, because the former statute contemplates the participation of commercial insurance companies and has been applied successfully as a general workmen's compensation law to private employment in the District of Columbia. The fact that the proposed act is to be administered by a commission located in Washington will not mean that the workers having claims under it will have to appear here, for the Commission has a field staff.

Section 5 of the bill, the penalty section, is taken verbatim from the corresponding section in the Longshoremen's and Harbor Workers' Act.

Section 6 is intended to guard against policies being canceled because of unpaid premiums, by inducing insurers to extend credit to contractors by giving them the same cause of action on the surety bond conferred by the Hurd Act upon persons furnishing labor and materials (act of Aug. 13, 1894, 28 Stat. 278, U. S. C., title 40, sec. 270).

Section 7 directs the respective heads of the Treasury, Interior, and Labor Departments to make rules and regulations to aid in the enforcement of the act. The object of this section is to prescribe certain duties for the inspectors with respect to seeing that the insurance policies remain in force and give adequate coverage, but giving them latitude to waive these requirements where the actuarial costs of securing such policies are so high or so difficult to obtain that the business of the Government would be seriously impeded.

The last two sections of the bill were apparently added out of an abundance of caution. Section 8 contains the conventional separability clause. Section 9 makes it clear that the bill does not apply to Federal employees, including persons directly employed by the Government on projects under the Emergency Relief Appropriation Act of 1935 (Public Res. No. 11, 74th Cong.). Such workers are protected by section 2 of the relief act.

In reading this bill I noticed two typographical errors. The word "proved", on page 4, line 13, should read "provided." On page 5, line 8, the word "section" should be inserted before the figures "270." Except for these two amendments I have no suggestions for revision, although it is possible that the Compensation Commission, which is charged with the duty of administering a portion of the act, may have some suggestions to make with respect to the administrative sections and with provisions for the cost of administration.

Sincerely yours,

FRANCES PERKINS.

TREASURY DEPARTMENT,
Washington, April 13, 1935.

Hon. DAVID I. WALSH,
Committee on Education and Labor, United States Senate.

DEAR MR. CHAIRMAN: This is with reference to your letter of July 17, 1935, requesting the suggestions and recommendations of this Department relative to S. 3238, a bill to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works.

This bill requires contractors to provide compensation insurance under State workmen's compensation acts for employees engaged in construction, alteration, or repair of any public building or public works of the Federal Government, and provides for the application of the Longshoremen's and Harbor Workers' Compensation Act to such employees insofar as State compensation laws may not validly be made applicable to them. The bill thus follows the provisions of the Longshoremen's and Harbor Workers' Act; and in order to avoid any ambiguity in, and inconsistency between, the provisions of S. 3238, it is recommended that the language of section 3 of the Longshoremen's Act (sec. 903, title 33, U. S. C.) be used throughout sections 3 and 4 of the proposed bill. Section 3 of the Longshoremen's Act provides in part as follows:

"Compensation shall be payable under this chapter in respect of disability or death of an employee, but only if the disability or death results from an injury occurring upon the navigable waters of the United States—including any drydocks—and if recovery for the disability or death through workmen's compensation proceedings may not validly be provided by State law."

It is assumed that the same result is intended under the proposed bill, namely, that contractors on Federal public buildings and public works shall provide workmen's compensation insurance under State laws where this may validly be provided by State law, and provide compensation insurance like that provided under the Longshoremen's Act where State laws may not be validly applied. It is suggested, therefore, that subsection (a) of section 3 be amended to read as follows:

"The contractor shall, before commencing performance of such contract, provide adequate workmen's compensation insurance in respect of the death or disability of any employee, recovery for which through workmen's compensation proceedings may not validly be provided for by the law of the State in which such contract is to be performed."

It is to be noted that this suggestion makes the test of the applicability of State laws depend upon whether or not such laws may be validly applied to the injury or death of the employee and not whether such laws may be applicable to the employee. It is obvious that employees engaged upon Federal public buildings and public works may also be engaged on other work undertaken by a contractor, and thus be protected by State workmen's compensation laws to that extent. As the bill is now drafted, subsection (c) of section 3 may be construed not to extend the provisions of the Longshoremen's Act to employees who may be partially protected by State laws, since such employees may not be deemed "employees on the work, recovery for whose injury or death through workmen's compensation proceedings may not validly be provided by State law." It is suggested that this subsection be revised to conform with the provisions of subsection (a) so as to read as follows:

"In respect of any injury or death of any employee, recovery for which through workmen's compensation proceedings may not validly be provided by State law, the contractor shall provide liability insurance to secure the payment of compensation orders pursuant to such provisions of chapter 18 of title 33 of the Code of Laws of the United States (act of Mar. 4, 1927, 44 Stat. 1424), as amended from time to time, as are made applicable by this act and the rules and regulations issued thereunder."

Similarly, section 4 and subsection (b) of section 3 should be harmonized to conform with the suggested revision of subsections (a) and (b) of section 3. In line 13, on page 4 of the bill, the word "provided" should be inserted in lieu of the word "proved." After the word "workmen's", in line 13, of page 3, there should be inserted in lieu of lines 14, 15, and 16, on page 3, the following: "compensation insurance in respect of the injury or death of any employee, recovery for which through workmen's compensation proceedings may not validly be provided by the laws of the State in which the contract is to be performed, but * * *."

Subsection (b) of section 5 seems to be ambiguous as to the effect of the failure on the part of any subcontractor to provide workmen's compensation insurance pursuant to an agreement under his contract. It is provided in that subsection that such failure shall be deemed to be a breach of contract by the contractor, but it is not clear whether it may also be a violation of the act, in view of the provisions of the first paragraph of section 3, which provides that a violation of any of the provisions of the subsections of section 3 shall be deemed a breach of the condition of the contract, and a violation of the act, subjecting the contractor to fine or imprisonment pursuant to section 5. If it is intended that such failure on the part of the subcontractor shall not constitute a violation of the act, though a breach of the contract, express provision should be made to that effect. There should be inserted in line 10, on page 3, after the word "contractor", the following: "but shall not be deemed a violation of this act."

The injuries or deaths, compensation for which the proposed bill seeks to provide, will generally occur on land which is subject to the exclusive jurisdiction of the United States, so that, therefore, employees covered by the proposed bill must be engaged in work on land which is subject to such exclusive jurisdiction. The act of February 1, 1928 (sec. 457, title 16, U. S. C.), provides as follows:

"In the case of the death of any person by the neglect or wrongful act of another within a national park or other place subject to the exclusive jurisdiction of the United States, within the exterior boundaries of any State, such right of action shall exist as though the place were under the jurisdiction of the State within whose exterior boundaries such place may be; and in any action brought to recover on account of injuries sustained in any such place the rights of the parties shall be governed by the laws of the State within the exterior boundaries of which it may be."

Since both this section and the provisions of S. 3238 provide remedies for deaths and injuries occurring on lands subject to the exclusive jurisdiction of the United States, it is desirable to provide expressly whether the remedies afforded by Revised Statutes 355 are impliedly repealed by the provisions of the proposed bill. If this result is not intended, it is suggested that the bill expressly provide that there may be an election to recover under Revised Statutes 355 or to recover under the applicable compensation laws.

Subject to the above suggestions, this Department recommends that the bill S. 3238 be enacted into law.

Very truly yours,

T. JEFFERSON COOLIDGE,
Assistant Secretary of the Treasury.

POSTAGE STAMP TO COMMEMORATE FOUNDING OF HARVARD UNIVERSITY

The bill (S. 4483) to authorize the issuance of a special postage stamp in commemoration of the three hundredth anniversary of the founding of Harvard University was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to issue a special series of 3-cent postage stamps, of such design as he shall prescribe, in commemoration of the three hundredth anniversary of the founding of Harvard University.

TRAVELING AND SUBSISTENCE EXPENSES OF UNITED STATES JUDGES

The Senate proceeded to consider the bill (S. 4530) to amend the Subsistence Expense Act of 1926 by adding a new section to provide that section 259 of the Judicial Code, providing for traveling expenses of circuit justices, circuit and district judges actually incurred, and maintenance expenses in an amount not to exceed $10 per day, shall not be construed to be modified or repealed in any respect by any section of the Subsistence Expense Act of 1926, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and to insert the following:

That section 259 of the Judicial Code (U. S. C., 1934 edition, title 28, sec. 374) is hereby reenacted, as follows:

"SEC. 259. The circuit justices, the circuit and district judges of the United States, and the judges of the district courts of the United States in Alaska, Hawaii, and Puerto Rico, shall each be allowed and paid his necessary expenses of travel, and his reasonable expenses (not to exceed $10 per day) actually incurred for maintenance, consequent upon his attending court or transacting other official business in pursuance of law at any place other than his official place of residence, said expenses to be paid by the marshal of the district in which such court is held or official business transacted, upon the written certificate of the justice or judge. The official place of residence of each circuit and district judge, and of each judge of the district courts of the United States in Alaska, Hawaii, and Puerto Rico, shall be at that place nearest his actual residence at which either a circuit court of appeals or a district court is regularly held. Every such judge shall, upon his appointment, and from time to time thereafter whenever he may change his official residence, in writing notify the Department of Justice of his official place of residence."

SEC. 2. The judges of the United States Customs Court shall each be allowed and paid his necessary expenses of travel and his reasonable expenses, not to exceed $10 per day, actually incurred for maintenance while absent from New York on official business.

SEC. 3. This act shall take effect July 1, 1936.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to reenact section 259 of the Judicial Code, relating to the traveling and subsistence expenses of circuit, district, and customs judges."

Mr. COPELAND. Mr. President, I desire to say just a word about the bill just passed. In my opinion, this is one of the most forward-looking pieces of legislation we have had before us. It will do away with the necessity of having new Federal judgeships established. Because of the increase in the subsistence allowance, it will be possible for judges from small districts to go to the larger districts and carry on the work of the courts. I am very happy indeed that the Senate has seen fit to pass the bill.

CONVEYANCE OF LAND TO CLACKAMAS COUNTY, OREG.

The Senate proceeded to consider the bill (H. R. 9485) to convey certain lands to Clackamas County, Oreg., for public park purposes, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 4, after the word "*Provided*", to strike out the words "That there shall be reserved to the United States, its patentees, or their transferees, the right to cut and remove therefrom the merchantable timber reserving to Clackamas County, Oreg., when such sale is made under the provisions of the act of June 9, 1916 (39 Stat. 218), a preference right to purchase the timber at the highest price bid," and to insert in lieu thereof the words, "That before patent issues Clackamas County shall pay to the United States the appraised price for the timber on the said lands, the money so paid to be deposited in the Oregon and California land-grant fund for distribution in the manner provided by section 10 of the act of June 9, 1916 (39 Stat. 218)", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue a patent to Clackamas County, Oreg., on behalf of the United States, for the southeast quarter southwest quarter, the northeast quarter southwest quarter, and the northwest quarter southeast quarter section 11, township 4 south, range 2 east, Willamette meridian, in the State of Oregon, containing 120 acres, more or less, on condition that such county shall accept and use such lands solely for public-park purposes; but if such county shall at any time cease to use such lands for public-park purposes, or shall permit the use of such lands for any other purpose, or shall alienate or attempt to alienate them, they shall revert to the United States: *Provided*, That before patent issues Clackamas County shall pay to the United States the appraised price for the timber on the said lands, the money so paid to be deposited in the Oregon and California land-grant fund for distribution in the manner provided by section 10 of the act of June 9, 1916 (39 Stat. 218).

SEC. 2. The Secretary of the Interior shall prescribe all necessary regulations to carry into effect the foregoing provisions of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PURCHASE OF LAND BY SCAPPOOSE, OREG.

The Senate proceeded to consider the bill (H. R. 9654) to authorize the purchase by the city of Scappoose, Oreg., of a certain tract of public land revested in the United States under the act of June 9, 1916 (39 Stat. 218).

The bill had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 4, after the word "patent", to strike out the words "upon payment of $2.50 per acre, or fraction thereof"; on page 2, line 1, to strike out after the word "*Provided*", the words "That there shall be reserved to the United States, its patentees, or their transferees, the right to cut and remove therefrom the merchantable timber, which in the opinion of the Secretary of the Interior may be cut and removed without material damage to the city reservoir, reserving to said city of Scappoose, when such sale is made under the provisions of the act of June 9, 1916, a preference right to purchase the timber at the highest price bid", and to insert in lieu thereof the words "That before patent issues the city of Scappoose shall pay to the United States the appraised price for the timber on the said lands, the money so paid to be deposited in the Oregon and California land-grant fund for distribution in the manner provided by section 10 of the act of June 9, 1916 (39 Stat. 218)", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue a patent to the city of Scappoose, Oreg., for the northwest quarter of the northeast quarter and the northeast quarter of the northwest quarter of section 11, township 3 north, range 2 west, Willamette meridian, containing approximately 80 acres, subject to all valid existing rights at the time of the filing of the application by the city of Scappoose: *Provided*, That before patent issues the city of Scappoose shall pay to the United States the appraised price for the timber on the said lands, the money so paid to be deposited in the Oregon and California land-grant fund for distribution in the manner provided by section 10 of the Act of June 9, 1916, (39 Stat. 218).

SEC. 2. That the Secretary of the Interior shall prescribe all necessary regulations to carry into effect the foregoing provisions of this Act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

CHESAPEAKE BAY BRIDGE

The bill (S. 4488) authorizing the Chesapeake Bay Authority to construct, maintain, and operate a toll bridge across the Chesapeake Bay, from a point in Baltimore County, Md., over Hart Island and Millers Island to a point near Tolchester, Kent County, Md., was considered, ordered

to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes, the Chesapeake Bay Authority, a public body created under the laws of the State of Maryland, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Chesapeake Bay, at a point suitable to the interests of navigation, from a point in Baltimore County, Md., over Hart Island and Millers Island to a point near Tolchester, Kent County, Md., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The said Chesapeake Bay Authority is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 3. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 40 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

TEACHING OF COMMUNISM IN THE DISTRICT PUBLIC SCHOOLS

The bill (S. 4370) to repeal a proviso relating to teaching or advocating communism in the public schools of the District of Columbia, and appearing in the District of Columbia Appropriation Act for the fiscal year ending June 30, 1936, was announced as next in order.

Mr. McKELLAR. Let that go over.

Mr. WHEELER. Mr. President, I hope the Senator will withdraw his objection.

Mr. McKELLAR. Mr. President, I want to be perfectly frank with the Senator. I do not believe in communism, and I do not believe in its being taught in our schools, and I intend to object to this bill.

Mr. WHEELER. Mr. President, this bill has nothing to do with the teaching of communism in our schools. There is no Member in this body who believes in that. Every educational organization in the United States has endorsed the bill, and churches of all denominations have endorsed it.

SEVERAL SENATORS. Regular order!

Mr. McKELLAR. Mr. President, I desire to quote the following from the report of the Committee on Education and Labor:

HISTORY OF "RED RIDER" PROVISION

The provision of law which this bill, S. 4370, is intended to repeal was inserted as a rider by the House conferees in the District of Columbia Appropriation Act for the fiscal year ending June 30, 1936, approved June 14, 1935, in the fourteenth paragraph thereof, under the heading "Public schools", subheading "Miscellaneous", and reads as follows:

"*Provided*, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism."

The inclusion of the word "teaching" rendered it uncertain as to whether the facts about communism as a part of the social, economic, and political system of Russia, or any other country, might be presented in teaching world history, or any social studies in the public schools. Consequently, the matter was referred by the Board of Education to the corporation counsel of the District of Columbia for his opinion as to whether the facts of communism, or the social, economic, or political system of Russia, or any other country, could be taught or presented by any of the teachers in the social studies of the high schools in the District of Columbia.

The corporation counsel rendered an opinion that "* * * any teaching of communism which has for its purpose or its intended effect the nurture, the training, or the indoctrination of the pupils in communistic thought is forbidden by this statute. But I am of the opinion that the mere informing of pupils concerning the history, existence, or theories of the communistic governments, or parties, is not prohibited."

This opinion, apparently, was not concurred in by the Comptroller General of the United States, who ruled, in effect, that the teachers should not be permitted to teach the facts of communism by his decision. By his decision, there is now required a written statement by every teacher, prior to every salary payment, that during the preceding period of time to which the payment relates, he had not taught or advocated communism in any school of the District of Columbia, or elsewhere.

The result is that some 4,000 declarations must be checked over before the pay rolls for teachers are made out each pay day. If a teacher is ill or absent when the declarations are taken, she cannot get her pay until she has signed one. If any teacher were to violate this oath, she would be dealt with instantly and summarily.

The bill is designed to repeal the provision of law quoted, and I object to it.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. The regular order has been demanded.

Mr. WALSH. I ask unanimous consent to be allowed to make a very brief statement.

The PRESIDING OFFICER. Without objection, the Senator from Massachusetts is recognized.

Mr. WALSH. One of the many reasons behind the demand for the enactment of this measure is that the Comptroller General, by a decision, now requires a written statement by every teacher, prior to every salary payment, that during the preceding period of time to which the payment relates, he had not taught or advocated communism in any school of the District of Columbia, or elsewhere.

The result is that some 4,000 declarations must be checked over before the pay rolls for teachers are made out each pay day. If a teacher is ill or absent when the declarations are taken, she cannot get her pay until she has signed one. It is ridiculous and absurd, and I hope that when the calendar is called again the Senator will withdraw his objection.

Mr. GLASS. Mr. President, the practice of which the Senator complains is the fault of the administrative officers. There is nothing in the law which requires anything like that.

SEVERAL SENATORS. Regular order!

The PRESIDING OFFICER. The regular order is demanded, and the clerk will state the next bill on the calendar.

Mr. WALSH subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD the report of the committee on Senate bill 4370.

There being no objection, the report (No. 2126) was ordered to be printed in the RECORD, as follows:

[Report to accompany S. 4370]

The Committee on Education and Labor, to whom was referred the bill (S. 4370) to repeal a provision relating to teaching or advocating communism in the public schools of the District of Columbia Appropriation Act for the fiscal year ending June 30, 1936, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

HISTORY OF "RED RIDER" PROVISION

The provision of law which this bill, S. 4370, is intended to repeal was inserted as a rider by the House conferees in the District of Columbia Appropriation Act for the fiscal year ending June 30, 1936, approved June 14, 1935, in the fourteenth paragraph thereof, under the heading "Public schools", subheading "Miscellaneous", and reads as follows:

"*Provided*, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism."

The inclusion of the word "teaching" rendered it uncertain as to whether the facts about communism as a part of the social, economic, and political system of Russia, or any other country, might be presented in teaching world history, or any social studies in the public schools. Consequently, the matter was referred by the Board of Education to the corporation counsel of the District of Columbia for his opinion as to whether the facts of communism, or the social, economic, or political system of Russia, or any other country, could be taught or presented by any of the teachers in the social studies of the high schools in the District of Columbia.

The corporation counsel rendered an opinion that—

"* * * any teaching of communism which has for its purpose or its intended effect the nurture, the training, or the indoctrination of the pupils in communistic thought is forbidden by this statute. But I am of the opinion that the mere informing of pupils concerning the history, existence, or theories of the communistic governments, or parties, is not prohibited."

This opinion, apparently, was not concurred in by the Comptroller General of the United States, who ruled, in effect, that

the teachers should not be permitted to teach the facts of communism by his decision. By his decision, there is now required a written statement by every teacher, prior to every salary payment, that during the preceding period of time to which the payment relates, he had not taught or advocated communism in any school of the District of Columbia, or elsewhere.

The result is that some 4,000 declarations must be checked over before the pay rolls for teachers are made out each pay day. If a teacher is ill or absent when the declarations are taken, she cannot get her pay until she has signed one. If any teacher were to violate this oath, she would be dealt with instantly and summarily.

HOUSE COMMITTEE ACTION

Hearings on a similar bill (H. R. 11375) to repeal this so-called "red rider" were held by the Subcommittee on Education of the House Committee on the District of Columbia. In an excellent report (H. Rept. No. 2593) the committee unanimously recommended to the House the passage of the repeal amendment.

THE SENATE COMMITTEE REASONS FOR FAVORING THE REPEAL OF THE "RED RIDER"

First, the "red rider" should be repealed in the interest of the pupils of the public schools of the District of Columbia. These young persons should have the opportunity of getting acquainted with the principles of communism as well as with the principles of any other important economic or political system. If pupils do not learn about such movements in the schools, they will hear about them from partisan sources and will be more likely to look with favor upon the proposals of communism than if they obtained their instruction from competent and impartial teachers in the schools.

Second, the present bill should be enacted for the sake of the teachers in schools of the District of Columbia. The "red rider" has placed upon them an unjust stigma. In all the testimony that has been produced at congressional hearings, no reliable indications have appeared that any teacher in the District schools believes in communism—to say nothing about teaching it. The implication created by the "red rider", that the teachers need such a restraint, is gratuitous, ungenerous, and unworthy of the Congress of the United States.

Third, the "red rider" is likewise unfair to the School Board of the District of Columbia. This agency has the responsibility of protecting the pupils against doctrines in the classroom which are contrary to morality, patriotism, or the law of the land. No evidence has been produced tending to show that the School Board has been unfaithful to this responsibility. The contrary assumption which is carried in the "red rider" is a gratuitous insult to the Board.

Fourth, the extraordinary enactment which the present bill seeks to repeal is out of harmony with the American tradition of freedom of speech and teaching. According to this tradition, the freedom to express and teach wrong doctrines is a lesser evil than a policy of repression, that is to say, it is a smaller practical evil. The policy of repressing can easily be extended to cover doctrines which are beneficial to public welfare, merely on the ground that they are new or "radical." This situation has actually arisen in the congressional hearings on the "red rider"; for several apparently responsible persons have denounced well-known textbooks by well-known American historians on the ground that they are communistic, whereas they are merely progressive and speak in a friendly way of moderate measures of social and economic reform.

Fifth, the "red rider" is futile, since teachers who believe in communism (if there be any such in the public schools of the District of Columbia) will have no moral scruple against teaching communism in the schools and then taking an oath that they have not done so.

Sixth, as long as this astounding enactment remains unrepealed it will constitute a bad example for the legislatures of our several States. As long as it remains a part of the law of the District of Columbia, it will continue to hold the Congress in reproach in the eyes of all Americans who are faithful to American traditions and who possess common sense.

DANGEROUS PRECEDENT

The greatest danger to education lies in the attempt, under the guise of patriotism, to suppress freedom of teaching, inquiry, and discussion. If statutes such as this are to be enacted, it would not be long before similar enchoachments were imposed upon teachers in private schools, and then extended to require that such teachers shall not teach any particular kind of religion, or the principle of any political party, such as the Democratic, Republican, or the Farmer-Labor Parties. As has been pointed out by Dr. Robert M. Hutchins, president of the University of Chicago, any attempt to insure patriotism by oaths would have to require not only all teachers, but preachers, radio performers, newspapermen, movie directors, comic artists, and, most certainly, parents themselves to swear fealty.

Furthermore, a statute such as this is detrimental to the morale of the teachers and the students in the city of Washington. It is impossible to have a satisfactory relation between teacher and pupil when the latter knows that the teacher is forbidden to discuss certain subjects, such as Russia or communism. The consequence is that when these subjects are reached in the history and civics classes, the teachers are confronted by a law which forbids them to give the facts. Even in geography classes, teachers have omitted mention of Russia in the study of Europe. Indeed, evidence has been presented to members of the committee to the effect that in a few instances children in the public schools of Washington, whose parents are suspected of entertaining communistic views, have heckled teachers by asking them apparently innocent questions in regard to Russia and its present form of government, they knowing the restrictions upon the teachers. Of course, teachers may "explain" communism if they do not "advocate" it, but the testimony before the House committee indicates that no teacher would dare take advantage of this for fear of misrepresentation and resultant loss of employment. Whereas once teachers directed the minds of the children to the superiority of our institutions over the communistic, now this opportunity is lost, as they omit the section devoted to the Soviet Union.

ARGUMENTS OF OPPOSITION

The opposition to the "red rider" provision is based upon grounds that relate in no way to the merits or demerits of doctrines that are obnoxious to every member of the committee.

Those outside the Congress who favor the repeal of this clause have been as vigorous in denouncing the principles of communism as have the most vigorous advocates of the "red rider." Furthermore, the repeal of this provision would not give the Board of Education of the District of Columbia or the teachers authority or encouragement to advocate communism. In the opinion of the committee, the effect would be exactly to the contrary.

If the Senate supports the view of the committee and this law is repealed, the Board of Education will have full responsibility, which it should militantly exercise in preventing the use of radical textbooks in the schools and the employment of teachers inculcating subversive doctrines into the minds of the school children of Washington.

The committee have not overlooked the fact that the minds of pupils are impressionable and that they may be easily influenced by the crusading spirit of one who teaches subversive doctrines. Undoubtedly there are throughout the country students in colleges and universities, and perhaps in some high schools, who have been induced to join organizations where communistic policies are advocated. Such organizations and practices are regrettable and should be stamped out, but requiring an oath will not do it.

CONCLUSION

It is a satisfaction that no State has imitated the ill-advised law which Congress allowed to be placed in the school system of the District of Columbia. It is to be borne in mind that this language was inserted when the District of Columbia appropriation bill was in conference, and it was enacted without discussion and without advertence by a great majority of the Members of Congress—a reflection upon our national lawmakers. This injurious imputation cannot be removed too soon.

ELECTIONS IN PUERTO RICO

The Senate proceeded to consider the bill (S. 4528) to regulate the conduct of elections in Puerto Rico, which had been reported from the Committee on Territories and Insular Affairs with amendment, in section 4, on page 3, line 15, after the word "equal", to insert the word "voting"; on line 16, after the word "elections", to insert the words "throughout the election process"; on page 4, line 3, after the word "district" and the period, to insert the words: "In order to give full force and effect to the policy and intention of this section, not only in the election itself but throughout the election process, voting representation in the insular board of election and the local boards of election shall be as per the situation existing during the last preceding election in the island and in each senatorial and representative district thereof, until candidates for the next election shall have been duly nominated and registered", so as to make the bill read:

Be it enacted, etc., That the general election to be held in the island of Puerto Rico on the first Tuesday after the first Monday of November 1936, and all processes related thereto, shall be carried out as determined by the legislative authority of Puerto Rico: *Provided*, That only citizens, male or female, registered in the Federal census of 1935–36 as being 21 years of age or over at the time of the election and who shall otherwise be qualified to vote, shall be entitled to vote in said election: *And provided further*, That the voting shall take place in enclosures, whether in buildings or in the open, in the following manner:

All voters except candidates and other persons for whom the laws of Puerto Rico make special provision must be within their polling place at noon, after which time no other person shall be allowed to enter the polling place for the purpose of voting. Upon entering the polling place, voters will receive a numbered card entitling them to vote in the order of their arrival. Voting shall then proceed as prescribed by law, the names being called from the list and the voting carried out secretly as prescribed by law. After voting each voter shall be allowed to leave the polling place. The election will continue in each polling place until every citizen therein, who has not been challenged according to law, shall have cast his or her vote.

The Governor of Puerto Rico may by proclamation change the time limit herein prescribed, and provide for the separate assembling and voting of men and women, if in his judgment such

action would be conducive to more orderly voting, and may likewise prescribe the time limits for the voting of the men and for the voting of the women; but such action shall not be taken after the 1st of September preceding the election, nor without the consent of every political party represented on the board of elections, said consent to be given through unanimous resolution of said board.

SEC. 2. Any person who shall interfere with or attempt to prevent voting in the manner prescribed herein or by the laws of Puerto Rico shall be guilty of a felony and punished by imprisonment for not more than 5 years and not less than 1 year. The United States District Court for Puerto Rico and the insular district courts shall have concurrent jurisdiction over cases arising under this law.

SEC. 3. All provisions of this law, excepting the ones related to the Federal census of 1935–36, shall apply to all future elections in Puerto Rico.

SEC. 4. No law regulating elections shall be enacted by the legislative authority of Puerto Rico by virtue of which any candidate for the office of Resident Commissioner or for the insular senate or for the insular house of representatives is denied equal voting representation in the insular board of elections throughout the election process, the local boards of election throughout the election process, and in each polling place on election day, with other candidates running for the same office. This provision shall apply to candidates appearing on the ticket of any party which polled 10 percent or more of the entire vote of the island for Resident Commissioner in the last preceding election: *Provided*, That in each senatorial or representative district in which all parties have different candidates for the same office, each candidate shall be entitled to full representation in the local election boards, and in all polling places, within that district. In order to give full force and effect to the policy and intention of this section, not only in the election itself but throughout the election process, voting representation in the insular board of election and the local boards of election shall be as per the situation existing during the last preceding election in the island and in each senatorial and representative district thereof, until candidates for the next election shall have been duly nominated and registered. Any law or portion of law contrary to this section shall not be valid.

SEC. 5. The insular board of election, with the approval of the Governor, shall have power to make rules and regulations for the carrying out of the provisions of this act.

The amendments were agreed to.

Mr. COPELAND. Mr. President, I should like to ask the Senator from Maryland whether it is necessary to have this elaborate bill in order to insure safe elections in Puerto Rico.

Mr. TYDINGS. It is. A few days ago I put into the RECORD a statement of the registrations in Puerto Rico, showing that in about 10 or 15 large cities the registrations amounted from 120 to 130 percent of the population. I am advised by responsible Puerto Rico leaders that unless such a bill as this shall be enacted there will be serious bloodshed in the elections which are to be held the coming fall. As I recall, about 17 persons were shot at the time of the last election, and Governor Winship has called a special session of the legislature to meet in anticipation of the enactment of this measure.

Mr. COPELAND. Mr. President, I hope the Senator will remember that my colleague and I are really Senators from Puerto Rico, and we hope that the chairman of the Committee on Territories and Insular Affairs will bear that in mind, because whatever touches the interests of Puerto Rico touches us.

Mr. TYDINGS. Let me say to the Senator from New York that the committee has borne that in mind. I believe that the overwhelming preponderance of opinion in Puerto Rico is in favor of the enactment of the pending bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMMITTEE TO STUDY PUERTO RICAN INDEPENDENCE

The joint resolution (S. J. Res. 270) to provide for the appointment of a committee to study the question of Puerto Rican independence was announced as next in order.

Mr. COPELAND. Mr. President, may I ask the Senator from Maryland the significance of this joint resolution dealing with Puerto Rico?

Mr. TYDINGS. I shall be glad to inform the Senator. The administration is very anxious before any specific action is taken touching Puerto Rico that the matter be thoroughly investigated, and the joint resolution provides that a commission be created, four members to be appointed by the President of the Senate, four members by the Speaker of the House of Representatives, one member by the Secretary of State, one member by the Secretary of the Interior, and one member by the special executive authority of each of the four major registered political parties in Puerto Rico. Every point of view and statement of fact thereby will be available, and before the Senate takes any action we will have the whole picture before us. The commission is to be a fact-finding commission.

Mr. COPELAND. Mr. President, I find myself in sympathy with the measure. I thought it was a very precipitous thing to introduce a joint resolution providing for independence for the Puerto Rican people. The pending bill, I assume, is intended to provide for investigation and study of the situation.

Mr. TYDINGS. It gives every person his day in court.

Mr. COPELAND. I have no objection.

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 270) to provide for the appointment of a committee to study the question of Puerto Rican independence, which had been reported from the Committee on Territories and Insular Affairs with an amendment, in section 1, page 1, line 3, after "committee of", to strike out "seventeen" and insert in lieu thereof "fifteen"; on the same page, line 6, after "President", to strike out "one member" and insert in lieu thereof "four members"; in line 7, after "Senate", to strike out "one member" and insert "four members", so as to make the joint resolution read:

Resolved, etc., That there is hereby created a committee of 15 members to study the question of Puerto Rican independence, to be composed of a chairman to be appointed by the President, four members appointed by the President of the Senate, four members appointed by the Speaker of the House of Representatives, one member appointed by the Secretary of State, one member appointed by the Secretary of the Interior, and one member appointed by the central executive authority of each of the four major registered political parties in Puerto Rico, namely, the Liberal Party, the Republican Party, the Socialist Party, and the Nationalist Party.

SEC. 2. Said committee shall study the question of Puerto Rican independence in all its aspects, including the financial and economic relationships best suited to both the United States and Puerto Rico under such independence, and, in general, to inquire into the present and future relations between the United States and Puerto Rico. Said committee shall render its report to the President of the United States not later than January 20, 1937, and the President shall, within 30 days after receipt thereof, transmit said report, together with his recommendations thereon to the Congress.

SEC. 3. Said committee may hold hearings in the United States and in Puerto Rico. The members of the committee shall serve without compensation, but shall be reimbursed for all reasonable expenses incurred pursuant hereto, including traveling expenses, necessary clerical and stenographic assistance, and such other services as may be necessary or desirable to effectuate the purposes of this joint resolution.

SEC. 4. There is hereby authorized to be appropriated the sum of $25,000 to cover the necessary expenses of said committee, including traveling expenses, rent in the District of Columbia and elsewhere, personal services in the District of Columbia and elsewhere, and contract stenographic reporting services.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSPORTATION OF PERSONS SERVING UNITED STATES IN VIRGIN ISLANDS

The bill (H. R. 7025) authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

TERM OF DISTRICT COURT, CLINTON, OKLA.

The bill (S. 4352) to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Clinton, Okla., was considered,

ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That a term of the District Court of the United States for the Western District of Oklahoma shall be held annually at Clinton, Okla., on the first Monday in October: *Provided*, That suitable rooms and equipment for holding court at Clinton shall be furnished without expense to the United States.

EXTENSION OF LAWS TO PUERTO RICO

The Senate proceeded to consider the bill (H. R. 1392) to extend the provisions of certain laws to the island of Puerto Rico, which had been reported from the Committee on Territories and Insular Affairs with amendments, on page 1, line 4, after "the" to strike out "island" and to insert "Territory"; on the same page, line 11, after the words "and the" to strike out "island" and insert "Territory"; and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That beginning with the fiscal year ending June 30, 1938, the Territory of Puerto Rico shall be entitled to share in appropriations now or which may hereafter become available for apportionment under the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes", approved July 11, 1916, and any act amendatory thereof or supplementary thereto, upon the same terms and conditions as any of the several States, and the Territory of Puerto Rico shall be included in the calculations to determine the basis of apportionment of such funds: *Provided*, That the system of roads on which Federal-aid apportionments to the Territory of Puerto Rico shall be expended may be determined and agreed upon by the highway departments of said Territory and the Secretary of Agriculture without regard to the limitations in section 6 of the Federal Highway Act respecting the selection and designation of such system of roads; and, when the system first determined and agreed upon shall have been completed, additions thereto may be made in like manner as funds become available for the construction and maintenance of such additions.

Mr. COPELAND. Mr. President, I think by the bill it is intended to extend to Puerto Rico the privileges now enjoyed by the States, and therefore it seems desirable.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AIR CORPS OF THE UNITED STATES ARMY

The Senate proceeded to consider the bill (H. R. 11140) to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 4, after the word *"Provided"*, to strike out "That of the increase authorized herein not to exceed 4,000 serviceable airplanes, including equipment and accessories, shall be attained at any time during the next 5 years" and to insert in lieu thereof "That of the increase authorized herein not to exceed 2,320 serviceable airplanes, including equipment and accessories, are authorized to be obtained immediately", so as to make the bill read:

Be it enacted, etc., That the authorized strength in airplanes, equipment, and accessories of the Army Air Corps established by the act approved July 2, 1926 (44 Stat. 780), is hereby increased to such numbers as will permit the Secretary of War to complete the equipment and organization and to maintain in the Army Air Corps the special Army air organization known as G. H. Q. Air Force, and our overseas defenses, together with a 25-percent reserve for such forces, and to procure such other airplanes and equipment, including spare parts, supplies, and accessories, for such other purposes as are necessary to provide for the mission of the Army Air Corps: *Provided*, That of the increase authorized herein not to exceed 2,320 serviceable airplanes, including equipment and accessories, are authorized to be obtained immediately.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

REGULATION OF FLOW OF WATERS AND STREAMS

The joint resolution (H. J. Res. 377) to enable the States of Maine, New Hampshire, New York, Vermont, Massachusetts, Rhode Island, Connecticut, Pennsylvania, West Virginia, Kentucky, Indiana, Illinois, Tennessee, and Ohio to conserve and regulate the flow of and purify the waters of rivers and streams whose drainage basins lie within two or more of the said States, was considered, ordered to a third reading, read the third time, and passed.

JOHN B. H. WARING

The bill (H. R. 10785) for the relief of John B. H. Waring was considered, ordered to a third reading, read the third time, and passed.

MRS. G. A. BRANNAN

The bill (H. R. 2501) for the relief of Mrs. G. A. Brannan was considered, ordered to a third reading, read the third time, and passed.

DELAWARE RIVER BRIDGE, BARRYVILLE, N. Y., TO SHOHOLA, PA.

The bill (S. 4709) authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the Delaware River between points in the village of Barryville, Sullivan County, N. Y., and the village of Shohola, Pike County, Pa., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania be, and is hereby, authorized to reconstruct, maintain, and operate a free highway bridge and approaches thereto across the Delaware River between points in the village of Barryville, Sullivan County, N. Y., and the village of Shohola, Pike County, Pa., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which real estate or other property is situated, upon making just compensation thereof, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

DELAWARE RIVER BRIDGE, HANCOCK, N. Y.

The bill (S. 4710) authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the West Branch of the Delaware River between a point in the vicinity of the village of Hancock, Delaware County, N. Y., and a point in the town of Buckingham, Wayne County, Pa., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania be, and is hereby, authorized to reconstruct, maintain, and operate a free highway bridge and approaches thereto across the West Branch of the Delaware River, at a point suitable to the interests of navigation, at or near the vicinity of Hancock, Delaware County, N. Y., and a point in the town of Buckingham, Wayne County, Pa., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the

same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this Act is hereby expressly reserved.

SEVENTIETH NATIONAL ENCAMPMENT, G. A. R.

The joint resolution (H. J. Res. 465) to amend the joint resolution of July 18, 1935, relating to the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in September 1936, was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 1 of the joint resolution entitled "Joint resolution giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in the month of September 1936, and for other purposes, incident to the said encampment", approved July 18, 1935, is hereby amended to read as follows:

"That the Commissioners of the District of Columbia are hereby authorized and directed to make such special regulations for the occasion of the encampment of the Grand Army of the Republic which shall take place in the District of Columbia during the month of September 1936 as they shall deem advisable for the preservation of public order and the protection of life and property, to be in force 1 week prior to said encampment, during said encampment, and 1 week subsequent thereto, such special regulations shall be published in one or more of the daily newspapers of the District of Columbia, and no penalty prescribed for the violation of such regulations shall be enforced until 5 days after such publication. Any person violating any of the aforesaid regulations, or the aforesaid schedule of fares, shall, upon conviction thereof in the police court of the said District, be liable for such offense to a fine not to exceed $100, and in default of payment of such fine to imprisonment in the workhouse (or jail) of said District for not longer than 60 days. This resolution shall take effect immediately upon its approval, and the sum of $15,000, or as much thereof as may be necessary, payable from any money in the Treasury not otherwise appropriated and from the revenues of the District of Columbia in equal parts, is hereby appropriated. The Commissioners of the District of Columbia are hereby authorized, in conjunction with the citizens' executive committee of the Grand Army of the Republic, who shall be appointed by the said Commissioners, to expend the said sum of $15,000 to carry out the provisions of section 1 of this joint resolution, and for such expenses incident to the encampment as the said Commissioners, in their discretion and judgment, may deem advisable."

SEC. 2. That portion of section 5 of such joint resolution of July 18, 1935, which precedes the first proviso is amended to read as follows:

"SEC. 5. That the Superintendent of National Capital Parks, subject to the approval of the Director of National Park Service, is hereby authorized to grant permits to the citizens' executive committee for the entertainment of the Grand Army of the Republic for the use of any reservation or other public spaces in the city of Washington on the occasion of the seventieth national encampment, in the month of September 1936, which, in his opinion, will inflict no serious or permanent injuries upon such reservations or public spaces, or statuary therein; and the Commissioners of the District of Columbia may designate for such and other purposes on the occasion aforesaid such streets, avenues, and sidewalks in the said city of Washington as they may deem proper and necessary for the erection of reviewing stands, platforms, or other structures, and that no person or corporation shall be authorized to erect or use such stands, platforms, or other structures without permission of said committee:".

CHALMETTE NATIONAL MONUMENT, LA.

The Senate proceeded to consider the bill (H. R. 5368) to provide for the addition of certain lands to the Chalmette National Monument in the State of Louisiana, and for other purposes, which had been reported from the Committee on Public Lands and Surveys with amendments, in section 1, page 1, line 4, after "condemnation", to insert "out of any funds allocated or appropriated for the purpose or"; in line 6, after "funds", to strike out "and/or accept by donation, in behalf of the United States"; in line 7, after "easements, and", to strike out "buildings within 10 miles" and to insert "buildings, not to exceed an area of 98 acres in addition to the present area of 32 acres", so as to make the section read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to acquire, by purchase or by condemnation, out of any funds allocated or appropriated for the purpose or out of any donated funds, lands, easements, and buildings, not to exceed an area of 98 acres in addition to the present area of 32 acres, of the boundaries of the Chalmette National Monument as shall be designated by the Secretary of the Interior as necessary or desirable for the extension of said monument, and/or maintenance thereof, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That the State of Louisiana shall cede and transfer its jurisdiction to the property on which said monument is to be completed in accordance with the provisions of act no. 41 of the legislature of that State, approved July 19, 1902.

The amendment was agreed to.

The next amendment was, on page 2, line 10, to strike out section 2, as follows:

SEC. 2. That the areas now within the Chalmette National Monument and the Chalmette National Cemetery, together with such additions as may hereafter be made thereto, shall be known as the "Chalmette National Historical Park", under which name the aforesaid national park shall be entitled to receive and to accept all moneys heretofore or hereafter appropriated for the Chalmette National Monument and the Chalmette National Cemetery.

The amendment was agreed to.

The next amendment was, on page 2, line 18, to strike out section 3, as follows:

SEC. 3. The administration, protection, and development of the aforesaid national historical park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

The amendment was agreed to.

The next amendment was, on page 3, line 1, to insert a new section, as follows:

SEC. 2. There is hereby authorized to be appropriated the sum of $275,000, or so much thereof as may be necessary, for the purpose of carrying out the provisions of this act.

The amendment was agreed to.

The next amendment was, on page 3, line 4, to renumber section 4.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time and passed.

GEORGE W. MIDDLETON

The Senate proceeded to consider the bill (S. 4293) for the relief of George W. Middleton, which had been reported from the Committee on Military Affairs, with an amendment, on page 1, line 11, after "prior to", to insert "or after", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, George W. Middleton, who was a member of the Sixth Company, Coast Artillery Corps, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on September 17, 1919: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to or after the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 4581) authorizing the payment of certain salaries and expenses of employees of the General Land Office was announced as next in order.

Mr. McKELLAR. Mr. President, this is a very unusual bill. Without explanation, let it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN EASTER HARRIS

Mr. FLETCHER. Mr. President, I ask the Senator from Tennessee [Mr. McKELLAR] if he is willing that the Senate recur to Calendar No. 2056, being Senate bill 3041?

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the Senate proceeded to consider the bill (S. 3041) to authorize the appointment of John Easter Harris as a major, Corps of Engineers, Regular Army, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That upon the occurrence of a vacancy in the grade of major in the Regular Army such vacancy may be filled by the appointment by the President, by and with the advice and consent of the Senate, of John Easter Harris, if found physically

qualified, as a major, Corps of Engineers, Regular Army, the rank held by him at the time of his separation from the service: *Provided*, That no pay or allowances antedating an acceptance under an appointment pursuant to this act shall accrue thereunder.

HARDING TOWN SITE, FLORIDA

The bill (S. 4707) for the relief of certain purchasers of lots in Harding town site, Florida, and for the relief of the heirs of Lewis G. Norton, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue a patent to any person who, as a result of an auction sale of lots in Harding town site, Florida, conducted during February 1924 by a representative of the Department of the Interior, agreed to purchase a lot in such town site and who, (1) prior to the date of approval of this act, has paid to the United States 75 percent or more of the agreed purchase price of such lot, or (2) within 12 months after the date of approval of this act makes payment to the United States which, together with payment previously made, amounts to 75 percent of the agreed purchase price of such lot.

SEC. 2. As used in this act, the term "person" includes an individual, partnership, corporation, or association.

SEC. 3. In view of the equities appearing in the decision of the United States District Court for the Southern District of Florida in the case of *United States* v. *Norton*, no. 2885 (14 Fed. (2d) 184), the unsold lots in said Harding town site, being lot 1 of block 4, lot 6 of block 5, lot 14 of block 7, and lots 4 and 11 of block 10, are hereby granted to the heirs of Lewis G. Norton, and the Secretary of the Interior is hereby authorized and directed to issue a patent therefor to the said heirs. This grant is made in satisfaction of all claims by the heirs against the United States in connection with said town site.

SNOQUALMIE NATIONAL FOREST, WASH.

The Senate proceeded to consider the bill (S. 4393) to authorize the revision of the boundaries of the Snoqualmie National Forest, in the State of Washington, which had been reported from the Committee on Public Lands and Surveys with an amendment to strike out all after the enacting clause and to insert:

That any lands which are in private ownership within the following-described area, which are found by the Secretary of Agriculture to be chiefly valuable for national-forest purposes, may be offered in exchange under the provisions of the act of March 20, 1922 (42 Stat. 465), as amended by the act of February 28, 1925 (43 Stat. 1090), and upon acceptance of title shall become part of the Snoqualmie National Forest; and any lands in public ownership lying within such described area found to be valuable for national-forest purposes may, upon recommendation of the Secretaries of Agriculture and of the Interior, be added to the Snoqualmie National Forest by proclamation of the President, subject to valid existing claims:

Township 20 north, range 7 east, sections 1 and 12;

Township 21 north, range 7 east, sections 1, 12, 13, 24, 25, 36;

Township 20 north, range 8 east, sections 1 to 30, inclusive, and sections 20 to 24, inclusive;

Township 21 north, range 8 east, all;

Township 20 north, range 9 east, sections 7 to 15, inclusive;

Township 20 north, range 10 east, sections 7, 13, 17 to 24, inclusive, sections 27, 28, and 29;

Township 27 north, range 10 east, west half section 16, all section 17, east half section 18, northeast quarter section 19, north half section 20, northwest quarter section 21;

Township 20 north, range 11 east, sections 17, 18, and 19;

All Willamette base and meridian.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CRATERS OF THE MOON NATIONAL MONUMENT, IDAHO

The bill (H. R. 7930) to eliminate certain lands from the Craters of the Moon National Monument, Idaho, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the north half and north half of the south half section 16, township 2 north, range 24 east, Boise meridian, Idaho, be, and the same are hereby, eliminated from the Craters of the Moon National Monument.

MAMMOTH CAVE NATIONAL PARK, KY.

The Senate proceeded to consider the bill (H. R. 11791) to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky., which had been reported from the Committee on Public Lands and Surveys with an amendment, in section 1, page 1, line 10, after "purpose", to insert "and the proviso at the end of section 1 of said act of May 25, 1926, is hereby repealed", so as to make the section read:

Be it enacted, etc., That all lands purchased from funds heretofore allocated and made available by Executive order, or otherwise, or which hereafter may be allocated and made available for the acquisition of lands for conservation of forestation purposes within the maximum boundaries of the Mammoth Cave National Park as authorized by the act of May 25, 1926 (44 Stat. 635), be, and the same are hereby, made a part of the said park as fully as if originally acquired for that purpose and the proviso at the end of section 1 of the said act of May 25, 1926, is hereby repealed.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H. R. 12220) to authorize the adjustment of the boundary of the Fort Marion National Monument, Florida, in the vicinity of Fort Marion Circle, and for other purposes, was announced as next in order.

Mr. COPELAND. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

G. A. TROTTER

The bill (S. 4616) for the relief of G. A. Trotter was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of G. A. Trotter, former superintendent and special disbursing agent of the Zuni Indian Agency, for payments aggregating $102.40 made to Will Halloran as mileage for the use of his personally owned automobile while performing his official duties as road supervisor in the Indian Service.

KICKAPOO INDIANS OF OKLAHOMA

The Senate proceeded to consider the bill (S. 4152) validating certain conveyances by Kickapoo Indians of Oklahoma made prior to February 17, 1933, providing for actions in partition in certain cases, which had been reported from the Committee on Indian Affairs with amendments, in section 1, page 1, line 3, after "conveyances", to insert "made to Ira L. Couch, A. J. Ownby, Fred L. Rooker, Wallace Estell, Jr., J. D. Shepherd, or any of them, or to their grantors"; on the same page, line 8, after the word "quarter", to insert "of northwest quarter"; on page 2, line 17, after "were", to insert "made after September 11, 1922, and"; and in line 20, after the date "1933", to strike out "or to have been" and to insert "are hereby", so as to make the section read:

Be it enacted, etc., That all conveyances made to Ira L. Couch, A. J. Ownby, Fred L. Rooker, Wallace Estell, Jr., J. D. Shepherd, or any of them, or to their grantors purporting to convey an inherited interest in Kickapoo lands allotted in Oklahoma in and to the following-described real estate, to wit: The northeast quarter of northwest quarter, and lot 1 of the northwest quarter section 19, township 12 north, range 2 east; lot 11, northeast quarter section 17, and lot 3, northeast quarter section 18, and lot 3, northeast quarter section 20, and lot 2, northwest quarter section 20, and lot 2, northeast quarter section 18, township 12 north, range 1 east; the north half southeast quarter section 19, township 11 north, range 3 east; the northwest quarter southeast quarter and lot 2 of the southeast quarter section 8, township 12 north, range 1 east; lot 4 of section 16, lot 5 of section 17, and lot 1 of section 20, township 12 north, range 1 east; lots 3 and 4 of the northeast quarter section 7, township 12 north, range 1 east; west half southeast quarter section 3, township 11 north, range 2 east; east half southeast quarter section 3, township 11 north, range 2 east; east half northeast quarter section 10, township 11 north, range 2 east; lots 7 and 8 of the southeast quarter section 13, township 11 north, range 2 east; the north half southeast quarter section 4, township 11 north, range 2 east, where such instrument or instruments were made after September 11, 1922, and recorded in the office of the registrar of deeds for the county in which said lands are located, prior to February 17, 1933, are hereby ratified and confirmed as valid conveyances of an inherited interest.

The amendment was agreed to.

The next amendment of the Committee on Indian Affairs was, in section 2, page 3, line 12, after "therein", to insert "except where such grantee is a restricted Indian", so as to make the section read:

SEC. 2. That any such grantee, his heirs or assigns, in any such deed conveying an undivided interest to any part of said land may maintain a suit to partition the same against any restricted Indian who is a part owner of said lands in the United States

District Court for the Western District of Oklahoma in accordance with the law governing partitions in the State of Oklahoma. The United States shall be made a party to such action, and jurisdiction is hereby conferred upon such court to hear and determine such causes, and service may be had on the United States by serving one copy of the petition or bill in equity on the United States attorney for the western district of Oklahoma 41 days before said cause is set for trial, and any conveyance ordered made by said court in such proceedings shall operate to remove all restrictions on the lands conveyed to the grantee therein, except where such grantee is a restricted Indian.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOINT RESOLUTIONS PASSED OVER

The joint resolution (H. J. Res. 415) to carry out the intention of Congress with reference to the claims of the Chippewa Indians of Minnesota against the United States was announced as next in order.

Mr. McKELLAR. Mr. President, this seems to be contrary to the recommendations of the Department, and I ask that it go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The joint resolution (S. J. Res. 207) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes" (44 Stat. L. 807) was announced as next in order.

Mr. COPELAND. I ask that the joint resolution be passed over.

Mr. WHEELER. Mr. President, will the Senator from New York withhold his objection for a moment? This is a Senate joint resolution which the Crow Indians are very anxious to have passed. It gives the Supreme Court jurisdiction to determine whether or not the Crow Indians, who were given inadequate consideration under a mistake of facts, be given the opportunity to present their matter in the Court of Claims. If the court so finds, then the court is given effective jurisdiction to render judgment notwithstanding previous action.

Mr. COPELAND. I find adverse reports from the Department, and it seems to me that it is so significant a thing, going back to an old claim, that certainly we ought not to pass the joint resolution without some consideration. I am sorry, but I must object.

The PRESIDING OFFICER. The joint resolution will be passed over.

EZRA CURTIS

The bill (H. R. 10174) for the relief of Ezra Curtis was considered, ordered to a third reading, read the third time, and passed.

DIAMOND JUBILEE COMMITTEE, YANKTON, S. DAK.

The bill (S. 4643) authorizing the Secretary of War to lend certain Army equipment to the Diamond Jubilee Committee, Yankton, S. Dak., for the accommodation of persons attending the celebration to be held by such committee during June 1936 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of the Joint Resolution No. 11, approved March 2, 1913, as amended, the Secretary of War is authorized to lend, at his discretion, to the Diamond Jubilee Committee, Yankton, S. Dak., for use in the accommodation of persons attending the celebration to be held by such committee at Yankton, S. Dak., from June 7, 1936, to June 13, 1936, both dates inclusive, such Army equipment, including regular Army tents, cots, and blankets, as such committee may deem necessary for such purpose. No expense shall be caused the United States Government by the delivery and return of such property, the same to be delivered from the nearest quartermaster depot at such time prior to such celebration as may be agreed upon by the Secretary of War and such committee; and the Secretary of War, before delivering such property, shall take from such committee a good and sufficient bond for the safe return of such property in good order and condition and the whole without expense to the United States.

FLORENCE KERR FACEY

The bill (S. 3733) authorizing the issuance of a patent to certain lands in the State of Montana to Florence Kerr Facey was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of the act entitled "An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing phosphate, nitrate, potash, oil, gas, or asphaltic minerals", approved July 17, 1914, the Secretary of the Interior is authorized and directed to issue, upon payment of final commissions, to Florence Kerr Facey, of Havre, Mont., an unrestricted patent to the east half northwest quarter, and lots 1 and 2, section 19, township 32 north, range 33 east, Montana principal meridian (Great Falls, 053718), upon her filing an abstract of title to the land showing her to be the equitable owner thereof, save for the pendency of any application for a permit or lease thereof under the act approved February 25, 1920, and paying into the land office at Great Falls, Mont., the sum of $6.

VINCENT FORD

The bill (S. 4625) for the relief of Vincent Ford was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to place Second Lt. Vincent Ford, Army Air Corps Reserve, upon the retired list of the Army with three-fourths of the active-duty pay of his grade: *Provided*, That a duly constituted Army retiring board finds that the said Vincent Ford is incapacitated for service by reason of physical disability incurred in the line of duty: *Provided further*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

PERCY C. WRIGHT

The Senate proceeded to consider the bill (S. 1769) for the relief of Percy C. Wright, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That the President be, and he is hereby, authorized to place First Lt. Percy C. Wright, Army Air Corps Reserve, upon the retired list of the Army with three-fourths of the active-duty pay of his grade: *Provided*, That a duly constituted Army retiring board finds that the said Percy C. Wright is incapacitated for service by reason of physical disability incurred in the line of duty: *Provided further*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossd for a third reading, read the third time, and passed.

AMENDMENT OF BANKRUPTCY ACT

The bill (H. R. 8940) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, and acts amendatory thereof and supplementary thereto" was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of that bill.

Mr. SCHWELLENBACH. I wish to inquire whether this is the same bill passed by the Senate 2 or 3 weeks ago?

The PRESIDING OFFICER. The Chair is advised by the clerk that this is substantially the bill recently passed by the Senate. The bill was recalled from the House and recommitted, and has been reported by the Senate Committee on the Judiicary, and is now on the calendar with an amendment.

Mr. SCHWELLENBACH. In view of the fact that the Senate acted upon it, I do not believe that as a matter of order of business the bill could be disposed of in the short time allowed under the calendar proceeding, and I shall ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

CONSTRUCTION AT MILITARY POSTS

The bill (S. 4722) to authorize appropriations for construction at military posts, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated not to exceed $33,675,135, to be expended for the con-

struction and installation at military posts of such buildings and utilities and appurtenances thereto as may be necessary, as follows: *Provided*, That appropriations for this purpose are authorized for 4 fiscal years, in amounts for each approximately as follows: For the first fiscal year, a total of $8,929,376; for the second fiscal year, a total of $8,435,828; for the third fiscal year, a total of $8,426,699; for the fourth fiscal year, a total of $7,883,232:

Station	Description of construction	Amount
Fort Amador, Canal Zone	Barracks	$89,000
	Noncommissioned officers' quarters	58,650
Total for station		127,650
Fort Clayton, Infantry section, Canal Zone.	Barracks	118,800
	Noncommissioned officers' quarters	36,500
	Officers' quarters	209,600
	Hospital, including medical detachment barracks and noncommissioned officers' quarters.	202,392
Total for station		567,292
Corozal, general depot, Canal Zone.	Barracks	339,120
	Noncommissioned officers' quarters	195,500
	Officers' quarters	232,200
	Telephone construction	25,250
Total for station		792,070
Corozal ordnance group (Corundu Reservation), Canal Zone.	Barracks (addition to)	39,000
	Noncommissioned officers' quarters	44,490
	Officers' quarters	45,000
Total for station		128,490
Fort Davis, Canal Zone	Barracks	118,800
	Telephone construction	8,000
Total for station		126,800
Fort Kobbe, Canal Zone	Barracks	55,000
	Electric power line	7,000
	Officers' quarters	15,000
	Telephone construction	1,070
Total for station		78,070
Fort Randolph, Canal Zone	Hospital, including medical detachment barracks and noncommissioned officers' quarters.	204,000
	Barracks	594,000
	Noncommissioned officers' quarters	97,750
Total for station		895,750
Fort Sherman, Canal Zone	Barracks	562,500
Various Canal Zone stations	Civilian quarters	118,250
Schofield Barracks, Hawaiian Department.	Barracks, including medical detachment	907,000
	Noncommissioned officers' quarters	204,000
	Telephone construction, including exchange building and central office equipment.	213,000
	Officers' quarters	474,600
Total for station		1,798,600
Fort Shafter, Hawaiian Department.	Barracks	1,088,790
	Noncommissioned officers' quarters	420,000
	Telephone construction	15,000
	Officers' quarters	167,246
	Storage building	48,000
Total for station		1,739,036
Fort Ethan Allen, Vt	Noncommissioned officers' quarters	41,500
	Motorization housing (Quartermaster, Field Artillery, and Cavalry), including garage and shops.	161,700
	Gasoline and oil storage	4,500
Total for station		207,700
Anchorage, Alaska (U. S. Signal Corps station at Whitney).	Noncommissioned officers' quarters	17,000
Army and Navy General Hospital, Ark.	North Annex	90,000
	Noncommissioned officers' quarters	33,200
Total for station		123,200
Army Medical Center, D. C.	Barracks	410,000
	Telephone construction	1,250
Total for station		411,250
Fort Banks, Mass.	Noncommissioned officers' quarters	33,200
	Nurses' quarters	50,000
Total for station		83,200
Fort Barrancas, Fla.	Noncommissioned officers' quarters	33,200
	Officers' quarters	75,000
	Telephone construction	10,000
Total for station		118,200
Fort Belvoir, Va.	Noncommissioned officers' quarters	$132,400
	Officers' quarters	125,000
	Garage and shops, including gasoline storage, Quartermaster and Engineer.	225,500
	Stables, shops, and sheds	118,725
	Telephone construction	6,000
	School for enlisted specialists	60,000
Total for station		667,625
Benicia Arsenal, Calif.	Noncommissioned officers' quarters	74,700
	Warehouses and loading platforms	47,630
Total for station		122,330
Fort Benning, Ga.	Water system, improvements and additions.	105,000
	School and barracks for cooks and bakers	140,000
	Noncommissioned officers' quarters	16,600
	Reproduction plant (addition to), including equipment.	66,500
Total for station		328,100
Fort Bliss, Tex.	Barracks	233,000
	Stables and shops	492,328
	Telephone construction	10,000
Total for station		735,328
Fort Bragg, N. C.	Barracks, including medical detachment	289,000
	Telephone exchange building, including central office equipment.	42,500
Total for station		331,500
Carlisle Barracks, Pa.	Noncommissioned officers' quarters	116,200
	Officers' quarters	159,600
	Telephone construction	5,319
Total for station		281,119
Chilkoot Barracks	Noncommissioned officers' quarters	14,000
Fort Crockett, Tex.	Barracks, including medical detachment	440,000
	Noncommissioned officers' quarters	110,000
	Officers' quarters	242,400
	Garage and shops	90,000
	Warehouses	64,000
	Telephone construction	10,000
Total for station		956,400
Fort Crook, Nebr.	Garage and shop	50,000
	Telephone construction	1,500
	Noncommissioned officers' quarters	60,000
Total for station		111,500
Curtis Bay Ordnance Depot, Md.	Noncommissioned officers' quarters	33,200
Camp Custer, Mich.	Barracks and headquarters building	40,000
Delaware Ordnance Depot, N. J.	Barracks	70,000
	Noncommissioned officers' quarters	33,200
Total for station		103,200
Fort Des Moines, Iowa	Noncommissioned officers' quarters	66,400
	Officers' quarters	64,800
	Hospital (addition to)	50,000
	Telephone construction	3,000
Total for station		184,200
Fort Devens, Mass.	Noncommissioned officers' quarters	8,500
	Fire station and guardhouse (addition to)	16,000
	Telephone construction	10,000
Total for station		34,500
Camp Dix, N. J.	Water supply system, including purification plant and attendants' quarters.	100,000
Fort Douglas, Utah	Noncommissioned officers' quarters	33,200
Fort Du Pont, Del.	Barracks	240,000
Fort Benjamin Harrison, Ind.	Barracks (addition to)	29,000
	School and barracks for bakers and cooks	140,000
	Noncommissioned officers' quarters	33,200
	Officers' quarters	94,400
	Nurses' quarters	50,660
	Telephone construction	8,000
Total for station		355,260
Fort Hayes, Ohio	Noncommissioned officers' quarters	83,000
Holabird Quartermaster Depot, Md.	Barracks	600,000
	Noncommissioned officers' quarters	149,400
	Telephone construction	12,000
	Sewage-disposal plant	23,000
	Officers' quarters	90,000
Total for station		874,400
Fort Sam Houston, Tex.	Officers' quarters	654,500
	Motor pool (completion of), including garages, shops, gasoline storage, etc.	175,000
	Fire station	25,000
	Warehouses	100,000
	Magazines	15,225
	Stables	40,000

Station	Description of construction	Amount
Fort Sam Houston, Tex.	Telephone construction	$25,000
	School and barracks for bakers and cooks.	140,000
Total for station		1,174,725
Fort Huachuca, Ariz.	Hospital, including medical detachment barracks.	600,000
	Motorization housing, including garage and shops.	50,000
	New post exchange and gymnasium	100,000
	Reconstruction of water-supply system	140,000
	Telephone construction	1,000
	Gasoline and oil storage	3,500
	Officers' garages	10,801
	Other new construction	17,598
	Repairs to existing buildings	156,379
	Recreational facilities	9,200
	Heating plants	291,350
	Roads	243,750
	Landing field	18,250
Total for station		1,641,828
Fort Jay, N. Y. (Governors Island).	Barracks	130,000
	Noncommissioned officers' apartments	140,400
	Officers' quarters	165,000
	Garage and shop	225,000
	Telephone construction	20,000
Total for station		680,400
Jefferson Barracks, Mo.	Barracks	240,000
	Mess kitchen, addition to barracks	60,000
	Officers' quarters	143,000
	Nurses' quarters	43,300
	Telephone construction	6,000
Total for station		492,300
Jeffersonville Quartermaster Depot, Ind.	Barracks	90,000
	Noncommissioned officers' quarters	33,200
	Officers' quarters	98,200
	Telephone construction	4,000
Total for station		225,400
Fort Knox, Ky.	Barracks	502,000
	Noncommissioned officers' quarters	91,300
	Officers' quarters	187,200
	Hospital (completion of), including medical detachment barracks.	100,000
	Telephone construction	10,000
	Motorization housing, Quartermaster and Ordnance, mechanized Cavalry, Field Artillery, including garage and shop.	374,000
	Nurses' quarters	45,000
Total for station		1,309,500
Fort Leavenworth, Kans.	Barracks	70,000
Letterman General Hospital, Calif.	Barracks, medical detachment	400,000
	Noncommissioned officers' quarters	83,000
Total for station		483,000
Fort Lewis, Wash.	Noncommissioned officers' quarters	16,600
Fort Logan, Colo.	Barracks, alterations, and enlargement	63,000
	Shop, garage, gasoline and oil storage	121,506
	Warehouse	40,000
	Magazine	11,600
	Headquarters (addition to)	40,000
	Telephone construction	1,000
Total for station		277,106
Fort MacArthur, Calif.	Noncommissioned officers' quarters	8,400
	Officers' quarters	94,800
	Motorization housing, including garages, shops, and gasoline and oil service	210,500
Total for station		313,700
Fort McDowell, Calif.	Barracks	550,000
	Telephone construction	5,750
	Officers' quarters	72,000
Total for station		627,750
Fort McIntosh, Tex.	Barracks	60,000
	Magazines, including fence and roads	13,414
Total for station		73,414
Fort McPherson, Ga.	Noncommissioned officers' quarters	16,500
Madison Barracks, N. Y.	Rehabilitation of water-supply system, including purification plant and quarters for attendants.	85,000
	Noncommissioned officers' quarters	66,400
	Garage and shop	70,000
Total for station		221,400
Fort Mason, Calif.	Warehouse	925,000
Fort George Meade, Md.	Barracks	$335,090
	School and barracks for bakers and cooks.	380,000
	Motor housing and tank park, including garage and shops.	214,450
	Telephone construction	7,500
	Magazines	25,000
Total for station		941,950
Fort Missoula, Mont.	Noncommissioned officers' quarters	45,000
Fort Monmouth, N. J.	Motor transport garages	96,000
	Telephone construction	30,000
Total for station		126,000
Fort Monroe, Va.	Barracks, quartermaster detachment	100,000
	Barracks (addition and alterations)	225,000
	Officers' quarters	179,400
	Telephone construction	19,500
Total for station		523,900
Fort Moultrie, S. C.	Noncommissioned officers' quarters	16,600
	Warehouse	45,000
	Telephone construction	3,000
Total for station		64,600
Fort Myer, including Battery Cove, Radio Station, Va.	Barracks (addition to)	171,000
	Noncommissioned officers' quarters	31,600
Total for station		202,600
Nansemond Ordnance Depot, Va.	Barracks	80,000
	Noncommissioned officers' quarters	33,200
	Officers' quarters	30,000
Total for station		143,200
New Cumberland General Depot, Pa.	Noncommissioned officers' quarters	33,200
	Officers' quarters	15,000
Total for station		48,200
Fort Niagara, N. Y.	Barracks	45,000
	Officers' quarters	54,000
Total for station		99,000
Fort Ontario, N. Y.	Barracks	70,000
	Telephone construction	1,500
Total for station		71,500
Picatinny Arsenal, N. J.	Officers' quarters	30,000
	Noncommissioned officers' quarters	16,600
Total for station		46,600
Plattsburg Barracks, N. Y.	Noncommissioned officers' quarters	24,900
	Motorization housing, shops, gasoline and oil storage, and garage.	57,867
	Telephone construction	5,000
Total for station		87,767
Fort Preble, Maine	Noncommissioned officers' quarters	33,200
	Stables	11,500
	Telephone construction	1,000
Total for station		45,700
Presidio of San Francisco, Calif.	Barracks	400,000
	School and barracks for bakers and cooks.	140,000
	Motor shops and garages	82,500
	Garage and shops, Infantry	70,000
	Office building	100,000
	Telephone construction	10,000
	Warehouses	90,000
	Noncommissioned officers' quarters	83,000
Total for station		975,500
Raritan Arsenal, N. J.	Barracks	300,000
	Officers' quarters	109,800
Total for station		409,800
Reno Quartermaster Depot, Okla.	Barracks	75,000
	Telephone construction	5,000
Total for station		80,000
Fort Riley, including Marshall Field, Kans.	Academic building and auditorium	300,000
	Flood damage restoration (including various quarters, miscellaneous buildings, roads, walks, and utilities; shore protection, including piling and jetty control and fill).	92,860
Total for station		392,860
Rock Island Arsenal, Ill.	Noncommissioned officers' quarters	8,500
Fort D. A. Russell, Tex.	Motor shops, truck and gun sheds	77,818
Fort Saulsbury, Del.	Barracks	15,000

Station	Description of construction	Amount
Fort Winfield Scott, Calif.	Officers' quarters	$184,800
	Telephone construction	6,500
Total for station		191,300
Fort Sheridan, Ill.	Barracks	200,000
	School and barracks for bakers and cooks	140,000
	Noncommissioned officers' quarters	208,000
	Hospital, including medical detachment barracks, nurses' quarters, heating plant, and garage	588,348
	Motorization, housing, Coast Artillery, Infantry, Field Artillery, and Quartermaster, including garage shops, gasoline storage, etc.	257,000
	Telephone construction	8,000
Total for station		1,401,348
Fort Sill, Okla.	Barracks	295,000
	Academic and administration building (completion of)	210,000
	Telephone construction	7,000
Total for station		512,000
Fort Slocum, N. Y.	Barracks	209,000
	Noncommissioned officers' quarters	49,800
	Telephone construction	2,500
Total for station		261,300
Fort Thomas, Ky.	Barracks	254,000
	Noncommissioned officers' quarters	66,400
	Telephone construction	1,500
Total for station		321,900
Fort Tilden, N. Y.	Barracks	40,000
	Noncommissioned officers' quarters	16,600
	Officers' quarters	30,000
	Telephone construction	2,000
Total for station		88,600
Fort Totten, N. Y.	Motor park, including shop, storage, garages, heating plant, filling station, etc.	233,000
	Telephone construction	5,000
Total for station		238,000
Vancouver Barracks, Wash.	Noncommissioned officers' quarters	249,000
Fort Wadsworth, N. Y.	Barracks	180,000
	Noncommissioned officers' quarters	16,600
	Motor shop and garage	87,000
	Telephone construction	5,000
	Bakery	19,000
Total for station		257,600
Washington, D. C. (Headquarters Company, Sixteenth Brigade, and Washington Quartermaster Depot).	Barracks, quartermaster depot, and garage for Army and White House.	1,016,519
West Point, N. Y.	Fire station	35,000
Fort Williams, Maine	Officers' quarters	30,000
	Garage	33,500
	Radio building and towers	10,000
Total for station		73,500
Fort Worden, Wash.	Noncommissioned officers' quarters	33,200
Fort George Wright, Wash.	do	24,900
	Officers' quarters	32,400
	Warehouse, quartermaster	18,000
	Telephone construction	8,500
Total for station		83,800
Fort H. G. Wright, N. Y.	Noncommissioned officers' quarters	16,600
Kelly Field, Tex.	Barracks, cadet	205,000
	Hospital	160,000
	Barracks, enlisted	420,000
	Hangars (8)	945,000
Total for station		1,730,000
Fort Clark, Tex.	Garage and shops	22,000
Fort Francis E. Warren, Wyo.	Barracks for medical detachment	70,000
	Telephone construction	22,500
	Gymnasium	200,000
	Magazines (4) including roads and fence	14,660
Total for station		307,160

The PRESIDING OFFICER. That completes the calendar.

ARTICLES OWNED BY PRESIDENT AND MRS. GEORGE WASHINGTON

Mr. BARKLEY. Mr. President, from the Committee on the Library, I report back favorably the joint resolution (S. J. Res. 237) to provide for the appraisal and purchase of certain articles owned by President and Mrs. George Washington, and I ask unanimous consent for the present consideration of the joint resolution.

There being no objection, the joint resolution (S. J. Res. 237) to provide for the appraisal and purchase of certain articles owned by President and Mrs. George Washington was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby created a commission, to be composed of the Secretary of the Senate, the Clerk of the House of Representatives, and the Secretary of the Smithsonian Institution, or his duly authorized representative, to appraise the value of the following articles which were formerly owned by President and Mrs. George Washington and which are now on display at the United States National Museum by permission of the present owners: One marquee tent, one marquee tent roof, three tent poles, 23 tent pins, two tent pouches, and one iron treasure chest. The commission is authorized to purchase such articles on behalf of the United States at a price not to exceed the value of such articles as appraised by the commission. Such articles when purchased shall remain on display at the United States National Museum.

SEC. 2. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this joint resolution.

DEPORTATION OF CRIMINAL ALIENS

Mr. COOLIDGE. Mr. President, I ask unanimous consent to recur to Calendar No. 1210, being Senate bill 2969.

Mr. WHEELER. I object to that. That bill was debated on the floor for some time.

Mr. COOLIDGE. May I make an explanation?

Mr. WHEELER. The Senator may make an explanation, but I shall object to the bill being taken up by unanimous consent.

The PRESIDING OFFICER. Objection is heard to the request of the Senator from Massachusetts.

Mr. COOLIDGE. Mr. President, will the Senator from Montana withhold the objection so that I may state that it is proposed to offer for the bill a substitute which has been agreed upon?

Mr. WHEELER. I ask for the regular order.

Mr. McNARY. I ask for the regular order.

The PRESIDING OFFICER. The regular order is demanded, and the hour of 1 o'clock having arrived——

CERTAIN SALARIES OF GENERAL LAND OFFICE EMPLOYEES

Mr. WAGNER. Mr. President, may I ask the Senate to recur to Calendar No. 2249, being Senate bill 4581?

The PRESIDING OFFICER. The Senator from New York asks the present consideration of a bill the title of which will be stated.

The CHIEF CLERK. A bill (S. 4581) authorizing the payment of certain salaries and expenses of employees of the General Land Office.

Mr. WAGNER. Mr. President, this bill proposes to provide for the payment of the salaries of a number of employees of the Department of the Interior for work which has already been done. It was assumed that the money was available until the Comptroller General decided that the particular funds were not available for the payment of these salaries.

Mr. McKELLAR. Mr. President, when that bill was reached I objected to it, because there was no explanation, but since hearing the explanation, I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection the bill (S. 4581) authorizing the payment of certain salaries and expenses of employees of the General Land Office was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the allotment to the General Land Office under section 1, title II, of the Emergency Appropriation Act,

fiscal year 1935, of $163,000 for necessary office work incident to surveys and resurveys of the public lands, is hereby extended and made available for said purpose for the period of July 1 to September 11, 1935, inclusive, and the payment of unpaid salaries for said period is hereby authorized, and the General Accounting Office shall allow credit in disbursing officers' accounts for salaries and expenses so paid for said period.

CORPORATE REORGANIZATIONS UNDER THE BANKRUPTCY LAW

Mr. SCHWELLENBACH. Mr. President, I objected when order of business 2264, being House bill 8940, was reached and asked that it go over. With the understanding with the Senator in charge of the bill that if tomorrow when I ask for a reconsideration of the bill, if I shall then decide to do so, there will be no objection, I will withdraw my objection to the consideration of the bill.

Mr. O'MAHONEY. I ask unanimous consent that the bill may now be considered.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 8940?

Mr. KING. What is the bill?

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 8940) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

The first amendment was, in section 1, on page 4, line 20, after the word "value of", to strike out "secured debts" and insert "security"; in line 21, after the word "over" to insert "but which in no event need amount to more than $25,000, and three or more creditors who have provable claims against a corporation principally engaged in owning, holding, or selling real estate, real-estate mortgages, or oil and gas royalties, or three or more holders of beneficial interest certificates in a common-law trust, principally engaged in owning, holding, or selling real estate, real-estate mortgages, or oil and gas royalties which amount in the aggregate, in excess of the value of the security held by them, if any, to $1,000 or over"; and on page 5, in line 18, after the word "appointed", to insert "or a receiver has been appointed for the collection of rents and profits from property constituting not less than 50 percent of the debtor's property, or a bond has been approved in lieu of such receivership in a foreclosure proceeding by a court of competent jurisdiction before which any such proceeding is pending, or a trustee under an indenture, mortgage, or deed of trust covering not less than 50 percent of the debtor's property, has taken possession thereof," so as to make the section read:

That subdivision (a) of section 77B of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, be amended to read as follows:

"SEC. 77B. Corporate reorganizations: (a) Any corporation which could become a bankrupt under section 4 of this act, and any railroad or other transportation corporation, except a railroad corporation authorized to file a petition or answer under the provisions of section 77 of this act, and except as hereinafter provided, may file an original petition, or, before adjudication in an involuntary proceeding, an answer, or in any proceeding pending in bankruptcy, whether filed before or after this section becomes effective, provided the present operations of such corporation do not exclude it hereunder, and whether or not the corporation has been adjudicated a bankrupt, a petition stating the requisite jurisdictional facts under this section; the nature of the business of the debtor; in brief description, the assets, liabilities, capital stock, and financial condition of the debtor; if a prior proceeding is pending, the name of the court in which it is pending and the nature of such proceeding; facts showing the need for relief under this section; and that the corporation is insolvent or unable to meet its debts as they mature and that it desires to effect a plan of reorganization. The petition shall be filed with the court in whose territorial jurisdiction the corporation, during the preceding 6 months or the greater portion thereof, has had its principal place of business or its principal assets, or in any territorial jurisdiction in the State in which it was incorporated. The court shall, upon petition, transfer such proceedings to the territorial jurisdiction where the interests of all the parties will be best subserved. The petition or answer shall be accompanied by payment to the clerk of a filing fee of $100, which shall be in addition to the fees required to be collected by the clerk under other sections of this act. Upon the filing of such a petition or answer the judge shall enter an order either approving it as properly filed under this section if satisfied that such petition or answer complies with this section and has been filed in good faith, or dismissing it. If the petition or answer is so approved, an order of adjudication in bankruptcy shall not be entered and the court in which such order approving the petition or answer is entered shall, during the pendency of the proceedings under this section, have exclusive jurisdiction of the debtor and its property wherever located for the purposes of this section, and shall have and may exercise all the powers, not inconsistent with this section, which a Federal court would have had it appointed a receiver in equity of the property of the debtor by reason of its inability to pay its debts as they mature. The corporation shall be referred to in the proceedings as a 'debtor.' Any corporation the majority of the capital stock of which having power to vote for the election of directors is owned, either directly or indirectly through an intervening medium, by any debtor, or substantially all of whose properties are operated by such debtor under lease or operating agreement, may file, with the court in which such debtor had filed its petition or answer, and in the same proceeding, a petition stating that it is insolvent or unable to meet its debts as they mature and that it desires to effect a plan of reorganization in connection with, or as a part of, the plan of reorganization of such other debtor; and thereupon such court, if it approves such petition, shall have the same jurisdiction with respect to such corporation, its property, and its creditors and stockholders as the court has with respect to such other debtor. Three or more creditors who have provable claims against any corporation which amount in the aggregate to not less than 5 percent of the total amount of all indebtedness of such corporation as shown by a balance sheet, as of a date within the preceding 12 months, of the corporation or by its latest annual report or by its books and which amount in the aggregate, in excess of the value of security held by them, if any, to $1,000 or over, but which in no event need amount to more than $25,000, and three or more creditors who have provable claims against a corporation principally engaged in owning, holding, or selling real estate, real-estate mortgages, or oil and gas royalties, or three or more holders of beneficial interest certificates in a common-law trust, principally engaged in owning, holding, or selling real estate, real-estate mortgages, or oil and gas royalties which amount in the aggregate, in excess of the value of the security held by them, if any, to $1,000 or over, may, if such corporation has not filed a petition or answer under this section, file with the court in which such corporation might file a petition under this section, a petition stating the requisite jurisdicitonal facts under this section, the nature of the business of such corporation, a general description of its assets, liabilities, capital stock, and financial condition, if a prior proceeding in bankruptcy or equity receivership is pending, the name of the court in which it is pending and the nature of such proceedings, facts showing the need of relief under this section, that such corporation is insolvent or unable to meet its debts as they mature, and if the corporation has not been adjudicated a bankrupt, or a receiver of the corporation has not been appointed, or a receiver has been appointed for the collection of rents and profits from property constituting not less than 50 percent of the debtor's property, or a bond has been approved in lieu of such receivership in a foreclosure proceeding by a court of competent jurisdiction before which any such proceeding is pending, or a trustee under an indenture, mortgage, or deed of trust covering not less than 50 percent of the debtor's property, has taken possession thereof, that it has committed an act of bankruptcy within 4 months preceding the date of the filing of the petition, and that such creditors propose that it shall effect a reorganization; and such corporation shall, within 10 days after the service of a copy of such petition upon it, answer such petition. If such answer shall admit (a) the jurisdiction of the court, and (b) the material allegations of the petition, the court shall enter an order approving the petition as properly filed under this section if satisfied that it complies with this section and has been filed in good faith, or dismiss it if so satisfied. If such answer shall deny any material allegation of the petition, the judge shall determine summarily the issues presented by the pleadings, without the intervention of a jury, and if the material allegations of the petition are sustained by the proofs and the court is satisfied that the petition complies with this section and has been filed in good faith, it shall approve the petition; otherwise the court shall dismiss the petition; and if any such petition shall be so approved, the proceedings thereon shall continue with like effect as if the corporation had itself filed a petition or answer under this section. In case any such petition or answer or proceedings shall be dismissed in the manner provided in this subdivision (a) or in subdivision (c), clause (8), of this section, the same shall not constitute an act of bankruptcy or an admission of insolvency or be admissible in evidence, without the consent of the debtor, in any proceedings then or thereafter pending or commenced under this act or in any Federal or State court. If three or more creditors who have provable claims which amount in the aggregate in excess of the value of securities held by them, if any, to $1,000 or over, or if stockholders holding 5 percent in number of all shares of stock of any class of the debtor outstanding shall, prior to the hearing provided for in subdivision (c), clause (1), of this section appear and controvert the facts alleged in the petition or answer, the judge shall determine as soon as may be the issues presented by the pleadings, without the intervention of a jury, and unless the material allegations of the petition or answer are sustained by the proofs, the proceedings shall be dismissed."

The amendment was agreed to.

The next amendment was, in section 2, on page 12, line 23, after the word "the", to strike out "judges" and insert "judge", so as to make the section read:

SEC. 2. Subdivision (c) of section 77B of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, is amended to read as follows:

"(c) Upon approving the petition or answer or at any time thereafter, the judge, in addition to the jurisdiction and powers elsewhere in this section conferred upon him, (1) may, after hearing upon notice to the debtor and to such others as the judge may determine temporarily continue the debtor in possession or appoint a trustee or trustees of the debtor's estate, and shall require the debtor, or such trustee or trustees, if appointed, to give such notice as the order may direct to creditors and stockholders and to cause publication thereof to be made at least once a week for 2 successive weeks of a hearing to be held within 30 days after such appointment, or, if no such appointment, within 30 days after the approval of the petition or answer, at which hearing or any adjournment thereof, or at any subsequent hearing after notice, the judge may make permanent any such appointment, or terminate it and restore the debtor to possession, or, if no trustee has been appointed, may appoint a trustee or trustees, and may remove any such trustee or trustees and continue the debtor in possession or appoint a substitute trustee or trustees and may appoint an additional trustee or trustees: *Provided, however*, That if the debtor is continued in possession, or if the management of the debtor is appointed trustee, no compensation shall be allowed the management as trustee in addition to the compensation of the management as salary, which salary shall not be in an amount greater than the salary of which the management was in receipt at the time of the approval of the petition or answer; (2) shall fix the amount of the bond of every such trustee, and every such trustee, upon filing such bond, shall have all the title and shall exercise, subject to the control of the judge and consistently with the provisions of this section, all the powers of a trustee appointed pursuant to section 44 of this act, and if authorized by the judge, the same powers as those exercised by a receiver in equity to the extent consistent with this section, and, subject to the authorization and control of the judge, the power to operate the business of the debtor during such period, fixed or indefinite, as the judge may from time to time prescribe; (3) may, for cause shown, authorize the debtor or the trustee or trustees, if appointed, to issue certificates for cash, property, or other consideration approved by the judge for such lawful purposes, and upon such terms and conditions and with such security and such priority in payments over existing obligations, secured or unsecured, as may be lawful in the particular case; (4) shall require the debtor, or the trustee or trustees if appointed, at such time or times as the judge may direct, and in lieu of the schedules required by section 7 of this act, to file such schedules and submit such other information as may be necessary to disclose the conduct of the debtor's affairs and the fairness of any proposed plan; and may direct the debtor, or the trustee or trustees if appointed, to prepare (a) a list of all known bondholders and creditors of, or claimants against, the debtor or its property, and the amounts and character of their debts, claims, and securities, and the last known post-office address or place of business of each creditor or claimant, and (b) a list of the stockholders of each class of the debtor, with the last known post-office address or place of business of each, which lists shall be open to the inspection of any creditor or stockholder of the debtor, during reasonable business hours, upon application to the debtor, or to the trustee or trustees, if appointed, and the contents of such lists shall not constitute admissions by the debtor or the trustees in a proceeding under this section or otherwise; (5) may direct the rejection of contracts of the debtor executory in whole or in part; (6) shall determine a reasonable time within which the claims and interests of creditors and stockholders may be filed or evidenced and after which no such claim or interest may participate in any plan, except on order for cause shown, the manner in which such claims and interests may be filed or evidenced and allowed, and, for the purposes of the plan and its acceptance, the division of creditors and stockholders into classes according to the nature of their respective claims and interests; and may, for the purposes of such classification, classify as an unsecured claim, the amount of any secured claim in excess of the value of the security therefor, such value to be determined in accordance with the provisions of section 57, clause (h), of this act; (7) shall cause reasonable notice of such determination and of all hearings for the consideration of any proposed plan, or of the dismissal of the proceedings, or the liquidation of the estate, or the allowance of fees or expenses, to be given creditors and stockholders by publication or otherwise; (8) if a plan of reorganization is not proposed or accepted within such reasonable period as the judge may fix, or, if proposed and accepted, is not confirmed, may, after hearing, whether the proceeding be voluntary or involuntary, either extend such period or dismiss the proceeding under this section or, except in the case of a railroad or other public utility or of a debtor which has not been found by the judge to be insolvent, direct the estate to be liquidated, or direct the trustee or trustees to liquidate the estate, appointing a trustee or trustees if none shall previously have been appointed, as the interests of the creditors and stockholders may equitably require; (9) may allow a reasonable compensation for the services rendered and reimbursement for the actual and necessary expenses incurred in connection with the proceeding and the plan by officers, parties in interest, depositaries, reorganization managers, and committees or other representatives of creditors or stockholders, and the attorneys or agents of any of the foregoing and of the debtor, but appeals from orders fixing such allowances may be taken to the circuit court of appeals independently of other appeals in the proceeding and shall be heard summarily; (10) in addition to the provisions of section 11 of this act for the staying of pending suits against the debtor, may enjoin or stay the commencement or continuation of suits against the debtor until after final decree; and may, upon notice and for cause shown, enjoin or stay the commencement or continuance of any judicial proceeding to enforce any lien upon the estate until after final decree; and (11) may refer any matters to a special master, who may be one of the referees in bankruptcy, for consideration and report, either generally or upon specified issues, and allow such master a reasonable compensation and reimbursement for his services and actual and necessary expenses. The debtor shall have the right to be heard on all questions. Any creditor or stockholder shall have the right to be heard on the question of the permanent appointment of any trustee or trustees, and on the proposed confirmation of any reorganization plan, and upon filing a petition for leave to intervene, on such other questions arising in the proceeding as the judge shall determine. In case a trustee is not appointed, the debtor shall continue in the possession of its property, and, if authorized by the judge, shall operate the business thereof during such period, fixed or indefinite, as the judge may from time to time prescribe, and shall have all the title to and shall exercise, consistently with the provisions of this section, all the powers of a trustee appointed pursuant to this section, subject at all times to the control of the judge, and to such limitations, restrictions, terms, and conditions as the judge may from time to time impose and prescribe. While the debtor is in possession (a) its officers shall be entitled to receive only such reasonable compensation as the judge shall from time to time approve, and (b) no person shall be elected or appointed to any office, to fill a vacancy or otherwise, without the prior approval of the judge."

The next amendment was, on page 13, after line 10, to insert a new section, as follows:

SEC. 3. The first sentence of subdivision (m), section 74, of the act of July 1, 1898; entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, be, and it is hereby, amended to read as follows: "The filing of a debtor's petition or answer seeking relief under this section shall subject the debtor and his property, wherever located, to the exclusive jurisdiction of the court in which the order approving the petition or answer as provided in subsection (a) is filed, and this shall include property of the debtor in the possession of a trustee under a trust deed or a mortgage, or a receiver, custodian, or other officer of any court in a pending cause, irrespective of the date of appointment of such receiver or other officer, or the date of the institution of such proceedings: *Provided*, That it shall not affect any proceeding in any court in which a final decree has been entered unless the debtor's right of redemption has not expired."

That section 74, subsection (e), be amended to read as follows: "An application for the confirmation of a composition or extension proposal may be filed in the court of bankruptcy after, but not before, it has been accepted in writing by a majority in number of all creditors whose claims if unsecured have been allowed, or if secured are proposed to be affected by an extension proposal, which number must represent a majority in amount of such claims; and the money or security necessary to pay all the costs of the proceedings, and in case of a composition, the consideration to be paid by the debtor to his creditors have been deposited in such place as shall be designated by and subject to the order of the court. After the first meeting of the creditors as provided in subdivision (c), the debtor fails to obtain the acceptance of a majority in number of all creditors whose claims are affected by an extension proposal representing a majority in amount, the debtor may submit a proposal for an extension, including a feasible method of financial rehabilitation for the debtor which is for the best interest of all the creditors, including an equitable liquidation for the secured creditors whose claims are affected."

The amendment was agreed to.

The next amendment was on page 14, after line 24, to insert a new section, as follows:

SEC. 4. The provisions of subdivision (a) of said section 77B, as amended by this amendatory act, except that which requires three or more creditors to have provable claims amounting to not less than 5 percent but not less than $1,000 nor more than $25,000 of the total amount of all indebtedness of such corporation in the manner set forth in said section to file a petition under said section, shall apply to all petitions under said section 77B filed prior to the effective date of this amendatory act which shall not have been approved prior to said date. The provisions of sections 2 and 3 of this amendatory act shall apply to all proceedings under sections 74 and 77B pending on the effective date of this act in which a plan of extension or composition or reorganization has not been finally confirmed by the court or judge.

The amendment was agreed to.

The next amendment was, on page 15, after line 13, to insert a new section, as follows:

SEC. 5. The first sentence of subdivision (i) of section 77B of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", is amended by striking out all of the first sentence of said subdivision (i) after the words "if the petition or answer is approved" and inserting the following in lieu thereof "The trustee or trustees appointed under this section, or the debtor if no trustee is appointed, shall be entitled forthwith to possession of and vested with title to all property of the debtor, including property in the possession of any receiver or prior trustee, whether appointed by a court or otherwise, and the judge shall make such orders as he may deem equitable for the protection of obligations incurred by such receiver or prior trustee and for the payment of such reasonable administrative expenses and allowances as may be fixed by the court in any proceeding in which such receiver or prior trustee was appointed."

The amendment was agreed to.

Mr. AUSTIN. Mr. President, I wish to interrogate the Senator in charge of the bill with respect to one point. Does this bill contain a provision that would excuse guarantors and sureties from turning in their assets in an equal degree with the principal?

Mr. O'MAHONEY. I do not know that I understand the question of the Senator. I think the Senator is referring to a different measure than that under consideration.

Mr. AUSTIN. That is what I am trying to find out. If this is the bill that contains that provision, I should object to its consideration.

Mr. O'MAHONEY. This bill does not contain the provision to which the Senator alludes.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 12027) to authorize the execution of plans for a permanent memorial to Thomas Jefferson, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 1252. An act for the relief of Odessa Mason;

H. R. 6163. An act for the relief of Mrs. Murray A. Hintz;

H. R. 9496. An act to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration;

H. R. 10565. An act for the relief of Mr. and Mrs. William O'Brien; and

H. J. Res. 525. Joint resolution to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes.

FIRST DEFICIENCY APPROPRIATIONS

The PRESIDING OFFICER. The hour of 1 o'clock having arrived, under the unanimous-consent agreement the Chair lays before the Senate the unfinished business.

The Senate resumed consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Borah	Byrd
Austin	Benson	Brown	Byrnes
Bachman	Bilbo	Bulkley	Capper
Bailey	Black	Bulow	Caraway
Barbour	Bone	Burke	Carey
Chavez	Hastings	Minton	Smith
Clark	Hatch	Moore	Steiwer
Coolidge	Hayden	Murphy	Thomas, Okla.
Copeland	Holt	Murray	Thomas, Utah
Couzens	Johnson	Neely	Townsend
Davis	Keyes	Norris	Truman
Dieterich	King	O'Mahoney	Tydings
Duffy	La Follette	Overton	Vandenberg
Fletcher	Loftin	Pope	Van Nuys
Frazier	Lonergan	Radcliffe	Wagner
George	Long	Reynolds	Walsh
Gerry	McAdoo	Robinson	Wheeler
Gibson	McGill	Russell	White
Glass	McKellar	Schwellenbach	
Guffey	McNary	Sheppard	
Hale	Maloney	Shipstead	

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Mr. MCNARY obtained the floor.

Mr. HASTINGS. Mr. President——

Mr. MCNARY. I yield to the Senator from Delaware.

Mr. HASTINGS. I enter a motion to reconsider the vote by which the committee amendment, as amended, beginning on page 29, line 24, and extending down to and including line 10 on page 30, was agreed to and also to reconsider the vote by which the amendment of the Senator from Arkansas [Mr. ROBINSON] relating to the Florida canal to the committee amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry.

Mr. ADAMS. Mr. President, may we have the motion stated?

Mr. LA FOLLETTE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wisconsin will state his parliamentary inquiry.

Mr. LA FOLLETTE. I desire to be informed as to just what portions of the committee amendment the Senator from Delaware is moving to reconsider.

Mr. HASTINGS. I am moving to reconsider the vote whereby the amendment was adopted permitting the engineers to report on the Florida ship canal and the President, after such report, to expend certain sums of money.

Mr. LA FOLLETTE. If the Senator will bear with me his motion, then, is confined exclusively to the so-called Robinson amendment?

Mr. HASTINGS. Yes; that is correct.

Mr. President, I do not at this time propose to make any remarks in respect to the motion I have just entered.

The PRESIDING OFFICER. Does the Senator from Delaware desire the present consideration of the motion, or does he merely enter the motion to reconsider?

Mr. HASTINGS. I merely wish to enter the motion.

The PRESIDING OFFICER. The motion of the Senator from Delaware will be entered.

Mr. HASTINGS. Mr. President, I wish to discuss generally the bill now pending before the Senate. I desire to see if I can emphasize its importance, and I want in the first place to review briefly the situation with respect to the Treasury of the United States.

On June 30, 1933, 4 months after the present administration came into power, the reports show that during that fiscal year there was expended by the Government $5,142,953,627, representing the largest expenditures up to that time in the history of the country during peace times. The appropriations for the fiscal year 1934 were greater than those for the fiscal year 1933 by $1,962,096,458, there thus being nearly a $2,000,000,000 increase in expenditures in 1934 over those of the year 1933.

In 1935 the expenditures exceeded those of 1934 by $270,775,081.

In 1936, the present year, the Director of the Budget estimates the expenditures, exclusive of the bonus, will be $302,884,708 more than was expended in the year 1935.

The estimate for 1937 exceeds the estimate for 1936, exclusive of the bonus, by $593,844,497.

Thus if we take a 5-year period beginning with 1933, with an expenditure of $5,142,953,627, and add the accumulated expenditures each year over the other, we get a total increase in the year 1937 over the year 1933 of $3,129,600,743, making the total for the next year, $8,272,554,370.

When we are called upon to give to the President of the United States another sum amounting to $1,425,000,000, and bearing in mind the experience we have had with the $4,880,000,000 voted last year and the $3,300,000,000 voted the previous year, it seems to me it is time to consider seriously where this expenditure is to end and what is to happen to the country if it does not soon end.

Much has been said in the press, on the floor of the Senate, in the House of Representatives, and at other places, about how easy it is to raise sufficient funds to meet the so-called necessary expenses of the Government—necessary from the point of view of the present administration. We are now told—we have been so told by certain members of the Finance Committee—that the way to raise additional revenue is to get it from those who have the ability to pay, namely, those who are in the upper brackets of the income taxes, and from the wealthy corporations which have large surpluses, and so forth.

The President himself has referred to large corporations and to persons with large fortunes as being "industrial autocrats."

Mr. President, I invite attention to a fact which it seems to me is important to be considered by those who have the notion that these huge sums of money can be raised from such sources. The testimony before the Finance Committee during the pendency of the present revenue measure showed that the Treasury Department itself estimated that the entire statutory income, subject to taxation, of all the corporations in the United States during the year 1936 would amount to $7,200,000,000, so that if we should take all that the corporations earned and apply it to the demands of the President of the United States for the coming fiscal year, we would find that we were short the sum of $1,072,554,370.

If we add to that sum of $1,072,000,000 all the money that is received from individual income taxes, amounting to $936,000,000, we would still be short something like $136,000,000. Bear in mind if we should take all the income of all those corporations and then should take the income taxes of all the people who pay into the Federal Treasury and should add them together, we would still be short $136,000,000.

I think it is pretty generally conceded that we cannot go very much higher in the surtax brackets than we have already gone, because at the present time there are citizens who are paying into the Federal Treasury 75 percent of all their incomes. I take it that if we should go much beyond that point it would be held that we were beyond the bounds of reasonableness and that we could not take more without being charged with confiscating the fortunes of those people.

Let me invite attention to a further fact. If we should take all the present income as estimated by the Treasury of the United States and undertake to pay the deficit and balance the Budget, and if we did it by taking all of it from the corporations, it would be necessary to increase the taxes of the corporations from the present rate of 15 or 16 percent to 57 or 58 percent.

Mr. President, it seems to me these figures demonstrate that there must be some other means of meeting these expenses or of cutting down the expenses of the Government, which would be the very much more sensible thing to do.

In order that I may show to those who believe they ought not to be concerned and have no reason to be concerned about the taxes which are necessary to be levied in order to run the Government, let me invite their attention to the fact that without the corporations and without the tax we are now levying against them, the credit of the Federal Government probably would be destroyed.

The alcoholic beverage tax, according to the estimate of the Treasury, amounts to $554,800,000. The tobacco tax amounts to $504,044,000. The manufacturing excise taxes, which are called the nuisance taxes, amount to something over $400,000,000. The only thing that is not directly affected, though I suppose the free traders would argue that the people are also affected by it, is the customs income, which amounts to $354,000,000.

If I have demonstrated that we cannot meet the expenses by corporation taxes, if we cannot meet them by increasing the income taxes, then I say the people of the country are entitled to know that these huge expenditures must be reduced or finally all the people of the Nation will be directly taxed in order to meet the obligations and expenses of the Government.

I invite attention to these matters at this time because we are now called upon to pass a bill which, in my judgment, when we bear in mind the evidence which has been produced before the country as to what happened to previous appropriations like it, shows upon its face that the money will be in a large part wasted and not used for the purposes for which the Congress intends.

Let me pass on now from that general picture of the financial situation and give brief consideration to the bill itself.

I made a speech on the floor of the Senate with respect to the $4,880,000,000 appropriation. I made some predictions then with respect to it. I believe the evidence and developments since the appropriation of that sum of money clearly show that my warnings and the warnings of other Senators at that time ought to have been heeded by the Congress. We are again called upon to do what? To appropriate to the President of the United States, to expend as his discretion may dictate, $1,450,000,000, for what purpose? For relief and work relief on useful projects in the United States.

No such thing as that ever happened until this administration came into power. No such authority had been granted by any Congress up to the time we were called on to pass a $3,300,000,000 fund. No such thing as that had ever happened before, because the Congress remembered the history of its own country, remembered what happened when the great Declaration of Independence was signed and when the Constitution was written, remembered the history of England, and remembered how the people fought to get control and to get away from the king the right to levy the tax. But bear in mind that that is only one important part of our freedom. The right to levy a tax is only a part of it. The expenditure of the tax after it is collected is just as important; and it is just as important to hold on to that power as it is to hold on to the taxing power itself.

What have we done? In my judgment, we have destroyed all the precedents that have built America and upon which we have builded a great country. We have done the one thing which, in my judgment, puts us nearer a dictatorship than any other suggestion that could be made or any other course that could be taken. Whenever the Congress of the United States either loses control of the taxing power and passes it over to some other person or loses control of the purse, loses control of the tax after it has been collected, that minute we start to imitate some great country in Europe which thinks it is getting along well under a dictatorship; that minute we start to destroy America; that minute we start to destroy the Republic.

I say this, Mr. President, in all seriousness, and I say it as perhaps the last thing I expect to say in the Senate: I know some persons will say, and may say today for all I know, that this is merely the "swan song" of a Republican who is more interested in his party than he is in his country. Mr. President, that is not true. That is not true of many men in the Senate. That is not true of many New Dealers. The point is, they are mistaken, and I know they are mistaken, and I wish to issue this last warning as a patriotic citizen of America.

Mr. President, it would be bad enough if this thing went no further than to give advantage to one political party over another. That is what the bill does. Nobody doubts it any more. The evidence is entirely too clear to have any question raised about it. Everybody knows it; and at the time we all spoke of the $4,880,000,000 appropriation as a campaign fund for the Democratic Party. It may be that that statement was somewhat exaggerated, because none of us intended to charge that the whole sum of money would be used for campaign purposes; but we did intend to charge,

and we charge anew, with all the evidence at hand that any reasonable person needs, that it has been so used, either with or without the approval of the President of the United States. It makes no difference whether we can prove that he approves the use of the money in that manner or not; the fact that it has been done, and the fact that the President has control of the money is sufficient of itself to condemn him in the minds of the American people. They will condemn him, and they will do so in no uncertain terms.

It may be true, for all I know, that there are enough persons in this country who can be purchased to control an election. It may be that America can be corrupted sufficiently if a sufficient fund is available. I am not yet satisfied that it can be done. I am not yet satisfied that American principles have been lost by either the poor or the ignorant of America. I believe, after all, when the time comes, America will show its true colors, regardless of how much corruption there may be on the part of the New Dealers, regardless of how much money there may be in the hands of the local politicians, ready to be handed over to this man or that man, to convince them that they ought to vote this way or that way in order to keep their jobs.

No, Mr. President; I have not lost faith in America. I do say, however, that Congress has no right to give anybody the opportunity to do the things they are sure to do when we pass this kind of a bill. That is the complaint I have. My complaint is of the Congress itself, not of the people of the United States. The Congress has no authority to do any such thing as this.

Let me cool off a little and come back to a discussion of the bill itself. Is it any wonder that men get excited when they consider a thing like this?

I desire to call attention to some of the details of this bill. Bear in mind that the President is given the absolute right, as the junior Senator from Oregon [Mr. STEIWER] called to the attention of the Senate the other day, to spend all this money, just so he can sufficiently identify it to call it "relief" or "work relief." With that qualification, there is no limit to what he may do. Not a single dollar of it is compelled to go in any particular direction.

The whole amount is subject to the President's discretion; and if he can pin on it the badge of "relief" or "work relief", he is within the terms of the measure we are about to pass.

The bill is camouflaged a little bit, and perhaps it is helped some by a provision that—

> This appropriation shall be available for the following classes of public projects, Federal and non-Federal—

It does not make a bit of difference whether or not the Federal Government is interested in the project at all. It may be Federal or non-Federal.

> and the amounts to be used for each class shall not, except as hereinafter provided, exceed the respective amounts stated, namely: (a) Highways, roads, and streets, $413,250,000.

That simply means that the President may not spend for that purpose out of this fund more than that sum, with the qualification that it may be increased 15 percent in his discretion.

The Constitution of the United States states that Congress may provide for the construction of post offices and post roads; but did it ever occur to anybody to give to the President of the United States sufficient money to go into the State of Pennsylvania and build the kind of road he desired to build in Pennsylvania, beginning at whatever place he cared to start from, and ending at whatever place he wished to go to? If the Congress desired to build a road in Pennsylvania under that provision of the Constitution, the most natural thing for it to do would be to have before it a survey of the road, with a description of it, and with a reasonable estimate as to what it would cost, and then we would authorize its construction.

Under this bill, however, the President does not have to do anything of the kind. He may go and build a street in some town in Pennsylvania, and then he may go into another State and build a piece of road, or he may go into a town in some other State and build a street there. There is no limit to where the President may go; and I ask, in all fairness, is that sort of a situation necessary? Is that sort of a situation desirable, even if it be within the terms of the Constitution itself?

Then the bill goes on to provide for the construction of public buildings. Is the Congress today prepared to permit the President to go into my State and build a public building for the State at the expense of the Federal Government and to be used by the State? He may do just that under this bill, and the State does not have to contribute a dime toward the cost of construction.

I should be inclined to give the President some authority with respect to public buildings, but I certainly should confine it to Federal buildings. It never would occur to any reasonable man in Congress, unless he were pressed on by the ambitious President of the United States, to give anybody any such authority as that.

The distinguished Senator from Idaho said the other day:

> We could appropriate money to John Doe to build a bridge, and he might build it. He might make a mistake, but that would be within the Constitution, because that would be administrative.

That is all very true, but we certainly would know where the bridge was to be built when we appropriated the money. We ought to know where it was to be built, and we ought to know what kind of a bridge was to be built, when we appropriated the money.

But let me pass on. That is not all of it. The President may use this money for—

> parks and other recreational facilities, including buildings therein; * * * public utilities, including sewer systems, water supply, and purification, * * * flood control * * *, assistance for educational, professional, and clerical persons.

Mr. President, I desire to call attention to this matter, and I should like to have the chairman of the committee or someone else, if he knows, tell me to what this refers. Here is a provision, "Women's projects, $85,500,000."

Will someone tell me how descriptive that is of what Congress wants done? Is anyone going to vote for a bill, under normal conditions, which comes here appropriating $85,500,000 for "Women's projects"? If such a bill were introduced and sent to a committee, I inquire, what would be the first thing the members of the committee would do about it? I suppose they would have some hearings with respect to it, and they would call in the person who introduced the bill. They would try to find out what he meant, and when they found out what he meant they would write it into the bill. They would not leave any fool thing like this on the statute books. The whole business is silly.

I started to say it was crooked, but I might be misunderstood. I do not mean that. The committee which considered the matter did a fine job, so that I could not use that language; but I say it is perfectly silly to leave on the statute books a provision whereby we appropriate $85,500,000, plus a possible 15-percent addition, making $100,000,000, for "Women's projects."

I should like to know what a woman's project is. I will tell the Senate what it is, or may very well be under this measure. A woman's project is some kind of a project which has been conceived in the mind of some woman such as Mrs. Roosevelt, or some other socialistically inclined person. That is what it means when it refers to women's projects, some project conceived in some woman's mind; and if she happens to get it from her husband and it did not come from her own mind first, it would not come within the law, because that would be a man's idea, and the law therefore would not be applicable.

Women's projects. Does that mean what I have described? I ask someone to tell me whether that is what it means. If it is not, then tell me what it does mean.

Women's projects may mean, perhaps, some kind of projects whereby women are employed. If so, what kind of projects are they? Let us be specific if we want to use any sense at all in passing legislation.

There are some other things here which are even more wide open than that. There is a provision for "Miscellaneous work projects, $71,250,000."

I know something about what miscellaneous means. I know that that is intended to cover any kind of a project one can think of. I say to the Senator from Oregon it may be that that has some advantage in it, because while I could not possibly read into this bill a provision that the President was confined to these things mentioned in the bill, it may be that that is the case when we take into consideration that we have appropriated so much and said that he can use this for roads and streets, that he can use the other for public buildings, he can use this much for women's projects, and when we make provision for "miscellaneous work projects" it may be reasonably argued that he is confined to these things which have been specified in the bill.

Oh, the Senator shakes his head, and I think he is absolutely correct; there is no such hope as that. It cannot be confined to that, and just as certainly as that we live the President will find some new scheme, some new kind of boondoggling of which no one ever before heard, before he gets very far with this $1,425,000,000, because we all know who is going to run it, and we are apprehensive because we know who is going to run it. We know Harry Hopkins is going to do this job, and while the Senator from Oregon has said he has done a better job than some other could have done, possibly, God knows that is not good enough for real benefit anywhere.

I am opposed to putting $1,425,000,000 into the hands of some social worker, some man who has had no experience at all in business, who knows nothing about the payment of taxes, who in all his life probably has never paid $5,000 in taxes. That is how much experience he has had as a businessman and as an important man in the country. If he does not find something new to do with it, he will be disappointed, and the people of the United States will be greatly surprised, at least.

Mr. President, talk about this thing being constitutional! If it is constitutional, we ought to tear up the Constitution itself. I shall not try to argue whether it is constitutional or not, because we do not need to argue it. We know, if we know anything about America's history, that it is unconstitutional. We know it is against the principles for which America has stood, and that ought to be sufficient.

But I must not take long in dealing with a thing which is so absurd on its face that it should not have consideration from intelligent people in any part of the world. It is so silly that I cannot describe it without being offensive. I do desire to speak for a few minutes about our experience with it so that no man who votes for it may be surprised.

I think it is our duty to point out the evidence we have at hand; and while that would take entirely too long, there are some high points in it to which I desire to call the attention of the Senate.

The country knows that with all the effort we have put forth we have not been able to get a resolution out of the committee approving an investigation of the expenditure of the huge sum of money we have appropriated in the past. Why do they not let us have it? They know they dare not. If there was a true picture put in language so the people could understand all the devilment that has gone on with the money we have heretofore appropriated, if that could be laid before the Senate and the country, you would not dare even consider another appropriation like it.

I, like the Senator from Oregon, do not attach any particular blame to Harry Hopkins. I think he is doing as well as he could do; and that is not saying much. I do not charge him with doing anything dishonest. I do not even charge him with doing things for the benefit of the New Deal politically. I know he has the wrong concept of relief in the United States.

We have heard both political parties urge upon the country the desirability of the improved condition of every citizen, but not until this went into the law did we find that it was necessary to improve the relief conditions in the United States. We have tried to improve the standard of living of the people of the United States. That has been what we have sought to do for years. But Hopkins comes along and wants to improve the relief conditions in the United States, just as the Senator from Oregon pointed out in the fine speech he made upon this subject the other day.

I say that when you begin with that sort of thing, and when you turn over a billion, four hundred and twenty-five million dollars to a man who has that kind of a scheme in his mind, you are running this country into obligations from which our children and our children's children will never be able to extricate it.

With respect to his politics, he has one cardinal thought in his mind, and it is very important. It is very important from Mr. Farley's point of view. He agrees with Mr. Hopkins a hundred percent. Mr. Hopkins says, "I would be a damn fool if I should pick somebody to run the W. P. A. who did not believe in the New Deal."

Mr. Farley knows how to get around that. That is perfectly satisfactory to him, because it does not make a bit of difference to him whether the votes next November come from the Democratic Party or from the Republican Party, just so he gets them. So he takes on Republicans who are committed to the New Deal. That is not the kind of Republicans we care anything about; they have no place in the Republican Party. And they turn Democratic. So that we find all this W. P. A. money being administered by Democrats. I apologize to the Democrats, and I will phrase it this way: It is being administered by the New Deal, which is an entirely different thing from any Democrat I know anything about.

Mr. President, I wish to give the Senate a little evidence, though not all the evidence I have, because Senators are too anxious to adjourn the present session for me to take so much time. However, I wish to read a few extracts from certain evidence I have. I want to call attention in the first place to the charges repeatedly made in the Senate by the junior Senator from West Virginia [Mr. HOLT], and, just as he has pointed out, you dare not try to find out whether those charges are true. He has made charges upon the floor of the Senate and produced affidavits in support of the truth of his charges, and you dare not investigate to show that the charges are not true.

The junior Senator from West Virginia however is not the only Senator who has made charges in this respect. I now read from the Indianapolis Star of April 24, 1936, with regard to the Senator from Indiana [Mr. VAN NUYS]. I read this short story:

Federal funds are being used through the W. P. A. to elect delegates favorable to the nomination of Lt. Gov. M. Clifford Townsend for the Democratic nomination for Governor, Senator FREDERICK VAN NUYS charged last night after investigating numerous complaints he said he had received.

"This sort of thing must stop in Indiana and elsewhere", the Senator declared.

"I will take this to the floor of the United States Senate and to the high places", he said.

The Senator charged that his investigations during his first day in Indianapolis after returning from Washington showed that Democratic precinct committeemen are being employed as foremen or supervisors at a salary of $150 a month in order that they may control their local delegates.

"The practice is so extensive that it must have at least the tacit approval of those in charge", the Senator said.

The practice of using W. P. A. money to line up delegates has been going on for several months, VAN NUYS asserted.

"Investigations made by me here today proved to me that the charges are true. In every instance where I made an investigation it proved to be right", VAN NUYS declared.

Then, Mr. President, I desire to call attention to three articles which recently appeared in the Washington Post. The headlines are:

VOTES—AT ANY COST—THE AUTHENTIC STORY OF THE BUILDING OF A W. P. A. POLITICAL JUGGERNAUT IN WESTCHESTER COUNTY, N. Y., AT THE EXPENSE OF THE HUNGRY

By Agnes E. Meyer

Mrs. Meyer has been chairman of the Westchester County recreation commission for the past 13 years.

Mr. President, I desire to read the conclusion of those three articles. Those who read them must be convinced that

there was real evidence to support every charge made. However, Mrs. Meyer, at the conclusion of the third article had this to say:

> And yet President Roosevelt, on pretext of the high production cost, opposes firmly the earmarking of moneys to Public Works Administration (P. W. A.), which in our county appears to be effective and honestly administered. It seems incredible that Members of Congress would turn over the entire billion and a half to President Roosevelt for W. P. A. if they knew conditions in Westchester County. Surely the facts and figures stated here are an unanswerable argument for turning work relief back to local authority even if Federal participation is provided. It would seem as if Congress were devoid not only of all feeling of responsibility to the American people, but of ordinary common sense if the W. P. A. is supplied with another fortune to squander without any check other than Mr. Hopkins' supervision.
>
> For what I have shown here is merely a hasty summary of what is actually going on in Westchester County, and therefore presumably throughout the country. Even my own material is more ample. What forms of skulduggery the large and extremely secretive forces of W. P. A. are able to conceal can only be surmised. An official investigation of W. P. A. would make my story book like Sunday reading for a neophyte.
>
> To sum up the case:
>
> I accuse W. P. A. of using large sums of public money intended for the alleviation of unemployment, to build a Democratic political machine.
>
> I accuse W. P. A. of discriminating between American citizens in a most despotic way for political purposes.
>
> I accuse W. P. A. of petty extortion from defenseless relief cases to finance local political organization.
>
> I accuse W. P. A. of waste, extravagance, and rank incompetence.
>
> I accuse W. P. A. of having so intimidated the people that its tyrannical power is a menace to a free Nation.
>
> And, finally, in the light of the facts presented in these articles, I accuse the present administration of seeking vast new appropriations from Congress for W. P. A., not in the interests of the Nation, but to insure its own continuation.

Mr. President, that is a serious charge made by a respectable and well-known woman in a highly valuable and well-known newspaper of Washington.

What has happened? Did Mr. Hopkins say anything in reply? No; he goes over to the House and hides behind the skirts of a woman Congressman who undertook to defend what had gone on in New York, and she showed conclusively by her efforts to defend that she knew practically nothing of what was going on in that county.

Mr. President, I wish to demonstrate one thing here today with respect to that fund. I wish to call attention to the State of Pennsylvania and to show to the Senate that Hopkins has stated publicly that Jones, the administrator, is one of the best administrators he has in the United States. It is that charge and with that information at hand, assuming that Hopkins was correct in saying that Administrator Jones was the best man that he had in the country, that caused me to make some inquiry with respect to the State of Pennsylvania. I have evidence here enough to last several hours in reading to the Senate. That is not the only reason I picked on Pennsylvania. I picked on Pennsylvania for another reason. In Pennsylvania the State legislature has adopted a resolution authorizing the investigation of W. P. A. in the State of Pennsylvania.

Before I get through I propose to show what this administration is doing to prevent that investigation from becoming effective. I have prepared a comparatively brief statement of the situation with respect to Jones in Pennsylvania. I propose to read it to the Senate and in this way put it in the RECORD, because I want the country to know the kind of a man who is administering this huge sum in the great State of Pennsylvania. I want to show that, like Hopkins, he has had practically no experience, and whatever experience he has had is of a shady character and one that would not warrant a careful man in selecting him for any particular and important job.

An examination of the files of the Construction Digest, published by the Digest Publishing Co., with offices in the Century Building, 130 to 134 Seventh Street, Pittsburgh, Pa., brings into existence an illustrated history which begins with an undersized four-page trade paper, and ends with the exhibit of an issue whose fat advertising columns should make it the envy of any publisher in the country.

The Construction Digest was founded by Edward Noel Jones, the present administrator of the Works Progress Administration in Pennsylvania, of whom Harry L. Hopkins has acclaimed to the country by medium of the press that Edward N. Jones is the best Works Progress administrator in the United States.

It is strange, indeed, that such a reputation should be so quickly won by a man who, during an extraordinary and comparatively brief business career, has launched many businesses on the sea of enterprise, all of which foundered and sank beneath the waves of feverish circumstances until their originator was swept by political winds into the haven of a prodigal and improvident Democratic administration.

I am reading the words of the man who made his own personal investigation, and I vouch for all that he said.

I should have said every single one of the many Jones enterprises has had "period" written after each experience; and even now the Construction Digest, the only one to continue in existence, does not bear his name at the masthead.

This trade paper, conceived as an aid and a possible requisite to contractors and builders, came into existence 7 years ago and probably owes its origin to the fact that Mr. Jones, while operating a ready-mixed cement company which he had organized, came in contact with many contractors. It may indeed go beyond that, for a few years previous, while acting as secretary to a former Pittsburgh mayor, Wm. Addison Magee, Jones' associates were contractors engaged in street and boulevard and bridge building. It makes no difference what contractor may have suggested or inspired the establishment of such a trade paper, the important fact is that Edward N. Jones worried through a period which is known to and may be shown to have been most precarious until, having made the lucky guess that the sun was to rise upon the Democratic Party, however brief it may shine, the editor enlarged his activities to include the publicizing of several Democratic campaigns. On the masthead of Construction Digest appears the name of Edward N. Jones, president, H. S. Yundt, treasurer. Then below, as is required by the Pennsylvania State law, appears the names of the editor, business manager, and advertising manager, who are Edward N. Jones, H. S. Yundt, and R. C. Muncaster. In the same position is printed the information that the Digest is published Wednesday and Saturday of each week; that it reports on all construction in Pittsburgh, Allegheny County, and tri-State territory, meaning the region including western Pennsylvania, eastern Ohio, and northern West Virginia; that it also publishes all highway construction news from this territory, and, an important thing to keep in mind, that this little 4-page trade paper may be subscribed to at the rate of $20 per year. There also appears adjacent to the masthead a 3-inch block of official advertising of the United States Government for bids on a Federal Public Works construction job—just the one little ad, but a starter.

Referring to exhibit no. 2, which is issue 541, published February 2, 1935, we find that the Construction Digest is still published in the name of Edward N. Jones, president and editor; but exhibit no. 3, issue 542, published 4 days later, or on February 6, 1935, has a change in the masthead. The name of Edward N. Jones has been dropped; but coincident with this deletion, the name of Edward N. Jones appeared on the pay roll of the State of Pennsylvania in the capacity of secretary of labor and thereafter until the present day, during which interim there has been much advancement and much praise from Mr. Hopkins and much condemnation from various sources, including organized labor, for Mr. Jones. The Construction Digest also underwent a change. It waxed fat and obviously became profitable. A glance at exhibit no. 4, which is a photostat of pages 4 and 5 of issue 610, October 2, 1935, of this one-time 4-page publication, now expanding on occasions to 12 pages in a single issue, reveals what is technically known as a "double-truck spread", which means a full 2-page advertisement, inserted by a company manufacturing road-building machinery and construction power engines; and then exhibit no. 5

presents a photostat reproducing pages 2 and 3 of issue 625, published November 23, 1935, which shows the paper to be profitably heavy, and by that is meant "absolutely crowded", almost to the exclusion of news items, with official advertising on projects arranged by the Public Works Administration of the State of Pennsylvania.

These advertisements are accredited to various counties in the State of Pennsylvania, this particular page displaying official advertising of the Board of Public Education, city of Pittsburgh, Allegheny County; Hampton Township, Allegheny County; city of Dubois, Pa.; township of McCandless, Allegheny County; Millerstown, Pa., and so forth. It is worth noting that this class of advertising is paid for in Allegheny County at the rate of $2.50 per inch, which may safely be assumed to be the rate for official advertising quoted generally, if quotations are ever necessary, to all municipalities in the State. As an instance of the value of official advertising of even one county, the following amounts which are officially recorded are quoted: In 1934 the Digest was paid $453.76 by Allegheny County for official advertising. In 1935, the year during which Jones was connected with the State Government and also W. P. A. administrator, Allegheny County paid to the Digest the sum of $1,491.25, and so far in the year 1936, for 3 months, the account already has reached $500 and promises to greatly exceed the figures for 1935 if the present rate continues.

There are 67 counties in the State of Pennsylvania, and P. W. A. work is proceeding in many of them. Also, with contracting work being given a stimulus, it is said the circulation of the Digest at $20 a year has increased by leaps and bounds and at present includes every contractor who either has or hopes to be connected with public work. This photostatic record presents more than a circumstantial indication of progress and profit incident to the political advancement and the assumption of political power by the founder of the Construction Digest, and it is not likely that anyone familiar with the sudden growth and experience of this journal will attribute its more recent prosperity to any sentimental interest on the part of its founder, who now finds himself so engrossed in arranging and supervising the expenditure of an important proportion of a billion dollars within the confines of Pennsylvania, to give the slightest attention to any of his business exploits prior to his happy landing in the Pennsylvania Democratic administration.

It has been definitely established that in some manner or other all of the business and political connections of Edward N. Jones have evolved from publications of one kind or another. His early association with the Honorable JOSEPH GUFFEY, a Member of the United States Senate, began back in 1914 at a time when Mr. Jones, after a brief and hurried apprenticeship as a cub reporter on Pittsburgh newspapers, began the publication of a periodical which he named the "Harpoon" and which name incidentally attached itself to the editor, who at that time became known as "Harpoon" Jones. It is still remarked in the city of Pittsburgh, especially by those who felt the point of the reckless-voiced Harpoon, that the publication was well named. It attained a reputation as a muckraking sheet on a limited but rather specific scale, and among the reforms it attempted was that of the Pittsburgh Railway Co.

This is not important, but it is incidental in that after reproducing a few reports of an investigation of the railway company made by Attorney C. K. Robinson, who then was a member of the law department of the city of Pittsburgh under Mayor William A. Magee, then serving his first term, and which greatly perturbed the company because it presented facts ordinarily considered beyond the possible discernment of a young muck-raking editor and discoverable only to the mature and trained attorney, these articles quickly ceased, and in their stead appeared full-page advertisements of the Philadelphia Co., the parent of the Pittsburgh Railways Co. The Harpoon had a brief existence, and its editor entered into businesses of different character, none of which was fortunate to live, until the World War and the appointment of JOSEPH GUFFEY to the post of director, bureau of sales, under the Alien Property Custodian, brought Mr. GUFFEY and Mr. Jones together, the latter in the capacity of a public relations and advertising man, but curiously enough without official "portfolio" or attachment. The experiences of Mr. Jones during this period of several years have no direct relation to the subject under discussion, but it is worth noting that Mr. Jones communicated with friends of the former Mayor William A. Magee, who by this time was a Republican candidate for the second time for chief executive of the Pittsburgh government, and arranged that he could return to Pittsburgh and when he did so his astuteness and energy recommended him to be included in the Magee publicity staff. Magee was elected and Edward N. Jones became his secretary. The head of the Magee publicity staff, Mr. L. H. Goshorn, was named treasurer of Pittsburgh. Everybody about City Hall knew that Mayor Magee was having trouble because of the vaulting ambition of his secretary, Jones, who, when there was a vacancy in his cabinet due to the death of his public safety director, insisted that he was entitled to the place. Magee thought otherwise and whether or not he knew of a feud developing within his administration, he took the action to at least mollify strong feelings which had developed between Jones and Mr. Goshorn by appointing the youthful-appearing Jones the superintendent of police of the great City of Pittsburgh. Those were feverish times in the history of Pittsburgh and its people. Because of its geographical situation and the relative location of great scores of bonded whisky, bootlegging became big business and fabulous sums of money changed hands every day. Pittsburgh became a wide-open town. Gambling houses flourished. High-power beer was escorted from freight yards to receiving stations by mounted police and soon the good people of the city knocked at the door of the city fathers with such vehemence and determination that this august body, reciting the rumors of lawlessness, open gambling, commercialized vice and generally disgraceful conditions, ordered an investigation.

Mr. President, I call your attention to this particular fact because I shall later show that Jones is not in favor of investigations when investigations are aimed at him. I shall now read a few headlines from Pittsburgh newspapers:

November 15, 1923, Pittsburgh Chronicle Telegraph: "Superintendent of Police Jones Resigns" (resignation effective immediately).

November 28, 1923, the Gazette Times: "Council Hearings in Police Probe Start Monday."

December 5, 1923, Pittsburgh Chronicle Telegraph: "Don't Know Why Jones Resigned—Rook" (director of public safety).

December 6, 1923, the Pittsburgh Press: "Lawless Protected Here, Says Zahniser" (first witness in council probe).

December 11, 1923, Pittsburgh Chronicle Telegraph: "Police Probers Issue Subpena for Jones."

The Pittsburgh Press: "Issue Subpena for Jones."

December 12, 1923, Pittsburgh Chronicle Telegraph: "Jones Does Not Respond to Subpena."

The Pittsburgh Press: "Give Jones One More Chance to Appear in Police Probe."

December 13, 1923, The Pittsburgh Press: "Quit for Personal Reasons—Jones."

December 15, 1923, the Gazette Times: "Council Seeks Writ to Make Jones Talk."

Pittsburgh Chronicle Telegraph: "Court Asked to Force Jones to Testify."

The Pittsburgh Press: "Court Issues Writ on Jones."

December 18, 1923, Pittsburgh Chronicle Telegraph: "Jones Denies Probers' Right to Subpena."

The Pittsburgh Press: "Judges to Confer on Probe's Big Issue."

January 2, 1924, the Pittsburgh Press: "Jones' Appeal Halts Police Probe."

I call attention, Mr. President, to these facts for the purpose of demonstrating that Jones still has the desire not to be investigated because he is at the present moment blocking the efforts of the legislative committee of the State of Pennsylvania.

However, let me continue this little history of Jones because if Hopkins says he is the best administrator he has

had it is important that we find out how good the best really is.

At this juncture Edward N. Jones resigned as superintendent of police. There was a great journalistic outcry as to what lay behind this sudden resignation. Jones maintained absolute silence and for days in large black type spread across the pages of Pittsburgh newspapers appeared the query, "What happened to Jones?" Examination of the photostatic pages from the Municipal Record of Pittsburgh contains the entire history of that investigation.

I shall not refer to that because I do not want to take that much time.

The mayor of the city and the director of safety were invited by council to explain the mystery in connection with the Jones' resignation and it is recorded that both refused.

Mr. President, some people may not be greatly impressed with what I am putting in the RECORD; some people may not be greatly impressed that the fact that a man was some years ago forced to resign as superintendent of police has much to do with what he now does; but I call attention to the fact that we are spending millions of the people's money in the State of Pennsylvania and we are entitled to know the kind of a man who is spending it, and we are entitled to know how much effort Hopkins makes before making his selections.

Council accepted the explanation that Jones resigned because of the intolerable interference and intermeddling with his affairs by L. R. Goshorn, the official with whom he was at feud. This explanation had been ventured by a minister prominent in civic crusading, the Reverend Doctor Zanhiser, who declared he had the explanation from Mr. Jones, that he first was bound to secrecy but from which bond he was relieved at a later meeting of the investigating city council. The silence of all concerned was so successfully maintained as to wear out the patience of the newspapers and the oft-repeated "What happened to Jones?" finally disappeared from the first pages and in time disappeared altogether.

During his brief period as secretary to the mayor and as superintendent of police, E. N. Jones found time to found a weekly periodical—a rotogravure illustrated paper similar in appearance to that which is today flooding the State of Pennsylvania and which is entitled "We, the People", and which, also, is owned practically in its entirety by Edward N. Jones. In Pittsburgh it is generally remarked by those who know Mr. Jones that he has a rotogravure complex. He first used this style of printing in publicity for Mayor Magee. He established his weekly periodical in the same style; he injected a similar paper which was broadcast throughout Pennsylvania—and which was widely criticized for faked photographs of Pennsylvania politicians surrounding President Roosevelt in his office—during the Roosevelt campaign; also in the State and county campaigns succeeding; and completing the line with the present issuing rotogravure which is published in Harrisburg.

The detailed history of this man will be found to be very essential when other bricks in the structure are filled in.

Certain it is that up to date Director Harry L. Hopkins turns a deaf ear to all criticism of his Pennsylvania administrator; the frequent attempts to provide for a general investigation into the Jones' administration by the Senate have failed; charges and proofs that political coercion and political preference characterize the administration of works progress from one end of Pennsylvania to the other; and demands that this man Jones be removed, made upon the logical man to remove him, have fallen upon deaf ears. It would seem that a man selected by the Government of the United States to be placed in charge of public relief work for which the second largest allotment in the country has been made, and which originally was figured at one-quarter of a billion dollars, should have, instead of a chance enhancement by political achievement, both an experience and a character logically suggesting him for such an important position.

Those who have reviewed the career of Administrator Edward N. Jones cannot find a single incident of business success to recommend him, according to the common rules of business, to advancement such as has been his lot. All of his ventures have been short-lived. In the courthouse of Allegheny County there is a record in the prothonotary's office which, while indicating the constant series of business difficulties, at the same time is the construction of a foundation and background so spongy that it is nothing short of amazing that it should escape attention in the consideration of an individual for a place of such enormous trust.

This record is in the form of recorded judgments, and while the description of circumstances in connection with them in many instances indicate personal difficulties, yet the essentiality of bringing all possible light to bear upon the make-up of a man whose administration of one-quarter of a billion dollars' worth of public business is so great that it is considered in the interest of public policy to uncover these pages of the past. There are on record in the county of Allegheny courthouse, under dates extending from October 1924 to January 1935, the latter being almost the date of Edward N. Jones entering into the cabinet of Governor Earle of Pennsylvania, a series of 18 judgments recorded. It is timely to remark that for the most part these judgments are for nominal sums—$400, $300, $700, and so forth—and there are notations of returns to the effect that "no goods" could be discovered for the satisfaction of judgments.

The political history of Edward N. Jones is in keeping with his business record and just as insecure. During his early years as a reporter in Pittsburgh, like a chameleon, he took on the political aspect that harmonized with the policy of the paper employing him—the very first, the Pittsburgh Dispatch, Republican; the second, the Pittsburgh Post, Democratic; the Harpoon, radical; while with Mr. GUFFEY during his connection with the Alien Property Custodian, Wilson Democrat; while publicity man, secretary of chief of police for Mayor William A. Magee, Republican; when publicity man for Mayor William N. McNair, Senator Guffey, and Governor Earle, New Deal Democrat.

It is manifest from the records that the half dozen years preceding his connection with Democratic publicity and even afterward, up until his entry into Governor Earle's cabinet, were exceedingly lean ones for Administrator Jones. However, the last year has seen the blossoming and fattening of his brain child, the Construction Digest, for it feeds copiously in pastures of rich display and official advertising which cover the entire State of Pennsylvania, and all of this notwithstanding the fact that Jones' name was dropped from the masthead when he entered the Governor's cabinet. In keeping, however, with the complex for printing that has so generally been noted in Pittsburgh, Administrator Jones has found time and the means to establish another rotogravure paper which he calls "We, the people." It is true that his name does not appear on the masthead, nor does any other name for the matter of that, which is a direct violation of the State law of 1907 designated above, which requires that the name of the owner and managing editor shall appear on every issue or the publisher shall be guilty of a misdemeanor. It is true the law specifies "newspapers" and the Pennsylvania State charter, under which Mr. Jones publishes, gives him the right to publish, along with other printing rights, either "newspaper" or "news journal" and he may have the opinion that he is publishing the latter, therefore is not amenable to the law.

It is shown on the records in the Pennsylvania attorney general's office that of 500 shares of stock comprising the ownership of We, the People, Mr. Jones owns 498 and an employee whom he moved to Harrisburg from the Construction Digest, Mr. A. G. Mercer, owns 1 share, and the other 1 share is owned by Rowland I. Miller, who is listed as an attorney. It is to be remarked that the paid-in capital represented by shares held by these three incorporators was $500, a fact which is noted in the Pennsylvania Charter Book, volume 359, page 75. However, the resourceful Mr. Jones, applying an ingenious method of financing this new publication ventured and caused to be sent to State employ-

ees and to Democratic district chairmen throughout the State of Pennsylvania, books of 24 subscription blanks, each to be sold at $1 for a yearly subscription, and to put all the sales force possible behind it, he had the aid of the secretary of the Commonwealth and Democratic boss of Pennsylvania, Mr. David L. Lawrence, who sent a letter with these subscription blanks. This letter informed the recipient that an account had been opened in the headquarters of the Democractic Party of Pennsylvania in his name and would he kindly dispose of the 24 subscriptions at $1 each as quickly as possible. It is a known fact that this paper has been subscribed to by a great many W. P. A. employees. The total subscription to date and the amount of money raised in this manner can be estimated on the basis of books having been sent to all State employees and on January 15, 1936, there were 18,352 employees on the pay roll under Governor Earle. If each of these sold one book of subscriptions, the publishers of We, the People would have in addition to the $500 capital with which he began, the sum of $440,448 immediately available, providing Mr. Lawrence's request that haste be observed was fulfilled by the volunteer members of the greatest numerical circulation staff ever known to have been attached to a publication.

Mr. President, Mr. Jones has attracted the attention of magazine writers as well as of writers of newspapers. I invite attention to the American Mercury for the month of May 1936, in which there is an article by Mr. Duncan Aikman which is worth reading. I shall quote from it briefly:

Among those who received the revelation was an engaging political adventurer by the name of Edward Noel Jones. A plausible gentleman in his late forties, Mr. Jones is still famous in Pittsburgh newspaper circles for having imposed himself as an experienced copy reader on the town's most refined daily of 25 years ago, half an hour after its coarsest rival had dismissed him as lacking in the necessary qualifications of a trial cub on space assignments. But his true vocation developed a few months later when he entered the dim border country of publishing and public-relations activities that lies between journalism and practical politics. Still in his hot pre-war youth, Jones press-agented one William A. Magee into the mayor's office with a kind of local preview of Chicago's "Big Bill the Builder" campaigns, and was rewarded, first with the municipal first private secretaryship, then with the superintendency of police. Vice and gambling scandals charged against the department forced Eddie into a tactical resignation from the latter position; yet he was able to retire on his celebrity into a ready-mixed concrete enterprise, with a public-works director for a partner and a sand and gravel combine of local contractors and traction magnates as prospective and eventually lucrative purchasers. In between paving jobs, he improvised roto-gravure magazines as a feature of local campaign publicity, and published the Construction Digest, a $20-a-year periodical for contractors which carried all the official public works and highway department advertising. For a dozen years he lived high and handsomely off these pursuits, dining often in private rooms with the publishers of the Pittsburgh dailies, and developing, as the Allegheny County court records suggest, a relative immunity to judgments.

* * * * * * *

Eddie knew the arts of political ballyhoo from 25 years of expert practice; he had developed impressive recruiting and organizing gifts in himself, and he had the ear of the jobless. Therefore, in January 1935, when the Earle cabinet was formed, Eddie was a natural for the post of secretary of labor and industry. Later in the year, when the political possibilities of the W. P. A. set-up began to dawn on the little coterie of minority patronage experts and ex-Republican job traders who composed the political high command of the New Deal at Harrisburg, light on the problem of what "was necessary" in the joyous emergency shone clear and plain. Messrs. Earle and GUFFEY saw the proper personages in Washington. When the belching smoke of continuous press releases cleared slightly in Mr. Hopkins' office, Edward Noel Jones was W. P. A. administrator for Pennsylvania.

* * * * * * *

Mr. Jones replied with a 2-page circular letter "to all W. P. A. workers", calling on them in his best campaign ballyhoo style to enlist in war to the knife against President Roosevelt's partisan enemies. That the Post-Gazette was a typical example of a big, bad newspaper ganging up on a great-hearted, humanitarian President, was the theme bar of Eddie's bugle solo. With an adroit lameness he added:

"I don't know that anything can be done about it, but I do want you to know what this attack on the W. P. A. and on you means. * * * Big business wants to wreck the W. P. A. because big business is against President Roosevelt. Big business is for the law of the jungle—where the strong live off of the weak. Big business' idea of relief is soup kitchens. * * * President Roosevelt's idea of relief is work paid for with a security wage."

A few days later, however, John H. Laboon, a front-making Carnegie Tech ex-football player whom Eddie had appointed his Allegheny County administrator, made it clear that the W. P. A. strategists had very definite ideas of what "could be done about it." Mr. Laboon, at a special meeting of W. P. A. executives and subexecutives, emphasized, with a frankness considered excessive even in Pittsburgh politics, that New Deal political and economic orthodoxy were officially recognized as the sole tests of W. P. A. job eligibility. Said the young party lieutenant:

"I tell you right now that any W. P. A. worker not in sympathy with the W. P. A. program and the Roosevelt administration will be eliminated from the W. P. A. pay roll in this district at quickly as I can act."

Then, just to tip off the hands that a good deal of first-class political spying was expected of a loyal W. P. A. straw boss, he added: "I want you men to report such cases without delay."

That bears out the oft-repeated statement which is going around all over the country that W. P. A. men in charge of these poor people, who have no jobs at all, say to them this one sentence: "Register as a Democrat, or else—", and they never finish the sentence. But reasonable men know that it is not necessary to finish it. Practice proves that the "else" means that they lose their jobs.

Continuing, this article says:

The stench of practical politics hangs, nevertheless, over an impressive share of the W. P. A.'s overt activities. Foremen and supervisors—always with the proper ward-chairman endorsements—have been generally appointed with a strictly political disregard of their qualifying experience for the projects in hand.

Mr. President, this situation has become so bad in Pennsylvania that the legislature undertook to act. I have here an article which I clipped from the New York Herald Tribune a few days ago, written by a special correspondent who had been sent to Pennsylvania for that purpose. I wish to quote certain parts of it. The heading is:

W. P. A. fights Pennsylvania inquiry into vote farming. Guffey machine resists State senate's search into link between relief jobs and election race. Press kept in dark by official secrecy. Seventy-one million spent so far, being carefully placed in areas Republican since days of Civil War.

The article says:

(By Leland Stowe)

PHILADELPHIA, May 28.—Pennsylvania today is warmed up for one of the hottest, hardest, and toughest electoral battles in its history next November. It is also the scene of a bitter attack upon its huge Works Progress Administration organization which is charged with being dominated by Senator JOSEPH F. GUFFEY'S Democratic machine and with "vote building" by scientific apportionment of W. P. A.'s vast relief-work funds.

Pennsylvania possesses an abnormally large block of 36 Presidential votes in the Electoral College. Since its program was started the W. P. A. has expended to date more than $71,000,000 in this State.

TWO HUNDRED AND SIXTY THOUSAND ON W. P. A. ROLLS

In 1932 Herbert Hoover carried Pennsylvania by a plurality of 157,000 and in 1934 Governor George H. Earle, a Democrat, defeated his Republican opponent by 60,000 votes. Three weeks ago Postmaster General James A. Farley confidently declared that the Democrats were certain to capture Pennsylvania in November, despite the fact that no Democratic nominee for the Presidency has carried this State since the Civil War.

Alongside Mr. Farley's statement and the narrow margin of Republican victory in 1932 political observers do not overlook the fact that Pennsylvania W. P. A. pay rolls now support no fewer than 260,000 citizens and voters.

Including dependents, wives, and older brothers and sisters, an absolute minimum of 400,000 Pennsylvania voters may be said to be sheltered cozily under W. P. A.'s beneficent roof. It requires no Einstein to figure out that one-quarter this number of votes, and perhaps a mere 50,000 of them, is very likely to decide whether Pennsylvania goes Democratic or Republican next autumn.

That is why the W. P. A. in Pennsylvania is completely clouded with political smoke of the most nauseous variety. Nobody knows just how much fire exists behind this barrage, but enough fire has been sighted to touch off the most bitter recriminations and to prompt an investigation by a special committee of the State senate. Tomorrow the senate committee, headed by State Senator G. Mason Owlett, will hold its first hearing in City Hall here. Even so, it will be a miracle if it gets very far, for the investigating committee's term of life is limited to that of the rapidly expiring special session of the State legislature, and W. P. A. officials appear to be obstructing and stalling all along the line.

INQUIRY IS RESISTED

It seems that a great many people would like to know the truth about W. P. A. in Pennsylvania, but no force has yet been found which is potent enough to get at it. According to the sad experience of Senator Owlett, even subpenas to an official State hearing are of dubious value. Summonses were issued yesterday for four ranking W. P. A. officials to appear at tomorrow's proceedings. These were for John H. Rankin, W. P. A. director for the Philadelphia district; for Henry T. Seibert, personnel director; and for

E. Keye Hunter and Edward R. Yarnell, who are Rankin's principal assistants.

When the senate's sergeant at arms tried to serve subpenas on these public servants they were again confounded by coincidence. Mr. Rankin was ill. Mr. Hunter was out and Mr. Seibert's secretary said he wasn't available, besides which he always had to know what his visitors wanted before he received them. Later Mr. Seibert, by telephone, informed Senator Owlett that Edward N. Jones, W. P. A. administrator for Pennsylvania and personal henchman of the Democratic boss, Senator GUFFEY, had issued strict orders that no information be given to the senate's investigating committee.

Administrator Jones is credited with being an expert on public relations, a profession which specializes in letting the public know what you want it to know. Actuated perhaps by his training as a publicity man, Jones has retained a lawyer to act as counsel for the four W. P. A. executives in Philadelphia who are being sought by the senate committee. Senator Owlett charges that Jones has adopted tactics to delay deliberately the investigation of W. P. A. in this State until the committee period of life has expired.

Following that, we find articles appearing in the Philadelphia Inquirer, one of them in particular calling attention to the fact that—

Rankin holds job without legal status.—Unconfirmed by Senators despite law; gets $6,000 pay, $1,000 more than set in Relief Act as needing approval of higher United States Chamber.—W. P. A. censorship fails to hide facts; "Jack" Kelly's brother receives pay just under $5,000 figure, but his exact status remains undetermined.

The law is quoted here to this effect:

Any State or regional administrator receiving a salary of $5,000 or more per annum from such appropriation (the vast $4,880,000,000 congressional relief appropriation), except persons now serving as such under other law, shall be appointed by the President, by and with the advice and consent of the Senate.

I suppose it will be contended that this man is not a State or regional administrator; but, Mr. President, you and I know that the Senate intended and the Congress intended that any person receiving as much as $5,000 under this act should be confirmed by the Senate. It appears, however, that this one man is receiving at least $6,000 and has not been confirmed.

An article upon the same subject appeared in this morning's New York Herald Tribune. It is headed:

Affidavits show W. P. A. coercion in Pennsylvania. "Register and vote Democratic or lose job", is called slogan of bosses.

Here are the details of it, and I have in my office literally dozens of affidavits showing that this condition exists in Pennsylvania.

Let us see, now, what has happened and what is going on at this very moment. The newspapers have been filled with accounts of this situation in Pennsylvania. The legislature at Harrisburg passed a resolution and appointed a committee for the purpose of ascertaining what is being done with this money in Pennsylvania, the kind of a resolution that the Senate of the United States refused to pass; and what is the attitude of Mr. Jones and those under him? Are they rushing to that legislative body and giving them information? No; they are employing the district attorney's office to defend him in their determination not to give any facts in connection with it.

Mr. President, think of this administration doing that when we have seen in this very body itself Senators hunting to the very depths of the personal effects of individuals in order that they might find something pertaining to public matters. We have seen them condemned by the courts with respect to it, but this administration insists on doing it; and when the State of Pennsylvania, where this money is being used and where the State's own voters are being corrupted with the taxpayers' money, wishes to investigate the matter we find this administration sending its best lawyers before the courts, trying to prevent an investigation by a great legislature like that of the State of Pennsylvania.

Has anybody ever seen anything equal to that in America? Does anyone mean to say that a legislature may not inquire, merely because a man is spending Federal money, whether or not he is using that money to corrupt the voters of the State? The State of Pennsylvania provides the laws with respect to voting. The State of Pennsylvania provides the laws which undertake to punish persons for corrupting the voters. To say that a legislative body may not make inquiry with respect to any person it can find in Pennsylvania, it seems to me, shows that this administration is anxious now, as it always has been, to hide from the people of the country the real facts.

Mr. President, I started out to show how important it was that we guard against running the country into debt farther than that has been done. I called attention to the fact that we are spending $3,000,000,000 more this year than we were spending in 1933. This very year, the year after the New Deal "prosperity" has returned, we find the Federal Government spending $3,000,000,000 more than it spent the year after the New Deal came in! That being true, must we not do something about it?

I suggest in closing that perhaps the best thing we can do—although I think it would give to the President too much authority—would be to vote for the Vandenberg amendment, which is such a great improvement over what is being done that it would, in my judgment, arrest our onrush to destruction.

Whenever we can bring this country back to the place where we once thought it was, where it becomes necessary for the local communities to bear their share of the burden—whenever we can get it back there, we shall have hold of ourselves again, and we shall be in a position where we can once more go forward. But so long as we continue to let Hopkins improve the condition of those on relief by spending more of our money we are coming nearer to a dictatorship, we are coming nearer to the destruction of the United States; and when that time is reached nobody knows where he will want to go, because the United States may be as bad as Russia or some other European nation of which we are not particularly proud.

Mr. GUFFEY subsequently said: Mr. President, earlier in the afternoon, while I was absent from the Senate Chamber, the senior Senator from Delaware [Mr. HASTINGS] made an attack on Mr. Jones, the Works Progress Administrator for the State of Pennsylvania.

I think the Senator from Delaware has been misinformed, or if he had been properly informed he would have made his remarks differently. I now wish to add for his information a few figures.

Only a superficial perusal of the figures in reference to supervisory W. P. A. employment in Pennsylvania is necessary to enable one to realize how baseless are the charges of Democratic politics being prevalent in the Administration in that State.

The peak load of employment of the W. P. A. program was 290,000 persons; and under the 10-percent nonrelief provision this would have permitted the employment of 29,000 nonrelief supervisory personnel.

As a matter of fact, the peak nonrelief personnel was 17,765, or 6 percent of the peak load employment; but this does not mean that 17,765 nonrelief supervisors or foremen were named, because a large portion of the nonrelief total comprised mechanics and others not on relief who had to be requisitioned in order to complete the skilled force necessary to operate various projects. In addition to this, there were many cases where, because of budgetary deficiency in the family, social workers authorized a second placement, which had to be classified as nonrelief.

These deductions from the gross total of nonrelief personnel give a net nonrelief supervisory figure of 11,651, or 4 percent of the total peak load.

One factor which made possible this great reduction in authorized nonrelief personnel was the fact that more than 8,000 persons taken from the relief rolls were named to supervisory positions which the record showed them as being qualified to fill.

In Philadelphia there were named from the relief rolls to supervisory positions 1,496 persons, as against 1,992 designated from nonrelief.

The Nation-wide average of nonrelief supervisory personnel is 8.4 percent. The percentage for Pennsylvania, on the basis of our present quota, is 4.68 percent.

These figures certainly disprove any and all charges that the supervisory force of the W. P. A. in Pennsylvania has been selected on the basis of politics.

The best answer to all allegations that Edward N. Jones has operated the W. P. A. in Pennsylvania on a political basis may be found in these figures, which prove that if Jones had so desired he could have given to the Democratic organization some 13,000 supervisory positions; but, instead of doing so, he drew upon the relief rolls for almost 50 percent of his supervisory force.

The personal attack on Mr. Jones illustrates the lengths to which the Republican National Committee will go in an effort to besmirch anyone in an executive post in the W. P. A.

The Senator from Delaware charges that Jones profited from his connection with the Construction Digest. I challenge anyone to point to a single line of advertising in the Construction Digest which was not obtained in a legitimate and ethical manner.

In addition, when Mr. Jones was appointed secretary of labor and industry for the State of Pennsylvania, January 15, 1935, he severed all his connection with the Construction Digest.

The Senator from Delaware connects Mr. Jones with a publication called the Harpoon, which ceased publication 24 years ago.

The Senator charges that Jones attacked the utilities in the publication, but ceased his attacks when large advertisements were obtained from these utilities. I think, in all fairness to Mr. Jones, that the Senator from Delaware should file with the Senate copies of the publication containing these alleged advertisements. I am sure he will be unable to do so; and if this is the case, it seems to me that Mr. Jones is entitled to an apology.

Mr. WHEELER. Mr. President, what were the names of the periodicals to which the Senator has referred?

Mr. GUFFEY. The Construction Digest and the Harpoon, which ceased publication 24 years ago.

Mr. BARKLEY. Mr. President, perhaps the Senator from Delaware was trying to revive the harpoon. [Laughter.]

Mr. GUFFEY. If the Senator from Delaware would like to get facts concerning Mr. Jones, I am sure if he would call on my colleague the senior Senator from Pennsylvania [Mr. DAVIS] he would get a fine statement from him as to Mr. Jones' character and integrity.

Mr. WAGNER. Mr. President, do I understand the Senator from Pennsylvania to say that the senior Senator from Delaware was seeking facts? [Laughter.]

Mr. GUFFEY. Well, I thought if he was I wanted him to have them.

I do not wish to take up the time of the Senate this afternoon, when it is so busy on important proposed legislation; but I should like to have inserted in the RECORD, as part of my remarks, a speech delivered by Mr. Jones in Pittsburgh last winter. I think possibly that speech was the basis of the charge of the senior Senator from Delaware this afternoon. The speech was delivered when the seat of the former ownership of the Republican Party was in Pittsburgh. As it has now been transferred to Wilmington, Del., I think the senior Senator from Delaware should have a right to defend the present ownership.

I ask that the speech to which I refer be included in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The address is as follows:

ADDRESS BY EDWARD N. JONES, WORKS PROGRESS ADMINISTRATOR FOR PENNSYLVANIA, BEFORE THE HUNGRY CLUB, PITTSBURGH, PA., DECEMBER 30, 1935

When I was asked to indicate a title for my talk here today, I had to think a while before answering.

Of course, the obvious reply would have been "My subject will be the Works Progress Administration in Pennsylvania." Because that is a subject which happens to be uppermost in my mind these days and from the amount of space given to it in the news and editorial columns, especially in some newspapers, it seems to be a subject which for the moment is of paramount interest to many.

And there is much that I could tell you about the Works Progress Administration in Pennsylvania that would be first-hand information, uncensored and undistorted by those who would have you believe that our undertaking is not the success we know it to be.

There is much that I could say about the work we are doing in this State that would be of interest to men and women in every walk of life, because W. P. A. touches the affairs of human beings occupied in all forms of endeavor.

No plan for aiding the victims of the present depression would have been adequate or complete that did not recognize the fact that this economic catastrophe took its toll and wreaked its havoc in every strata of society.

And therefore W. P. A. provides opportunities for employment for men and women of all classes—laborers and untrained girls, skilled mechanics, and executives; men and women in almost all of the professions—musicians, actors, writers, draftsmen, engineers, nurses, teachers, and housekeepers.

The 230,000 persons now on W. P. A. payrolls in this Commonwealth represent a true cross section of our society, and one could talk for hours about the useful work that is being done on the 4,000 projects that are now under way in this State.

But what I want to discuss here today is not what the Works Progress Administration has done, not what the Works Progress Administration is doing, but what the Works Progress Administration could do and might do in Pennsylvania, and particularly in Pittsburgh, if there were men in places of power in public life and in industry and in finance who had vision—and not only vision but courage as well—courage to speak out before their fellow men and reveal what they know in their hearts to be true, and, after they have revealed the truth, to take the initiative and act and lead in accordance with the truth—as they see it.

Therefore, the title of my subject today is not the W. P. A., but Men Without Vision.

Among my Christmas presents was a book I have not found the time to read. It is James Breasted's work entitled "The Dawn of Conscience."

However, I did read one paragraph from the foreword which I am going to quote:

"It has not become a sinister commonplace in the life of the post-war generation that man has never had any hesitation in applying his increasing mechanical power to the destruction of his own kind. The World War has demonstrated the appalling possibilities of man's mechanical power of destruction."

No one for a moment will challenge that statement. But Mr. Breasted's foreword only tells half the story—only cites war as proof of the fact that man has never had any hesitation in applying his increasing mechanical power to the destruction of his own kind. In my humble opinion, this readiness to destroy humanity has been and is being demonstrated just as effectively under world peace as under world war.

But, in considering the appalling consequences of man's seeming mania for the destruction of his fellow man through the medium of his mechanical powers, we must not forget that this new-found power is being utilized not only to deal out physical destruction to men, women, and children during war, but also to accomplish economic and social destruction of mankind during the period of so-called peace.

You can form your own opinion as to which is the more disastrous and more costly to our boasted civilization—physical destruction of mankind or economic destruction of potential wealth producers.

In my humble opinion, economic destruction is far the costlier, far the more disastrous. Physical destruction entails only burial expenses—sometimes not even that. Economic destruction of mankind creates a financial and social debt that, while it may be calculated in money, the real cost to the Nation in the destruction of morale, of self-respect, of discipline, of character, can never be calculated.

This process of economic and social destruction has been steadily and cumulatively taking place in the community and in the State during the past two decades.

And, so that I am not misunderstood, I want to make it clear that I for one am not opposed to the invention and installation of labor-saving machinery in our mills and mines and factories.

The men who plan these installations are undoubtedly men of vision—but I say they are men of limited vision if they think that there is no moral obligations upon them to consider the effect and consequences to society of a decision to throw thousands of men and women into a permanent army of the unemployed so that manufacturing costs can be reduced and dividends maintained.

During the past few months the two largest steel producers in the Pittsburgh district announced proposed expenditures of scores of millions of dollars for plant modernization.

To keep up with their competitors such improvements are vital and necessary, and the executives of these corporations are to be complimented upon their technical initiative.

When the announcements were made in the newspapers that the Carnegie Steel Corporation and the Jones & Laughlin Steel Corporation were to spend scores of millions of dollars in the Pittsburgh district, they were hailed with rejoicing in newspaper editorials.

The expenditure of these millions will, it was claimed, restore to Pittsburgh something of her old-time supremacy in the world of steel.

But, may we ask, What price supremacy?

Due to the installation of labor-saving devices in Pennsylvania's mills, mines, and factories, there are today some three or four hundred thousand victims of technological unemployment in this State—men and women who will never get jobs even when business conditions return to normal.

These men and women represent a direct economic loss of some $15,000,000 a month—$180,000,000 a year.

In the anthracite region of this State are thousands of miners who never can or will return to the mines. The work they did is now being done better and cheaper by electrical robots.

So, too, in our bituminous-coal fields; and so, too, in this community—once known as the workshop of the world.

And in the face of all this it is now proposed by important units in our key industries to install more labor-saving devices to cut down manufacturing costs by the simple process of reducing the number of persons on the pay roll.

As I said before, one cannot quarrel with such executives for seeking more modern and more efficient methods of production.

But where these executives are delinquent—where they exhibit symptoms of economic and social astigmatism—is that they and others like them who occupy high positions in our industrial world give no indication of interest in what becomes of these discarded human beings whose economic and social destruction they calmly and unhesitatingly plan and accomplish through the exercise of their mechanical genius.

Has there ever appeared a news item in our public press about these captains of industry seeking conferences with National, State, or local officials to discuss ways and means of providing for these human discards?

Is there anything in the record to evidence the slightest concern on the part of these industrial and financial magnates over what happens to the ever-increasing army of the permanently unemployed—other than the published list of contributions to the community-chest fund?

Today in this State are some 400,000 heads of families who must be given work relief, direct relief, or allowed to starve.

Most of these men and women represent the discards of modern industry—the economic and, too often, the physical wreckage of our mills, mines, and factories.

It's costing someone about a quarter of a billion dollars a year to sustain these victims of our superefficient civilization.

Now, if these captains of commerce and these high lords of finance were really "men with vision" they could say, "We've got to modernize our plants or go out of business. And so we modernize our plants. We've got to reduce our operating costs and the most effective way to reduce operating costs is to reduce labor costs. It's too bad that we've got to discharge hundreds and thousands of our employees, but in view of the fact that the Federal, State, and local governments are taking care of this surplus labor, we don't feel so badly about it. We pay our share of the taxes that produce the funds to keep these men and women on relief."

Of course they do. But the trouble is that they do it because they are compelled to—not because they realize and accept it as an obligation. If they could, most of these rugged individualists would eliminate all relief taxes tomorrow.

They might set up soup kitchens or they might establish bread lines, and with relief taxes eliminated they might even increase their contributions to the community-chest fund.

That they are "men without vision" is proven by their attitude toward President Roosevelt's direct-relief and works-relief program.

Mr. Roosevelt recognizes and accepts not only the moral but the legal obligations of government to those discarded by business and industry. When he established the "dole" big business criticized him for wasting Federal funds. When he substitutes work relief for the "dole", big business objects that it is too costly.

And with all the resources at its command, big business is seeking to discredit the Works Progress Administration, sneering at a sincere endeavor to give employment to the men and women big business replaced with its mechanical robots in order that dividends might not be interrupted.

Have you ever read of the presidents or chairmen of the boards of directors of any of Pittsburgh's great industrial or financial institutions tendering to any Governor of this Commonwealth the assistance of their high-salaried staffs to find an answer to the question: What shall we do with our unemployed?

Instead of sneering at political "brain trusters", wouldn't you think that these captains of industry would offer to turn loose their own "brain trusters" on this problem—those keen, mechanical geniuses with three-decker brains who spend their days and nights inventing machinery and processes to still further increase the number of human discards?

Why do not the heads of these two great steel corporations that are planning the expenditure of some $150,000,000 in this county for plant modernization—why don't they acknowledge the effect these improvements will have on unemployment in this country and in this State and, recognizing and acknowledging it, notify the Governor of this Commonwealth of their desire to join with him in seeking some plan for the rehabilitation of those they have already displaced and those they propose to displace with labor-saving machinery.

But how can you expect them to take such an unprecedented step when they are content to stand idly by while public officials, subject to their command, conspire to sabotage the Works Progress Administration in this community?

The Federal Government stands ready with an appropriation of $2,500,000 a month to provide work for some 30,000 Pittsburgh men and women, many of whom are former employees of these corporations who have been replaced by mechanical robots. We are unable to spend the money—turn it over to these destitute and jobless persons—just because the executives of these industries that discarded them are not sufficiently concerned over their fate to use their influence and omnipotent power to compel the public authorities of this city to provide worth-while projects.

The only captain of commerce in Pittsburgh that ever evinced the slightest interest in W. P. A. telephoned me last week. This man is the head of a great department store. Three days before Christmas he called to ask me to be sure that all W. P. A. workers got their pay before Christmas.

W. P. A. has been promised cooperation by the city authorities, but instead of cooperation all we get is studied sniping and secret scheming to make harder our task of placing some 30,000 unemployed citizens of Pittsburgh to work.

Mayor McNair and Director Johnson, assured that their tactics have the approval of the captains of finance and the overlords of industry, take advantage of every technicality to delay the program.

I wonder what the attitude toward a works-relief program in Pittsburgh would have been if the $2,500,000 a month needed for pay rolls had been tendered by Uncle Andy instead of Uncle Sam.

Well, I can tell you. First of all there would be a great splurge of publicity and editorial comments praising Mr. Mellon as a great humanitarian and philanthropist in place of the criticism that is continually being made of W. P. A. by the mouthpieces of big business.

And then someone of course would pause to point out the difference between Mellon's millions and Uncle Sam's millions. Someone would most certainly remark that Mellon would be giving away his own money, whereas Uncle Sam's contribution didn't represent his money at all, but our money, taken from us by confiscatory taxation.

But any thinking person would readily understand that Uncle Andy and Uncle Sam both get their millions from the same source. The only difference is that Mellon has already got his while Uncle Sam has his to get through future taxation.

I said earlier in this talk that what I wanted to talk about today was not what W. P. A. has done but what W. P. A. could do in Pittsburgh and Allegheny County if there were men in places of power in public life and industry and in finance who had vision and courage and initiative.

Our program in Pittsburgh today is far from being the kind of program we would like to carry on in the city.

It is that kind of a program because that's the only kind of a program we can undertake under existing handicaps.

Mayor McNair and his public-works director, despite their public protectations of cooperation, have forced us to adopt this kind of a program. They have done so because they believe they are acting in accordance with the wishes of the house of Mellon and its hundreds of subsidiary interests.

If they thought for a moment that the house of Mellon favored a worthwhile public-works program, they would break their respective necks producing projects, money to pay for materials, and real cooperation.

If Mr. Mellon and his financial and industrial lieutenants cared a continental about Pittsburgh's army of industrial discards, we would now be working on projects which when completed could be pointed to as worth-while municipal assets.

Instead of Pittsburgh workmen having to be transported several miles every day to work, W. P. A. employees could right now be at work on the construction of a real wharf system around the Golden Triangle.

And instead of having to resort to every strategy to make jobs for discards of Pittsburgh steel mills, if the men who operate those steel mills had shown the slightest interest in their former employees, a worth-while program of real public enterprise would have been under way by now.

Let's not have any false concepts of the fundamental truths that apply in this present situation.

Briefly, they are:

First. In this community are over 100,000 employable men and women who are denied the opportunity for gainful employment due, for the most part, to their displacement in our key industries by labor-saving machinery.

Second. Plans are now under way to create still more of this technological unemployment.

Third. Because industry now does not provide for these men and women whose mental and manual labor helped create and build up these great enterprises, the Federal Government has appropriated a sum, approximately $4,000,000 a month, to put these industrial discards to work.

Fourth. The Federal Government is being handicapped in caring for these wards of industry because public officials, subject to the command of these industrial executives, are of the opinion that industry doesn't want this works program to be effective.

Fifth. To date these industrial executives and their bosses, the overlords of finance, have not only refused to take any interest in the program of public works, conceived for the sole purpose of providing employment for these human discards, but are evidently opposed to the W. P. A. program on the theory that if it is successful President Roosevelt will get the credit—and they are against Roosevelt.

These are the men without vision who not only are unable to see the immediate result of their indifference, but who shut their eyes to the inevitable consequences of their contribution to the economic and social destruction of their fellow men.

Before concluding I would like to read to you a few paragraphs from a message written by Woodrow Wilson shortly before his death.

It is, I believe, equally applicable to the situation today as it was to conditions that were beginning to manifest themselves at the time it was written.

There are thoughtful and well-informed men all over the world who believe, with much apparently sound reason, that the abstract thing, the system, which we call capitalism, is indispensable to the industrial support and development of modern civilization. And yet everyone who has an intelligent knowledge of social forces must know that great and widespread reactions like that which is now unquestionably manifesting itself against capitalism do not occur without cause or provocation; and before we commit ourselves irreconcilably to an attitude of hostility to this movement of the time, we ought frankly to put to ourselves the question, "Is the capitalistic system unimpeachable?" Which is another way of saying, "Have capitalists generally used their power for the benefit of the countries in which their capital is employed and for the benefit of their fellow men?"

Is it not, on the contrary, too true that capitalists have often seemed to regard the men whom they used as mere instruments of profit whose physical and mental powers it was legitimate to exploit with as slight cost to themselves as possible, either of money or of sympathy? Have not many fine men who were actuated by the highest principles in every other relationship of life seemed to hold that generosity and humane feeling were not among the imperative mandates of conscience in the conduct of a banking business, or in the development of an industrial or commercial enterprise?

And, if these offenses against high morality and true citizenship have been frequently observable, are we to say that the blame for the present discontent and turbulence is wholly on the side of those who are in revolt against them? Ought we not, rather, to seek a way to remove such offenses and make life itself clean for those who will share honorably and cleanly in it?

Democracy has not yet made the world safe against irrational revolution. That supreme task, which is nothing less than the salvation of civilization, now faces democracy, insistent, imperative. There is no escaping it, unless everything we have built up is presently to fall in ruin about us; and the United States, as the greatest of democracies, must undertake it.

The road that leads away from revolution is clearly marked, for it is defined by the nature of men and of organized society. It therefore behooves us to study very carefully and very candidly the exact nature of the task and the means of its accomplishment.

The nature of men and of organized society dictates the maintenance in every field of action of the highest and purest standards of justice and of right dealing; and it is essential to efficacious thinking in this critical matter that we should not entertain a narrow or technical conception of justice. By justice the lawyer generally means the prompt, fair, and open application of impartial rules; but we call ours a Christian civilization, and a Christian conception of justice must be much higher. It must include sympathy and helpfulness and a willingness to forego self-interest in order to promote the welfare, happiness, and contentment of others and of the community as a whole. This is what our age is blindly feeling after in its reaction against what it deems the too great selfishness of the capitalistic system.

The sum of the whole matter is this, that our civilization cannot survive materially unless it be redeemed spiritually. It can be saved only by becoming permeated with the spirit of Christ and being made free and happy by the practices which spring out of that spirit. Only thus can discontent be driven out and all the shadows lifted from the road ahead.

Here is the final challenge to our churches, to our political organizations, and to our capitalists—to everyone who fears God or loves his country. Shall we not all earnestly cooperate to bring in the new day?

Mr. MINTON. Mr. President, the Senator from Delaware has designated his speech his "swan song"; and we are reminded that the swan, dying, sings, and having sung, dies. I, for one, shall very much regret the day, not far hence, when the voice of the distinguished Senator from Delaware will be heard no more in this Chamber. No one represents more ably, more sincerely, and more loyally the constituency which sent him here than does the distinguished Senator from Delaware. And when he spoke here this afternoon with great vehemence and vigor against the program of the present administration, he spoke with that same sincerity and that same loyalty to the cause he serves that ever characterizes the distinguished Senator from Delaware.

I was not privileged to hear all the Senator had to say on this occasion, and that is my loss. As I sat here, however, and listened to him throughout the greater part of his speech, I was sure that he must have reminded the Senate in the beginning of the tremendous debt that is hanging over this Nation today; he must have reminded us that we have today a national debt of something like $31,000,000,000.

I remind my colleagues, and especially the Senator from Delaware, that of that $31,000,000,000 of debt which hangs over this Nation today, $16,000,000,000 of it is a carry-over from the war, money which we spent during the World War, in 1917 and 1918, day by day, by the hundreds of millions of dollars, when we unbalanced the Budget every day that the war was carried on. Yet the constituents which the Senator from Delaware represents waxed fat on the profits of that great war, prosecuted for 2 years, and every day of it the Budget of this country was unbalanced, but there was not a chirp from them about an unbalanced Budget or about excessive taxes which would have to be levied to pay for the war.

Only a few weeks ago, in this very Chamber, we appropriated better than $1,200,000,000 for the Army and the Navy of this country for 1 year; and where was the Senator from Delaware at that time? He was not even in the Chamber, he was not interested that we spend $1,200,000,000 in preparing to make war, because that would put the profits in the pockets of the people in Wilmington, Del., whom the Senator so ably represents.

Of course we are spending money today. After we had the war debt reduced to $16,000,000,000, we spent under Mr. Hoover about $6,000,000,000 more, and what did we get? We got the worst panic the country ever experienced.

We spend a few billion dollars more to feed the hungry and the poor and the distressed, the victims of this depression, a depression not of their own making, and what do we hear from the Senator from Delaware? That to feed these people is all wrong. If I understood him in his speech correctly, he said that if appropriations are authorized in order to feed the hungry and starving people in this country who are the victims of the depression, we might as well tear up the Constitution. "Silly expenditures", he says, as he condemns this administration, which reaches down its hand in pity to pick up the stricken victims of the depression and put them back on the road to health and happiness. "Silly," hisses the Senator from Delaware. "Tear up the Constitution if that is justified."

I say to my colleagues in the Senate that if we can spend thirty-five or thirty-six billion dollars and make a lot of millionaires in this country, and give us a lot of problems which we struggle to solve in this day and age, if we can spend thirty-five or thirty-six billion dollars to march away the flower of this Nation to stand before an enemy's guns, and fall in defense of their country and die for their country, if we can spend billions of dollars that the flower of the Nation shall die for their country, then, in the name of God, why may we not spend a few billion dollars that men, women, and children might live for this country?

Mr. President, I do not know much about the situation in West Virginia; I leave that to those who are better able to discuss the West Virginia situation. I do not know much about the Pennsylvania situation as it relates to the expenditure of this sum of money in the interest of the poor people of this country, but I do know that the investigation about which the Senator from Delaware has been talking, which will presently proceed in the State of Pennsylvania, is an investigation authorized by a legislature which is Republican.

I remember reading in the newspaper the other day that a Republican senate rejected the relief measures for the people of Pennsylvania; that the Republican Senate of the State of Pennsylvania refused to do its part by the people who are in distress there. Then the same Republican Senate of the State of Pennsylvania adopted a resolution to investigate the only agency which is bringing relief to the distressed people of the State of Pennsylvania. Only today, when they go into court and demand a subpena or a warrant to bring before them the people they desire to investigate, a Republican judge says they have not the power to carry on any such investigation.

Ah, God prosper the days to come of that investigation in Pennsylvania, because, in my humble opinion, it will reveal but one thing, that the Democratic Party fights on the side of the people today in distress, while the Republican Party, which brought on the depression under which we are living, which made the people the victims of the depression, continues to keep its heel on the necks of the downtrodden people of this country. I do not know much about Pennsylvania, but I do know this much about it—that the Democrats

propose to give relief to the distressed while the Republicans refuse relief.

I know something about the situation in Indiana referred to in the course of his remarks by the Senator from Delaware. I know this about the situation in Indiana, that the W. P. A. in my State has done the finest job that has been done throughout the United States; and I bar none. The State of Indiana has met its obligations in carrying on the P. W. A. work, and only one State from the Atlantic seaboard to the Pacific coast has contributed more toward its relief load than has the State of Indiana.

I know that when the charges were made by my distinguished colleague [Mr. VAN NUYS] of certain irregularities in the State of Indiana, with commendable alacrity the Department here in Washington entered upon an investigation of the charges the Senator made, and gave him an investigation which met with his hearty approval. The charges were all aired in the open; each and every one of them was investigated to the last detail, and the investigation and the results thereof revealed that the Senator's informants for the most part were not sustained; but that any semblance at all of politics in the W. P. A. in Indiana was scotched in the very beginning by the administration not only of the State of Indiana but the Administration here in Washington, with the result that the W. P. A. today stands in the State of Indiana vindicated of any charges of politics, and with a record of administration second to none in this country.

Mr. President, because of the expenditure of these large sums of money all of us feel more or less distressed. No one in this body or elsewhere gets any pleasure out of the duty which devolves upon us of expending what seems to us to be necessary to expend in the interest of the distressed people of this country. Of course, to do so the Budget must remain unbalanced. I regret that as much as anybody, and I hope the day is not far distant when the Budget may be balanced. However, I venture to say here and now that we shall not balance the Budget on the anguish and tears and suffering of citizens of this country who are the victims of this depression.

The Senator from Delaware says that the present administration has spent $3,000,000,000 more than the Hoover administration spent in the last year of that administration. Undoubtedly that is true, but as I said in the beginning, in return for the expenditures under Hoover we got the worst panic ever seen in this country, whereas the expenditures and the wise policies adopted by this administration are gradually leading us out of the depression and to the dawn of a better day.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. MINTON. I yield.

Mr. BARKLEY. In that connection I am sure the Senator realizes that the Hoover administration was not compelled to take over local relief because of the collapse of State, county, and city governments. That administration had no works program which was designed to give employment to the unemployed in the United States. That program has been inaugurated within the last 3 years. I am not conceding that it is accurate to say that the present administration has spent $3,000,000,000 more than the Hoover administration spent, but, even if it be true, it certainly is offset by the fact that the present administration has been compelled to administer relief down into the smallest subdivisions of all the States, which was not required of the Hoover administration; and also that the present administration has worked out a works program which was designed to give employment to people, which was not true of the former administration.

Mr. MINTON. I thank the Senator for his remarks. The Hoover administration was not required to do the things which the Senator from Kentucky has pointed out. Even if that administration had been required to do so, it would not have it done because it indicated that it was not in sympathy with such a program. We all remember that when the State, county, and municipal governments broke down under the load of relief it was pointed out on the floor of the Senate that the administration should come to the relief of the people. I remember it. I heard of it down in the hills of southern Indiana as it was sounded here on the floor of the Senate by the distinguished junior Senator from New York [Mr. WAGNER], the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE], and the distinguished senior Senator from Colorado [Mr. COSTIGAN], but they cried out as a voice in the wilderness to that administration to bring relief to the suffering people, and Mr. Hoover turned his back on them in the face of that calamity and said, "Go back to your own home people and let them take care of you", at a time when manifestly State agencies had broken down. So the present administration by force of circumstances was forced to take its place in defense of the citizens of the country who were in distress through no fault of their own, and, gradually, due to the expenditure of relief and works money and the adoption of the policy which the administration has consistently pursued, prosperity is returning to our Nation, so that whereas a short time ago we witnessed a wilderness of smokestacks grown cold, today there is a transformation and we see active, busy communities, the smokestacks of whose industries are belching forth smoke toward the heavens. At night the sky is red with the glare of the open furnaces. As one goes down the streets today he comes in contact with men in every community with the grime of toil upon their faces, and it looks good. All of these things have steadily progressed in the last few years under the Roosevelt administration.

As wonderful as all these material things are, they cannot compare with the spiritual things that have happened to this country. While we have been having material recovery we have been experiencing a spiritual revival in our country unparalleled in its history. A people who had lost faith in government, who had lost faith in their rulers, who had lost faith—yes—in everyone, have had their confidence and faith restored, and today, even now, we face the rainbow promise of a better day and we will not go back.

COAST GUARD NOMINATIONS: NOTIFICATION TO THE PRESIDENT

Mr. COPELAND. As in executive session, I ask unanimous consent that the President may be notified of the confirmation of nominations in the Coast Guard. It is important, as the young men are about to graduate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and the President will be notified.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

The PRESIDING OFFICER. The question is on the committee amendment on page 30, line 11.

Mr. ADAMS. Mr. President, I submit two perfecting amendments to that section which are offered on behalf of the committee.

The PRESIDING OFFICER. The first amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 30, line 13, it is proposed to strike out "employed" and in lieu thereof to insert "appointed or employed in an administrative capacity."

Mr. McNARY. Mr. President, inasmuch as the Senate has returned to the consideration of the bill I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	King	Reynolds
Austin	Coolidge	La Follette	Robinson
Bachman	Copeland	Lewis	Russell
Bailey	Couzens	Loftin	Schwellenbach
Barbour	Davis	Lonergan	Sheppard
Barkley	Dieterich	Long	Shipstead
Benson	Duffy	McAdoo	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	George	McNary	Thomas, Utah
Borah	Gerry	Maloney	Townsend
Brown	Gibson	Minton	Truman
Bulkley	Glass	Moore	Tydings
Bulow	Guffey	Murphy	Vandenberg
Burke	Hale	Murray	Van Nuys
Byrd	Hastings	Neely	Wagner
Byrnes	Hatch	Norris	Walsh
Capper	Hayden	O'Mahoney	Wheeler
Caraway	Holt	Overton	White
Carey	Johnson	Pope	
Chavez	Keyes	Radcliffe	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

The question is on the amendment to the committee amendment of the Senator from Colorado.

Mr. GEORGE. Mr. President, may the pending amendment be stated?

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on page 30, line 13, it is proposed to strike out the word "employed" and insert in lieu thereof the words "appointed or employed in an administrative capacity."

Mr. BORAH. Mr. President, I understand this amendment to the committee amendment comes in on page 30, line 13. I wish to make an inquiry about the amendment. The committee amendment reads:

> No part of the funds carried in this appropriation shall be used to pay more than one-half of 1 percent of the total number of persons employed within any State who were nonresidents of the State at the time of the appointment or employment of such persons.

What would the amendment which the Senator from Colorado offers authorize?

Mr. ADAMS. The purpose of the amendment now offered is to change the effect of the committee amendment, which, as it appears in the printed bill, makes the percentage applicable to all those employed, so that it will apply only to those who were appointed and serve in an administrative capacity. It seemed to some of us that the amendment as drawn would apply to all those who were employed, for instance, on relief projects as individual applicants who may be now on the relief roll, and the amendment now offered would limit its application to the administrative staff. That is my understanding.

Mr. BORAH. Then, there would be no limitation as to the persons actually employed in other than administrative capacities.

Mr. ADAMS. That is correct. I will say that the junior Senator from Georgia [Mr. RUSSELL] offered the original amendment before the committee, and I imagine he can make a clearer statement of it than can I.

Mr. BORAH. I am very much interested in the amendment which was reported by the committee, and I should like therefore to know what the amendment is that the Senator from Colorado is offering to the committee amendment and what its effect is.

Mr. ADAMS. I should like to have the Senator from Georgia answer the Senator's question.

Mr. RUSSELL. Mr. President, I was called off the floor a moment ago and have just returned. Has the perfecting amendment been offered by the Senator from Colorado?

The PRESIDING OFFICER. It has.

Mr. POPE. Mr. President, let me inquire if it is the intention of the Senator from Georgia and the Senator from Colorado to offer a similar amendment in line 19 on the same page?

Mr. ADAMS. I have sent the amendments to the desk and will ask the clerk to read them. There are two amendments.

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. The first amendment is, on page 30, line 13, to strike out the word "employed" and in lieu thereof to insert "appointed or employed in an administrative capacity."

And the same amendment is inserted on page 30, line 13, after the word "persons."

Mr. POPE. That covers all that I had in mind.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. COPELAND. I think it would be most embarrassing if we were to place this limitation upon those who are employed, because if they cannot be so employed, they would have to be taken care of by somebody; they could not be shot at sunrise. I have no objection at all to the limitation upon those who administer the law, but it would be most embarrassing and inhumane, in my judgment, to have it apply to other persons.

Mr. RUSSELL. The intention of the amendment as originally drawn was to apply to those employed in administrative and supervisory capacities. As worded, it, perhaps, would have had the effect of disrupting certain projects which are now being carried on by workers from other States. It certainly would have a very adverse effect upon the transient camps and organizations of that kind. However, as modified by the amendment offered by those who have the bill in charge, it applies only to employees who are engaged in administrative and supervisory capacities.

I think the amendment is entirely proper. The idea of the Works Relief Administration is to afford employment to the unemployed and not to pay traveling expenses and cause any certain class to profit at the expense of those who are in need of funds. In my own State, which incidentally has the lowest wage scale I believe in the Nation, there have been times when the positions in the higher-salary brackets were practically all held by those imported from other States. The $19-a-month jobs were filled by native Georgians, while the positions paying $200 or $300 a month in supervisory capacities were filled by those who were residents of other States and were brought in to take over the supervisory jobs. The purpose of the amendment is to make certain that the people within the various States who need employment shall be supervised by those who understand conditions within the States and to prohibit and to prevent what we refer to in my section as "carpetbagging"—bringing people from outside the State and giving them the most desirable positions.

I think that every State of this Union has within its borders a sufficient number of people of skill, experience, and of integrity to fill the administrative positions without importing outsiders from the four corners of the earth, frequently at Government expense.

Mr. BORAH. Mr. President, I quite agree with that proposition. The only thing I am anxious to know is whether any limitation is to be imposed in relation to the percentage as affecting those who may be employed, not those who may serve in administrative capacities.

Mr. RUSSELL. No such limitation will be imposed in view of the amendment that has been suggested by those having the bill in charge. There will be no limitation whatever as to those who are employed.

Mr. GEORGE. Mr. President, may I ask my colleague if this provision is intended to apply to the $250,000,000 revolving fund reappropriated or released to the Works Progress Administration?

Mr. RUSSELL. The amendment was not drawn with that provision in mind; but, as the bill stands at present, I think the limitation would apply to all funds provided by the bill.

Mr. GEORGE. The reason I asked the question if it was intended to make it apply to that fund, to that appropriation, was, that fund is not an appropriation carried in the

bill. That appropriation has already been made; it is in the relief appropriation.

Mr. RUSSELL. I may say to my colleague that I have not studied the provision that allocates funds to the Public Works Administration, but if the funds are appropriated by this bill I should think the limitation would apply. If the funds are not appropriated by this bill, of course, it would not apply, because the amendment applies only to funds that are appropriated by the pending measure.

Mr. GEORGE. Then I should like to ask another question with reference to the language in line 18, which is as follows:

Nor shall more than 1 percent of the total amount allocated out of this appropriation for expenditures for any purpose within any State be paid as salaries, wages, or other compensation to persons who were not bona-fide residents of such State at the time of appointment or employment.

Is that intended to apply to professional services such as engineering or legal services that may be performed by those who are nonresidents of the State?

Mr. RUSSELL. I should say not, in view of the fact that the amendment has been modified to apply only to administrative positions. I did not think it would apply to positions of the character mentioned by my colleague. There has been some question raised as to that, but, on account of the objections which have been voiced by several Senators, no attempt was made to apply it specifically to engineering and legal help. I am of the personal opinion that it should apply, but I do not think that the amendment, as drafted at present, will apply to engineering and legal positions.

Mr. GEORGE. The provision now is made applicable to persons appointed or employed in administrative capacities.

Mr. RUSSELL. In administrative capacities only.

Mr. GEORGE. I think my colleague is quite right in saying that professional services of any kind would not be included.

Mr. RUSSELL. I should not think it would apply to engineering and legal services.

Mr. OVERTON. Mr. President——

Mr. RUSSELL. I yield to the Senator from Louisiana.

Mr. OVERTON. I gather from the explanation already made by the Senator that the amendment he has offered does not apply to what are designated as social workers who are employees.

Mr. RUSSELL. I should think it would apply to social workers in some of the cases I have in mind, because in many instances they occupy administrative positions. If a social worker or a lawyer or an engineer should occupy an administrative position, I should think the limitation would apply, but where an engineer was employed to design plans and specifications for the project I do not think it would apply, because he would not be acting in an administrative capacity.

Mr. OVERTON. Does it apply to that class of employees who are known as case workers?

Mr. RUSSELL. I should think that it would apply to them.

Mr. OVERTON. The reason I make the inquiry is that I understand there is need for the employment of persons of a certain amount of experience and qualified to perform that class of work, and for that reason it sometimes may be necessary to employ someone who is not a resident of the State.

Mr. RUSSELL. I know that argument has been raised, but I think things have come to a very poor pass when in any State in the Union a sufficient number of people who are natives of the State cannot be secured to carry on what is known as case work under the relief administration. In my judgment, those who live within a State are infinitely better prepared to do that work, because they are familiar with the local conditions, habits, and customs of the community in which they reside, and, of necessity, they know more about it than would one who was imported from a far-distant State and who had absolutely no conception of the living conditions, the customs, and practices within the section to which he was transferred.

Mr. OVERTON. I agree with the general principles announced by the Senator from Georgia and contained in the bill. I was simply seeking to obtain information in reference to the effect of the amendment if it were adopted.

Mr. RUSSELL. It is the intent of the committee that the limitation shall apply to the cases mentioned by the Senator from Louisiana?

Mr. FLETCHER. Mr. President, I inquire of the Senator from Georgia whether he would be willing to change one-half of 1 percent to 5?

Mr. RUSSELL. No; I would feel impelled to resist the amendment suggested by the Senator from Florida. I see no reason or occasion for such an amendment.

Mr. FLETCHER. Would the Senator be willing to strike out the word "were", in line 14, and insert "are"?

Mr. RUSSELL. I did not understand the Senator's question.

Mr. FLETCHER. Would the Senator be willing to strike out "were" and insert "are", so that it would read "are employed" instead of "were employed"?

Mr. RUSSELL. I see no necessity for such a change. I cannot see that it would improve or strengthen the provision.

Mr. McADOO. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from California?

Mr. RUSSELL. I am glad to yield.

Mr. McADOO. I am in sympathy with the purpose of the amendment insofar as it is an effort to have residents of the State in which the work is being done employed in the administrative work which is necessary in order to conduct the operations; but I am very much in doubt as to the arbitrary formula which it is proposed to apply. As the amendment is now framed it would restrict the number of persons who may be employed in administrative work to 1 percent of the number to be employed. That would mean, if 100 people were required in the performance of the administrative work on a project—and I shall now discuss the project feature of it only—only one nonresident could be employed. I am inclined to think the restriction might work a very great injury to the service we are trying to perform.

Let us take the case of flood-control work. In a conversation with General Markham, Chief of Engineers, he told me that on some of the flood-control projects—and he mentioned a particular one in my State—where at least 100 technical people are required in the performance of the work, they are not available locally. If the amendment should be adopted, he said, it would seriously hamstring the operations.

When we provide that only 1 percent of the total amount allocated out of the appropriation shall be employed for expenditure for any purpose to be paid as salaries or other compensation, we impose another arbitrary limitation which might work a very grave injustice. I understand on many of these projects at least 2½ percent should be permitted to be employed for technical service, and that they cannot always be obtained in the localities where the work is being done.

I think the amendment, however much we may sympathize with the purpose in view, may offer a very serious handicap upon operations of the service, and, for my part, I would be in favor of striking it out altogether. If it is to be inserted in the bill, I wish to suggest an amendment to my friend from Georgia.

The PRESIDING OFFICER. The time of the Senator from Georgia on the amendment has expired.

Mr. RUSSELL. Mr. President, I had overlooked the fact that limitation of debate applied. I shall reserve my time on the bill. I understand I have 15 minutes on the bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. McADOO. I may say to the Senator from Georgia that to the extent I have invaded his time I am willing to surrender my own time to him.

The PRESIDING OFFICER. That may not be done under the unanimous-consent agreement.

Mr. McADOO. Mr. President, I suggest that there be added, at the end of line 20, page 30, after the word "employment", the words "*Provided*, That this shall not apply to any project administered by the War Department." That might take care of one of the difficulties which I believe is inherent in the amendment itself.

Mr. RUSSELL. I can see no objection to the amendment applying to the engineering force and supervisory engineers.

Mr. McADOO. I understand the Senator is willing to accept my amendment?

Mr. RUSSELL. I have no objection if it is satisfactory to those who have the bill in charge. Many good reasons occur to me why it might be well to incorporate those words.

Mr. GLASS. Mr. President, I have no particular objection to the amendment, but I insist a technician is not necessarily an administrator. Of course, we have to employ technical service outside of the State.

Mr. RUSSELL. I agree the amendment is not at all necessary, but I cannot see that it would in anywise impair the efficacy of the provision, and therefore I am willing to accept it.

Mr. McADOO. I think an engineer is essentially a part of the administrative organization in work of this character.

Mr. NORRIS. Mr. President, I have quite serious doubts about the adoption of the amendment. It seems to me it could well be left to the discretion of those upon whom is enjoined the obligation of performing the work in a scientific way.

One year ago yesterday in the southern part of Nebraska, along the Republican River valley, occurred the greatest flood within the memory of the oldest inhabitant or of which there was any record in history. Into a section of the country which for 2 years had not been able to produce a crop on account of dry weather, except perhaps along this particular valley, came this flood which destroyed entirely either all the bridges for nearly 200 miles along the river or destroyed the approaches to the bridges.

In proportion to the amount of property and the number of inhabitants of the valley, there was greater destruction of human life and greater loss of property than was caused by the flood which occurred later in the eastern and northeastern part of the United States. The flood in that valley was so well described by Mr. Lawrence, of the Public Relations Council, that I am going to ask the clerk to read his description of the damage done. In two or three places in his description I have stricken out the names of two or three officials, including my own, who had something to do with bringing about the repair of the damages, in order that there may be no possible criticism of a partisan or political nature. I ask that this description may be read in my time.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

NEBRASKA WORKS PROGRESS ADMINISTRATION,
DIVISION OF INFORMATION.

From: W. H. Lawrence, public relations counsel.

One year ago today the usually docile Republican River went on a mad rampage.

Precipitated by two successive cloudbursts and two days of ceaseless rainfall of unheard-of intensity, the small stream went crazy—transformed into a swirling, monstrous flood terror that surged through the long valley, killing people, tearing at railroad tracks, obliterating farmsteads, wrecking bridges, drowning livestock, inundating hundreds of miles of grainland, sweeping houses and other buildings from their foundations and setting them afloat to whirl crazily downstream, some to topple over and crack up as the crest of the wild yellow torrent smashed eastward down the valley.

Power lines were broken. Communication lines were down, and electric-light plants were out of commission, adding the terrors of darkness and silence to a distraught region. Dams broke, unleashing more tidal fury and heightening the wall of water roaring and boiling downstream. A tornado zigzagged diagonally across the countryside to multiply the horror.

Railroad tracks were twisted like wire and long sections of railroad ties were up-ended to resemble a picket fence. Highways on the floor of the valley were either washed out of existence or were under water.

The Republican River, a stream that is normally a couple of hundred yards wide, speedily spread out to a swath 2 miles wide in some places as tributary creeks from north and south poured their tremendous overload into the Republican so suddenly as to bring about a wash of tidal-wave proportions.

So suddenly did the flood strike that most of the valley's residents were in it before they could be warned, and most of those who were warned discarded the cautioning as absurd.

In their wake the churning water left:

Ninety-four persons drowned (approximately 30 of these bodies have not been recovered).

Three dead from the tornado.

Damage approximating $2,000,000 done to property of the Burlington Railroad.

Other property damage totaling approximately $8,000,000.

Three hundred and forty-one miles of highways damaged.

One thousand and seven buildings lost.

Three hundred and seven bridges lost.

Six hundred and seventeen buildings damaged.

Fifty-four thousand four hundred and seventy-nine acres of cropland damaged.

Two hundred and ninety horses lost.

Four hundred and two milk cows lost.

Two thousand eight hundred and twenty-five other cattle lost.

Forty-six thousand five hundred and seven chickens lost.

Local, State, and Federal authorities acted quickly to alleviate suffering in the valley and to start the rehabilitation work.

The American Red Cross was in the field before the flood reached its peak, and Nebraska communities responded quickly and generously to its appeal for funds.

Officials quickly obtained an emergency flood allotment of funds from Federal authorities.

The Nebraska Emergency Relief Administration poured men and money into the valley and Rowland Haynes (then F. E. R. A. administrator, now president of Omaha Municipal University) was appointed coordinator of the flood work.

Nine emergency Civilian Conservation camps were established at McCook, Superior, Franklin, Trenton, Cambridge, Arapahoe, Alma, Benkelman, and Red Cloud to bury dead animals, search for bodies, salvage property, and generally improve sanitary conditions. These camps were maintained for a month.

The N. E. R. A. established work camps at Benkelman, Trenton, McCook, Cambridge, Oxford, and Alma and brought relief workers from eastern Nebraska to help rebuild the valley.

State highway department crews were rushed into the valley to repair the flood-swept highway system and construct bridges that had been torn from their foundations or repair damaged spans.

During the first 2 months most of the work that was done was of the emergency type. Homes had to be rebuilt or cleaned, homeless families had to be fed and sheltered, debris had to be removed from the streets, and emergency transportation and communication facilities had to be established.

When the Works Progress Administration was set up in July the Republican River Valley was the first section of the State to receive its attention. When the N. E. R. A. stopped its work division the W. P. A. took over its labor camps.

Most of the W. P. A.'s work in the valley has been flood-prevention and flood-control work.

Today—exactly 1 year after the flood started—R. L. Heskett, W. P. A. engineer in charge of the river work, estimates the job of rehabilitation is about one-half done and another full year will be required to complete the work.

The president of the McCook Chamber of Commerce believes there should be at least 200 men in the valley for 2 or 3 years' time cleaning up and protecting the improvements that have been made during the last year.

"The W. P. A. and other governmental agencies have done splendid work already", the president of McCook Chamber of Commerce said, "and have accomplished a great deal, considering the amount of money and labor expended."

Peak employment during the emergency period after the flood was about 1,480 relief workers and an average of 800 men were employed on W. P. A. flood-control work for approximately 8 months. This is reduced now by the seasonal demand of private employment and State highway work.

Biggest spender in the valley was the Burlington Railroad, which not only repaired its $2,000,000 worth of damage but added another $1,000,000 to raise its roadbed and take it farther from the river. The N. E. R. A. spent approximately $340,000 for immediate relief and flood-control work, while the W. P. A. has spent approximately $200,000 since it went into operation in the valley September 20. The Red Cross spent approximately $167,411 to aid the stricken area.

F. T. Darrow, assistant chief engineer of the Burlington Railroad, estimates it employed 2,500 men for 2½ months immediately after the flood and has provided several months' employment for more than 1,000 persons.

The State highway department, which spent about $750,000 repairing the damaged roads, estimates its work provided 6 months' employment for approximately 400 men. The Federal Government provided $276,000 emergency funds for road work, which was matched by a like amount of State funds. The highway department also drew $158,000 from its maintenance fund for repairs.

Heskett, W. P. A. engineer, lists these W. P. A. accomplishments in the valley since the flood:

Twenty-five thousand lineal feet of jetties have been installed. Jetties are built to stop the river from cutting into the bank and to divert water into the regular channel. When a jetty is constructed, it backfills and reclaims land.

Construction of slightly more than 2 miles of river and tributary bridges. A 348-foot span over the Arickaree 1 mile west and one-half mile north of Haigler is the largest of the 55 W. P. A. built bridges.

Channel changes totaling 1¼ miles have been forced.

Five miles of dikes have been constructed.

City-street work has been done in a number of towns.

Debris has been cleaned up in city streets and the flood-swept channel has been opened somewhat.

Trees that blocked the channel were cut up and much of the wood was turned over to the counties for fuel for relief clients.

Only two of the three "d's" that usually follow floods—death, destruction, and disease—came into Nebraska with last year's flood.

Very few communicable diseases were contracted by residents of the valley despite the piling up of debris and the flooding of wells. This probably was due to the vigilance of the N. E. R. A. nursing service, the Red Cross, and local physicians, which completely immunized 4,158 persons. Eighteen persons were vaccinated for smallpox after eight cases of this disease developed.

Nebraska National Guard men prevented the pilfering of property and aided in rescue work, as did experienced river workers detailed by the United States Army from Missouri river work.

Although much work has been done on public property, little has been accomplished on privately owned land. Most of the farmers, who had harvested no crops for 2 years before the flood, couldn't afford to spend much money reclaiming their damaged property.

The most arresting thing about the valley—to the casual visitor—is the miles upon miles of sand-covered land, most of which looks as though it will never be farmed again. A stretch about 3 miles wide down the length of the Republican River in Nebraska—about 250 miles—is covered with sand 3 and 4 feet deep and looks hopeless.

"What work should be done in the future?" was the question your correspondent asked throughout the valley.

Very few of the replies were the same. All agreed men should be kept at work cleaning the debris and doing the type of flood-control work now being done.

But no definite flood-control plan has been formulated for the valley. Only recently the Congress passed a measure providing for an Army survey to decide what work should be undertaken.

When this survey is completed, a definite program probably will be formulated, but until then—

The valley holds it breath, hoping another flood like last year's won't come along.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. ADAMS] to the amendment reported by the committee.

Mr. RUSSELL. Mr. President, I should like to ask the Senator from Colorado if he will add the word "supervisory" to the amendment. I think that would clarify it somewhat.

Mr. ADAMS. The Senator from Georgia would like to add to the amendment, where the word "administrative" appears, the word "supervisory", so as to read "administrative and supervisory"?

Mr. RUSSELL. Yes, Mr. President.

Mr. ADAMS. That will be agreeable.

The PRESIDING OFFICER. The Senator from Colorado modifies his amendment. The question is on the amendment of the Senator from Colorado, as modified, to the amendment reported by the committee.

The modified amendment to the amendment was agreed to.

The PRESIDING OFFICER. The second amendment proposed by the Senator from Colorado to the amendment reported by the committee will be stated.

The LEGISLATIVE CLERK. On page 30, line 18, after the word "persons", it is proposed to add the same words.

Mr. FLETCHER. Mr. President, the Senator from California [Mr. MCADOO] suggested an amendment at that point which I think would take the place of the amendment offered by the Senator from Colorado. Will not the Senator from Colorado accept the amendment offered by the Senator from California in lieu of his amendment?

Mr. ADAMS. Yes, Mr. President.

The PRESIDING OFFICER. That amendment comes afterward; and being in a separate place from the amendment just stated, the latter must be disposed of first. The question is on agreeing to the amendment offered by the Senator from Colorado to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The amendment offered by the Senator from California [Mr. MCADOO] to the amendment reported by the committee will be stated.

The LEGISLATIVE CLERK. On page 30, line 20, after the word "employment", it is proposed to insert:

Provided, That this shall not apply to any projects administered by the War Department.

Mr. FLETCHER. Mr. President, instead of the word "this", I suggest the use of the words "this paragraph", so that the amendment would read:

Provided, That this paragraph shall not apply to any projects administered by the War Department.

I think there might be some ambiguity about the use merely of the word "this."

Mr. MCADOO. I accept the suggestion.

The PRESIDING OFFICER. The Senator from California modifies his amendment in accordance with the suggestion of the Senator from Florida. The question is on agreeing to the modified amendment offered by the Senator from California to the amendment reported by the committee.

The modified amendment to the amendment was agreed to.

Mr. JOHNSON. Mr. President, it is impossible for us to hear the proceedings on the other side of the Chamber; so I assume that we probably have reached the time when an amendment of which I spoke on Saturday last will be appropriate. If it be not appropriate I shall, of course, wait until the proper time shall arrive. It is an amendment to be made at the top of page 32.

Mr. ADAMS. We have not reached that point. Have we finally disposed of the second paragraph on page 30?

The PRESIDING OFFICER. No; the question now before the Senate is on agreeing to the committee amendment, as amended.

Mr. BORAH. Mr. President, is the vote now to come on the amendment on page 30, beginning with line 11 and extending to line 20?

The PRESIDING OFFICER. That is correct.

Mr. BORAH. I should like to have the yeas and nays on the amendment.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended. [Putting the question.] The noes seem to have it.

Mr. RUSSELL. I ask for a division.

On a division, the amendment, as amended, was agreed to.

Mr. NEELY. Mr. President, I ask unanimous consent that the vote by which the amendment of the committee, on page 6, line 18, was agreed to, be reconsidered, and I shall then ask for the present consideration of an amendment to the amendment, which I send to the desk.

The PRESIDING OFFICER. Is there objection to the request of the Senator. The Chair hears none, and the vote is reconsidered. The clerk will state the amendment to the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 6, line 18, to insert the following after the words "Senate Office Building":

For repairing and painting 435 corridor doors, for painting all outside window frames, and painting 104 rooms, $44,180.

Mr. NEELY. Mr. President, if the Senators will give me their undivided attention they will adopt the pending amendment within 5 minutes.

Mr. BYRNES. Mr. President, I should like to hear what the proposed amendment is.

The PRESIDING OFFICER. The clerk will again state the amendment.

The LEGISLATIVE CLERK. On page 6, line 18, following the words "Senate Office Building", it is proposed to insert the words—

For repairing and painting 435 corridor doors, for painting all outside window frames, and painting 104 rooms, $44,180.

Mr. NEELY. Mr. President, the object of the amendment is to provide funds with which to defray the cost of painting 435 corridor doors which were last painted more than 15 years ago. Seventy-eight rooms in the new part of the Senate Office Building need painting because of the fact that they were originally painted on an emergency basis, and consequently the work was not permanently done.

The Members of the Senate should understand that unless the amendment is adopted their rooms cannot be painted during the present year. If the amendment prevails, the offices of the following will be promptly painted: Senators Pittman, Black, Frazier, Shipstead, Overton, Bailey, Logan, Bulow, Connally, King, Clark, Maloney, Costigan, Glass, Byrnes, Bachman, Norbeck, Metcalf, Carey, the Vice President; and Senators Adams, La Follette, Barbour, Murphy, Sheppard, Fletcher, Tydings, Byrd, Copeland, McNary, Nye, and Schwellenbach.

Mr. President, if the investment of millions of dollars which the Government has in this building is to be fully protected the amendment should prevail.

Mr. ADAMS. Mr. President, I think it should be stated that the Committee on Appropriations had before it this request. It called upon the Architect of the Capitol, Mr. Lynn, and after having heard his explanation we felt that the painting covered by this amendment was not necessary at this time.

I should say that we understood from Mr. Lynn that the particular painting called for was largely to be done in the new wing. It occurred to some of us that the new wing, which has been occupied only some 3 years, did not need repainting.

I am making this explanation so that the Senate may understand why the item was not included by the committee. We had no explanation from the chairman of the Committee on Rules, and I am sure that had he come before us and made a statement in his persuasive way, we would have recommended the item.

Mr. NEELY. The chairman of the Committee on Rules was not present when the item was considered by the Committee on Appropriations or the matter would have been submitted to the committee at the proper time. The responsibility is that of the Senate; it is not mine. It does not make any difference to me personally whether the amendment is adopted or rejected. But if it is rejected I do not want Senators to ask me to have their rooms painted during the next year, because there will be no funds with which to employ painters or to buy paint.

Mr. BYRNES. Mr. President, I merely desire to say in addition to what has been stated by the Senator having the bill in charge, that the legislative appropriation bill carries appropriations of this character for the maintenance and upkeep of the Senate Office Building. A considerable sum, as I recall, was appropriated for such purposes, to be available during the next fiscal year.

The pending item is offered on a deficiency bill. When it was presented to the committee we concluded that it had no place in a deficiency bill. If the amount is necessary to be spent for the upkeep of the Senate Office Building, it should have been presented for the consideration of the proper committee in connection with the legislative appropriation bill. It was not presented when that bill was under consideration. As I recall, the Senator from Maryland [Mr. TYDINGS], the chairman of the subcommittee having that bill in charge, gave hearings to the officials having charge of the Senate Office Building in order to determine what amount should be spent. Now, in the closing days of the session, it is sought to add an amount on a deficiency bill. The only thing we could do when the matter was presented to us was to call upon the Architect of the Capitol, and he disagreed entirely from the Superintendent of the Senate Office Building, and stated that he believed this expenditure was not necessary.

I know that the Senator from West Virginia is absolutely convinced of the importance of this work, but I do not believe the Senate Office Building will be destroyed in the next 6 months, and I think we could very well tell the officials in charge of it that items of this kind should be presented to the committee having the legislative appropriation bill in charge, instead of presenting them as deficiency items, when they are not deficiencies.

Mr. NEELY. Mr. President, I concur in the statement of the Senator from South Carolina to the effect that this item should have been included in the legislative appropriation bill; but it was inadvertently omitted, and the Government's property should not be permitted to deteriorate because some one failed to perform his duty on time. But fortunately, in this matter, the error of the past can be corrected by adopting the amendment which is now before the Senate.

Mr. COPELAND. Mr. President, the chairman of the Committee on Rules spoke of some of my rooms. I do not care whether or not they are painted. But I desire to say, for the benefit of those in charge of the pending bill, without undertaking to be critical of either group, that it is a fact which anyone who has been chairman of the Committee on Rules, as I have been, will understand, that there is not always cooperation and absolute harmony between the administration of the Senate Office Building and the Architect's Office. I am not saying this to be critical or disagreeable, but simply to state the fact.

It is the business of the chairman of the Committee on Rules to see to it that needed improvements are made in the Senate Office Building. I dare say the present chairman of the committee was not aware of the fact that this matter was pending. But it is not the business of the Architect of the Capitol to say what shall be done in the Senate Office Building, and a prudent business man seeking to keep his property in good condition, certainly is going to paint it when it needs to be painted.

I am aware of the conditions in the Senate Office Building, and I endorse everything the chairman of the Committee on Rules has said. I think the Senate should, without hesitation, give the chairman of the Committee on Rules the opportunity to have this item placed in some appropriation bill, though it is one which might more appropriately have gone into the legislative appropriation bill. In the absence of such opportunity to have it placed on that bill, I hope the amendment will be agreed to, and that the item will go into the pending bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. NEELY] to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 30, line 24, to strike out the words "Works Progress Administrator" and to insert in lieu thereof "President", so as to make the paragraph read:

> The rates of pay for persons engaged upon projects under the foregoing appropriation shall be not less than the prevailing rates of pay for work of a similar nature as determined by the President.

The amendment was agreed to.

The next amendment was, on page 31, line 1, to strike out the words "Works Progress Administrator" and to insert in lieu thereof "President"; on page 31, line 5, to strike out the words "Works Progress Administration projects"; on the same page, line 6, after the word "need", to strike out "of such employment"; and on the same page, line 9, after the colon, to insert a proviso, so as to make the paragraph read as follows:

> The President is authorized to prescribe such rules and regulations as may be necessary to carry out the purpose of the foregoing appropriation: *Provided, however,* That in the employment of persons, applicants in actual need whose names have not heretofore been placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls: *Provided further,* That the fact that a person is entitled to or has received either adjusted-service bonds or a Treasury check in payment of an adjusted-compensation certificate shall not be considered in determining actual need of such employment.

The amendment was agreed to.

Mr. BYRNES. Mr. President, on page 31, line 5, after the word "persons", I move to insert a comma, so that the language will be:

> That in the employment of persons, applicants in actual need whose names have not heretofore been placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls:

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. BYRNES. Mr. President, I offer another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 31, line 13, after the word "employment", it is proposed to insert the following as a new paragraph:

> In carrying out the purpose of the foregoing appropriation the President is authorized to utilize agencies within the Government and to empower such agencies to prescribe rules and regulations

to carry out the functions delegated to such agencies by the President.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. BYRD. Mr. President, I should like to ask a question of the Senator from Colorado. The committee amendment, as I understand, makes available $250,000,000 for the Federal Emergency Administrator of Public Works, and an amount not exceeding 30 percent may be granted on projects in excess of $100,000, and 45 percent on projects below $100,000. What loss does the Senator estimate will occur with respect to those loans?

Mr. ADAMS. Mr. President, there is one correction in the statement of the Senator from Virginia. This amount was altered by an amendment adopted Saturday, so that the amount stated herein is now $300,000,000, not $250,000,000. That is, an amendment was adopted as a substitute for lines 14 to 24 on page 31, and for the date in line 1, page 32. The other portion of the Senator's inquiry deals with the limitations sought to be imposed upon the grants that may be made.

My own view is that it was the desire of those who participated in drafting the amendment to have the money provided for as grants used as far as possible to construct as many projects and employ as many people as possible, and yet to conclude the work substantially within a year. We felt that the year's limitation would in part accomplish that. As to the larger projects, we felt that if the Government contributed only 30 percent we should have more projects.

If the 30 percent applied all the way through, this would be the result: By making 30-percent grants, and consuming the entire $300,000,000, there could be construction in the amount of $1,000,000,000. If 45-percent grants were made all the way through projects could be constructed in the aggregate of only $666,000,000. Necessarily, with a billion dollars' worth of projects we shall employ more people than with $666,000,000 worth. We felt that if the Government should donate 30 percent it would be doing its share.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BARKLEY. That would be true provided the communities could put up the 70 percent. The amendment would tend to limit the ability of smaller and poorer communities to match the 30 percent put up by the Government, and in all probability would deny them the opportunity to have these projects. This would work in the interest of the larger and richer communities which could put up 70 percent instead of 55 percent.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. NORRIS. I desire to ask the Senator from Colorado a question. I do not understand the committee amendment. Is it intended to apply to projects that are now under consideration?

Mr. ADAMS. I think not. Entirely new money is provided here. The amendment does not apply to existing appropriations. It applies to the use of the $300,000,000 that will be made available by this appropriation to the Secretary of the Interior for public works.

Mr. NORRIS. And would it apply to the case where a larger project had been commenced and partially completed, and on which allotments had been made? Would the rules under which that project was first started be changed by the amendment?

Mr. ADAMS. My understanding is that under the Public Works Administration, money has been set aside in each instance to complete the project.

Mr. NORRIS. That is not my understanding. I may be wrong, of course. My understanding is that allotments on a great many projects have been made to complete only part of the work; that it was understood and known that it could not be completed, for instance, in the first year. I think further allotments will have to be made as time goes on.

Let us assume that a project is commenced and partially finished. The local people went into it on the theory that there was going to be a grant by the Government of 45 percent. Has that been changed now, so that there will be a grant of only 30 percent, or so that the project must be completed in a year, when it is known from the very nature of things that it cannot be completed within that length of time?

Mr. ADAMS. Mr. President, I do not understand the situation to be as the Senator from Nebraska states it. We had before us the representatives of the Public Works Administration, and I understand that every project which they have authorized has now had set aside to it the full amount of money necessary to complete it. If they made a 45-percent grant, the 45 percent is set aside and is obligated. In other words, the amendment does not apply to any project now under process of construction. It is limited exclusively to projects which are not now under construction.

The Secretary of the Interior said to us, "If this money is given to me, I shall be able to construct so many projects." He said, "I have a list of approved projects which have not been started, but they are ready to start"; and he expects to operate upon the list of approved projects, none of which are now under construction.

Mr. BARKLEY. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. BARKLEY. Even though the Senator's statement is correct that where projects have been started, and money has been allocated sufficiently to complete them——

Mr. NORRIS. Mr. President, suppose there has not been allocated enough money to complete them; what then?

Mr. BARKLEY. If there has not been allocated enough money, and it would be necessary to allocate more out of this appropriation, the amendment would apply; there is no doubt about it.

Mr. NORRIS. That is the way it seems to me; and that seems to me manifestly unjust and unfair.

Mr. BARKLEY. We all know that projects were sent forth by the Public Works Administration amounting to over $2,000,000,000. It happened that many of them could not be approved or started because of lack of funds. All those that were started on a 45- and 55-percent basis. Out of this fund, the very same type of project which is to be begun in the future, but which would have been begun in the past if there had been enough money, must be limited to a 30- and 70-percent division. It seems to me the amendment is really putting the projects that are now under construction under the Public Works Administration on a basis that discriminates against those that could not get in because of a lack of funds on the part of the Public Works Administration.

Mr. ADAMS. Let me suggest to the Senator from Kentucky that next year, when the money is consumed and the local communities have to put up 100 percent, they will come back and say, "That is not fair. You are now making us build our own projects, and the Federal Government is paying nothing toward them."

Mr. BARKLEY. If, next year, all the communities will have to put up 100 percent, there will be no public-works bill before us.

Mr. ADAMS. Originally, under the law, there was no 30-percent proviso. For a year we have been giving larger grants than before, and now we are trying to assume a more modest Santa Claus policy.

Mr. BARKLEY. The reason why that policy was changed was because many of the smaller communities could not put up 70 percent. Many cities have already issued bonds on the basis of 45 percent and 55 percent in the hope that Congress will make more money available out of which they may build their projects. If we make the proportion 30

and 70 percent, those cities will have to have further elections and vote on whether or not to issue more bonds.

Mr. BYRD. Mr. President, I shall continue to yield to the Senator from Kentucky if he will have the time he consumes charged to himself.

Mr. BARKLEY. I do not wish to have anything more charged to me than is necessary, because I am guilty of enough as it is. I had forgotten the limitation on time.

The PRESIDING OFFICER. The Senator has 5 more minutes.

Mr. JOHNSON. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. JOHNSON. There was an amendment which I stated that I desired to offer, which will bring this question to a head. Perhaps the Senator from Virginia has a like amendment.

Mr. BYRD. Mr. President, before the Senator from California submits his amendment, I should like to have the attention of the Senator from Colorado. I should like to know how this is going to affect the Treasury of the United States, there being a 45-percent grant on all projects under $100,000 and a 30-percent grant on all projects over $100,000. Has the Senator estimated what the cost of such grants or gifts will be to the Treasury of the United States, and, if so, is the appropriation carried elsewhere in the bill?

Mr. ADAMS. Mr. President, this title of the bill contains two major items. One is an appropriation of $1,425,000,000, which goes to the President to be distributed in accordance with his discretion under certain classifications. The second item is the one which has been under discussion.

Mr. BYRD. What part of this item comes out of the Treasury?

Mr. ADAMS. The $1,425,000,000 is a direct appropriation. The Treasury, however, is affected by the $300,000,000 in this way. The $300,000,000 comes out of the securities that are now on hand. Under the existing law the Secretary cannot make grants from that fund, and so necessarily in the course of time the securities or their proceeds would go into the Treasury.

Mr. BYRD. Does the grant under this section come from the $1,425,000,000?

Mr. ADAMS. It does not.

Mr. BYRD. Where does it come from?

Mr. ADAMS. Out of the securities now in the hands of the Public Works Administrator.

Mr. BYRD. How much will this amendment actually cost the Federal Treasury in the event $300,000,000 is used?

Mr. ADAMS. It will cost $300,000,000; that is the amount that can be granted; and it does not make any difference to the Treasury whether it is in 30-percent grants or 45-percent grants, because I have no doubt it will all go out.

Mr. BYRD. In other words, then, it is equivalent to a direct appropriation of $300,000,000 in the event it is all used?

Mr. ADAMS. That will be the ultimate result, but it will not increase the appropriation at this time. It applies to money which is now on hand, but which is not available for expenditure, and makes it available for expenditure.

Mr. BYRD. To that extent then it diminishes the securities in the United States Treasury?

Mr. ADAMS. Yes, sir.

Mr. BYRD. Therefore, we are appropriating $300,000,000 in addition to $1,425,000,000?

Mr. ADAMS. I think that is the substantial result.

Mr. BYRD. And, in addition to that, there will be loans of 35 percent made to communities, and some loss may result from such loans.

Mr. ADAMS. The loan funds will be quite limited. There is only $150,000,000 left in the loan fund.

Mr. BYRD. All I want to make clear is that we are adding $300,000,000 to this relief bill for the purpose of constructing public works.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). The Senator will state it.

Mr. BARKLEY. I have been watching this amendment and I understood that it had not been acted upon. I understood we had reached line 14, on page 31. I desire to ask the Chair whether the amendment, beginning on line 14, page 31, and ending on line 11, page 32, has been acted upon.

The PRESIDING OFFICER. The parliamentary situation is this: On Saturday last an amendment offered by the Senator from Colorado was adopted to the committee amendment, commencing in line 14, page 31. The committee amendment has not as yet been adopted as it was amended.

Mr. BARKLEY. I desire to offer an amendment to strike out the proviso beginning in line 1, page 32, and ending with the word "percentum" in line 4.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 32, beginning in line 1, it is proposed to strike out the following proviso:

Provided, That not more than 30 percent shall be granted on any such project the cost of which is more than $100,000, and in no case shall the grant exceed 45 percent.

Mr. BARKLEY. I will modify the amendment to this extent, to strike out the proviso down to and including the word "and" in line 3, and insert a period there and begin the word "In" with a capital "I"; so that 45 percent, the limitation, would remain as there provided.

Mr. COPELAND. Mr. President, if the Senator will yield, let me inquire again what does he propose to do?

Mr. BARKLEY. I propose to strike out the proviso on page 32, beginning in line 1 down as far as the word "and" in line 3, which places the 30-percent limitation on the grants.

Mr. COPELAND. If the Senator will permit me, I think I would favor that proposal, and I should like to say just a word.

Mr. BARKLEY. Mr. President, we are operating under a limitation of time; and, if the Senator will speak in his own time, I will appreciate it.

Mr. COPELAND. Very well; I will speak in my own time. I think all I need to say is that I favor what the Senator is proposing.

The PRESIDING OFFICER. Would the Senator from Kentucky accept the suggestion of the Chair that the words "*Provided*, That" remain, so that it would read "*Provided*, That", and so forth?

Mr. BARKLEY. I accept that suggestion, and thank the Chair.

Mr. President, I hope the Senate will agree to this amendment, because otherwise the committee provision will operate as a very severe discrimination among communities of equal merit. We all know that out of the $4,800,000,000 which was appropriated at the last session of Congress there was a small amount, comparatively speaking, allocated out of those funds to the Public Works Administration. All over the country counties and towns, and in some cases States, filed projects with the State director of the Public Works Administration. Those projects were investigated by the engineers and other investigators. They went through the mill, just as every other project went through the mill, in order to be approved by the State director, and reach Washington. More than $2,000,000,000 worth of such projects, which were not forced on the local communities by anybody in Washington but which were originated in the communities themselves, were approved, and sent to the Secretary of the Interior as Director or Administrator of the Public Works Administration.

They had less than half a billion dollars with which to do $2,000,000,000 worth of work. I do not know exactly the amount that was at the disposal of the Public Works Administration at that time, but it was not more than a half billion dollars. So, with over $2,000,000,000 worth of projects on file and approved by the State administrators, it is necessary to go through them, comb them out, and exercise some arbitrary authority in determining which of these projects could be begun and money allocated for their completion.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. BARKLEY. I yield.

Mr. FLETCHER. Corroborating what the Senator has said, I have a telegram from the mayor of Tallahassee from which it appears that that city submitted an application which has been approved for a year and a half, but for the project there are no available funds. What condition will that city be in?

Mr. BARKLEY. It will be in the position of having to comply with the 70–30 percent provision if it is to get any consideration at all. It may have to readjust its whole local financial situation.

Mr. FLETCHER. Precisely.

Mr. BARKLEY. Many of these cities, as I said a little while ago, are acting on the belief that they will get a grant or loan or both, as the case may be, upon a 45–55-percent basis, issued bonds, and those bonds are ready for sale as soon as they can get word that the Federal Government is going to comply with what they understood at the time. If we impose this limitation, requiring all these communities to put up 70 percent instead of 55 percent, it means that they will not get the opportunity to improve their condition or they will have to readjust their financial situation, and in many cases they cannot do so.

Mr. McKELLAR. Mr. President——

Mr. BARKLEY. I yield.

Mr. McKELLAR. Mr. President, I merely wish to say that the information I have from the cities in my State is exactly that expressed by the Senator from Kentucky. It seems to me that a great hardship would be worked unless the matter be arranged.

In this connection I ask to have printed in the RECORD the telegram which I send to the desk.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MEMPHIS, TENN.

Hon. KENNETH MCKELLAR,
Senate Office Building:

City of Memphis using all funds available to carry out public-works program in this city and to pay city's share. Feel a reduction of P. W. A. grant from 45 to 30 percent would seriously curtail needed public improvements here and make it difficult to give employment to the large number of unemployed.

WATKINS OVERTON, *Mayor.*

Mr. BULKLEY. Mr. President——

Mr. BARKLEY. I yield to the Senator from Ohio.

Mr. BULKLEY. What chance would these communities have to readjust their financial situation in order to get the work done this year?

Mr. BARKLEY. They would have no chance. The answer to the question is perfectly obvious. The money made available to the Public Works Administration through the agency of the Reconstruction Finance Corporation and through securities already held does not mean that any new projects are going to originate in any community. It does not afford enough money to complete the projects already approved in the office of the Secretary of the Interior. The result will be that it will be necessary again to go through the list of approved projects and comb out those which it is felt are the most meritorious among those already on file.

I think it is unfair to communities, which have put in their applications on the basis of 55–45 and would have been granted the loan of money on that basis if we had appropriated for the Secretary of the Interior, now to require them to pay 70 percent when their neighbors get in for 55 because the Secretary of the Interior or the Public Works Administration felt that for some reason one community was more deserving than another in the matter of the appropriations which were to be used.

Mr. ADAMS. May I say for the information of the Senator that there is not an approved project in Kentucky which runs over the $100,000 mark.

Mr. BARKLEY. Oh, Mr. President, I am not so provincial that I speak only for Kentucky.

Mr. ADAMS. But the Senator is very uneasy about Kentucky.

Mr. BARKLEY. I am speaking for the smaller communities all over the United States. I have a letter from the mayor of Louisville telling me if this amendment is incorporated in the bill it will affect two projects in the city of Louisville. I think he probably knows what he is talking about, although I do not doubt the sincerity of my friend from Colorado.

Mr. ADAMS. I am speaking from the record.

Mr. BARKLEY. If there were no projects in my State affected by the proposal, I would still think it unfair, because it completely changes the basis of relationship between the Federal Government and the States without any warning to the States and in spite of the fact that they have placed their applications on the 55–45-percent basis.

Mr. McADOO. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McADOO. May I ask the Senator from Kentucky if it is not a fact that in many of the cities and communities special elections have been held upon the theory that the 45-percent grant was going to be made, and the electors of such communities have voted bonds on the basis of the understanding that such grants would be made? If we change that basis now, will not all of those elections go for naught?

Mr. BARKLEY. It amounts to a denial of opportunity to those communities. I said a while ago that many of the communities had issued bonds. I did not say, which is the truth and I thank the Senator for reminding me of it, that in order to issue the bonds they had to call special elections. They have called them in many instances and voted bonds on this basis. It is not fair to cut the ground from under those communities in this way.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from New York?

Mr. BARKLEY. I yield.

Mr. WAGNER. I agree with everything the Senator has said and that the effect of the amendment would be to nullify the public-works program under which we are now able to put so many people to work. My own State would be affected in the same way.

Many communities in the State have held elections and have adjusted their finances so as to be able to meet the 55-percent requirement. The adoption of this amendment would mean they would not be able to qualify and they would have no public-works program.

I suggest to the Senator that I think it would still further improve his amendment if he would extend the time within which the projects are to be completed. It is now provided that the time limit shall be June 30, 1937. I think that is rather a drastic limitation and may eliminate some of the most desirable projects. One of our objectives is to select the more desirable projects. I think the time ought to be extended to 1938.

Mr. BARKLEY. I am willing to accept the suggestion by inserting "1938" at the beginning of line 1, page 32, instead of "1937." Time has been running against many of these projects because the money was not available and there was not the same basis for completion of the work as those projects which are now under consideration.

Mr. WAGNER. In many cases the most desirable projects are involved.

Mr. GLASS. Mr. President——

Mr. BARKLEY. I yield to the Senator from Virginia.

Mr. GLASS. This fund is allocated to projects which have already been selected by the Secretary of the Interior. No election has been held in consequence of this limitation. No election has been held which this limitation would affect in the slightest degree. It simply applies to projects which have already been designated by the Secretary of the Interior. The $300,000,000 does not involve the appropriation of another dollar of new money.

Moreover, Senators are simply emphasizing the wretched delusion that the Federal Government is granting these cities something, making them a gift. They will have to

pay back every dollar whether it be called a loan or a gift, and Senators are simply fooling the people by calling it a grant or a gift, because it is nothing of the kind.

Mr. BARKLEY. In reply to the Senator from Virginia, the cities which will be benefited by the additional appropriation are on the same basis so far as applications are concerned as are the cities which were lucky enough to get any of the money already available. It is true that many of the cities in order to comply with the requirement of putting up 55 percent, had to issue bonds in order to do it, and had to call elections and have called elections. It is true that many cities which would be denied the money if the amendment were adopted as reported by the committee had gone through all the necessary steps in order to obtain the money which they had to have from other sources in order that they might comply with the 45–55 percent ratio requirement.

Mr. GLASS. Eventually their position will not be different from that of any other city, because all of them will have to pay it back.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. Let me suggest to the Senator from Kentucky, when he modifies his amendment by inserting "1938" instead of "1937", that many of the projects are now held up by injunctions which are pending. As to some of them the injunctions will not be disposed of in time to enable them to avail themselves of the grant.

Mr. BARKLEY. I have in mind a city whose council called an election to vote bonds to comply with the requirements of the Government in order to build a waterworks plant. An injunction was obtained against the election, and the election has not as yet been held because the case has not been decided. Certainly another year is not too much to ask in behalf of the community restricted in such a way.

Mr. NORRIS. I have in mind the case of Jacksonville, Ill. Bonds were voted after full discussion of the matter before the people, but in that case it was a question of constructing a municipal electric-light plant. The power interests obtained an injunction after the bonds had been voted.

Mr. GLASS. Has the Secretary of the Treasury allocated out of the $4,800,000,000 the funds for the project?

Mr. NORRIS. I do not know what the facts are, but I know the city itself has been enjoined from issuing the bonds.

Mr. GLASS. Let us know what the facts are before we proceed. The chairman of the subcommittee of the Appropriations Committee has already said to the Senator from Nebraska that this particular fund does not relate to any work which is now under contract or which has been authorized.

Mr. BARKLEY. It would relate to it if a sufficient amount of money has not been allocated to complete the work, but if it took $500,000 out of this fund to complete any such work, then it would not become available because the 30–70 percent ratio would not apply to it.

Mr. NORRIS. May I also call the Senator's attention to a project in my own State where the work has been commenced, where only a part of the allotment was made, and an injunction is now pending in the local courts in the city of Washington?

Mr. GLASS. Mr. President, the information before the Appropriations Committee, which came from the Secretary of the Interior, was that all projects which had been started had had allocated to them sufficient money to complete them.

Mr. BARKLEY. Even assuming that to be true, I would still be opposed to the amendment, because it requires other cities with projects just as meritorious to obtain the money on an entirely different basis from that which would be applied to the projects now under construction.

Mr. GLASS. Yes; it is just a hopeless case. We are going to keep on deluding the people of the country with the suggestion that they can get something for nothing, when, in reality, they cannot do it.

Mr. OVERTON. Mr. President——

Mr. BARKLEY. I yield to the Senator from Louisiana.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. OVERTON. Mr. President, I desire to take the floor in my own right.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. OVERTON. Mr. President, I agree with the contention made by the Senator from Kentucky [Mr. BARKLEY], and I am in thorough accord with the amendment he has suggested.

I wish to comment for a moment on the amendment suggested by the Senator from New York and reinforced by the approval of the Senator from Nebraska; namely, the amendment advancing the date on which a project may be completed from June 30, 1937, to June 30, 1938.

Mr. BARKLEY. Mr. President, if the Senator will yield, I have incorporated that in my amendment.

Mr. OVERTON. Yes; but I wish to make a further suggestion. I do not see the necessity for any limitation at all. As the Senator from Nebraska has pointed out, some of these projects may be met, as they have been met, with injunctions, and it will take some time to complete them. There are other projects which are very meritorious which cannot be completed by June 30, 1938. Let us take, for instance, a levee project for flood control. The project itself may require 3 or 4 or 5 or 6 or 7 years for completion. It is a meritorious project, and allocations would be made not to complete the entire project, but to assist in the construction of the project.

For instance, we have in our State a project which we have had in mind for some time, the Charity Hospital of New Orleans. That project has been knocking at the doors of the Public Works Administration from the very beginning. Unfortunately, it has not yet been recognized, and will not be recognized until certain laws enacted in Louisiana have been repealed.

Mr. GLASS. Mr. President, not a dollar of this fund will be available to it.

Mr. OVERTON. Why should it not be available?

Mr. GLASS. The Secretary of the Interior will tell the Senator that.

Mr. OVERTON. I cannot see the reason why it should not be available.

Mr. ADAMS. Mr. President——

Mr. OVERTON. Does the Senator from Colorado state that none of the funds in this particular provision of the bill would be available for a project of that character?

Mr. ADAMS. Mr. President, I desire to call the attention of the Senator from Louisiana to the fact that the New Orleans hospital project has been approved, and its application was on a 30–70-percent basis. It has asked for only 30 percent. That is the amount requested in the application. It has been approved for $8,000,000, of which a third is to be a grant.

Mr. OVERTON. I am not now talking about the 30–70 application. I am talking about the time within which it can be substantially completed. In all probability it cannot be substantially completed within a year. It may not be substantially completed within 2 years; and yet the effect of this amendment would be to deny a project of that kind any consideration whatsoever.

I mention that merely as an illustration. Let me give another illustration.

We desire to build across the Mississippi River, at Baton Rouge, a combination highway and railway bridge. It will be a great artery of transcontinental transportation. It will be another great bridge spanning the lower Mississippi River; and yet under this provision, in all probability, that project will receive no consideration, because it cannot be substantially completed within the time limit. I think there ought not to be any time limit at all, but that the matter should be left to the discretion of the Administrator.

Mr. President, I desire to direct the attention of the Senator from Kentucky to the amendment he has offered and to ask him whether he would be willing to modify it by striking out of the committee amendment beginning on line 23

of page 31 with the word "capable" on down to the numerals "1937" in line 1, page 32. That would remove the time limitation that is included in the bill, and which I do not think ought to be there.

Mr. BARKLEY. Mr. President, replying to the Senator's suggestion, I will say that I appreciate the force of his argument; but the whole theory upon which the Works Progress and Public Works Administrations were organized was that an emergency existed in the way of employment which ought to be looked after, and that that employment ought to be brought about as speedily as possible, and that there ought to be some limitation upon the time within which these allocations might be made, in order that the immediate and emergent situations might be taken care of in the way of unemployment. I do not agree with the Senator to the extent of thinking that all time limits ought to be eliminated from the bill. I think there ought to be a reasonable limitation. The amendment I have offered provides for a limit of 2 years and 1 month from the present time.

Mr. OVERTON. Let me say to the Senator from Kentucky that a project requiring more than 2 years to complete is a project that is susceptible of putting men to work just as rapidly and as quickly and as effectively as a project that would take 6 months to complete.

Mr. BARKLEY. I realize that; but these projects are now all ready to begin. I see no reason why there should be an indefinite postponement of the beginning of the work, because the theory of all of it is that the men should be put to work at once; and for that reason I think there ought to be a limitation.

Mr. OVERTON. There would be no objection to a limitation on the time within which the project should be authorized.

The PRESIDING OFFICER. The Chair desires to direct the attention of the Senator from Kentucky, the Senator from Colorado, and the Senator from Louisiana to the parliamentary situation.

On Saturday the Senate adopted the amendment of the Senator from Colorado [Mr. ADAMS], which was a substitute for the language beginning on line 14 of page 31 and going to and including the figures "1937" on line 1, page 32. That was an amendment in the second degree, being an amendment to the committee amendment. In order to make in order the amendment which the Senator from Kentucky suggests, it would first be necessary to reconsider the amendment of the Senator from Colorado, and then it would be necessary for the Senator from Colorado to modify his amendment so that the amendment of the Senator from Kentucky would become a part of the amendment of the Senator from Colorado. Otherwise the amendment of the Senator from Kentucky would be an amendment in the third degree, and, under the rule, would not be in order.

Mr. BARKLEY. Mr. President, that does not apply to the remainder of my amendment on page 32. It applies only to the date "1937."

The PRESIDING OFFICER. It applies only to the date "1937." Is the Senator from Colorado willing to modify his amendment adopted on Saturday and to let it be reconsidered for that purpose?

Mr. GLASS. Mr. President, before the vote is taken I should like to remind Senators of something which they seem to have forgotten, and that is that the Supreme Court has decided the municipal bankruptcy law unconstitutional; and these towns which are going to run head over heels in debt cannot repudiate the debt. They will have it to pay.

Mr. HAYDEN. Mr. President, let me add that the life of the Public Works Administration was extended until June 30, 1937; and unless Congress extends the life of the parent organization I do not quite see how we can authorize it to do work beyond that time. The second reason the committee had for limiting this appropriation to June 30, 1937, was that the appropriations made for the Works Progress Administration under this title have a like limitation. They are available for the fiscal year and for the fiscal year only.

When Congress reconvenes next year, if it wants to extend the life of the Public Works Administration, or wants to extend the life of these appropriations or make future appropriations, it can properly be done.

Mr. OVERTON. Mr. President, I do not think the Senator from Arizona catches the exact purport of the language contained in the committee amendment. It refers to projects capable of being substantially completed by a certain time. Therefore, if a project is one which is not capable of being completed by June 1, 1937, it could not be considered at all.

Mr. HAYDEN. That is the point exactly. There must be a finding on the part of the Public Works Administrator, when he approves a project and allots money to it, that it is capable of being completed within the year.

Mr. OVERTON. That has nothing to do with the life of the Public Works Administration, because the Public Works Administration during its life may make an allocation for a project, work on which will extend beyond the life of the Public Works Administration.

Mr. HAYDEN. It can make a contract which will be binding beyond the date; everyone understands that; but it is incumbent upon the Public Works Administrator to find that in all probability, and within reason, the project can be completed within the year. He has a very wide choice of projects, and, speaking on behalf of the committee, our object was to get as many of them as possible completed within the year and give employment to the largest possible number of persons. So it seemed to me when the amendment was inserted that the reasoning behind it was sound.

Mr. BARKLEY. Mr. President, will the Senator from Louisiana yield?

Mr. OVERTON. I yield.

Mr. BARKLEY. In view of the parliamentary situation regarding the first part of the amendment, containing the date, I think it would be desirable to vote on the other part separately, and dispose of that. Then, if it is desirable, we could reconsider the vote by which the committee amendment was adopted on Saturday, in order to change the date, and that can either be done by unanimous consent or on motion. So, for the time being, I desire to modify the amendment by withdrawing the part of it changing the date, and we may have a vote on the other part.

Mr. OVERTON. Mr. President, I think the Senator from Colorado has no objection to considering the amendment proposed by the Senator from Kentucky, including the change of the date.

Mr. ADAMS. Mr. President, I prefer to have the amendments treated separately.

Mr. COPELAND. Mr. President, may I have the floor now? The Senator from Kentucky would not yield to me a while ago.

Mr. BARKLEY. Mr. President, I did yield for the Senator to say that he was in favor of my amendment, and I thanked him.

Mr. COPELAND. I find myself out of sympathy with very much of what is proposed to be done. I agree fully with the Senator from Virginia that at some time these bills must be paid. But, having said that for myself, I wish to speak now for two or three mayors and presidents of school boards in my State.

I noticed that the Senator from Colorado rebuked the Senator from Kentucky because there were not any $100,000 projects in his State.

Mr. ADAMS. No; I referred to projects that had been approved, and that is quite a different thing.

Mr. COPELAND. Will the Senator permit me to say that there are quite a number of projects in New York State, however, which exceed $100,000?

Mr. ADAMS. I have no doubt of that.

Mr. COPELAND. Mr. President, I hold in my hand a telegram from the mayor of Troy, a considerable city in our State, in which he states:

I have been advised of the possibility of P. W. A. funds being made available, but that the Federal grant may be refused for more than 45 percent. Will you use every effort possible to maintain present ratio of loans to grants, 45-percent grant and 55-

percent loan? Most urgent P. W. A. project for a high school approved and awaiting funds. Troy is in the same position as most New York State cities. We find it most difficult, if not impossible, to finance an additional 15-percent burden if grant is refused.

Likewise the president of the board of education of Mount Vernon, N. Y., telegraphs me:

Two projects already approved by the P. W. A. and already presented to citizens on the basis of a 45-percent grant will have to be thrown into the discard if grant is only 30 percent.

(At this point a visitor in the gallery created a slight disturbance. The Presiding Officer (Mr. SCHWELLENBACH in the chair) rapped with his gavel.)

Mr. COPELAND. I am not surprised at this man attempting to interrupt me. The feeling which probably actuates him I myself have had when listening to speeches of my colleagues. [Laughter.]

Mr. BARKLEY. Will the Senator advise us what his interruptor said?

Mr. COPELAND. I do not know what he said, but whatever it was it was appropriate, I have no doubt.

Mr. WHEELER. I think he merely asked the Senator if he would yield to him.

Mr. BARKLEY. The Senator did yield.

Mr. COPELAND. I have no doubt that what he said was more important than what I am about to say.

To continue my discussion at the point where I was interrupted by one who is probably one of my constituents, I should like to say further that I saw in the press this morning an article to the effect that the mayor of my home city, Mr. LaGuardia, stated that there were $77,000,000 of projects in New York City which could not be proceeded with if the proposed change is made from 40 percent to 30 percent.

Regardless of how I feel personally about the pending bill and about the policy, I think it is quite unfair to communities now in process of perfecting their plans for loans and grants to be interrupted in their programs. One case which strongly attracted my attention was the application of my own native town, where a grant and loan were made. I know that in some communities great good has been done by this program, and I believe, too, that the plan has done much to enable progress with the development of the heavy-machinery industry and the purchase of building materials, and in many ways it has contributed to the restoration of prosperity.

I think I may say again to the Senator from Kentucky—forgiving him, of course, for his failure to permit me to interrupt him, and overlooking entirely his slight—that I still believe he is right, and I sincerely hope his motion may prevail.

Mr. ADAMS. Mr. President, it seems to me that the difference of opinion over 30 percent and 45 percent is a very minor matter compared with the foundation which underlies the argument. The argument which is made in support of the increased rate of grant and for the extension of the term seems all based on the fact that what we are seeking is to do something for cities, that we are attempting to do something for communities. We thought we were passing a relief bill. We thought there were people in need of food, of clothes, of shelter, and that we proposed to provide work for them upon useful projects, so that from the proceeds of their wages they could purchase their food, their clothes, and their shelter. If we follow the argument that is made here that these great projects cannot be completed within a year, and that we must extend the time beyond that, it means that less men will be fed and less will be clothed during this time of distress.

We are talking about a fund of $300,000,000. It was put in the bill because the members of the committee thought it would be needed in the bill to provide relief for the unemployed. If we propose to spread the $300,000,000 over 2 years instead of 1 year, we shall provide less relief for those whom we pretend we are looking after.

We have provided in the bill $1,425,000,000 to go into the direct channels of relief under the direction of the President. That was all that the House put in the bill. The $300,000,000 we are now discussing was not in the House bill. We put it in in the subcommittee in order to provide a measure of public works somewhat different in type, in order to continue what we regarded as a commendable, praiseworthy relief effort through that administration. We did not put it in the bill in order that a project might be completed for the benefit of some city, to save the taxpayers of some city. We did not think the discussion would be founded upon a claim that the United States Government was obligated to make gifts to the cities and to the counties and to the States. The argument is now being made that cities are being discriminated against in their receipt of benefits, of gifts, of donations from the Federal Government.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BARKLEY. The Administrator of the Public Works Administration in all these matters, in deciding which cities would be approved and would have money allocated, took into consideration the unemployment condition in every one of them, and will continue to do so under this additional fund.

Mr. ADAMS. I say, Mr. President, that when we raise the percentage of the grant we lessen the number of persons employed this year.

Mr. BULKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BULKLEY. I have before me a telegram from Hon. Edward J. Kelly, mayor of Chicago, who says:

Thirty-percent grants would decrease amount of work we could do.

The argument is that the amendment of the Senator from Kentucky increases the ability of communities to give employment to their people.

Mr. ADAMS. Mr. President, I do not wish to be presumptuous, but I venture to disagree even with Mayor Kelly upon the relief matter. It seems to me the 30-percent grant provides an opportunity for $1,000,000,000 of construction; 45-percent grants will offer opportunity for $666,000,000 of construction. If my mathematics is not greatly in error, we can give more work through the expenditure of $1,000,000,000 than we can give through the expenditure of $666,000,000.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. WAGNER. What the Senator says may be true, provided the projects can be inaugurated; but I have received communications not only from the mayor of New York but from most of the mayors of cities of my State, and they all agree that the 30-percent limitation, because of the appropriations they have already made, with the projects that have already been approved, will practically nullify the inauguration of these projects. Therefore the optimistic view which the Senator from Colorado takes I think is unjustified in view of the evidence, which is overwhelming and persuasive.

Mr. ADAMS. Mr. President, I am relying upon the testimony of representatives of the Public Works Administration before the committee.

I recognize the fact that the conference of mayors has met, and the conference of mayors has sent telegrams to all of us. The mayors are interested in getting money for their cities as corporate entities. I am interested in getting relief for those who are in need of food, clothes, and shelter. As for the claim that there are not enough projects, the Secretary of the Interior, as Public Works Administrator, says he can start, within 2 weeks, $772,000,000 of the small type of projects which can be concluded within a year.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. I am glad to yield.

Mr. BARKLEY. The Senator has repeatedly stated that this amendment was put in the bill in view of the testimony of representatives of the Public Works Administration. It is not the contention of the Senator that the Secretary of the Interior, as Public Works Administrator, favors this 30-percent limitation, is it?

Mr. ADAMS. I am not expressing an opinion as to that. I am telling the Senate that the Secretary of the Interior said what he could do as to the number of minor projects

which were approved, upon which he could go to work practically at once and which would give employment. I have no doubt that the Secretary of the Interior would like to have larger sums and be able to make larger grants. That is the normal attitude of mind of every man in public office.

Mr. BARKLEY. Of course, he does not get any more money whether the percentage is 30 percent or 45 percent; but, knowing the situation which exists with reference to projects, I think I am at liberty to say that if the Senator will consult the Secretary of the Interior, he will ascertain that in the Secretary's judgment this amendment is unwise.

Mr. ADAMS. I venture to say that that is rather immaterial to me.

Mr. President, just one other observation. I am among those who are very deeply concerned with regard to the financial future of the country. I think its political welfare and its social welfare are bound up in its financial welfare. I think we have proceeded along the road of great expenditures and great indebtedness to a point that approaches the danger point. If we shall proceed along the course indicated by the arguments made here that the Federal Government is obligated to furnish the money for every worthy project which every city and every State wants, I say to the Senate that the day of financial catastrophe will not be far off.

Mr. President, I am more fearful of the consequences of the attitude of mind which I see in this Chamber than I am of what is said outside. When Senators take the position that cities and counties and States have a right to come to the Congress of the United States and demand gifts, we are approaching a point of disaster. I am uneasy, I am fearful, I am afraid with that view abroad the result is inevitable, and that we ought to deal courageously with the problem as soon as possible.

Mr. JOHNSON. Mr. President, I have listened to the argument of the Senator from Colorado, and I cannot find myself in agreement with him at all.

When the Senator says that States and cities and counties and local subdivisions are now taking the attitude that they are asking gifts from the Government, he may be correct in the present attitude; but whence came the original invitation to communities, to cities, and to States to present projects? It came from the Government of the United States. The Federal Government extended its invitation to every community in the United States to present projects, on the theory that thereby the depression might be relieved, and unemployment might be banished from the land. So if there is an error in the situation that the Senator finds today—a psychological result and reflex—that error was committed by us and the Federal Government in its original invitations.

What happened? The invitations were accepted. The inviations were given and made, with specific rules covering them, to the cities of this country. In accordance with the rules and regulations of the Department and of the Government, projects were submitted in every aspect as the Government regulations directed. These projects were presented and were approved. The projects were presented after the communities had held their elections in the various cities of the land. Those elections provided for the issuance of bonds in order that the particular communities might pay their share under the Government invitation and the Government regulations.

After that has been done, after the invitation has been accepted, after the rules and regulations have been met in every aspect, after the cities have gone to the expense of holding elections, after the electors have approved the projects, and after the communities have presented the projects at the invitation of the Government, it is said that the rules of the game will be changed, and changing those rules will relate to something that is different entirely from the original invitation.

I invite the attention of my friends who are in favor of the amendment to another thought. I have been in favor of the amendment since the discussion started. Possibly we are not accomplishing the result which we seek to accomplish. I take it the amendment is designed for the purpose of eliminating any idea of 30 percent of the grant that may be given to any project, and designed as well that projects shall be paid for in the fashion that projects were invited originally and in the fashion that those projects were voted upon by the people of the various communities.

I invite particularly the attention of the Senator from Kentucky to the fact that the amendment now reads as follows:

Provided, That in no case shall the grant exceed 45 percent.

What does that mean? All good lawyers upon the other side, those who deal with the Constitution and those who deal with lesser subjects, will, I believe, agree that there is an absolute discretion left by the amendment in the authorities who have charge of the projects to give such grants as they see fit up to 45 percent.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. JOHNSON. I yield.

Mr. BARKLEY. As my amendment was originally offered it struck out that language entirely, but I was persuaded by Members who were in sympathy with the amendment to modify it and accordingly did so. Of course, there is a discretion with the Administrator to grant less than 45 percent. I do not think there would be any harm done, however, by that discretion because I do not think he would go above 45 percent anyway.

Mr. JOHNSON. Quite so; but I suppose that the officials who would have this matter in charge—and we know not only their ability, their transcendent ability, but we listen to their eloquence, eloquence that has been unstinted during the past few months—may possibly change their view, considering the discretion they may exercise under a measure of this kind. If they change their view, they might say that the grants would be 20 percent or 25 percent or even 30 percent, or they might reach 45 percent.

Mr. BARKLEY. It is entirely possible that there may be some communities which would not want the entire 45-percent grant. If we fix the language so as to make it compulsory on the Secretary of the Interior to grant 45 percent, he might be compelled to grant more than the community desired. What I had in mind was to remove the limitation of 35 percent. What they have been doing has been to grant on the 45–55 percent basis. I do not want to embarrass the administration in determining that matter. I think it is probably true that they will all probably predicate upon the 45–55 basis.

Mr. JOHNSON. May I ask the Senator, who doubtless is more familiar with the subject matter than am I, if the rule has not been uniform upon the 45–55 basis, that being the division on the projects which were accepted by the Government?

Mr. BARKLEY. It has been uniform, with the possible exception that in some communities which did not need or desire the entire 45 percent and were willing to get along on less, it was the desire of the Administrator to accommodate them to that extent. That of course would make more money available for other communities. Wherever the community desired the full 45 percent it has been uniform practice to grant it on that basis.

Mr. JOHNSON. I am not finding fault with the Senator from Kentucky because I had this in mind last Saturday in exactly the fashion in which the Senator from Kentucky has presented it. But is it not true that what we do now is not to preserve the 45–55 percent basis, but simply to give the discretion to the official to do as he sees fit up to 45 percent?

Mr. BARKLEY. Undoubtedly the Senator is correct. It does leave it in his discretion, but he has had that discretion all the time and has exercised it by fixing the 45–55 basis.

Mr. JOHNSON. But it is the exercise of the discretion that has become now, by virtue of its exercise in like fashion for some years, a rule of action with him, and we are proposing to change that—and it is this particularly to which I call the attention of the Senator—by the amendment which we would make to the bill. We are not in reality accomplishing the purpose which is in the minds of all of us.

Mr. BARKLEY. Even if we strike out that language it would still leave the whole matter in his discretion.

Mr. JOHNSON. The Senator is entirely correct.

Mr. BARKLEY. There is no way by which we can remove the discretion in the administrative officer except to compel him to make a loan or grant of the 45 percent. We do not want to do that.

Mr. JOHNSON. I do not know whether or not the Senator is correct in that respect. We do want to provide that he shall not make the rule 30 percent in cases which are indicated in the amendment. That is quite true. What is it that we seek, therefore? What we seek is the rule which has been the rule in vogue, 45 percent of grants and 55 percent of community contribution.

Mr. BARKLEY. If the Senator will yield further, I think that regardless of any language of limitation it will continue to be 45–55 except in such cases as the community itself may not desire that much.

Mr. JOHNSON. If that be so, then the Senator would make the whole situation dependent upon the sweet will of the administrative officer in the future.

Mr. BARKLEY. That is where it has been all along.

Mr. JOHNSON. But the rule has been made now and sought to be changed in this bill, and we do not change it, so far as the small amount of grants is concerned, by the language which we now use.

Mr. BARKLEY. The rule has been 45–55. The committee amendment seeks to change that rule by making it 30–70. We are seeking to eliminate the 30–70 provision, which would restore the rule which has been in vogue all along, namely, 45–55.

Mr. JOHNSON. If the Senator says there is an absolute rule and there is discretion that exists, yes; but the language of the bill would leave it wholly discretionary with the administrative officers.

Mr. WAGNER. Mr. President, will the Senator from California yield?

Mr. JOHNSON. Certainly.

Mr. WAGNER. The discretionary power undoubtedly does exist with the Public Works Administrator to make a grant up to 45 percent; but we have heard no complaint, and no one has heard of any abuse of that discretion. There has been no discrimination against any particular community. I think the Senator may safely rely upon a continuation of that policy.

Mr. JOHNSON. If there is no complaint about an absolute discretion to the administrative officer, of course, what I say is of no consequence at all; but I scarcely agree with what the Senator says in that regard. If we are passing a law giving the discretion to do as he pleases to the administrative officer, let us leave it in that fashion. If we are passing a law to see that the rule we have had heretofore shall be observed in the future, we should say that 45 and 55 percent, respectively, shall be the admeasurement of what shall be done on the one hand by the Government, and on the other hand by the community.

Mr. WAGNER. I may say to the Senator from California that originally, when we incorporated in the act this discretionary power, it was thought that there ought to be a little flexibility in administration, so that if there are communities which are in a position to contribute more than 55 percent, they ought to be required to do so; but so far the rule has been uniform, and I have not heard of a single community in the country which has complained about the abuse of that discretionary power. I think it could be safely lodged there.

Mr. JOHNSON. The Senator may be entirely right, but that does not alter the fact of the construction of what we now write.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. ADAMS. Mr. President, I desire to make an inquiry of the Senator from Kentucky [Mr. BARKLEY].

In view of the argument the Senator has made, which seems to be based upon the fact that many communities have held elections and voted bonds, would the Senator be willing simply to write in the provision an exception, leaving the 30-percent grant except in the case of projects already approved by the Public Works Administrator, and for which bonds have been heretofore voted on the basis of a higher percentage?

Mr. LA FOLLETTE. Mr. President——

Mr. BARKLEY. No, Mr. President; I will say to the Senator that I could not accept such an amendment, because the argument I made emphasized the reason for not having this discrimination at all; but I do not think it ought to be held against cities which have not had elections, but which may wish to take advantage of this appropriation, and deny them because they have had no elections. I did not say that all the cities involved here had held elections. I said that many of them had; but even those which have not, and which are in a position to qualify, ought to be allowed to do so on the same terms as the others.

Mr. WAGNER. And are there not some communities which are not required to have an election, but which, nevertheless, have adjusted their financial structures to this requirement?

Mr. BARKLEY. Oh, yes; the elections have been held only where the law requires the cities to hold elections. In other cases they do not have to hold elections, but they may issue bonds by ordinance of the city council, or through other machinery.

Mr. BONE. Mr. President, in case the language which is now in the bill should remain—that is to say, the 45-percent provision—I should like to ask the Senator from Colorado [Mr. ADAMS] if he believes, or to ask the Senator from California [Mr. JOHNSON] if he believes, that the average city or community would seek less than 45 percent by way of a grant?

In asking the question, I wish to say to the Senators to whom I have referred that I just cannot imagine the average community seeking less than a 45-percent grant. Perhaps I am in error in that; but the average American community is generally pressed with debts. The communities are perfectly human about it. I know that the average community in my State would naturally seek a 45-percent grant, and I cannot understand why the flexible language is in the bill. I think we might just as well give them the 45 percent and be done with it.

Mr. BARKLEY. Mr. President, if the Senator from Colorado will permit me, I have just glanced over a list of the projects in the State of Idaho where the loan was even less than 30 percent in some cases. There are some communities which are able to carry on their projects with the 70-percent local allocation out of their own taxes, and where they can do that they do not desire to borrow any more than they have to borrow.

There are projects all over the country—probably they are not in a majority, they may be in a very decided minority, but there are such projects—where the community has been not only willing but entirely satisfied to receive less than 45 percent, in some cases even below 30 percent. Where there is such a community, I do not think it ought to be denied the right to put up as much cash as it is able to furnish and borrow the rest from the Government, not to exceed 45 percent.

Mr. BONE. Mr. President, I quite agree with the Senator, but that, of course, is an appeal to the pride of the community, not to seek any more in the way of a grant than is absolutely necessary. Again I say that the average community is pretty hard hit in these days, and I know the average community in my State would much prefer a 45-percent grant.

Mr. BARKLEY. What I am seeking to do is to allow them to have a 45-percent grant if they need it. As the bill is drawn, without my amendment, they cannot get more than 30 percent, and I am seeking to enlarge it so that they can receive 45 percent.

Mr. POPE. Mr. President, the Senator from Washington has just made the remark that he cannot see that the average community would ever ask for less than 45 percent. Of course, I think the communities in Idaho are above the

average, but I hold in my hand a statement of the applications received under the Emergency Relief Appropriation Act of 1935, and as I glance down the list I find that in about one-third of the cases where funds which have been furnished to cities, or where it has been agreed they will be furnished, covering the entire cost of the projects, the amounts are loans entirely, and no grants at all have been made. They are straight loans. In other cases, I find by a hasty calculation, a 10-percent grant has been made in some cases, and in other cases 25 percent. They vary all the way from straight loans up to 45-percent grants. So that I think the provision under discussion has certainly been applied in the past, and the contracts, with the amounts which it is understood will be received from the Government, have been made on that basis.

Mr. BONE. Mr. President, I know how the Senator feels about the communities in Idaho, but I am wondering how they exercise so much self-restraint.

Mr. POPE. I think that is due to the character of the people of Idaho. They do exercise self-restraint and do not borrow more than they need.

Mr. BONE. That is not the point. They do not borrow more than they need, but the point is that, according to the Senator's statement, they are waiving a right to take nearly 50 percent of the total amount as a gift, and that is a forbearance which is a little difficult to understand.

Mr. POPE. I will go further and say that they do not request a grant or loan of more than they need.

Mr. BULKLEY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD about 50 telegrams from mayors of cities in support of the amendment of the Senator from Kentucky.

The PRESIDING OFFICER. Is there objection?

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

AKRON, OHIO, *May 30, 1936.*

Senator ROBERT J. BULKLEY,
Washington, D. C.:

Senate bill P. W. A. project only allowing 30-percent grant inadequate in order for city to avail of any grant. It should be 45 percent. Appreciate your cooperation.

LEE D. SCHROY, *Mayor.*

CANTON, OHIO, *May 30, 1936.*

Senator ROBERT J. BULKLEY,
Senate Chamber, Washington, D. C.:

Many P. W. A. projects in Stark County already approved awaiting available funds. Thirty-percent grant inadequate. Stark County urges the full 45-percent grant.

JIM SECCOMBE, *Mayor.*

CAREY, OHIO, *June 1, 1936.*

Senator ROBERT J. BULKLEY,
Washington, D. C.:

Please oppose measure reducing P. W. A. grants as it would work a hardship on this village.

C. E. HUNTER, *Mayor.*

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Reduction of grant from 45 to 30 would hurt P. W. A. in Ohio. There are scores of projects which are bound to fall if such change is made.

C. A. DYKSTRA,
City Manager, Cincinnati.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Any reduction from 45 percent on Public Works Administration projects will in our opinion make it impossible for city of Akron to participate in pending or future projects. Please urge continuation of 45-percent grant.

LEE D. SCHROY,
Mayor, City of Akron, Ohio.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Relating to 15-percent grants reduction for P. W. A. projects, impossible for municipalities to raise funds account legal limitation. If percentage of grants is reduced, P. W. A. is through.

A. I. KAUFFMAN,
Mayor, Lakewood, Ohio.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Validity our proposed bonds very questionable if grant reduced.

ARTHUR H. WEDGE,
City Manager, Bedford, Ohio.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Strongly urge 45-percent grant P. W. A. projects be continued. To reduce grants on approved projects will generally result in failure to build. Toledo has one large water project not yet approved but submitted on basis 45-percent grant.

JOHN N. EDY,
City Manager, Toledo, Ohio.

MAY 30, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Thirty-percent grant would decrease amount of work we could do.

EDWARD J. KELLY,
Mayor of Chicago.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Reduction in grant to 30 percent for P. W. A. projects would invalidate bonds voted by city of Fort Worth for participation Federal program in construction of city-county hospital, library, and city hall and jail. Would necessitate resubmission of bonds to voters, thus making it impossible to come within limit fixed in bill, namely, June 30, 1937.

G. D. FAIRTRACE,
City Manager, Fort Worth, Tex.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Entire Duluth group of projects now before P. W. A. based upon 45-percent grant and will be impossible on 30-percent basis. Street paving and utility projects are based upon petitions of property owners, which petitions will be invalid if grant is reduced. Duluth civic center development project will be impossible as bond issue authorized by last legislature is based upon 45-percent Federal grant. Considerable city expenditure already incurred for engineering and architectural services will be total loss if projects are killed. City council deeply concerned.

S. F. SNIVELY,
Mayor, Duluth, Minn.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

McKeesport has project of a million dollars for which we have requested a 45-percent grant. If this is reduced to 30 percent, McKeesport will be unable to carry out our important improvement program. Legal limitation prevent debt increase of 15 percent.

GEORGE H. LYSLES,
Mayor of McKeesport.

JULY 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Docket Oklahoma 1022 Ardmore city-hall bonds were voted and sold on basis of 45-percent grant. Any reduction would mean loss of project.

V. R. SHORT,
City Manager, Ardmore, Okla.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Charlotte's Public Works Administration paving application based on agreement with property owners Government contribution would be 45 percent. If grant reduced, application must necessarily be withdrawn.

BEN E. DOUGLAS,
Mayor, Charlotte, N. C.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

If grant reduced, Lawrence unable to undertake any projects and must discontinue those pending and approved.

WALTER A. GRIFFIN,
Mayor, Lawrence, Mass.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Fifteen reduction P. W. A. grants in this city will mean that many projects will have to be eliminated and that a large number will be added to our welfare rolls.

WALTER J. COOKSON,
Mayor of Worcester, Mass.

MAY 30, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.

DEAR MR. BETTERS: I have been advised of the possibility of P. W. A. funds being made available but that the Federal grant may be reduced below 45 percent. Will you use every effort possible to maintain the present ratio of loan and grant? Forty-five-percent grant and 55-percent loan. We most urgently need P. W. A. project for new Troy high school, approved and awaiting funds. Troy is in the same position as most New York State cities; we will find it most difficult if not impossible to finance an additional 15-percent burden if grant is reduced.

CHESTER J. ATKINSON,
Mayor of Troy.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Decreasing P. W. A. grant from 45 to 30 percent would compel withdrawal of applications by this city. My opinion, such reduction would jeopardize great majority projects now approved and render P. W. A. practically worthless.

W. C. TORRENCE,
City Manager, Waco, Tex.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Absolute impossibility Lowell participating 70–30 basis legally financially practically.

DEWEY G. ARCHAMBAULT,
Mayor of Lowell, Mass.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Lansing has completed plans for a sewage-disposal works—a very necessary health measure. Our plan of finance is based on 45-percent grant; we will be unable to proceed on 30-percent grant.

MAX A. TEMPLETON,
Mayor, Lansing, Mich.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Thirty-percent grant will make further P. W. A. program virtually inoperative. Referenda impossible to carry; cost prohibitive; present legal limitations will not permit sufficient revenue from local funds if Federal grant reduced to 30 percent.

H. G. BARRETT,
Mayor, Topeka, Kans.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Reduction of P. W. A. grant from 45 to 30 percent will cause city of Tuscaloosa to abandon projects. Our financial arrangements have been made on a basis of the 45-percent grant, and a 15-percent reduction would cause insurmountable difficulties and make the project undesirable.

JOHN C. PEARSON,
Commission of Public Affairs, Tuscaloosa, Ala.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

A reduction of grant from 45 to 30 percent for P. W. A. projects will seriously curtail our public-works program and make it impossible for us to complete our program of needed public improvements. We have used every dollar available to cooperate in Public Works program, and feel a reduction of grant would have serious results.

WATKINS OVERTON,
Mayor, Memphis, Tenn.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Reduction from 45 to 30 percent P. W. A. grant will make it absolutely impossible for Irvington to participate.

PERCY A. MILLER, JR.,
Mayor of Irvington, N. J.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Reducing Public Works grant to 30 percent on projects over $100,000 will mean abandonment in most cases, because of financial difficulties. Should be uniform 45 percent to be effective.

P. N. MCMILLAN,
Executive Secretary, League of Wisconsin Municipalities.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

City Manager Brower out of city. Because of effect on funded debt of city, I would not recommend to council prosection of proposed P. W. A. projects under a reduced Federal grant.

WALTER J. BRENNAN,
Director of Finance, New Rochelle, N. Y.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Of project filed by Flint, we are most interested in water-softening docket, Michigan, 1260. We have funds to finance city share, and reduction in grant to 30 percent would not make it impossible to proceed. Plans and specifications prepared and work can start immediately providing reduction in grant does not require filing new application. Any delay in project would be account P. W. A. changing procedure.

J. M. BARRINGER,
City Manager, Flint, Mich.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

My opinion, reduction of grant from 45 percent to 30 percent will practically kill city's participation as it is extremely difficult to raise the necessary 55 percent as now stands. Legal limitations and financing plan on projects will also hurt possibility of financing present and new projects.

RICHARD E. ALLEN, JR.,
Mayor, Augusta, Ga.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

One hundred thousand dollars acquired through bond issue, 1935, in contemplated approval of P. W. A. project for city of Scranton now held in Washington. Scranton now bonded to legal limit. Impossible to acquire additional funds in the event grants of P. W. A. are reduced to 30 percent. Six hundred thousand dollars paving projects are at stake; citizens of our city were sold on idea of a 45-percent grant and 55-percent municipal cost; impossible to carry out P. W. A. paving project in our city if grants are reduced; very anxious for retention of 45-percent grants.

Faithfully,

Hon. STANLEY J. DAVIS,
Scranton, Pa.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Board of Education, Mount Vernon, N. Y., has one school project, and public library under jurisdiction of board of education has a library project. Both of these have been approved by P. W. A. but are pending allocation of funds. Both projects have been presented to the citizens of Mount Vernon on basis of a 45-percent grant, and I believe it would be utterly impossible to go ahead with these projects on a 30-percent grant basis.

KENNETH, J. HOWE,
President, Board of Education, Mount Vernon, N. Y.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Our city administration has been working for some time to secure 55 percent as our portion of cost on several projects that have been submitted to P. W. A. Am absolutely confident if this

city's part should be raised above 55 percent it would be impossible to finance any project under the new proposed set-up.

HERBERT SMART,
Mayor, Macon, Ga.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

We will be unable to finance the 70 percent.

M. G. STOUCK,
Mayor, Benton Harbor, Mich.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

Fifteen-percent reduction grant would seriously handicap financing of projects.

F. K. HAHN,
Mayor, Cedar Rapids, Iowa.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

The city of Galesburg, Ill., has yet alive and pending a P. W. A. project for resurfacing streets which cannot possibly be attempted with a grant of less than 45 percent.

JOE E. ANDERSON,
Mayor, Galesburg, Ill.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

Reduction of grant to 30 percent would make it impossible for us to proceed with projects.

FRANK C. FEUTZ,
Mayor, Paris, Ill.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

This administration would be greatly handicapped by reduction of P. W. A. grant to 30 percent.

FRANK P. MEYER,
Mayor, Danville, Ill.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

City unable to finance projects if grant is less.

CHARLES PLOTZ,
Mayor, South Milwaukee, Wis.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

Impossible to complete school building in Arkansas City without full 45-percent grant.

CLYDE B. KING,
City Manager.
L. E. BRENZ,
President of School Board, Arkansas City, Kans.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

Reduction of grant from 45 to 30 percent probably would cancel two Fargo projects pending, as applications were filed on the understanding grant would be 45 percent.

F. O. OLSEN,
Mayor, Fargo, N. Dak.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

City of Big Spring project, Texas 1279, based on 45-percent grant from Government and balance to be supplied by issue of city bonds. Any change would jeopardize badly needed project, as city barely able to meet situation with present percentages on account of present bonded debt. Urgently request we be protected on this project.

E. V. SPENCE,
Mayor, Big Spring, Tex.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

Reduction of P. W. A. grant to 30 percent would very seriously cripple our program. All arrangements made to finance on a 45-percent basis.

H. J. MARCUSSEN,
Mayor, Austin, Tex.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

Have today wired both North Carolina Senators urging their strenuous opposition to reduction in amount of grant from 45 to 30 percent for P. W. A. projects as provided in Senate bill being considered today. Advising that effect of such reduction on municipal applications makes petitions of cities difficult if not impossible. Our application for street project signed by many property owners on 45 and 55 basis and well nigh impossible to change street petitions. Such reduction necessitating attempted change of petitions would antagonize property owners and cause much dissatisfaction with administration.

EARL B. HORNER,
Mayor, Burlington, N. C.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

If grant reduced to 30 percent will be impossible for us to continue projects.

CHARLES B. MCLEAN,
Mayor, Wilson, N. C.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

Davenport, Iowa, objects to reduction in amount of grant from 45 to 30 percent for P. W. A. projects as provided in pending Senate bill. Such a reduction will defeat the relief program in P. W. A. projects. In my opinion, cities will hesitate to submit P. W. A. projects if amount of grant is reduced.

MERLE F. WELTS,
Mayor, Davenport, Iowa.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

Chattanooga financial situation regarding approved dockets such that we are compelled to press for full 45-percent grant. Projects hardly advisable 30-percent basis.

E. D. BASS,
Mayor, Chattanooga, Tenn.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

If amount of grant, P. W. A. projects, is reduced to 30 percent, as contemplated in bill now pending, city of Santa Fe will be unable to carry out program of constructing municipal building along present plans. Bond issue authorized by recent election cannot be increased, and this would necessitate complete revision of plans, reducing contemplated expenditure.

FRANK ANDREWS,
Mayor, Santa Fe, N. Mex.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

City of Sioux Falls has more than a million and a quarter of projects applied for, consisting of many paving projects, all of which are petitioned for, contingent on receipt of 45-percent grant.

A. N. GRAFF,
Mayor, Sioux Falls, S. Dak.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors, Washington, D. C.:

We very urgently oppose reduction in amount of grant from 45 to 30 percent for P. W. A. projects as provided in Senate bill being considered today. Such reduction makes participation of city of Joplin, Mo., difficult to raise additional 15 percent, due to legal limitations and bond election advertised on basis of 45 percent and held in abeyance awaiting appropriation of funds. Hope our project can be protected against this reduction.

ARTHUR C. MAHER,
Mayor, Joplin, Mo.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Over 90 percent of pending Texas projects are contingent on a 45-percent basis and majority would not be undertaken on 30-percent basis.

E. E. MCADAMS,
Executive Secretary, League of Texas Municipalities.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Fifteen-percent reduction in grant will affect our Pulaski High School $1,500,000 project and may curtail other school-extension plans.

DANIEL W. HOAN,
Mayor, Wilwaukee, Wis.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Strongly favor 45-percent grant, because of proximity to debt limitation and greater difficulty in floating bonds under 30-percent program.

JOHN F. QUINN,
Mayor, Pawtucket, R. I.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Superintendent water, P. W. A. project in Sarasota, would be seriously handicapped, if not legally impossible, by changing Government participation from 45 to 30 percent.

E. A. SMITH,
Mayor, Sarasota, Fla.

JUNE 1, 1936.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.:

Fifteen-percent reduction of grant is not consistent with financial set-up of our project.

Mayor CROW,
East St. Louis, Mo.

Mr. BULKLEY. I have another telegram, dated today, reading as follows:

This city would be unable to proceed with any W. P. A. work if proposed reduction in amount of grant from 45 to 30 percent was made on municipal applications. Please use your influence against such action.

H. L. KELLEY,
Mayor, East Liverpool, Ohio.

Mr. DAVIS. Mr. President, the city of Scranton, Pa., has issued bonds for and has authorized the appropriation of $600,000 based upon a 45-percent grant from the Government. One hundred thousand dollars is already available, and plans have been approved upon that basis. If the committee amendment is adopted and the Government grant is not made on the 45-percent basis, the improvements will not be made.

A similar situation confronts the city of McKeesport, Pa. That city, too, will not be able to carry out its program as the city is already bonded to its legal limit.

I ask unanimous consent to have inserted two telegrams, one from the mayor of Scranton, Pa., and the other from the mayor of the city of McKeesport, Pa.

The PRESIDING OFFICER. Is there objection?

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MCKEESPORT, PA., *June 1, 1936.*

Senator JAMES J. DAVIS,
Washington, D. C.:

McKeesport has project of a million dollars for which we have requested a 45-percent grant. If this is reduced to 30 percent McKeesport will be unable to carry out our important improvement program. Legal limitation prevents debt increase of 15 percent.

GEO. H. LYSLE, *Mayor.*

SCRANTON, PA., *May 30, 1936.*

Senator JAMES J. DAVIS,
Senate Chambers or Residence:

Information received Senate contemplated change in grants of P. W. A. from 45 percent to 30 percent. City of Scranton has approved and submitted $600,000 street-paving project based on 45-percent grant; submission made 1 year ago. If grant is changed all legislation passed to date null city of Scranton, through bond issue, for this purpose. Has sufficient funds in bank waiting for Federal approval on these projects. We urge retention of 45 percent grant in pending legislation.

Mayor STANLEY J. DAVIS.

Mr. FLETCHER. Mr. President, I have a telegram bearing on this subject from the mayor of Tallahassee, Fla., which I should like to have printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

TALLAHASSEE, FLA., *June 1, 1936.*

Hon. DUNCAN U. FLETCHER,
United States Senator:

Understand bill before United States Senate today reducing percentage of grant in P. W. A. application from 45 to 30 percent. We wish to urge strongly that original 45-percent grant be provided. Tallahassee has been patiently waiting for available funds for its approved applications for loan and grant with P. W. A. for about 1½ years. Our citizens are urging that sewers and paving program begin.

H. J. YAEGER,
Mayor, City of Tallahassee, Fla.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky to the committee amendment, to strike out, on page 32, line 1, the words "not more than 30 percent shall be granted on any such project the cost of which is more than $100,000, and."

The amendment to the amendment was agreed to.

Mr. BARKLEY. Mr. President, I ask unanimous consent to reconsider the vote by which the amendment offered by the Senator from Colorado on behalf of the committee, on page 31, line 14, was agreed to on Saturday, in order that I may offer an amendment on page 32, line 1, changing the date from 1937 to 1938.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote by which the amendment offered on behalf of the committee was agreed to is reconsidered.

Mr. BARKLEY. Mr. President, on page 32, line 1, I offer an amendment to strike out "1937" and insert in lieu thereof "1938."

The PRESIDING OFFICER. Does the Senator from Colorado accept the modification of his amendment?

Mr. ADAMS. I am perfectly willing to adjust the parliamentary situation so that that may be done.

Mr. BARKLEY. The parliamentary situation has already been adjusted by a reconsideration of the vote by which the committee amendment was agreed to.

Mr. ADAMS. I did not know that had been done. Personally, I do not think the date should be extended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY] to substitute "1938" for "1937" in the committee amendment, on line 1, page 32.

The amendment to the amendment was agreed to.

Mr. MCKELLAR. Mr. President, immediately after the date "1938", I propose to insert the following:

Provided, That this limitation shall not apply to any project that has been enjoined in any Federal or State court.

The reason for offering this limitation is that many injunctions have already been granted, and it would be unfair and unjust to deprive the particular communities where that has been done from receiving this relief.

The PRESIDING OFFICER. The Senator from Tennessee offers an amendment to come at the end of the amendment offered by the Senator from Colorado, which will be stated.

The CHIEF CLERK. It is proposed to insert the following after the amendment to the amendment just agreed to:

Provided, That this limitation shall not apply to any project that has been enjoined in any Federal or State court.

Mr. BORAH. Mr. President, what is the effect of the amendment?

Mr. MCKELLAR. I will give an illustration. The city of Knoxville, Tenn., applied for a loan and a grant to build an electric light plant, and they were enjoined by a private company. If the limitation as carried in the bill shall continue in force—and it will be in force, of course, unless the

injunction is dissolved in time enough to permit them to build the plant—they cannot build the plant at all. It might be held up on appeal, so that Knoxville would be deprived entirely of the relief.

Mr. GLASS. Has the plant been let to contract?

Mr. McKELLAR. No, the plant has not been let to contract; before that could be done, the injunction was issued. There are a number of such cases, and it seems to be manifestly fair and just that the limitation should not apply to cases of that kind.

Mr. BARKLEY. Mr. President, the amendment simply limits the expiration of the time?

Mr. McKELLAR. That is all. I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. BYRNES. Mr. President, I offer an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed on page 31, line 15, after the comma following the word "works", to insert the following:

Projects of the kind and character for which he has heretofore made loans or grants pursuant to title II of the National Industrial Recovery Act or the Emergency Relief Appropriation Act of 1935.

Mr. BYRNES. Mr. President, the object of the amendment is to provide a standard by which the P. W. A. shall be guided in making loans under the act.

Mr. HAYDEN. From what the Senator says, I judge it can be in no way construed that the terms and conditions of the act shall be extended.

Mr. BYRNES. Oh, no!

Mr. HAYDEN. In other words, the projects shall be of the "kind and character" designated, but not governed by the terms of the National Industrial Recovery Act.

Mr. BYRNES. Oh, no!

Mr. WAGNER. Mr. President, I ask that the amendment again be stated.

The PRESIDING OFFICER. The amendment will be restated.

The CHIEF CLERK. On page 31, line 15, after the comma following the word "works", it is proposed to insert the following:

Projects of the kind and character for which he has heretofore made loans or grants pursuant to title II of the National Industrial Recovery Act or the Emergency Relief Appropriation Act of 1935.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

Mr. GLASS. Mr. President, has title II, as amended, been adopted?

The PRESIDING OFFICER. It has not.

Mr. ADAMS. There are first one or two technical amendments to be presented.

Mr. BARKLEY. Mr. President, I have an amendment which I wish to offer on page 35.

The PRESIDING OFFICER. There may be further amendments to the committee amendment starting on page 31 and ending in line 11 on page 32.

The question is on the adoption of the amendment offered by the Senator from Colorado, as amended, to the committee amendment.

The amendment, as amended, to the committee amendment, was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. ROBINSON. Mr. President, does that complete the committee amendments?

The PRESIDING OFFICER. No; there are a few more committee amendments. The clerk will report the next committee amendment.

The next amendment was, on page 32, line 20, after the word "boycott", to insert "or discrimination on account of race, religion, or political affiliations", so as to make the paragraph read:

Any person who knowingly and with intent to defraud the United States makes any false statement in connection with any application for any project, employment, or relief aid under the foregoing appropriation, or diverts, or attempts to divert, or assists in diverting for the benefit of any person or persons not entitled thereto, any portion of the foregoing appropriation, or any services or real or personal property acquired thereunder, or who knowingly, by means of any fraud, force, threat, intimidation, or boycott, or discrimination on account of race, religion, or political affiliations, deprives any person of any of the benefits to which he may be entitled under the foregoing appropriation, or attempts so to do, or assists in so doing, shall be deemed guilty of a misdemeanor and fined not more than $2,000 or imprisoned not more than 1 year, or both.

The amendment was agreed to.

The next amendment was, on page 33, line 5, after the word "persons", to insert "(except administrative employees qualifying as civil employees of the United States)", so as to make the paragraph read:

The provisions of the act of February 15, 1934 (48 Stat. 351), relating to disability or death compensation and benefits shall apply to persons (except administrative employees qualifying as civil employees of the United States) receiving compensation from the foregoing appropriation for services rendered as employees of the United States, and to persons receiving assistance in the form of payments from the United States for services rendered under the National Youth Administration, created by Executive order of June 26, 1935: *Provided*, That so much of the foregoing appropriation as the United States Employees' Compensation Commission, with the approval of the Director of the Bureau of the Budget, estimates and certifies to the Secretary of the Treasury will be necessary for the payment of such compensation and administrative expenses shall be set aside in a special fund to be administered by the Commission for such purposes; and after June 30, 1937, such special fund shall be available for such purposes annually in such amounts as may be specified therefor in the annual appropriation acts: *Provided further*, That this paragraph shall also apply to persons employed and paid by the United States in those States in which the Federal Relief Administrator assumed control under section 3 (b) of the Federal Emergency Relief Act of 1933, but such compensation shall be limited to fatal cases and permanent partial and permanent total disability cases where claim is filed within 1 year from the date of enactment of this act: *Provided further*, That this paragraph shall not apply in any case coming within the purview of the workmen's compensation law of any State or Territory, or in which the claimant has received or is entitled to receive similar benefits for injury or death.

The amendment was agreed to.

The next amendment was, on page 34, line 16, after the words "allotted by the", to strike out "Works Progress Administrator" and insert "President", so as to make the paragraph read:

So much of the foregoing appropriation as may be determined by the Director of the Bureau of the Budget to be necessary for administrative expenses of any department, establishment, or agency of the United States for additional work incident to carrying out of the purposes of the foregoing appropriation shall be allotted by the President and shall remain available to such agencies until June 30, 1938; the funds so allotted shall be available for expenditure for the same purposes for which funds have been allotted for administrative expenses under the Emergency Relief Appropriation Act of 1935.

The amendment was agreed to.

The next amendment was, on page 35, after line 15, to insert the following:

The Federal Emergency Relief Administrator is hereby authorized to liquidate and wind up the affairs of the Federal Emergency Relief Administration under the act of May 12, 1933, as amended, and funds available to it shall be available for expenditure until June 30, 1937.

The amendment was agreed to.

The next amendment was, on page 35, after line 20, to insert the following:

No part of the funds herein appropriated shall be loaned, granted, or otherwise made available to any State or any of its political subdivisions or agencies, for the purpose of carrying out any program or project with respect to replanning and reorganizing existing prison industries systems and allied prison activities.

Mr. BARKLEY. Mr. President, I trust that portion of the committee amendment will not be agreed to.

I have conferred with the members of the Committee on Appropriations, including the Senator from Arizona [Mr.

HAYDEN], who offered this amendment in the committee; and it is entirely agreeable to him and to the committee members, as I understand, that that amendment should be eliminated.

The amendment or amendments along those lines are sponsored by the American Federation of Labor. The subcommittee and the full committee did not insert the amendment as it was suggested by the officials of the American Federation of Labor. The way the language is now, it would prevent any State from obtaining any of these funds for rebuilding a prison or any of the penal or charitable institutions of the State, because it might be held to involve rebuilding places in which the prisoners were expected or required to work on the inside of the prison or other penal institution.

I called this matter to the attention of the officers of the American Federation of Labor who were interested in it, and they have authorized me to say that so far as they are concerned they would prefer that this language go out rather than let it remain as it is. Therefore, I hope the amendment will not be agreed to.

Mr. HAYDEN. Mr. President, I offered the amendment in committee, and now, realizing all of its implications, I believe it is best that the bill be silent upon the subject.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 35, beginning in line 21.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, on page 36, line 4, after the word "submitted", to strike out "by the Administrator to the President for transmission", so as to make the paragraph read:

A report of the operations under the foregoing appropriation shall be submitted to Congress before the 10th day of January in each of the next two regular sessions of Congress, which report shall include a statement of the expenditures made and obligations incurred, by classes and amounts.

Mr. BYRNES. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 28, line 3, in the committee amendment heretofore agreed to, after the word "President", it is proposed to strike out down to and including "1935" on the same page, line 7, and to insert in lieu thereof the following:

Together with such unexpended balances of funds appropriated and made available by the Emergency Relief Appropriation Act of 1935 as the President may determine, which are hereby reappropriated and made available for the purposes of this title.

Mr. BYRNES. I ask unanimous consent that the Senate reconsider the vote by which the section beginning on page 27, line 19, and ending on page 29, line 15, was adopted, in order that the amendment I have just offered may be considered.

Mr. BYRD. Mr. President, will the Senator from South Carolina give an estimate of what will be expended under his amendment?

Mr. BYRNES. I endeavored to ascertain the amount that would be available under this particular item, and was not very successful in ascertaining any particular figure. It was said, as to the items under this language, that a sum of certainly more than $50,000,000 might be estimated as having been allotted to certain projects, and might become available. The language in the committee text was offered at the time the bill proposed to confer the power solely on the Works Progress Administration, and it should result in making the funds available only for the purposes set forth in the act of 1934, or really for the purposes in that act which are earmarked, and include more projects than are included in the earmarking in this bill. I cannot state to the Senator the definite amount. Under this provision it would be available for the purposes set forth in the pending bill, instead of for the purposes set forth in the old act.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from South Carolina that the vote by which the language referred to was adopted shall be reconsidered? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment offered by the Senator from South Carolina to the committee amendment on page 28, line 3.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. BYRNES. I have another amendment, which I send to the desk, to the committee amendment. I ask that action on the committee amendment be not taken until the amendment I now send to the desk shall be acted upon.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 28, line 24, after "$85,550,000", it is proposed to insert the following proviso:

Provided further, That the amount specified for any of the foregoing classes may be increased proportionately in accordance with the amount of such unexpended balances of funds as the President may transfer from the funds appropriated and made available by the Emergency Relief Appropriation Act of 1935, for the purpose of this title;

Mr. BYRNES. The purpose of that amendment is that if the unexpended balances affected by the previous amendment are made available, then that amount, whatever it may be—$50,000,000 or $60,000,000—would, under the amendment now offered, be proportionately divided among the items set forth in the text of the bill as it has been reported by the committee.

Mr. HALE. Mr. President, I understand the Senator's amendment would not affect the other balances which go over?

Mr. BYRNES. No. It would only provide that whatever balances go over shall be proportionately distributed among those items.

Mr. HALE. Of course, great balances will go over from the legislation already enacted. Such balances amount to nearly $2,000,000,000, according to the Director of the Budget. Does the Senator include all those balances?

Mr. BYRNES. No. The amendment applies only to the language on page 28, lines 2 to 8.

Mr. HALE. That specifically applies only to $50,000,000?

Mr. BYRNES. I have already stated to the Senator from Virginia that I do not know the amount, but whatever the amount is, when it is brought forward it would decrease the total of $1,425,000,000 and therefore should be apportioned among these projects in accordance with the intent of Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. BYRNES. I offer another amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 29, line 1, after the word "classes", it is proposed to insert the following:

Including such adjustments as may be made in the amounts specified by reason of transfers of unexpended balances from funds appropriated and made available by the Emergency Relief Appropriation Act of 1935.

The amendment was agreed to.

Mr. GLASS. Mr. President, I submit an amendment, though it is not to title II.

Mr. ROBINSON. Has title II been agreed to as amended?

The PRESIDING OFFICER. The question now is on agreeing to title II, as amended, beginning on page 27.

Title II, as amended, was agreed to.

Mr. GLASS. I ask that my amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 77, after line 11, it is proposed to insert the following:

Naval air station, Norfolk, Va.: to replace assembly and repair-shop facilities destroyed by fire, including building and accessories, $150,000.

Mr. GLASS. The machine shop and other buildings at the naval station at Norfolk, Va., were completely destroyed by fire on the 15th of last month, throwing 350 workmen out of employment. The amount carried by the amendment has been estimated by the Budget and sent to us with the approval of the President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was agreed to.

Mr. GLASS. I send to the desk another amendment, which I ask may be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 8, after line 18, after the amendment heretofore agreed to, it is proposed to insert the following:

CELEBRATION OF THE BICENTENNIAL OF THE BIRTH OF PATRICK HENRY

For carrying out the provisions of the act entitled "An act to aid in defraying the expenses for the celebration of the bicentennial of the birth of Patrick Henry to be held at Hanover Courthouse, Va., July 15, 16, and 17, 1936", approved ————, 1936, fiscal year 1936, $10,000, to remain available until June 30, 1937.

Mr. GLASS. That is in pursuance of a measure which has passed both Houses of Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was agreed to.

Mr. WHEELER. Mr. President, I send to the desk an amendment which I think will be acceptable to the committee.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 53, after line 2, it is proposed to insert the following:

Bureau of Fisheries: For the acquisition by the Bureau of Fisheries of a site for a fish hatchery at Jessup's Mill, near Glacier National Park in the State of Montana, $10,000, which shall be immediately available.

The amendment was agreed to.

Mr. WHEELER. I send to the desk another amendment relating to a school in the State of Washington and also a public school in Montana. These are authorizations which have already been made by the Congress and were sent here by the Director of the Budget with the approval of the President.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 59, after line 7, it is proposed to insert a new paragraph, as follows:

Construction, enlargement, or improvement of public-school buildings: For cooperation with Wellpinit School District, No. 49, Stevens County, Wash., for the construction and equipment of a public-school building in the vicinity of Wellpinit, Wash., as authorized by the act of May 15, 1936 (Public, No. 586, 74th Cong.), $75,000, and for cooperation with the Hays Public School District, Hays, Mont., for construction and improvement of grade- and high-school buildings, as authorized by the act of May 15, 1936 (Public, No. 588, 74th Cong.), $50,000, in all, fiscal year 1937, $125,000: *Provided*, That plans and specifications for construction, enlargement, or improvement of structures shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs, actual work shall proceed under the direction of such local or State officials. Payment for work in place shall be made monthly, on vouchers properly certified by local officials of the Indian Service: *Provided further*, That any amount expended on any project hereunder shall be recouped by the United States within a period of 30 years, commencing with the date of occupancy of the project, through reducing the annual Federal tuition payments for the education of Indian pupils enrolled in public or high schools of the district involved, or by the acceptance of Indian pupils in such schools without cost to the United States; and in computing the amount of recoupment for each project, interest at 3 percent per annum shall be included on unrecouped balances.

The amendment was agreed to.

The PRESIDING OFFICER. The second amendment of the Senator from Montana will be stated.

The CHIEF CLERK. It is proposed to insert after the amendment just adopted the following:

Construction, enlargement, or improvement of public-school buildings, 1936: Of the appropriation of $100,000 contained in the Second Deficiency Appropriation Act, fiscal year 1935, for cooperation with public-school districts in Glacier County, Mont., as authorized by the act of June 7, 1935, not to exceed $40,000 is hereby made available for improvement and extension of elementary school buildings in district no. 9, as well as other public-school districts within said county, subject to the terms and conditions prescribed under this head in said second deficiency appropriation act.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 60, after line 20, it is proposed to insert the following:

For continuation of the following projects in not to exceed the following amounts, respectively, to be expended in the same manner and for the same objects of expenditure as specified for projects included in the Interior Department Appropriation Act for the fiscal year 1937 under the caption "Bureau of Reclamation", and to be reimbursable under the reclamation law.

Gila project, Arizona, $2,500,000;
Salt River project, Arizona, $2,300,000;
Central Valley project, California, $16,000,000;
Grand Valley project, Colorado, $200,000;
Boise project, Idaho, Payette division, $1,800,000;
Boise project, Idaho, drainage, $160,000;
Carlsbad project, New Mexico, $900,000;
Deschutes project, Oregon, $450,000;
Owyhee project, Oregon, $400,000;
Grand Coulee Dam project, Washington, $20,000,000;
Columbia Basin project, Washington, economic surveys and investigations, $250,000;
Yakima project, Washington, Roza division, $2,500,000;
Provo River project, Utah, $1,750,000;
Casper-Alcova project, Wyoming, $4,000,000;
Riverton project, Wyoming, $900,000;
Shoshone project, Wyoming, Heart Mountain division, $1,000,000;

For administrative expenses on account of the above projects, including personal services and other expenses in the District of Columbia and in the field, $2,500,000; in all, $57,610,000, to be immediately available: *Provided*, That this appropriation shall be available for the employment of personal services without regard to the civil-service laws and the Classification Act of 1923, as amended: *Provided further*, That of this amount not to exceed $160,000 may be expended for personal services in the District of Columbia.

Mr. HAYDEN. Mr. President, the text of the amendment just read is identical, word for word, with amendment numbered 54, as adopted by the Senate to the Interior Department appropriation bill on March 2, 1935. The same reclamation projects are named, and the sums of money to be appropriated to continue their construction are in exactly the same amounts.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. VANDENBERG. What is the total amount carried in the amendment?

Mr. HAYDEN. The total amount carried in the amendment is $57,610,000. The Budget estimates for the same reclamation projects are for $64,710,000. After the Interior Department appropriation bill had passed the Senate and was under consideration in the House of Representatives, a statement was made in that body to the effect that it had been planned to have the Budget estimates upon which this amendment is based considered by the Committee on Appropriations of the House of Representatives for action in the first deficiency appropriation bill rather than in the Interior Department appropriation bill.

I have conferred with the Senators from the 14 States where United States reclamation projects are located, and we all agree that prompt and proper consideration of the

Budget estimates for reclamation projects is not merely highly desirable but is imperative.

The interested Senators are much more concerned about the final results attained than they are with respect to which bill or bills are used to bring the two branches of the Congress into accord. I therefore hope that this amendment may be accepted by the Senator in charge of the bill, so that it may be taken to conference.

Mr. ADAMS. Mr. President, I suppose it will be understood that if this item happens to pass in both appropriation bills the Senator from Arizona will consent to its being stricken out of one of them.

Mr. HAYDEN. Certainly. If the subject matter is cared for in this bill, it will not be included in the Interior Department appropriation bill.

Mr. ADAMS. Mr. President, I voted for the items in the Interior Department appropriation bill. I think that is where the items belong. This is an appropriation of money to be expended by the Reclamation Service under the Interior Department. It is not a deficiency appropriation. It is not an emergency matter. It qualifies, I suppose by having Budget estimates underlying it; but it does seem to me contrary to sound legislative practice for the Senate to attach to a second bill $60,000,000 of items which are now pending upon a bill recently passed and which is now in conference. It seems to me we put ourselves in the position of making a double appropriation of the same amount for the same item, so far as our action goes. Therefore it seems to me the item ought not to go in this bill.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Virginia?

Mr. HAYDEN. I yield.

Mr. GLASS. Is the Senator from Arizona serious in his statement that the Senators from all 14 States are unanimously in favor of the amendment he has offered? [Laughter.]

Mr. HAYDEN. There is no question about it. The situation is that the House of Representatives has indicated a desire to consider this matter on a deficiency bill. Of course, if these reclamation projects are cared for in this deficiency bill, they will be eliminated from the Interior Department appropriation bill. If carried in the Interior Department bill, they will be eliminated from this bill.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. BORAH. This amount has already been provided for in the Interior Department appropriation bill, has it not?

Mr. HAYDEN. That is correct.

Mr. BORAH. The House seems to object to disposing of it in that way and desires it to come here?

Mr. HAYDEN. The proceedings in that body so indicate. For that reason I offer the amendment.

Mr. BORAH. I do not see what objection there is to placing the appropriation here, in view of the fact that it has already been provided for. It is not adding an amount to that which we have already provided.

Mr. BARKLEY. Mr. President, I understand the appropriation will not be in both bills in any event.

Mr. HAYDEN. Certainly not.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The CHIEF CLERK. On page 81, after line 6, it is proposed to add:

Foreign mail transportation: For an additional amount for transportation of foreign mail by aircraft from and to points in Alaska, fiscal year 1937, $200,000, to be expended under a contract or contracts which will not create annual obligations for the fiscal year 1938 in excess of $200,000.

Mr. COPELAND. Mr. President, this matter came to me through the Second Assistant Postmaster General, Mr. Branch, he having attached to his communication a letter from the Director of the Budget. It is to take care of a star-route mail service between Juneau, Alaska, and Fairbanks, across the corner of Canada. The reason why it is an emergency matter is because at present there is an arrangement with Canada covering the service, and lighting arrangements and radio beams have been put in at the expense of American capital; and unless the appropriation is made that service will lapse, which will bring about the necessity of going around the coast of Alaska to reach into the interior, thereby adding materially to the dangers involved.

Mr. ADAMS. Mr. President, will the Senator yield for an inquiry?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Colorado?

Mr. COPELAND. I yield.

Mr. ADAMS. Did not the Senate committee add an appropriation of some $240,000 to cover this very item, and has it not been included?

Mr. COPELAND. No; not this item. The item that was added was for ground facilities in America. This item is for the star route across Canada, and the money is to come out of a different appropriation, which the Budget Director says is proper.

Mr. ADAMS. Is there a new Budget estimate?

Mr. COPELAND. There is a new Budget estimate. The Budget Director refers to the estimate of $242,755.

Mr. ADAMS. That is the one that has been put in. It was cut down, was it not?

Mr. COPELAND. Oh, no; it is a new item. It is an entirely different estimate. This has to do with foreign mail, while the other had to do with navigation features in America. I am entirely correct in that.

Mr. ADAMS. Mr. President, I merely desire to understand this matter correctly. We put in the bill, on page 32, an additional amount for the establishment and maintenance of aids to air navigation. It was my understanding that that amount covered this particular item; and it was put in after a very eloquent and persuasive speech by the senior Senator from New York.

Mr. COPELAND. If the Senator will remember, I appeared before the committee, and at the same time Mr. Branch appeared, making the plea for the other arrangement, but for some reason the committee did not act on Mr. Branch's suggestion. It is a matter of a great deal of concern, however. The only interest I have in it is that in the safety-in-the-air subcommittee we have had testimony on this matter, and the two items are entirely separate.

Mr. ADAMS. What is the Budget estimate upon which this item rests?

Mr. COPELAND. This Budget estimate is in connection with the post-office bill.

Mr. ADAMS. What is the amount of the Budget estimate?

Mr. COPELAND. Two hundred and forty-two thousand seven hundred and fifty-five dollars, and I am asking for $200,000 of it.

Mr. ADAMS. Is it a separate item?

Mr. COPELAND. This is to come out of the post-office appropriation, while the other is to come out of the commerce appropriation.

Mr. ADAMS. Mr. President, all I can say is that I assume the Senator from New York is correct; but I think he will agree that we may recheck this matter in conference.

Mr. COPELAND. Certainly.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I ask that the papers which I have in my hand, which relate to the amendment just agreed to, may be included in the RECORD at this point, so that the committee may be fully informed regarding the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

SECOND ASSISTANT POSTMASTER GENERAL,
Washington, May 29, 1936.

Hon. ROYAL S. COPELAND,
United States Senate.

MY DEAR SENATOR: In accordance with your request I wrote Director Bell, of the Bureau of the Budget, inquiring if the Bureau would object to an appropriation of $200,000 for foreign air-mail service in Alaska. I have just received Director Bell's reply, which I am enclosing for your information.

Sincerely yours,

HARLLEE BRANCH,
Second Assistant Postmaster General.

MAY 29, 1936.

The honorable the POSTMASTER GENERAL.

MY DEAR MR. POSTMASTER GENERAL: I have the letter of the Second Assistant Postmaster General of May 28, 1936, concerning the estimate of $242,755 for the Post Office Department, included in the Budget for 1937 under the appropriation "Star-route service, Alaska", to provide for the expansion of Alaska star-route air-mail service."

It seems to me that this estimate can be considered as still before Congress for whatever action it cares to take on it. If Congress should decide to provide for this service in some other manner, this office would offer no objection so long as the amount is within the estimate contained in the Budget.

Very truly yours,

D. W. BELL, *Acting Director.*

HOUSE OF REPRESENTATIVES,
Washington, D. C., May 26, 1936.

Hon. ALVA B. ADAMS,
Chairman, Subcommittee of the Committee on Appropriations, United States Senate, Washington, D. C.

DEAR SENATOR ADAMS: Reference is made to the amendment offered by Senator COPELAND to the first deficiency appropriation bill, H. R. 12624, as follows:

"Foreign-mail transportation: For an additional amount for transportation of foreign mail by aircraft from and to points in Alaska, fiscal year 1937, $200,000, to be expended under a contract or contracts which will not create annual obligations for the fiscal year 1937 in excess of $200,000."

and to the statements recently made by Senator SCHWELLENBACH and me in support of the amendment before the subcommittee of which you are chairman.

You may recall that at the conclusion of our statements, one or more of the members of the subcommittee suggested that it might be well to have a special Budget estimate for the item desired.

Yesterday I discussed the subject with Mr. Bell, Acting Director of the Budget, and with Mr. Wiseman, one of the Budget officials, and requested a Budget estimate for the item mentioned.

Mr. Bell declined to recommend to the President another Budget estimate to cover the amount presented by Senator COPELAND's proposed amendment. Mr. Bell called my attention to the fact that the approved Budget estimate for the fiscal year 1937 contained an item of $450,000 for star-route service in Alaska; that the Post Office Department appropriation bill as reported out of committee and as passed by the House reduced this item to $207,245; that the amount was increased in the Senate to the Budget estimate of $450,000, but in conference between the two Houses the sum of $207,245 as fixed by the House was restored, which is $242,755 less than the Budget estimate. Mr. Bell added that the original Budget estimate is still before Congress and that no other Budget estimate to cover the amount proposed to be expended by the Copeland amendment is proper. In answer to a question, Mr. Bell further stated that the original Budget estimate, unless expressly withdrawn, will remain before Congress until the close of the current session.

The justification of the Post Office Department for the Budget estimate provided, in part, for service of mail by airplane carrier between Juneau, Alaska, White Horse, Dominion of Canada, and Fairbanks, Alaska, which is identical with the mail-service route or routes contemplated by the Copeland amendment. Since the whole includes each part, it is to my mind clear beyond question that the original Budget estimate embraces the service which will be given if the Copeland amendment is adopted. Nothing has been brought to my attention by anyone which in any manner negatives this conclusion.

As pointed out by Senator SCHWELLENBACH and myself in our statements to the committee, the service proposed by the Copeland amendment is more advantageous to the Government than that proposed under the original Budget estimate, since a surcharge will be made upon mail carried under the foreign air-mail provisions of the Copeland amendment, whereas no such surcharge could be made, without additional legislation, under the star-route service originally specified by the Post Office Department justification and approved by the Budget.

Sincerely yours,

ANTHONY J. DIMOND, *Delegate.*

Mr. COPELAND. Mr. President, I have one more amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert, at the proper place in the bill, the following:

That the five retired officers of the Regular Army assigned to active duty at the United States Soldiers' Home and who, while so serving, are entitled to the pay and allowances of officers of the same rank and length of service on the active list of the Army, shall have the difference between active-duty pay and allowances and retired pay of such officers paid from funds appropriated for the maintenance and operation of the Soldiers' Home.

Mr. COPELAND. Mr. President, this involves a matter of $7,800 which is to be paid out of the Soldiers' Home fund. For 35 years the retired officers at the Soldiers' Home have been paid, in addition to their retired pay, $125 a month. General Coleman, who has just gone there to be governor, might as well go home, if he has a home somewhere, because at the moment he gets nothing, except a house, in addition to his retired pay, which he would have anyway. The house is a big and rambling house, and two servants are necessary. This involves the expenditure of $125 a month, paid for each of the five retired officers, and is to be taken out of the regular appropriation for the Soldiers' Home. The money for that comes from the contributions of those who have served in the Regular Army as privates.

Mr. ADAMS. Mr. President, it seems to me that during the call of the calendar today a bill containing the identical provision in this amendment was passed by the Senate. This is legislation; it is not an appropriation, and a bill presented by the senior Senator from Texas [Mr. SHEPPARD] passed this morning almost identical in character.

The PRESIDING OFFICER. Does the Senator from Colorado make that point?

Mr. ADAMS. It seems to me the amendment is unnecessary. It is legislation which has already been passed.

Mr. COPELAND. Mr. President, I hope the Senator will not raise the question because if this item is left in the bill it is provided for and justified by the fact that the Senate has today passed the bill to which the Senator has referred, but it is essential that these five officers should have the $125 a month, which they will not get if we wait at this late period of the session to pass the bill through the House.

Mr. ADAMS. Mr. President, I am merely saying to the Senator that this is not an appropriation; that it is legislation and is covered by the same bill that was passed this morning. We have been doubling up on legislation recently, and if it is desired that we pass everything twice, I shall not object.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 32, line 24, after the word "doing", to insert the words "or who solicits or receives any political contributions from persons for whom any portion of the foregoing appropriation for relief or work relief is intended."

Mr. VANDENBERG. Mr. President, the purpose of the amendment is obvious. There is universal criticism throughout the country of the mingling of relief funds and political funds, and I am sure no one would defend the mingling of the two. When I called Mr. Hopkins' attention to a certain situation in Pennsylvania, where there was a direct political solicitation from relief clients, his answer was that he totally disapproved of any such mingling of the two functions, and that he would do everything he could to stop it; to quote him literally in his classic language, he said he had no control over the "dumb politicians."

He was probably correct in his statement, and it occurs to me that the least we could do would be to provide some sort of a weapon in his arsenal of defense if he wants to have a defense.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BYRNES. The language of the amendment has been called to my attention just now for the first time, and I desire to ask the Senator one or two questions about it. The amendment contains the words "or who solicits or receives any political contributions from persons for whom any portion of the foregoing appropriation for relief or work relief is intended."

If an appropriation is made for the construction of a bridge, and the contractor receives a contract for the building of a structural bridge, he is the individual for whom a part of the appropriation is intended, and if that contractor sees fit to contribute a hundred dollars to the Republican National Committee, should the treasurer of the Republican National Committee be subject to imprisonment and fine for receiving the contribution from the contractor, for whom, in the construction of the bridge, a part of this fund is intended?

Mr. VANDENBERG. I think there should be utterly no mingling of the two functions and the two funds. My answer would be "yes" to the Senator.

Mr. BYRNES. If the contractor makes a contribution to the treasurer of the committee, the committee should be subject to fine and imprisonment?

Mr. VANDENBERG. In the discretion of the court; yes.

Mr. BYRNES. The Senator says, "in the discretion of the court." He means as to the amount of the fine, or the term of imprisonment?

Mr. VANDENBERG. Exactly.

Mr. BYRNES. That the treasurer who accepts the contribution from a man who perchance has had a contract, and out of which contract he has made some money, should be imprisoned and fined, and likewise, if a man who is on relief sends in a dollar to the treasurer of the Republican National Committee and signs his name, "John Smith", the treasurer of that committee should be fined and imprisoned for accepting it?

Mr. VANDENBERG. If it falls within the prohibitions of the amendment.

Mr. BYRNES. Would it fall within the prohibitions of this amendment?

Mr. VANDENBERG. Under the statement of the Senator, it would.

Mr. BYRNES. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was rejected.

Mr. THOMAS of Utah. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 58, after line 14, to insert a new paragraph, as follows:

Payment to Confederated Bands of Ute Indians: For payment to the Conferated Bands of Ute Indians in full compensation as to claim for the principal sum for 64,560 acres of land in western Colorado set aside as a naval oil reserve by Executive orders dated December 6, 1916, and September 27, 1924, fiscal year 1937, $161,400, which amount is hereby appropriated pursuant to the act of May 15, 1936 (Public, No. 584, 74th Cong.), and shall be disposed of in accordance with said act.

Mr. THOMAS of Utah. Mr. President, I offer this amendment at the request of the Bureau of the Budget. It has already been provided for by law.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. THOMAS of Utah. Mr. President, I offer another amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert, beginning on page 60, after the period at the end of the sentence in line 14, the following:

For pay of general counsel, Confederated Bands of Ute Indians in the Uintah and Ouray Agency, Utah (tribal funds): The Secretary of the Interior is authorized to expend the sum of $3,000 or so much thereof as may be necessary, from the tribal funds of the Confederated Bands of Ute Indians in the Uintah and Ouray Agency, Utah, in the Treasury of the United States, upon proper vouchers approved by him, for services rendered by general counsel under a contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior.

Mr. THOMAS of Utah. Mr. President, this amendment is offered at the request of the Bureau of Indian Affairs.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. THOMAS of Utah. Mr. President, I suggest that the statement I send to the desk be printed in the RECORD as a justification for the amendments just agreed to.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

These Ute Indians live about a hundred miles from any railroad. They seldom visit the city of Washington on tribal business. They number about 1,200, most of whom are fullblood Indian. They own 10,000 acres of forest reserve. They own about 5,000,000 acres of land in Colorado which the Government has agreed to sell for them at not less than $1.25 per acre. The potential wealth of these Indians is probably greater than any other group of Indians of equal number.

Recently they voted to accept the provisions of the Indian Reorganization Act. Accordingly, they must now prepare a constitution and bylaws to meet their peculiar needs. They propose to organize stockmen's associations and other business organizations. In all of this they require the services of some capable person to help them draw up the proper papers and documents that will protect them and their property against unnecessary losses.

The chairman of their tribal business committee wrote Mr. Collier a letter, as Commissioner of Indian Affairs, asking that this amount be appropriated from their tribal funds for the said purpose. They have over a hundred thousand dollars in the Treasury of the United States. They have a perpetual income of about $25,000 per annum from the Federal Government.

This appropriation has the approval of Mr. Collier, Commissioner of Indian Affairs and the Department. It will come out of the funds which already belong to these Indians.

PAYMENT TO CONFEDERATED UTES

This estimate is submitted pursuant to the act of May —, 1936 (Public, No. —, 74th Cong.), reading as follows:

"That the sum of $161,400 be, and the same is hereby, authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payment to the Confederated Bands of Ute Indians in full compensation as to claim for principal sum for 64,560 acres of land in western Colorado, taken from the said Indians by the United States and set aside as a naval oil reserve by Executive orders, dated December 6, 1916, and September 27, 1935; said sum to be placed on the books of the Treasury Department to the credit of the Confederated Bands of Ute Indians in the proportions specified by the act of June 15, 1880 (21 Stat. L. 199), and to bear interest at 4 percent per annum and from the date of passage of this act.

"SEC. 2. The Secretary of the Treasury is hereby authorized to pay, out of said appropriation when made, such fees and expenses as the Secretary of the Interior may deem reasonable, on a quantum meruit basis, for services rendered by attorneys or agents having approved or heretofore approved contracts with said Indians, or approved assignments thereof, not to exceed, however, a total of 10 percent of the amount appropriated hereunder as follows:

"(1) A contract with Southern Ute Band and the Ute Mountain Band approved July 7, 1928, a partial assignment of which was approved on May 28, 1929.

"(2) A contract with the Uintah and White River Bands, approved on October 8, 1932, an assignment of which was approved on February 13, 1935.

"(3) A contract with the Uncompahgre Band approved October 8, 1932, an assignment of which was approved on February 13, 1935."

By the agreement approved on June 15, 1880 (21 Stat. L. 199), these Indians ceded approximately 12,000,000 acres of land in western Colorado, which should be "held and deemed to be public lands of the United States", subject to disposal as other lands of like character, with the proviso that "none of the said land, whether mineral or otherwise, shall be liable to entry and settlement under the provisions of the homstead law, but shall be subject to cash entry only in accordance with existing law", the proceeds to go to the Indians, less expenditures to carry out the act.

On May 23, 1910 (45 C. Cls. 440), under the jurisdiction of the act of March 3, 1908 (35 Stat. L. 788), the Court of Claims

awarded the Confederated Band of Ute Indians the sum of $3,999,072.50, for 3,199,258 acres of ceded lands (at $1.25 an acre) taken by the United States after the agreement of 1880 for forest reserves and other public uses. In addition, the act of May 22, 1928 (45 Stat. L. 711), authorized the inclusion of approximately 19,000 acres of such lands in the Montezuma National Forest, payment therefor to be made at $1.25 an acre; and the amount due therefor had been transferred to the credit of the Indians on the books of the Treasury.

By Executive order of December 6, 1916, 45,440 acres were set aside from the ceded lands as a naval oil reserve, of which 3,880 acres were later restored to their former status. Then, by Executive order of September 27, 1924, about 23,000 acres more were added to the reserve, making a total of 64,560 acres of the ceded lands taken by the United States and reserved for oil purposes. These lands are in townships 5, 6, and 7 south, ranges 93 to 96 west, sixth principal meridian, Colorado, and no compensation has ever been paid the Indians therefor. Under the law the lands were subject to disposal at $2.50 an acre, including the minerals. Accordingly, the Indians should be paid for same at this rate, making a total of $161,400.

The land involved here was part of that ceded by the agreement approved on June 15, 1880 (21 Stat. L., 199), which provided, in effect, that the money accruing to the Indians thereunder should be divided one-third to the Southern Utes, one half to the Uncompahgre Utes, and one-sixth to the White River Utes. The authorization act recognizes this division. Therefore the appropriation would be divided as follows:

Southern Utes, Colorado (one-third)	$53,800
Uncompahgre Utes, Utah (one-half)	80,700
White River Utes, Utah (one-sixth)	26,900
	161,400

The act authorizing the appropriation makes provision for the payment on a quantum-meruit basis of fees to attorneys employed under certain definitely identified contracts. There are three such contracts, one between William Marshall Justis, Jr., and the Southern Ute Band, a half interest in which was assigned to Marion Butler, which contract, however, has expired; another between Raymond T. Bonnin and the Uintah and White River Bands; and a third between Mr. Bonnin and the Uncompahgre Band, both of which latter contracts have been assigned to Hughes, Schurman & Dwight. Not more than $16,140 may be expended for fees and expenses of attorneys.

Mr. WAGNER. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 52, after line 11, it is proposed to insert the following:

OFFICE OF THE SECRETARY

General Committee of the Accident Prevention Conference: For salaries and expenses of the General Committee of the Accident Prevention Conference, authorized in the act entitled "An act to advance a program of national safety and accident prevention", approved May 28, 1936, including personal services in the District of Columbia and elsewhere, printing and binding, and all other expenditures authorized in said act, fiscal year 1937, $50,000.

Mr. WAGNER. Mr. President, this appropriation was authorized by an act which became a law a few days ago. It is to provide the expenses of a conference of which the Senator from New Jersey [Mr. MOORE] is the chairman. There has been transmitted with the amendment a supplementary estimate by the Director of the Budget.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I call up the amendment which I sent to the desk last week to be inserted on page 10.

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming will be stated.

The CHIEF CLERK. On page 10, after line 9, it is proposed to add the following proviso:

Provided, That nothing herein shall be construed to affect the status under the civil-service laws of any positions created under and by virtue of the act of April 27, 1935, or brought under the civil-service laws by Executive order heretofore or hereafter issued.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

Mr. HASTINGS. Mr. President, in accordance with the notice which I gave earlier in the day, I move that the Senate reconsider the vote of Saturday by which authority was given to investigate the Florida canal.

Mr. BULKLEY. Mr. President, will the Senator yield? I have a minor amendment to offer.

Mr. ROBINSON. Mr. President, there are a great number of minor amendments to be considered. I move to lay on the table the motion of the Senator from Delaware.

Mr. MCNARY. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BILBO (when his name was called). I have a general pair with the senior Senator from Iowa [Mr. DICKINSON], which I transfer to the junior Senator from Alabama [Mr. BANKHEAD], and will vote. I vote "yea."

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I transfer that pair to the senior Senator from Rhode Island [Mr. METCALF], and will vote. I vote "nay." I am advised that the Senator from Rhode Island, if present, would vote "nay."

Mr. MCGILL (when his name was called). On this question I have a pair with the senior Senator from Arizona [Mr. ASHURST]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. MCNARY. On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who is unavoidably absent from the Senate. I transfer that pair to the senior Senator from South Dakota [Mr. NORBECK], and will vote. I vote "nay." If the Senator from South Dakota were present, he also would vote "nay", and if present the Senator from Mississippi would vote "yea."

Mr. FRAZIER (when Mr. NYE's name was called). On this question my colleague [Mr. NYE] is paired with the junior Senator from Texas [Mr. CONNALLY]. If my colleague were present, he would vote "nay", and I understand that the Senator from Texas, if present, would vote "yea" on this question.

Mr. SHIPSTEAD (when his name was called). On this question I am paired with the senior Senator from South Carolina [Mr. SMITH]. I am informed that if present he would vote "yea." If at liberty to vote, I should vote "nay." I withhold my vote.

Mr. TYDINGS (when his name was called). On this question I have a pair with the senior Senator from Nevada [Mr. PITTMAN]. If he were present, he would vote "yea", and if I were permitted to vote I should vote "nay."

Mr. VAN NUYS (when his name was called). On this question I have a pair with the senior Senator from West Virginia [Mr. NEELY]. If he were present, he would vote "yea", and if I were permitted to vote I should vote "nay."

The roll call was concluded.

Mr. HAYDEN. I announce the unavoidable absence of my colleague the senior Senator from Arizona [Mr. ASHURST] because of the death of his brother. If present, my colleague would vote "yea."

Mr. BARKLEY. I announce the unavoidable absence of my colleague the Senator from Kentucky [Mr. LOGAN] on important official business.

Mr. DUFFY. On this question I am paired with the junior Senator from Georgia [Mr. RUSSELL]. If he were present, he would vote "yea." If I were permitted to vote, I should vote "nay."

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from South Carolina [Mr. SMITH] are detained from the Senate on account of illness.

The Senator from South Dakota [Mr. BULOW], the Senator from Illinois [Mr. DIETERICH], the Senator from New Jersey [Mr. MOORE], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Georgia [Mr. RUSSELL], the Senator from Massachusetts [Mr. WALSH], and the Senator from Montana [Mr. WHEELER] are detained on official business.

The Senator from Texas [Mr. CONNALLY], the Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr.

GORE], the Senator from Illinois [Mr. LEWIS], the Senator from West Virginia [Mr. NEELY], and the Senator from Nevada [Mr. PITTMAN] are unavoidably detained.

The result was announced—yeas 35, nays 32, as follows:

YEAS—35

Bachman	Caraway	Long	Reynolds
Bailey	Chavez	McAdoo	Robinson
Barkley	Fletcher	McKellar	Schwellenbach
Benson	George	Minton	Sheppard
Bilbo	Guffey	Murray	Thomas, Okla.
Black	Hatch	Norris	Thomas, Utah
Bone	Hayden	Overton	Truman
Brown	Johnson	Pope	Wagner
Byrnes	Loftin	Radcliffe	

NAYS—32

Adams	Carey	Gibson	Lonergan
Austin	Clark	Glass	McNary
Barbour	Coolidge	Hale	Maloney
Borah	Copeland	Hastings	Murphy
Bulkley	Couzens	Holt	Steiwer
Burke	Davis	Keyes	Townsend
Byrd	Frazier	King	Vandenberg
Capper	Gerry	La Follette	White

NOT VOTING—29

Ashurst	Duffy	Moore	Smith
Bankhead	Gore	Neely	Tydings
Bulow	Harrison	Norbeck	Van Nuys
Connally	Lewis	Nye	Walsh
Costigan	Logan	O'Mahoney	Wheeler
Dickinson	McCarran	Pittman	
Dieterich	McGill	Russell	
Donahey	Metcalf	Shipstead	

So Mr. ROBINSON's motion to lay on the table Mr. HASTING's motion to reconsider was agreed to.

Mr. ROBINSON. Mr. President, I offer an amendment, to which I ask the attention of the Senator from Colorado.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 6, after line 3, it is proposed to insert the following:

UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

For carrying out the provisions of the public resolution entitled "Joint resolution to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes", approved June 1, 1936, $200,000, to remain available until expended.

Mr. ROBINSON. Mr. President, I have offered the amendment at the instance of the senior Senator from Arizona [Mr. ASHURST], who is unavoidably absent because of the death of a member of his family. The amendment carries out the provisions of a measure which has been passed during the present Congress.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. ROBINSON. Mr. President, I again ask the attention of the Senator from Colorado [Mr. ADAMS] to an amendment which I send to the desk and ask to have stated. The amendment is to carry out the provisions of a bill which has not as yet passed the House of Representatives, but which has passed the Senate. I will state that if the bill does not pass the House of Representatives the amendment may be eliminated in conference.

It is necessary to offer the amendment because of the fact that otherwise it will be necessary to pass a separate joint resolution, and there may not be time afforded to consider such a separate measure. The amendment is intended to carry out the provisions of a bill providing for a contribution on the part of the United States to the proceedings commemorating the admission of the State of Arkansas into the Union.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 5, after line 7, it is proposed to insert the following:

To carry out the provisions of Senate Joint Resolution 229, providing for the contribution of the United States to the commemoration of the admission of the State of Arkansas to the Federal Union, $150,000.

The amendment was agreed to.

Mr. ROBINSON. Mr. President, I have another amendment which is in the same status as the amendment just adopted. This amendment is intended to carry out the provisions of Senate Joint Resolution 229, authorizing the Marine Band to visit Dallas, Tex., Shreveport, La., and Little Rock, Ark., in attendance upon certain assemblies there. The joint resolution has been favorably reported by a House committee, and is pending on the calendar in that body. It has already passed the Senate.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 62, after line 16, it is proposed to insert the following:

To carry out the provisions of Senate bill 4354, to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration, $11,500.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I invite the attention of the Senator from Colorado [Mr. ADAMS] to the amendment, which I send to the desk. It has received the approval of the Bureau of the Budget. It does not involve an additional appropriation but merely continues an appropriation already made.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. On page 93, after line 9, it is proposed to insert the following:

Commission to study the subject of Hernando De Soto's expedition: The unexpended balance of the appropriation "Commission to study the subject of Hernando De Soto's expedition, Department of State, 1936", is continued available for the same purposes until June 30, 1939, to enable the Commission to make its report to Congress as provided by the act entitled "An act extending the time for making the report of the Commission to study the subject of Hernando De Soto's Expedition", approved May 27, 1936.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I wish to recur to the amendment which I discussed with the Senator from South Carolina [Mr. BYRNES] a few moments ago. In order to partially cure his objection, although I am sure I could not cure his fundamental objection, I am going to offer the amendment with the word "knowingly" inserted in front of the word "receives", so that the amendment would read:

Or who solicits or knowingly receives any political contribution from persons for whom any portion of the foregoing appropriation for relief or work relief is intended.

Mr. BYRNES. Mr. President, after the Treasurer receives a dollar from any person, he knows he has received the dollar.

Mr. VANDENBERG. Oh, Mr. President, the Senator is quibbling.

Mr. BYRNES. If that is quibbling, it is the interpretation which any sensible person would put upon the language.

Mr. VANDENBERG. I think the Senator is so sensible that he knows what he is doing.

Mr. BYRNES. I cannot say that for the Senator from Michigan.

Mr. TYDINGS. Mr. President, perhaps the Senator would get a few votes on this side of the Chamber if he would strike out the words "or knowingly receives."

Mr. VANDENBERG. I modify my amendment according to the suggestion of the Senator from Maryland, and ask for the yeas and nays.

The VICE PRESIDENT. The amendment as modified will be stated.

The CHIEF CLERK. On page 32, in line 24, after the word "doing", it is proposed to insert the following:

Or who solicits any political contributions from persons for whom any portion of the foregoing appropriation for relief or work relief is intended.

So as to make the paragraph read:

Any person who knowingly and with intent to defraud the United States makes any false statement in connection with any application for any project, employment, or relief aid under the foregoing appropriation, or diverts, or attempts to divert, or assists in diverting for the benefit of any person or persons not entitled thereto, any portion of the foregoing appropriation, or any services or real or personal property acquired thereunder, or

who knowingly, by means of any fraud, force, threat, intimidation, or boycott, or discrimination on account of race, religion, or political affiliations, deprives any person of any of the benefits to which he may be entitled under the foregoing appropriation, or attempts so to do, or assists in so doing, or who solicits any political contribution from persons for whom any portion of the foregoing appropriation for relief or work relief is intended, shall be deemed guilty of a misdemeanor and fined not more than $2,000 or imprisoned not more than 1 year, or both.

Mr. BYRNES. Mr. President, with the modification of the amendment as suggested by the Senator from Maryland, so far as I am concerned I have no objection.

Mr. BORAH. Mr. President, I should think the Senator from South Carolina and all other Senators would be in favor of the proposition.

Mr. BYRNES. I have said I have no objection.

Mr. BORAH. In my opinion, it is ineffective as it is now proposed. If we strike out of the amendment the words "knowingly receives for political purposes", in my opinion, we have emasculated the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Michigan as modified.

The amendment as modified was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its enrolling clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 11418. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes; and

H. R. 12027. An act to authorize the execution of plans for a permanent memorial to Thomas Jefferson.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

Mr. SHEPPARD. Mr. President, I offer the amendment which I send to the desk. It is based on a supplemental Budget estimate.

THE VICE PRESIDENT. The amendment offered by the Senator from Texas will be stated.

The CHIEF CLERK. On page 53, after line 20, it is proposed to insert:

Special projects: For establishing and improving aids to navigation and other works, including the construction, or purchase, and equipment of a lighthouse tender at a cost not to exceed $125,000, as may be specifically approved by the Secretary of Commerce, $402,000, to continue available until June 30, 1938.

Mr. SHEPPARD. As I have said, Mr. President, this amendment is based on a supplemental Budget estimate.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Texas.

The amendment was agreed to.

Mr. BYRNES. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 94, line 20, after the word "fund" and before the period, it is proposed to insert a colon and the following proviso:

Provided, That this fund shall also be available to the Secretary of the Treasury to pay each Federal land bank such amount as the Land Bank Commissioner certifies to the Secretary of the Treasury is equal to the amount by which interest payments on mortgages held by such bank have been reduced during the fiscal year beginning July 1, 1936, in accordance with the provisions of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act, as amended.

Mr. BRYNES. Mr. President, in explanation of the amendment I will say that the Senate today passed a House bill, the enactment of which will make necessary a change in the language on page 94 in order to make the fund available for the purposes intended.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk, and call it to the attention of the Senator from Colorado in charge of the bill.

The VICE PRESIDENT. The amendment offered by the Senator from Wisconsin will be stated.

The CHIEF CLERK. On page 59, after line 12, it is proposed to insert a new paragraph, reading as follows:

Support of Indians and administration of Indian property (tribal funds): Appropriations from tribal funds of the Menominee Indians of Wisconsin, fiscal years 1935, 1936, and 1937, for general support of Indians and administration of Indian property (Keshena Agency), are hereby made available for hospitalization of Indians under contracts for such service for such fiscal years, and the Comptroller General of the United States is hereby authorized and directed to allow credit in the accounts of disbursing agents of the United States for payments heretofore made on this account.

Mr. LA FOLLETTE. Mr. President, for the benefit of the Senator from Colorado I will say that this amendment is to take care of a situation caused by a ruling of the Comptroller General on May 4, 1936, disallowing a contract for the lease to the Bureau of Catholic Indian Missions of the hospital building, nurses' home, physician's cottage, and other buildings of the Keshena Indian Agency, Keshena, Wis. The plan for the care and hospitalization of the Indians was laid before the committee when the 1936 appropriation bill was under consideration. However, this ruling of the Comptroller General upsets the estimates; and unless this contract shall be authorized, the amount available will be short about $40,000. I therefore hope the amendment will be adopted.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. GEORGE. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 128, after line 11, it is proposed to insert a new section, to be known as section 7 (c), as follows:

(c) Not more than $2,000,000 of the sums appropriated by section 2 of the Independent Offices Appropriation Act, 1937, for carrying out sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act shall be available to the Department of Agriculture for the purposes of carrying out such act with respect to land devoted to growing trees for the production of gum turpentine and gum rosin.

Mr. GEORGE. Mr. President, let me say merely that this amendment does not add any new appropriation. It is both a restriction and a recognition of the right and power of the Secretary of Agriculture to utilize, for the purposes stated in the amendment, a portion of the appropriation heretofore made for the administration of the Soil Erosion Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. BILBO. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 33, after line 2, it is proposed to insert the following paragraph:

No part of the funds or moneys appropriated under this title no. 2 shall be used to pay the salaries or expenses of any person who is a candidate for any State, district, county, or municipal office (such office requiring full time of such person or to which office a salary attaches) in any primary, general or special election, or is serving as a campaign manager or assistant thereto for any such candidate, or is a member of any campaign committee organized to promote the political interest of any candidate for such office, or holds, either by appointment or election, any public office, and such persons shall not be employed or continued in employment on administration's staffs of any agency administering any of the funds herein appropriated: *Provided further*, That this prohibition or ineligibility shall apply to any person employed or seeking employ-

ment on nonrelief supervisory personnel on such agency projects, as well as on State, district, and field representative staffs thereof.

Mr. BILBO. Mr. President, this is an amendment which I am sure no good Democrat would vote against, and which every loyal Republican ought to vote for.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi.

The amendment was agreed to.

Mr. BYRD. Mr. President, I offer an amendment to be inserted on page 36. I send it to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Virginia will be stated.

The CHIEF CLERK. On page 36, after line 8, it is proposed to insert the following:

The appropriation of $1,425,000,000, and all sums making up this total, contained in title II of this act, are hereby reduced by 20 percent.

Mr. BYRD. Mr. President, the Senate has added $300,000,000 to this bill for work relief by making available $300,000,000 of securities to the Federal Emergency Administrator for Public Works. The purpose of my amendment is to reduce proportionately the amounts carried in the bill under the item of $1,425,000,000 for the Works Progress Administration by approximately the amount which has been appropriated for the Public Works Administration.

At this late hour I do not wish to take the time of the Senate, except to call attention to the fact that if the bill shall be passed in its present form the Government will spend, for the fiscal year beginning July 1, 1937, $1,000,000,000 more than for the fiscal year we are now in for the ordinary expenses of government and for recovery and relief, excluding the bonus payments.

I think the people of the country have the right to expect that when conditions improve the expenditures of the Government shall be reduced; and, as I have said, if the bill shall be passed in its present form, we shall spend next year $1,000,000,000 more than this year, and we shall spend three and a half billion dollars more than for 1933.

I hope the Senate may reduce the amount carried by this appropriation bill to the point recommended by the President, because we have added $300,000,000 more than the President recommended and more than was included in the bill as it was passed by the House of Representatives.

Mr. COPELAND. Mr. President, I should like to have the attention of the chairman of the Committee on Appropriations, if I may. The conferees are in full agreement regarding the items in the omnibus flood-control bill. That bill makes provision for an expenditure this year of $50,000,000. In the Overton bill, relating to the lower Mississippi flood work, there are certain transfers made to carry on the work under that measure so that it will not be necessary, probably, to make any new appropriation, but it will be necessary if we are to have the flood-control activities carried out this year to ask for $50,000,000. The question I am addressing to the chairman of the Committee on Appropriations is whether we should ask now that the $50,000,000 be added to the pending deficiency bill, or whether we should wait until action has been completed on the proposed legislation and ask for a supplementary estimate and an appropriation?

Mr. GLASS. Mr. President, I do not think we contemplate any other deficiency bill at this session of the Congress.

Mr. COPELAND. Of course, we have no Budget estimate for this item. We have the legislation, but the matter has not been submitted to the Bureau of the Budget.

Mr. GLASS. It might be taken care of by a joint resolution.

Mr. COPELAND. What is the advice of the chairman of the Committee on Appropriations and, perhaps, of the chairman of the subcommittee? What should we do about the matter?

Mr. GLASS. I should think the Senator would better endeavor to attend to it by a joint resolution of the two Houses. The advice of the chairman of the Committee on Appropriations is never to include anything in an appropriation bill which has not been before the Bureau of the Budget for an ordinary estimate.

Mr. COPELAND. May I ask the chairman of the subcommittee what is his feeling about the matter?

Mr. ADAMS. I am in entire accord with the chairman of the committee.

Mr. COPELAND. Very well. Then I want Senators to be on notice that there are 40 States interested in this bill, and sometime before final adjournment it will be necessary to ask for an appropriation to carry on the flood-control work.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to the amendment offered by the Senator from Virginia (Mr. BYRD).

The amendment was rejected.

Mr. THOMAS of Oklahoma. Mr. President, on the 26th of May the President sent to the Senate a number of supplemental estimates. There are three of these which pertain to the Indian Service, and because of that fact, I presume, they have been placed in my hands for presentation to the Senate.

One of the amendments provides for support of the Indians and administration of Indian property, calling for an appropriation of $11,500. I ask permission, after the several amendments have been acted upon, to insert the justifications for them in the RECORD.

Another amendment is in pursuance of an act passed by the Congress on April 10, 1936, Private Act No. 448. It carries an appropriation of $504.41, and it is in the nature of a private claim for Mrs. Earl H. Smith.

The third item is for $10,000, to replace a dairy barn, a hay shed, and milk house at the Jones Academy in Oklahoma.

I offer the three amendments, and ask that the justifications be printed following the action on each amendment.

The PRESIDING OFFICER. The clerk will state the first amendment.

The CHIEF CLERK. It is proposed, on page 60, after line 14, to insert a new paragraph, as follows:

Payment to Mrs. Earl H. Smith: For payment to Mrs. Earl H. Smith, administratrix of the estate of Earl H. Smith, as authorized by the act of April 10, 1936 (Private 448, 74th Cong.), fiscal year 1937, $504.41.

Mr. ADAMS. Mr. President, the Committee on Appropriations was created, I have always assumed, to carry out certain definite functions. We have always tried to get information in reference to items which have been brought before us. I am merely using the pending amendment as a reason for making the statement I desire to submit, because the Senator from Oklahoma commented on the fact that the amendment came in late.

These estimates, along with a number of others, came to the committee after the subcommittee had ceased its hearings, and just as the committee as a whole were adjourning. We have had no chance to consider these items. There are a number of other amendments offered from the floor in the same situation, and I feel that if the Senate Committee on Appropriations, and particularly the subcommittee, are to be of any service to the Senate, Budget estimates and various amendments ought to be submitted to those committees in time to have hearings and to obtain some information.

We go to conference on these matters, and we are very promptly asked by the conferees from the House, "Did you have any hearing on these matters?" They ask us what we know about them. The House has made a rather uniform practice of holding hearings upon their items. They come to conferences better prepared than we are, and we are given no chance; we are expected to go into a conference representing the views of the Senate; yet we have no information as to these items, and amendment after amendment and appropriation after appropriation is flooded out across the floor and the conferees are then expected to make a defense and a support of such amendments.

I am not directing my remarks to this particular amendment, but discussing a general situation which embarrasses the conferees.

Mr. THOMAS of Oklahoma. Mr. President, I recognize the full force of the statement made by the Senator from Colorado, but the Indians are the wards of the Government, and they are not responsible for public officials not sending in their estimates. Of all persons in the Nation, these wards should not be taken advantage of, and I submit that these small items, only nominal, should be included in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma has asked unanimous consent that the justification for the amendment be printed in the RECORD at this point. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

PAYMENT TO MRS. EARL H. SMITH

This item is submitted pursuant to the act of April 10, 1936, reading as follows:

"That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $504.41 to Mrs. Earl H. Smith, administratrix of the estate of Earl H. Smith, for labor performed by the said Earl H. Smith in full settlement in the construction of the Indian hospital at Tomah, Wis."

This legislation grew out of a claim by Earl H. Smith for compensation for labor performed in connection with the construction of an Indian Service hospital at Tomah, Wis., in 1932. The original claim, amounting to $519, was based on the following:

200 hours of employment, June 1932, at $1.50	$300
180 hours of employment, July 1932, at $0.75	135
112 hours of employment, August 1932, at $0.75	84
Total	519

The difference of $14.59 represents an overpayment made to Mr. Smith while he was employed, which overpayment was never collected.

The period covered by the claim represents the time when the construction job was closed down because of uncertainty as to whether or not the appropriation was sufficient to complete the job. While responsibility for construction work rested with the superintendent of construction for the northwest area, the superintendent of the Tomah School ordered the work to cease until he had an opportunity to establish definitely that available funds were sufficient to complete the work. Notwithstanding the order of the local superintendent the construction supervisor directed Mr. Smith to remain on the job, inasmuch as the building had recently been plastered and it was necessary that appropriate steps be taken to see that the plaster was properly cured. Mr. Smith of course expected to receive compensation for his services. The superintendent of construction was a comparatively new employee and had not yet become thoroughly conversant with the various regulations of the Indian Service. He was unaware of the fact that he had no authority to obligate the funds for this project.

The Comptroller General had given consideration to a similar case and issued a ruling thereon under date of September 30, 1931 (A-38364). The Comptroller said in part: "As * * * his employment was temporarily suspended * * * and as there was no authority in the superintendent (of construction) to arrange or contract with him for payment of compensation when no services were being performed and no construction being done, he could not be paid for the period in question even if the superintendent (of construction) did advise him that he would be "paid in full."

He further held that "it is apparent that if the former superintendent (of construction) did ask the claimant to remain he exceeded his authority and that the United States is not bound by his action. All persons dealing with officers of the Government are chargeable with knowledge of the limited authority they may have of binding the Government."

It has been determined that Mr. Smith did render service during the time claimed. It will be noted from the tabulation above that the rate of pay for the months of July and August is only one-half of the amount claimed per hour for the month of June. The local superintendent contended that Mr. Smith could not perform any work in connection with the project because the building was padlocked. He further stated that the foreman of a gang doing repair and improvement work on the school plant attended to the airing of the building during a portion of the period when work was suspended. When Mr. Smith presented his claim to the Indian Office it was held that he was not entitled to pay from June 1 to August 17. The basis for that action was twofold—(a) that the job was closed down and (b) the rulings of the Comptroller General prohibited the payment in question.

It appears from the record, however, that there was considerable misunderstanding, particularly on the part of the superintendent of construction. He was acting in good faith and Mr. Smith was relying upon the directions issued by the superintendent of construction.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Oklahoma [Mr. THOMAS].

The CHIEF CLERK. It is proposed on page 59, after line 19, to insert the following:

Indian boarding schools (Jones Academy, Oklahoma): For dairy barn, hay shed, and milk house, Jones Academy, Oklahoma, fiscal year 1937, $10,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma has asked unanimous consent to have the justification for the amendment printed in the RECORD at this point.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

INDIAN BOARDING SCHOOLS

The amount here requested is to restore facilities recently destroyed by fire. Jones Academy, located near Hartshorne, Okla., accommodates approximately 175 boys, mostly members of the Choctaw Tribe. The school maintains a dairy herd, both for the production of milk for the school, and instruction purposes for the older boys. Plans and estimates have been prepared covering the facilities to be replaced. The dairy herd at present consists of 22 animals, but there are no facilities for caring for the herd or the milk produced by it.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Oklahoma.

The CHIEF CLERK. On page 59, after line 12, it is proposed to insert the following:

SUPPORT OF INDIANS AND ADMINISTRATION OF INDIAN PROPERTY

For an additional amount for general support of Indians and administration of Indian property, including pay of employees authorized by continuing or permanent treaty provisions, fiscal year 1937, $11,500.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma asks unanimous consent to have the justification for the amendment printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

SUPPORT OF INDIANS AND ADMINISTRATION OF INDIAN PROPERTY

This additional amount is needed to finance the added burdens placed upon the Indian Service by reason of the enactment of the act of February 11, 1936 (Public, No. 441, 74th Cong.), reading as follows:

"That from and after 30 days from the date of approval of this act the restricted lands belonging to Indians of the Five Civilized Tribes in Oklahoma of one-half or more Indian blood, enrolled or unenrolled, may be leased for periods of not to exceed 5 years for farming and grazing purposes, under such rules and regulations as the Secretary of the Interior may prescribe and not otherwise. Such leases shall be made by the owner or owners of such lands, if adults, subject to approval by the superintendent or other official in charge of the Five Civilized Tribes Agency, and by such superintendent or other official in charge of said agency in cases of minors and of Indians who are non compos mentis."

The purpose of this legislation is outlined in a letter dated March 2, 1935, addressed to the chairman of the Committee on Indian Affairs, United States Senate, by the Secretary of the Interior. The following quotations are from this letter:

"Since the passage of the act of May 10, 1928 (45 Stat. 495), section 2 of the act of May 27, 1908 (35 Stat. 312), which was designed to give the greatest measure of protection to the Indians in the leasing of their homestead allotments, fails to give the protection necessary best to serve and protect the welfare of the Indians. By reference to section 2 of the act of May 27, 1908, it will be noted that lands allotted as surplus allotments may be leased by the Indians for 5 years without approval, while homestead allotments were protected against leases for more than 1 year without approval of this Department. (The special estate for after-born children created by sec. 9 of the act of May 27, 1908, expired Apr. 26, 1931.) But the original homestead allotment is not always the actual homestead of the Indian, because in many instances the lands designated as tax-exempt under section 4 of the act of May 10, 1928, are not homestead allotments. The tax-exempt selections are mostly tracts which include the best lands or the lands on which the Indians have established their permanent homes. They may be from either the original homestead or the original surplus allotment; and we desire that the Indians be afforded ample protection in the future leasing of such lands. The tax-exempt acreage in many cases is all that the Indians have remaining, and experience has shown that through the making of long-term leases the Indians in many instances will practically lease themselves out of a home.

"The enclosed draft of bill makes no distinction in the leasing of homestead, surplus, or tax-exempt lands. I can see no logical basis for any distinction as the remaining restricted Indians of the

Five Civilized Tribes are those in most need of supervision and their land holdings in most cases are considerably less than when their allotments were originally made. But few, if any, heirs among them who would come under the provisions of the bill, have inherited and retained as much as an entire allotment."

Under this recent enactment no agricultural leases can now be made by a member of the Five Civilized Tribes of one-half or more Indian blood, enrolled or unenrolled, without approval of the superintendent. It has been estimated that not more than 5 percent of the leases for farming and grazing purposes in the Five Tribes are departmental. The Five Tribes area covers 40 counties, or 30,000 square miles. From figures obtainable at present it appears there are about 12,000 living restricted enrolled Five Tribes Indians. To this should be added approximately 16,000 unenrolled in the restricted class, making a total of 28,000 restricted Indians. Our records show there are 1,511,769 acres of land held by restricted Indians as tax exempt. Probably 75 percent of the restricted Indians will have some land which they desire to lease for farming and grazing purposes. These figures give some idea as to the magnitude of the work to be done in handling leases under the new act.

The following tabulation shows the approximate division of the estimate:

5 land appraisers at $1,800 each	$9,000
5 automobiles at $650 each	3,250
Traveling expenses, $600 per man per year	3,000
2 clerks, headquarters' office, at $1,620	3,240
Office equipment, supplies, and miscellaneous	1,460
	19,950
Less savings due to delays in filling positions	8,450
Total estimate	11,500

This represents our minimum requirement for the coming fiscal year. No other funds are available to meet this added expenses.

Mr. BARKLEY. Mr. President, I rise to make an inquiry of the Senator from Colorado. I have just had handed to me a telegram from the mayor of Lexington, Ky., calling attention to the fact that there is a rumor that the pending bill contains a limitation as to the time during which or prior to which applications for allotments under the P. W. A. appropriation must be made, fixing March 31 as the date on which he says they must have been in. I have examined the bill, and I find no such limitation in the bill.

Mr. ADAMS. The only approach to a limitation is the provision as to the year 1938.

Mr. BARKLEY. That is the time when the projects must be completed. Of course, an application has to be made before work can begin.

Mr. ADAMS. Certainly.

Mr. BYRNES. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 30, line 5, after the word "sums", to insert the words "not exceeding $50,000,000."

Mr. BYRNES. Mr. President, I ask unanimous consent that the vote by which the amendment as amended, commencing on page 29, line 24, was adopted, be reconsidered, in order that my proposed amendment to the amendment may be considered.

I desire to say to the Senate that when this committee amendment was agreed to, the committee was informed that the amount involved was not in excess of $50,000,000. Upon investigation I find that the unexpended balances exceed that sum, and I want the bill specifically to provide that not exceeding $50,000,000 shall be available for the purpose named.

The PRESIDING OFFICER. The Senator from South Carolina asks unanimous consent to reconsider the vote by which the amendment, as amended, beginning in line 24, page 29, was agreed to. Is there objection? The Chair hears none, and the vote by which the amendment, as amended, was agreed to is reconsidered.

The question now is on agreeing to the amendment offered by the Senator from South Carolina to the amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. FRAZIER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 61, after line 18, it is proposed to insert the following:

Studies of sub-bituminous and lignite coal: For studies, investigations, and experiments with respect to sub-bituminous and lignite coal, as authorized by the Act of May 15, 1936 (Public, No. 591, 74th Cong.), for the fiscal year ending June 30, 1937, $40,000.

Mr. FRAZIER. Mr. President, this amendment simply carries out an authorization in the bill that was approved by the President on May 20. The item was sent to the committee on the last day the bill was being considered—one of those late reports—and the committee did not have time to consider it on the day they reported out the bill. The amendment simply provides for an investigation to be made by the Bureau of Mines. The bill was approved by the Bureau of Mines and the Secretary of the Interior, and also by the Bureau of the Budget. The Secretary of the Interior states that it will work in with the investigations they are making in fuel tests under the regular appropriation bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. BULKLEY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 83, after line 12, it is proposed to insert:

To carry out the provisions of Senate bill no. 267, Seventy-fourth Congress, first session, entitled "An act for the relief of certain officers and employees of the Foreign Service of the United States, who, while in the course of their respective duties, suffered losses of personal nature", to remain available during the fiscal year 1937, $20,647.25.

Mr. BULKLEY. Mr. President, the amendment is to carry out the provisions of a bill which has been passed by both Houses of Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I now desire to offer a substitute for title II. I am going to accommodate the Senate's mood by making it possible to have a vote upon the proposed substitute in 3 or 4 minutes.

I discussed this matter completely 2 weeks ago, and so did the able Senator from Arkansas [Mr. ROBINSON] upon the other side, and the able Senator from South Carolina [Mr. BYRNES], with his usual correspondence from the Budget Director.

I think perhaps I can save time if, instead of having the substitute read, I briefly indicate its contents, because I have no illusions as to what is about to happen to it. [Laughter.] I simply wish to make the record, because the record may be important.

Mr. President, those of us who have labored upon the substitute are proceeding on the theory that relief cannot be reduced to a reasonable basis of cost, and waste and extravagance and political exploitation eliminated, except as we return those responsibilities to the States. The substitute returns to the States the responsibility for relief decisions and the responsibility for relief administration.

It is the theory of those who have worked upon the substitute that when the Federal Government provides the grants-in-aid, and those grants-in-aid are matched on the basis of 35 to 65 by the States, the net result will be an inevitable re-creation of home responsibility, which will produce the essential economies which the situation in which the country finds itself desperately cries out for. It is the further theory of those who present the substitute that those who are on relief will be infinitely better off under the theory and purpose of the substitute, because when the funds are returned to local responsibility they are returned to those who intimately know the needs and necessities of those who are on relief; and under the terms and purpose of the substitute, relief will be administered on a basis of equity instead of on a basis of politics in any aspect.

Mr. President, the mathematics of the substitute is simply this, and then I am done: Precisely the same grand total of $1,425,000,000 is provided in the substitute that is provided in the pending bill itself; but only $1,000,000,000 is provided for regular allocation, and the other $425,000,000 is set aside for allocation for emergencies at the discretion of the President if he finds that $1,000,000,000 will not pay the bill.

It is the belief and conviction of those who have prepared the substitute that under this different method of administration and decision and responsibility, $1,000,000,000 will do everything that $1,425,000,000 would do under the present and existing system, and that $1,000,000,000 will buy more actual relief for those who are suffering and in need of relief.

Therefore, Mr. President, I ask unanimous consent to suspend the reading of the amendment. I ask for the yeas and nays upon the general proposition which I have briefly outlined, and with which, I know, the Senate is completely familiar in detail. I ask that the substitute amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. The Senator from Michigan asks that the reading of the substitute amendment which he offers be dispensed with. Is there objection? The Chair hears none. The substitute amendment will be printed in the RECORD at this point.

The amendment, in the nature of a substitute, is as follows:

As a substitute for title II, as amended, it is proposed to insert:

"To provide adequate home relief and/or work relief, including the cost of administration thereof, in the United States and its Territories and possessions, in cooperation with these subdivisions and on the basis of their administrative responsibility and pursuant to their decisions respecting the character of relief within their jurisdictions, $1,425,000,000, to remain available until June 30, 1937, subject to the following terms and conditions:

"(a) This appropriation shall be available for payment of grants-in-aid to the States, Territories, and possessions in the following classifications: (1) $425,000,000 for emergencies and (2) $1,000,000,000 for regular allocations.

"(b) The sum designated for emergencies shall be available for grants-in-aid by order of the President to meet any extraordinary or unforeseen contingencies, according to the discretion of the President, and without regard to any other requirements in this section: *Provided*, That this sum also shall include the expense of Federal administration of the entire relief appropriation.

"(c) The sum designated for allocations shall be allocated by the President at his discretion with due and equitable regard for all of the following factors: (1) Relative population; (2) relative unemployment; (3) relative living costs, including seasonal and climatic conditions; and (4) relative financial resources.

"(d) The sums allocated under subsection (c) shall be paid on a quarterly basis by order of the President to the States, Territories, and possessions when (1) the governor of each subdivision or the District Commissioners, in the case of the District of Columbia, shall have certified to the President that he has appointed a bi-partisan board of relief trustees, who shall become custodians for the receipt and disbursement of the Federal grants-in-aid; and when (2) each such board of relief trustees shall have certified to the President that its subdivision or any unit thereof has provided, or is prepared to provide, not less than 35 percent of the cost, either in money, materials, services, equipment, or other contributions, of the relief programs, including cost of administration, which each such board of relief trustees shall designate to receive the Federal grants-in-aid.

"(e) Each subdivision shall decide through its own duly constituted authorities, with the approval of its board of relief trustees, what type of relief shall be undertaken, and each subdivision shall assume full administrative authority therefor: *Provided*, That any such relief shall be distributed without discrimination on account of race, religion, or political affiliations. Any person who knowingly violates this proviso in connection with the allocation or administration of any such grant, or who knowingly makes any false statement in connection with any applications or reports that may be required by this section, or who solicits or receives political contributions from any other person on relief or connected with the administration thereof, shall be deemed guilty of a misdemeanor and fined not more than $2,000 or imprisoned not more than 1 year, or both.

"(f) Each board of relief trustees shall furnish such reports from time to time as may be required by the President, and shall account for the expenditures of all Federal funds disbursed by it, and such reports shall include comprehensive information respecting all phases of relief needs that may be required hereafter in determining future grants-in-aid."

Mr. BORAH. Mr. President, I understand the Senator from Michigan has called for the yeas and nays.

The PRESIDING OFFICER. That is correct.

Mr. BORAH. I desire to say a word before the yeas and nays are ordered. Something like 18 months ago I made some investigation as to what was considered waste and extravagance in administering this relief fund. I was advised on numerous occasions by Mr. Hopkins or his representatives that by reason of the fact that this fund was being administered largely by local authorities, to whom he had granted the fund, he was unable to keep control and unable to enforce his ideas of economies in regard to it. I came to the conclusion that Mr. Hopkins was correct in his view. I cannot believe that it is in the interest of economy or in the interest of better administration of the fund for one sovereignty to contribute the fund and for another to administer it?

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. VANDENBERG. I should like to give the Senator just one exhibit which was submitted to the committee to demonstrate what happens by way of stupendously increased burden under the existing system. The president of the Borough of Queens in New York testified that under local control 11,000 cases were handled with 275 administrators, while under the new system 16,000 cases required 2,056 administrators; and I submit to the Senator that the elimination of that character of duplication and overlapping and multiplication is the thing which would permit economy, in my humble judgment.

Mr. BORAH. Mr. President, I do not know what the situation is or what the facts are with reference to that particular matter, but I do know that politics do not stop at State lines. I do know that political administration will be just the same whether it is under the control of the State authorities or whether it is under the control of the national authorities, just because of the proposition that the people at home who are administering the fund are administering a fund from the National Government. They are not administering a fund from the State government except in a limited degree. They are administering the fund from the National Government. This tends to dissipate a sense of responsibility.

It is calculated to bring about a less sense of responsibility when they are administering a fund under those conditions than if they were administering a fund at home. If the entire fund were to be raised by the States and the people at home were conscious of the fact that in accordance with the way in which they spent it they should be taxed, that would be one thing. But we know that while it is true that the taxpayer is the same under the National Government and the State government, nevertheless when we are actually raising the fund by one sovereignty and turning it over to another, we leave an interim where the looseness of administration takes place.

I made a rather extended investigation of that matter in connection with Mr. Hopkins and came to the conclusion that we ought to fix responsibility somewhere and that the responsibility ought to be fixed upon the agents of that sovereignty which contributes the larger portion of the fund.

Let us suppose that we send this money into certain States; what will be the difference after it gets there in the administration now and the administration then? The same condition will exist with reference to the administration of it. The same agencies, the same authorities, with reference to distribution, will exist in the States then as they do at the present time. But there will be this additional fact, which is calculated to make them less economical and less responsible, and that is that they are distributing another sovereign's money. I do not believe that is calculated to bring about economy or bring about any better administration. On the other hand, I think it is calculated to bring about the reverse.

Of course, I know there is waste in administering such a large fund. I know there is extravagance in administering it. I say frankly I do not know of any way to prevent it except through the sense of responsibility of those who administer it. I think that sense of responsibility is much

greater if it is administered by those who are responsible for the fund. If, in other words, the national administration goes before the country responsible for these continued increases in the amount of money which is to be distributed, it seems to me the sense of responsibility is very much greater than if they go before the country having provided the funds but saying they turn them over to the States to administer and are not responsible for what the States do. I do not want to wipe out that sense of responsibility. Someone will have to be held responsible for it sometime. Let those be responsible for it who are administering funds of their own and not administering somebody else's funds. I believe in holding those who ask for the money of taxpayers responsible for its economical disbursement. I do not believe in this divided responsibility. It of itself begets waste and extravagance.

Mr. SCHWELLENBACH. I have a feeling that the proposal presented by the Senator from Idaho [Mr. BORAH] should not pass without some challenge from this side of the Chamber. Owing to the lateness of the hour, I shall proceed but briefly.

I think so long as we have heard from distinguished members of the opposition party, many of whom are prominently mentioned as possible candidates for the Presidency, we should also hear from another of those prominently mention for nomination as the Republican candidate for the Presidency. I refer to the Governor of Kansas, Alfred M. Landon, and desire to point out a few of the statements made by the honorable Governor of Kansas prior to the time he was recognized by the newspapers as one of the outstanding candidates for the Republican nomination.

Last November, speaking to the unemployed of the State of Kansas, he said:

I am confident the President and the W. P. A. are doing all in their power to get the people to work.

In a radio broadcast August 4, 1934, Governor Landon of Kansas said:

In working out this plan, the Federal Government will be offering Kansas not only temporary relief, but something of great permanent value.

In a radio address delivered at Topeka, August 4, 1934, Governor Landon said:

Relief authorities are now launching a huge water-conservation program that will be of immeasurable aid to stricken farmers now requiring aid, as well as tremendous value in the future.

Speaking again on July 24, 1934, Governor Landon said:

The Government of the United States is making available refunds and loans to assist us through this emergency.

On May 21, 1934, Governor Landon of Kansas said:

It would be good business in my opinion for Kansas to borrow every dollar it can get under the P. W. A.

May 13, 1934, Governor Landon said:

We will take all the money we can get from the Federal Government.

April 17, 1934, in a letter to President Roosevelt, Governor Landon said:

This civil-works program is one of the soundest, most constructive policies of your administration, and I cannot urge too strongly its continuance.

In an interview with the Associated Press, April 9, 1934, Governor Landon said:

There were no payless days for work-relief applicants.

In a wire to Harry Hopkins July 16, 1933, Governor Landon said:

I earnestly urge that your plans make provision for relief on the basis of not only the physical needs of families, but also of the educational requirements of the next generation.

Speaking in Topeka, March 26, 1933, Governor Landon said:

I also desire to acknowledge in a tangible way the appreciation of the people of my State of the courage with which President Roosevelt has attacked the depression.

So long as we are to have testimony from a possible Republican candidate for the Presidency, I think we should have the testimony of one who, unfortunately, so far as those of us who have a very great respect for the Members on the other side of the aisle are concerned, the newspapers seem to think is the leading candidate. Until the time of Mr. Hearst's visit to the capital of Kansas, Governor Landon was repeatedly and insistently praising the administration for its relief work.

I have very sincere respect for the intellectual honesty and ability of the Senator from Michigan [Mr. VANDENBERG]. He feels if we can bring the administration of relief back to the States, if we can bring it back so that those in contact with the people are able to administer it, we will get more efficiency, we will get more for our money, and there will be less politics and less possibility of graft. If the Senator from Michigan were correct in that contention, then it would be reasonable that history would have taught us in this country that the most efficient governments, those most directly in touch with the people, would be the city and the county governments. Yet it is a well-recognized fact that we have had more inefficiency, more dishonesty, more graft, more politics connected with our county and city governments, which are right there directly connected with the people, than we have had in our State and National Governments.

Let me read from another gentleman mentioned at times in reference to public affairs, Charles Taft. In a book entitled "City Management", having reference to the "Cincinnati experiment", also quoted in American Commonwealth by James Bryce, it was said:

There is no denying that the government of cities is the one conspicuous failure of the United States. The deficiencies of the National Government tell but little for evil on the welfare of the people. The faults of the State governments are insignificant compared with the extravagance, corruption, and mismanagement which mark the administrations of most of the great cities. For these evils are not confined to one or two cities. * * *

Let me read from a book entitled "American State Government", by John Mabry Matthews, of the University of Illinois:

* * * Graft in county government is just as old-fashioned as county government itself, just as much behind the times, just as lacking in modern refinement. When you enter county politics, you step back into the days of Tweed. If you protest at things you find, you get the same answer, "What are you going to do about it?" and there isn't much you can do.

Let me read briefly from Essentials of American Government, written by Dr. Frederick A. Ogg, of the University of Wisconsin, and Dr. P. Orman Ray, of the University of California, as follows:

"Inefficiency and needlessly expensive methods prevail widely in the transaction of county business in general, and particularly in the handling of county finances and the management of county jails and charitable or welfare institutions. In the more populous counties one often finds an excessive number of employees on the county pay roll owing to spoils considerations. All too frequently there is nothing worthy of the name of county budget; illegal expenditures, made either in disregard or in ignorance of the law, are not at all uncommon. Often there is lacking anything that an ordinary businessman would recognize as an accounting system; and when there is something of the kind it is seldom uniform for all of the county offices. So crude has been county bookkeeping at times that a newly elected county board has been unable to ascertain the bonded indebtedness of the county, the amount of outstanding obligations, and the volume of uncollected taxes, or to secure other essential information. Waste and extravagance often characterize the granting of salaries or other forms of compensation by county boards, the purchase of supplies, and the incurring of indebtedness."

These are the institutions of government which are closest to our people. It has been proved in this country that we have more graft, more corruption, more inefficiency in those governments than in the Federal or the State governments. Therefore the argument which the Senator from Michigan presents—that if we will simply take the administration of relief away from the Federal Government and give it back to the governments which are closer to the people we shall have more efficiency—has no basis and no foundation in the governmental history of our country.

I desire further to present for the RECORD a schedule which I have had prepared in reference to the participation by the various States in the various Federal agencies.

The disparity between the position of one State and that of another must of necessity be based upon one of three

things: Either constitutional limitations within the State, or a feeling of antagonism upon the part of the State administration, or a feeling of antagonism upon the part of the people of the State itself.

I have selected first among these activities the one in which the Senator from Michigan has always been most interested, the Federal Deposit Insurance Corporation. We find that there are five States in this country where State banks participated to the extent of 100 percent. There are two where the State banks participated to the extent of 99 percent. The percentage goes down until in the case of the State of Kansas the participation was 48.7 percent; in New Hampshire, 25 percent; and in Rhode Island, 22.2 percent.

I do not know why the State banks in these three States have refused to participate in this function of the Federal Government, which the Senator from Michigan has repeatedly told us is the outstanding accomplishment of this administration. It does not make very much difference why they have refused to participate, whether it is because of constitutional limitations or a feeling of antagonism upon the part of those in charge of the State governments; but if there is a range from 22 percent, on the one side, to 100 percent, on the other side, in a very desirable activity such as this, what sort of participation are we going to have in these relief activities when we call upon the people of the States to participate and to give their portion of the money?

I have had prepared a chart showing all the States and their participation in P. W. A., W. P. A., relief, State highway funds, old-age pensions, payments for dependent children, and payments for the blind. For example, we find the State of Arizona first on participation in the Federal Deposit Insurance Corporation and forty-third in the amount contributed to P. W. A. We find the State of Utah third on participation in the Federal Deposit Insurance Corporation, twenty-second in its contribution to P. W. A., and thirty-seventh in its State highway contribution. There is no way in which we can now tell the extent to which States can participate in this program.

When the Senator from Michigan spoke 2 or 3 weeks ago I propounded to him a question. He has certain standards by which Federal funds are to be given to the States, based upon population, the wealth of the States, the needs of the people of the States, and so forth. I propounded this question: "How long would it take us to conduct a survey which would enable us to know how much money the Federal Government should give to each one of the States?"

The Senator was unable to answer the question. I do not blame him for not answering it. The figures are not available. It does not do us any good, however, simply to bewail the fact that the figures are not available. If we should accept the proposal of the Senator from Michigan, I believe it would be a year before we should have the figures necessary in order to carry out his proposal; and I do not think the Senator from Michigan will challenge my statement that it would take from 6 months to a year to make a survey and a census of the country which would enable us to put one dollar to work under the program he proposes. Yet he expects us to attach his program to this bill, and the bill will become effective and the money will be needed at the end of this fiscal year.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point the summary which I have had prepared, showing the participation by the various States in the various Federal programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

The summary is as follows:

States	Percent of State banks (not member of Federal Reserve System) insured in Federal Deposit Insurance Dec. 31, 1935		Federal Emergency Relief Administration obligations, 1933–35				Public Works Administration percent of State and local funds through Feb. 29, 1936		Agricultural Extension, percent of local funds through June 30, 1936		State highways 1932, percent of local funds	
			Percent of local funds		Percent of State funds							
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Arizona	100.0	1	2.0	46	12.8	14	15.0	43	30.3	40	49.9	47
District of Columbia	100.0	2	26.7	9	0	42	36.5	29				
Utah	100.0	3	7.7	30	13.4	13	45.4	22	33.3	32	77.3	37
Vermont	100.0	4	42.7	3	.7	35	50.1	17	45.3	15	87.7	21
Wyoming	100.0	5	5.0	36	3.5	27	35.5	31	38.6	21	63.6	45
North Carolina	99.5	6	3.2	42	0	47	31.2	36	30.7	39	85.8	25
South Dakota	99.2	7	10.2	24	0	49	44.7	23	20.3	48	71.1	43
Louisiana	98.3	8	3.1	44	0	45			36.6	25	94.0	7
Montana	98.1	9	9.5	26	1.8	31	13.4	44	49.4	10	50.3	46
Oregon	97.7	10	11.3	20	9.3	19	42.8	24	53.6	8	88.2	20
Virginia	97.6	11	9.7	25	.1	41	33.4	35	38.1	24	86.0	24
Maryland	97.4	12	5.3	35	22.1	6	54.3	6	46.9	12	97.2	1
Illinois	96.3	13	4.5	39	20.1	7	46.6	20	47.7	11	91.7	13
Wisconsin	96.3	14	23.6	12	3.9	26	50.4	15	38.3	23	85.3	29
Tennessee	96.0	15	4.2	40	2.4	28	37.5	27	29.8	41	93.0	10
Florida	94.9	16	4.7	38	0	43	16.7	42	46.6	13	92.5	11
Ohio	94.6	17	7.3	31	15.0	12	46.3	21	32.0	34	85.5	27
Arkansas	94.5	18	2.8	43	.7	33	4.9	47	33.4	31	93.7	9
Mississippi	94.5	19	3.2	41	.6	37	27.9	37	35.8	27	84.7	30
New Mexico	93.3	20	1.2	48	2.3	30	17.6	40	35.9	26	73.0	41
New Jersey	92.6	21	7.9	29	23.7	4	18.8	39	56.2	6	95.6	4
Alabama	92.3	22	4.7	37	.6	36	16.8	41	29.1	42	85.3	28
Delaware	92.3	23	18.9	14	40.6	1	55.1	2	20.4	47	71.4	42
Minnesota	92.3	24	17.4	15	6.2	22	46.7	19	31.9	35	89.1	19
North Dakota	92.0	25	13.5	17	.2	40	35.1	32	32.0	34	65.5	44
California	91.4	26	16.0	16	16.3	10	29.2	25	58.8	3	85.5	26
Missouri	91.2	27	11.8	19	10.9	16	51.3	12	27.2	44	94.7	6
Massachusetts	90.9	28	47.3	1	.3	38	55.0	3	71.2	1	93.9	8
Michigan	90.7	29	11.2	21	15.3	11	20.5	40	40.8	19	84.0	31
Washington	90.7	30	6.2	32	12.1	15	54.3	7	26.3	45	87.6	22
Oklahoma	90.5	31	12.5	18	.7	34	37.3	28	31.0	38	96.4	2
Pennsylvania	89.8	32	5.6	33	23.5	5	50.1	16	40.3	20	94.8	5
Indiana	89.5	33	35.2	5	.2	39	52.3	11	46.0	14	86.5	23
Idaho	88.9	34	10.8	23	5.1	23	34.9	33	43.1	17	78.0	36
New York	88.4	35	29.7	8	17.3	9	34.9	34	69.4	2	89.8	16
Kentucky	86.8	36	8.2	28	5.0	24	22.6	38	31.5	37	89.6	17
West Virginia	86.7	37	2.7	45	8.8	21	13.4	45	35.0	29	96.3	3
Iowa	84.9	38	32.2	7	10.0	17	52.8	9	54.6	7	89.2	18
Texas	79.1	39	1.1	49	20.0	8	36.0	30	38.5	22	83.7	32
Nebraska	79.0	40	23.2	13	0	46	15.4	46	31.8	36	78.1	35
Colorado	78.6	41	11.0	22	4.5	25	54.0	8	32.3	33	74.2	40
Nevada	75.0	42	9.1	27	2.3	29	38.3	26	43.6	18	22.1	48
Georgia	73.6	43	5.3	34	0	44	49.5	18	33.7	30	76.5	38
South Carolina	72.7	44	2.0	47	0	48	74.6	1	27.7	43	91.0	14
Connecticut	69.2	45	46.0	2	9.9	18	54.9	5	58.2	5	81.7	34
Maine	64.0	46	40.4	4	9.0	20	50.5	14	35.0	28	90.8	15
Kansas	48.7	47	26.1	10	.9	32	52.6	10	49.2	9	82.9	33
New Hampshire	25.0	48	25.5	11	29.8	2	51.3	13	57.4	4	92.4	12
Rhode Island	22.2	49	34.4	6	26.2	3	55.0	4	25.2	46	75.1	39
United States	87.6						41.2		41.2		88.3	

Social Security Board aid, March 1936

State	State pays 50 percent: For old age: Number	For old age: Average amount	State pays 50 percent: For dependent children: Number	For dependent children: Average amount	For blind, State pays 33 percent: Number	For blind, State pays 33 percent: Average amount
Arizona			0	0	0	0
District of Columbia	0	0	4,217	$13.57	0	0
Utah	3,537	$18.82	4,050	11.09	93	$21.16
Vermont			580	7.91		
Wyoming	1,519	24.28	716	11.38	150	32.98
North Carolina					556	6.02
Maryland	6,707	16.63	14,603	9.47		
Wisconsin	21,100	17.14	17,427	12.31	2,050	20.68
Ohio	84,927	14.98				
Arkansas	11,726	4.40	2,898	2.46	359	4.64
Mississippi	23,549	6.67	2,468	1.96	894	8.02
New Mexico	0	0	0	0	0	0
New Jersey					443	20.97
Alabama	4,390	4.00	12,409	1.95		
Delaware	1,666	10.03				
Minnesota	7,858	15.87	11,705	10.90		
Massachusetts	26,823	23.55				
Michigan	21,464	18.28				
Washington	12,372	20.57	7,789	9.07	641	29.71
Pennsylvania					7,706	29.85
Idaho	5,339	20.68	2,174	9.50	182	25.24
New York	58,064	21.59	57,558	17.85	2,296	14.95
Iowa	26,024	14.42				
Nebraska	8,377	10.98	0	0	33	5.01
Connecticut	0	0			108	16.07
Maine	0	0	2,885	12.63	1,080	14.22
New Hampshire	2,280	20.08	957	11.67	252	16.08
Rhode Island	1,217	17.67				

Mr. BARKLEY. Mr. President, I ask unanimous consent to insert in the RECORD at this point, in connection with the amendment offered by the Senator from Michigan, a very careful analysis of that amendment, upon which I do not care to take the time to speak.

The PRESIDING OFFICER. Without objection, the analysis will be printed in the RECORD.

The analysis is as follows:

As stated by Senator VANDENBERG, the essence of his entire proposal is to place in State and local hands "the complete power of decision relative to the type of relief and complete responsibility for subsequent administration." The Senator's proposal raises no question of Federal responsibility for the destitute. Furthermore, the Senator's proposal does not seek to change materially the sum appropriated for relief. The main question raised by the amendment is one of administration. The Senator apparently sees no reason to raise the State-rights issue merely because Federal funds are being made available for relief. Curiously enough, his solicitude for States' rights arises only when the Federal Government seeks to control in some measure the disposition of its own funds. The main questions, then, may be stated as follows: Does Federal administrative control over the spending of Federal funds for relief invade States' rights? Does not sound administrative practice require that the public body providing the funds have some measure of control over the disposition of its own funds?

In discussing his proposed amendment to the section of the House appropriation bill dealing with relief, Senator VANDENBERG made the admirable assertion that "States' rights are inevitably matched by State duties." While one may agree with this statement, it is particularly relevant to point out that Federal rights are also inevitably matched by Federal duties. In short, it seems perfectly obvious that when the Federal Government is called upon to provide funds for relief, it has the unquestioned right to set up sufficient safeguards to ensure the proper use of Federal funds. This principle has never been denied and has been an integral part of all Federal grants since the Federal grant-in-aid system was started in 1862.

As stated by Orth and Cushman in their standard treatise on American National Government in connection with grants-in-aid in general from the Federal Government: "By this threatened loss of Federal funds, States were impelled to comply with Federal requirements, and Congress has used this desire continuously in later Federal-aid legislation to enforce Federal standards and control."

An analysis of the proposed amendment by the Senator from Michigan makes clear that he merely proposes to return to the relief system of 1933–35, with this one major difference: Federal funds are to be granted to the States, but, unlike the situation at the time of the Federal Emergency Relief Administration, his plan makes no provision to insure that Federal funds will be spent properly or in accordance with the wishes of the body making the funds available. The proposed amendment, therefore, if adopted, would not blaze new trails. It would merely restore the old system of Federal grants to the States for all types of relief, without providing the necessary Federal mechanism to carry out the plan properly.

It should be understood that this line of reasoning does not constitute an attack upon the system of Federal-relief grants as administered by the Federal Emergency Relief Administration in the period from May 1933 through December 1935. Created in an emergency, the Federal Emergency Relief Administration met the relief problem honestly, effectively, and adequately. Because local and State credit had been strained to the limit, employables and unemployables were all lumped together and Federal funds, supplemented by State and local funds, were given to all the destitute who needed Government aid. This aid was granted through local relief agencies. The Federal Emergency Relief Administration did not administer relief in the States but merely exerted general supervisory control over State administrations to insure the proper use of Federal funds. Since that time of stress, however, a more logical division of responsibility between the States and their subdivisions and the Federal Government has been worked out. Direct relief has been returned to the care of the States and localities (aided by grants under the social-security program), and the Federal Government has assumed the burden of providing a large work program for employables. There is no reason for abandoning this reasonable division of responsibility for a return to a direct Federal subsidy for all types of relief, with no provision for supervision or control of the Federal funds.

It is true that the proposal of the Senator from Michigan provides for reports to the President from the States on all Federal funds disbursed by the States and including "comprehensive information respecting all phases of relief needs that may be required hereafter in determining future grants in aid." The President is also lightly advised that he is to determine all relief allocations and to give due regard to (1) relative population, (2) relative unemployment, (3) relative living costs, including seasonal and climatic conditions, and (4) relative financial resources. These are sound criteria and were in fact all used by the Federal Emergency Relief Administration in making grants. It may be asked, however, whether the Senator from Michigan has given due consideration to the difficulty of assembling and interpreting the relative financial resources of the 48 States? Furthermore, has the Senator stopped to consider the difficulties inherent in an attempt to analyze the relative living costs (including seasonal and climatic conditions) of the 48 States? Once the President has these factors under control there still remains the problem of determining relative unemployment and correlating these factors with his findings on relative population. Is it not obvious to any thinking student of the problem, however, that these matters cannot be determined by any single individual, even if he were entirely free to devote his entire time and energy to coping with them? These factors alone explain why it was necessary during the period of direct Federal grants for relief to have such an organization as the Federal Emergency Relief Administration in operation.

It may be asked, however, why, if the Federal Emergency Relief Administration met the relief problem adequately, honestly, and effectively, it was nevertheless considered advisable to shift from this system to the one now in operation? The reasons for the change to the present system were clearly set forth in President Roosevelt's message to the joint session of Congress on January 4, 1935. At that time the President explained in the following words his reasons for requesting a Federal-works program and the discontinuance of Federal direct relief.

"The lessons of history, confirmed by the evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy. It is in violation of the traditions of America. Work must be found for able-bodied but destitute workers."

Having thus stated the reasons for substituting employment for direct relief, the President proceeded to classify the cases on relief (November 1934 data) and to differentiate the problems and responsibilities involved. The 5,000,000 cases were divided into two general categories, those cases in whose families there is no employable person and those in whose families one or more members are capable of self-sustaining effort. Of these groups he said:

"About one million and a half of these belong to the group which in the past was dependent upon local welfare efforts. Most of them are unable for one reason or another to maintain themselves independently—for the most part, through no fault of their own. Such people, in the days before the great depression, were cared for by local efforts—by States, by counties, by towns, by cities, by churches, and by private welfare agencies. It is my thought that in the future they must be cared for as they were before. I stand ready through my own personal efforts, and through the public influence of the office that I hold, to help these local agencies to get the means necessary to assume this burden.

"The security legislation which I shall propose to the Congress will, I am confident, be of assistance to local effort in the care of this type of cases. Local responsibility can and will be resumed, for after all, common sense tells us that the wealth necessary for this task existed and still exists in the local community, and the dictates of sound administration require that this responsibility be in the first instance a local one.

"There are, however, an additional 3,500,000 employable people who are on relief. With them the problem is different and the

responsibility is different. This group was the victim of a Nation-wide depression caused by conditions which were not local but national. The Federal Government is the only governmental agency with sufficient power and credit to meet this situation. We have assumed this task and we shall not shrink from it in the future. It is a duty dictated by every intelligent consideration of national policy to ask you to make it possible for the United States to give employment to all of these 3,500,000 employable people now on relief, pending their absorption in a rising tide of private employment."

The President's message to Congress thus emphasized clearly the particular responsibility of the Federal Government and stressed the division of responsibility as between the Federal Government and the State and local governments. The divided responsibility places the burden of direct relief to unemployables upon the States and localities, while upon the Federal Government rests the responsibility for providing, not direct relief, but work to the employable persons on the relief rolls.

Local financial responsibility for the unemployables is premised upon the local character of this aspect of the relief problem. The Federal Emergency Relief Administration encouraged the localities to continue the burden of local responsibility for this group. In every State, public-welfare agencies, either State or local, have traditionally made provision for this group, and it is right that this responsibility should be assumed by them.

On the other hand, the relief problem created by the unemployment crisis is not a local, but rather primarily a national problem. This national responsibility is best met by a work program. The policy of providing useful employment rather than direct relief is predicated on the assumption, clearly borne out by several years of experience with relief, that direct relief is an unsatisfactory means of assisting unemployed persons. This conviction was, in part, responsible for the widespread development of work-relief programs by municipal governments in the early years of the depression. When the Federal Emergency Relief Administration was established in 1933, local work-relief programs were in wide use. Federal funds were made available to the States by the Federal Emergency Relief Administration, and general rules governing work relief were promulgated. However, the early work-relief programs were not satisfactory. Projects were often of questionable social value, earnings were low, and the work was frequently little more than a work test.

Recognition of the shortcomings of this early work relief was partly responsible for the creation of the Civil Works Administration in November 1933. The civil-works program was designed to afford employment at regular wages on socially useful projects and marked a major step in the policy of providing work rather than relief to the unemployed. With the close of this program in March 1934, a new work-relief program, the emergency-work program (the emergency-work program, or the "work program" as it has been widely termed, is to be distinguished from the works program financed by funds appropriated by the Emergency Relief Appropriation Act of 1935. The emergency-work program is work relief with earnings determined by the budgetary deficiency whereas works-programs earnings are not determined by the budgetary deficiency) of the Federal Emergency Relief Administration, was inaugurated. This program represented a vast improvement in organization, types of projects, and conditions of work over the early work-relief efforts.

Recognition of the desirability of providing work to employable persons then on the emergency-work program or receiving direct relief led to the passage of the Emergency Relief Appropriation Act of 1935. In accordance with the provisions of this Act the present works program was instituted and the care of unemployables returned to the Senates. Senator Vandenberg now asks that this logical system be destroyed and that Congress return to a system of Federal grants for both employables and unemployables, without the previous safeguard for supervision of Federal funds. He asks for Federal funds for unemployables, but denies Federal supervision because they are a local responsibility. He asks for Federal funds for employables, intimates that they too are a local responsibility, and therefore bars Federal supervision. His proposed system, and not the present one in operation, seems to be lacking in logic and sound administrative principles.

The present Congress is in favor of work relief for employables. If it were to provide funds to the States for employables as desired by Senator VANDENBERG it would have no guaranty that employables would not receive a dole rather than work. Is it possible that Senator VANDENBERG has this in mind in making his present proposal? Does he favor a dole for employables?

Senator VANDENBERG complains against the pending House bill on nine broad grounds. Points numbers 1 and 2 are as follows:

(1) It involves degenerating Federal dictation to the States in affairs which both by tradition and logic belong in the intimate jurisdiction of State decision and State responsibility. Abandonment of the latter emasculates the former.

(2) It invites the dangerous and ultimately fatal habit of quitting local self-reliance even as it destroys local autonomy. It progressively encourages the process of central subsidies which have ruined every nation in history that has surrendered to their insidious and paralyzing influence. Thus it destroys morale and creates more problems than it solves.

It is obvious, however, that it is the Senator's amendment, and not the pending House bill, which would tend to cause the evil consequences he mentions. The pending bill recognizes that unemployables are a local responsibility and leaves their control entirely in local hands. It is the Senator's amendment which calls for a "demoralizing" central subsidy to finance a local responsibility. Further, the pending bill properly recognizes the national responsibility for employables, provides funds for that purpose, and calls for suitable administrative control. How can the Senator justify his position that localities are responsible for unemployment and the destitution arising therefrom? It is the pending bill which places responsibilities where they belong, calls for the responsible agency to meet the responsibility, and follows sound administrative practice in allowing the agency providing the funds to supervise the spending.

Points 3 and 4 in Senator VANDENBERG's attack were gleaned from the House hearings. He attacks administrative costs of the Federal Emergency Relief Administration generally, and the wide variation in administrative costs from State to State. It should be pointed out that these administrative costs were State costs and in no sense attributable to Federal bureaucracy. In any event, no matter which agency administers relief, there will be certain administrative costs. Since VANDENBERG studiously avoids mentioning the reasons advanced in the House hearings for administrative costs and variation in costs from State to State, it may be advisable to give again the explanation made before the House committee considering the pending bill.

The term "administrative cost", as used by the Federal Emergency Relief Administration, covered much more than is usually understood by the word "administration", inasmuch as it included not only the salaries of the executive personnel but also the salaries and expenses of all social workers, investigators, clerks, stenographers, and general supervisory personnel having direction of the vast emergency work-relief program carried on in every locality of the country. Also included were the salaries and expenses of persons engaged in supervising the educational, transient, and rural rehabilitation programs as well as the cost of distributing surplus commodities to relief recipients. Necessary travel, equipment, supplies, rent, heat, and printing were also included. Including all these factors, administrative costs of the State and local emergency relief administrations over the 3-year period averaged 10.7 percent of the total obligations incurred.

In no State did the administrative costs fall below 5.4 percent of the total relief expenditures. Sound administrative practices required that the eligibility of each applicant for relief be carefully investigated. Frequent and extensive reinvestigation was required in order to make certain that relief was not being given to persons who were able to support themselves. This phase of the administration of relief was costly. A special report received from all States for the month of October 1934 indicated that 47 percent of administrative personnel and 45 percent of wages and salaries paid during that month were chargeable to persons engaged in receiving applications for relief, establishing eligibility, administering direct relief, and certifying persons for work relief. Since true economy dictated that these tasks be carefully performed, it follows that the real efficiency of State relief administrations cannot be measured by the respective percentages spent for administration. Furthermore, as the relief program was expanded and differentiated to meet the special problems presented by various types of relief clients, administrative costs increased at the time but resulted in a smaller ultimate cost. For example, such activities as rural rehabilitation involved a relatively high cost for administration but were justified by the ultimate savings resulting when needy persons were finally placed in a position where they could support themselves.

It will be noted that the percentages of funds spent for administration varied somewhat from State to State. These variations were due to a combination of many factors—geographical differences, density of populations, the thoroughness and frequency of investigations, the extent of special programs, the standards of relief, etc., in addition to the factor of administrative efficiency. The geographical features of a State naturally affected the number of offices required. Salaries, an important part of administrative costs, naturally varied with living standards and cost of living in the different parts of the United States. The residence of large numbers of relief clients in a small area tended to lower the percentage of administrative costs by enabling social workers to investigate and care for more cases. Another factor affecting State figures is the standard of relief in a community. Thus it costs about as much to investigate the financial affairs of a family in the South as in the North, but because of the much smaller amount of relief granted per family in the South administrative costs, expressed as a percentage of total cost, would tend to be higher.

The fifth point of attack on the present system made by VANDENBERG is as follows:

"It wastes vast sums upon experiments which are no part of our immediate problem. Thus, it prodigally speculates in the thinning resources of the Republic at a moment when conservation should be the watchword of the hour."

This argument can be rebutted by pointing out that the Senator's amendment does not propose a reduction in the amount to be appropriated. It should further be rebutted by a statement on numbers employed, value of projects, etc.

Point no. 6 of VANDENBERG follows: "The existing system invites inequities as between the States which are * * * inevitable when an enormous Federal bureaucracy * * * attempts to apply common standards * * * across 3,000 miles of continental empire."

This point is rebutted by the fact that common standards have not been applied by Works Progress Administration when to do so would have been to work injustice. Wage scales were varied to meet varying standards of living throughout the country. The zone system of wages likewise took into account varying living costs in

different sections of the United States. Furthermore, the work projects were not imposed uniformly all over the country. Local officials sponsored projects which were genuinely needed in their respective localities, and innumerable letters from local officials testify to the fact that the project instituted had their full approval.

Point 7, advanced by VANDENBERG, concerns the eradication of politics from the relief situation. There is no reason to suppose that Federal grants to the States, with no provision for Federal check over these funds, would eradicate politics. Every layer of American Government has had to contend with politics, and States, counties, and municipalities have always suffered as much or more than the Federal Government from partisan politics. It is significant that all the charges of misfeasance concerning relief under Federal Emergency Relief Administration related to misconduct on the part of State and local authorities. No charges were ever made of corruption in the Federal Emergency Relief Administration in Washington. It is a valid assumption that more, rather than less, corruption would have resulted had not the Federal Emergency Relief Administration at Washington exerted a restraining hand over local administrations. Occasional instances of misfeasance have been noted in local Works Progress Administration organizations. There is no reason to suppose, however, that these cases have been more numerous than might be expected in any undertaking of the size of the Works Progress Administration. Indeed, it is a reasonable assumption that more serious complications would result if complete and unsupervised control over work relief were turned over to localities.

Point 8 of Senator VANDENBERG follows:

"The existing system is inadequate to meet the complete relief necessity, because it acknowledges a Federal interest solely in employables who are transferred from relief to work relief, entirely abandoning to doubtful local resources the care of employables who have not been on relief, plus all unemployables. Thus it produces class favorites among the hungry themselves."

This statement completely overlooks the aid to States available under the Social Security Act. This act provides for Federal financial assistance for such unemployable groups as the aged, blind, and mothers with dependent children. The Federal Government, therefore, has not abandoned unemployables to the sole care of States and localities. Unemployables have traditionally been the primary responsibility of localities, however, and now, with improved local finances, it is reasonable to ask them to carry most of this burden.

Point number 9, raised by VANDENBERG, concerns the following question: Why are relief rolls failing to drop as prosperity returns? A number of reasons may be advanced in explanation of this seeming paradox.

1. The fact must be faced that recent technological improvements permit a great increase in production without a corresponding increase in employment. Thus, production and profits have risen but there has been no corresponding increase in employment.

2. Relief employables have had to compete with nonrelief unemployed in obtaining the jobs which have been opening up in private industry. Because the unemployed not on relief usually have better and more recent contacts with industry and are in general better equipped and in better physical condition, they are more likely to gain new jobs than the employables now on relief.

3. In many cases employers have been able to increase production by merely stepping up part-time employees to the status of full-time employees. This naturally has not resulted in a reduction in relief rolls.

These facts rebut the conclusion expressed by VANDENBERG that the present relief system is bad because it has failed to react to increasing business prosperity.

In short, the present relief system places responsibility for relief where it belongs. States and localities are asked to assume their responsibility for unemployables and to meet this responsibility with State and local resources. Federal aid is given through the Social Security Act, but, unlike VANDENBERG's proposal, proper Federal control is provided. The national responsibility for employables, on the other hand, is placed where it belongs, on the Federal Government. Because Federal funds are being used, the Federal Government is given sufficient control to insure the proper use of Federal funds. Localities are not disregarded, however, since they sponsor the projects which are to be put into operation. The practically unanimous approval expressed by local officials most closely affiliated with the Works Progress Administration is ample proof that they do not resent this system and that they recognize the genuine value of the projects being carried on by the Works Progress Administration.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan [Mr. VANDENBERG] in the nature of a substitute for title II, as amended.

Mr. ROBINSON. I call for the yeas and nays on the amendment offered by the Senator from Michigan.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I understand that, if present, he would vote "nay" on this question. If I were at liberty to vote, I should vote "yea." I withhold my vote.

Mr. BARKLEY. I announce the unavoidable absence of my colleague [Mr. LOGAN] on official business. If present, he would vote "nay" on this question.

Mr. McNARY (when his name was called). Again announcing my pair with the senior Senator from Mississippi [Mr. HARRISON], who, if present, would vote "nay." I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. TYDINGS (when his name was called). On this question I have a pair with the senior Senator from Rhode Island [Mr. METCALF], who is unavoidably absent. If he were present, he would vote "yea", and if I were permitted to vote I should vote "nay".

The roll call was concluded.

Mr. BILBO. I have a general pair with the senior Senator from Iowa [Mr. DICKINSON]. Not knowing how he would vote, I transfer that pair to the junior Senator from Alabama [Mr. BANKHEAD] and vote "nay".

Mr. ROBINSON. I announce that the Senator from Texas [Mr. CONNALLY] has a general pair with the Senator from North Dakota [Mr. NYE].

I also announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. McCARRAN], and the Senator from South Carolina [Mr. SMITH] are detained on account of illness.

The Senator from Texas [Mr. CONNALLY], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr. GORE], the Senator from Utah [Mr. KING], the Senator from Illinois [Mr. LEWIS], the Senator from Florida [Mr. LOFTIN], the Senator from West Virginia [Mr. NEELY], the Senator from Nevada [Mr. PITTMAN], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained from the Senate.

The junior Senator from Nevada [Mr. McCARRAN] is paired with the senior Senator from Nevada [Mr. PITTMAN]. If the Senators from Nevada were present and voting, the junior Senator from Nevada [Mr. McCARRAN] would vote "yea", and the senior Senator from Nevada [Mr. PITTMAN] would vote "nay".

The result was announced—yeas 14, nays 57, as follows:

YEAS—14

Austin	Carey	Hastings	Vandenberg
Barbour	Couzens	Keyes	White
Burke	Gibson	Steiwer	
Capper	Hale	Townsend	

NAYS—57

Adams	Chavez	Lonergan	Reynolds
Bachman	Clark	Long	Robinson
Bailey	Coolidge	McAdoo	Russell
Barkley	Duffy	McGill	Schwellenbach
Benson	Fletcher	McKellar	Sheppard
Bilbo	Frazier	Maloney	Shipstead
Black	George	Minton	Thomas, Okla.
Bone	Gerry	Moore	Thomas, Utah
Borah	Glass	Murphy	Truman
Brown	Guffey	Murray	Van Nuys
Bulkley	Hatch	Norris	Wagner
Bulow	Hayden	O'Mahoney	Wheeler
Byrd	Holt	Overton	
Byrnes	Johnson	Pope	
Caraway	La Follette	Radcliffe	

NOT VOTING—25

Ashurst	Dieterich	Logan	Pittman
Bankhead	Donahey	McCarran	Smith
Connally	Gore	McNary	Tydings
Copeland	Harrison	Metcalf	Walsh
Costigan	King	Neely	
Davis	Lewis	Norbeck	
Dickinson	Loftin	Nye	

So Mr. VANDENBERG's amendment, in the nature of a substitute for title II, as amended, was rejected.

Mr. HAYDEN. Mr. President, it may be remembered that I had charge of the bill to repeal certain permanent appropriation acts, among them an appropriation for certain irrigation projects. It was not intended that when the act was passed the repeal of those appropriations as of July 1, 1935, would not make prior appropriations available for obligations incurred prior to that date. I have had submitted to me from the Bureau of the Budget two amendments covering appropriations of that kind, amounting in all to about $75,000, and I ask for their adoption.

The PRESIDING OFFICER. The clerk will state the first amendment proposed by the Senator from Arizona.

The CHIEF CLERK. It is proposed, on page 58, after line 25, to insert a new paragraph, as follows.

Construction, operation, and maintenance Indian irrigation systems. The unexpended balances of such appropriations for construction, operation, and maintenance (including power revenues) of irrigation projects on Indian reservations as were repealed by section 4 of the Permanent Appropriation Repeal Act, 1934, are hereby made available for obligations incurred against such appropriations prior to July 1, 1935, and any remaining unobligated balances of such repealed appropriations shall be added to and become a part of the receipts accruing from each project during the fiscal year 1936.

The amendment was agreed to.

Mr. HATCH. Mr. President, on behalf of myself and my colleague [Mr. CHAVEZ] I desire to offer an amendment, and before offering it I desire to make a brief explanation of it.

At the last session of the Congress a bill authorizing the construction of an all-American dam at the point of diversion, at a point near El Paso, Tex., was passed and signed by the President. No appropriation was made because another bill was needed to complete the project. Only recently a Senate bill has passed the Senate and the House of Representatives, but has not as yet been signed by the President.

I think the appropriation which I shall ask would have been included in the estimate of the Budget Director if the bill had been signed by the President. I know it is approved by the Department of the Interior and the Department of State. It involves really an international matter in connection with waters of the Rio Grande and our sister Republic, Mexico.

I have spoken to the chairman of the subcommittee, and I have requested that the amendment be agreed to and taken to conference in order that he may investigate the situation and ascertain whether or not it is necessary to make the appropriation at this time, as I think it is. I had thought that the money had been made available, but it has not been.

Mr. COPELAND. Mr. President, what was the dam mentioned by the Senator?

Mr. HATCH. The All-American Dam at the point of diversion at El Paso.

Mr. COPELAND. It was not a project included in the flood-control bill just passed?

Mr. HATCH. No; it was passed and approved by the Congress at the last session. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to add at the proper place the following:

For the construction, operation, and maintenance of a diversion dam in the Rio Grande at a point near El Paso, Tex., but situate entirely within the United States territory, the sum of $1,000,000, which was authorized to be appropriated under the act of August 29, 1935.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I offer an amendment, and ask to have a justification for it printed in the CONGRESSIONAL RECORD. It relates to the emergency appropriation to take care of contaminated water supply at the Cherokee, (N. C.), Indian School and the Southern Ute Agency in Colorado. There is a Budget estimate.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 57, before line 17, to insert the following:

Indian agency buildings: For an additional amount for lease, purchase, repair, and improvement of agency buildings, exclusive of hospital buildings, including the purchase of necessary lands and the installation, repair, and improvement of heating, lighting, power, and sewerage and water systems in connection therewith, fiscal year 1937, $85,000.

The amendment was agreed to.

Mr. HAYDEN. I ask to have the justification for the amendment printed in the RECORD.

There being no objection, the justification was ordered to be printed in the RECORD, as follows:

INDIAN AGENCY BUILDINGS

This estimate is to provide funds for two emergency needs (1) at Cherokee, N. C., and (2) at the Consolidated Ute Agency, Ignacio, Colo.

Cherokee, N. C., $50,000: The water supply at this jurisdiction has been under observation for a considerable period of time and studies have been in progress looking to the solution for improving the present system. In addition to the agency office a combination day and boarding school, accommodating about 400 children, and a hospital of 25-bed capacity, are operated. A small Indian village is immediately adjacent to the agency and school reserve. Something over 600 individuals are dependent upon the water supply here to be developed. A year ago in the spring all employees at Cherokee were inoculated against typhoid. The supply for the school and agency has been contaminated from time to time. The water is so heavily chlorinated that it is unpalatable for drinking or cooking.

On May 1 of this year the superintendent of the agency wrote as follows:

"Right now the matter has come to a head, as the water supply in the village has been condemned by the North Carolina State Board of Health. As I have stated before, the little village has to depend solely on a small spring at the base of the mountain within a few yards of the village proper. The supply, in spite of the abundant rains we have had, is practically exhausted, and, although the spring is cemented and kept from contamination at its outlet, it becomes contaminated from time to time through seepage in the upper mountains where several families live. Last summer it dried up entirely and the shopkeepers and restaurant managers were obliged to carry water from the river and boil it before it was used. I have tried to get the State to delay action in the matter, but it looks as though something will have to be done immediately.

"There is no other water supply available within reasonable distance on the side where the village lies, which is on the opposite side of the river from the school and agency."

The park authorities have given their approval to the tapping of Mingus Creek within the park borders, if funds could be provided for setting up a complete water system for the school, agency, and village. The water in that stream is always abundant and absolutely free from contamination, as there are no homes on the watershed drained by this stream. It would also give an adequate water pressure for fire protection, both at the school and the village.

The estimate of cost for this project is as follows:

26,000 feet 6-inch cast-iron pipe line	$30,000
2,000 feet 4-inch cast-iron pipe line	1,700
25 6-inch fittings	500
12 6-inch gate valves	360
4 6-inch hydrants	300
6 4-inch fittings	50
2 4-inch hydrants	150
2 4-inch gate valves	50
Concrete intake	1,000
Concrete sediment tanks	4,000
1 head-reducing manhole	100
Labor	11,790
	50,000

Unless a specific appropriation is made for this purpose there is little hope of remedying the unsatisfactory situation. The project will not qualify under relief because of the large amount necessary for the purchase of materials.

Consolidated Ute, $35,000: A similar situation prevails at this jurisdiction. Studies of underground sources of supply have been made in the hope that a system involving only a small outlay could be installed. The studies proved disappointing and it therefore becomes necessary to pipe water a distance of nearly 4 miles. The estimate for this project consists of the following:

20,000 feet 6-inch pipe at 90 cents foot	$18,000
Trenching and backfill averaging 4 feet 6 inches in depth, 7,300 cubic yards, at $1.50 cubic yard	10,950
Sump	2,500
Fittings	250
Equipment	200
Supervision	1,600
Contingencies	1,500
	35,000

The superintendent of the agency, on March 7, stated: "Muddy water again renders chlorination imperative." On April 11 a sample of the water drawn from the system was submitted to the office. This sample maintains a cloudy brown color, notwithstanding efforts made at the agency to carry the supply through a settling basin.

The health of more than 200 school children, and employees and their families, as well as patients in the hospital, require a safe and satisfactory water supply at all times.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BILBO (when his name was called). I make the same announcement as on the last vote and vote "yea."

Mr. HAYDEN (when Mr. ASHURST's name was called). I announce that my colleague the senior Senator from Arizona [Mr. ASHURST] is absent because of the death of his brother. If present, he would vote "yea."

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I understand that if present he would vote as I am about to vote. I vote "yea."

Mr. BULKLEY (when Mr. DONAHEY's name was called). My colleague [Mr. DONAHEY] is unavoidably detained from the city. If present, he would vote "nay."

Mr. BARKLEY (when Mr. LOGAN's name was called). I announce the unavoidable absence from the city, of my colleague [Mr. LOGAN]. If present, he would vote "yea."

Mr. McNARY (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. HARRISON], who is absent. I am advised that if he were present he would vote as I am about to vote on this question. I vote "yea."

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN], and will vote. I vote "nay." I am advised that if present the Senator from Nevada would vote "yea", and the Senator from Rhode Island would vote "nay."

The roll call was concluded.

Mr. FRAZIER. My colleague [Mr. NYE] is absent from the Senate. If present, he would vote "yea."

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. McCARRAN], and the Senator from South Carolina [Mr. SMITH] are detained on account of illness.

The Senator from Texas [Mr. CONNALLY], the Senator from Oklahoma [Mr. GORE], the Senator from Utah [Mr. KING], the Senator from Illinois [Mr. LEWIS], the Senator from West Virginia [Mr. NEELY], the Senator from Nevada [Mr. PITTMAN], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

I am advised that if present and voting the Senator from Alabama [Mr. BANKHEAD], the Senator from Mississippi [Mr. HARRISON], the Senator from Texas [Mr. CONNALLY], the Senator from Illinois [Mr. LEWIS], the Senator from West Virginia [Mr. NEELY], and the Senator from Nevada [Mr. PITTMAN] would vote "yea."

Mr. AUSTIN. I announce the unavoidable absence from the Senate of the Senator from Iowa [Mr. DICKINSON] and the Senator from Rhode Island [Mr. METCALF]. If present, both Senators would vote "nay" on this question.

The result was announced—yeas 62, nays 14, as follows:

YEAS—62

Adams	Chavez	La Follette	Pope
Bachman	Clark	Loftin	Radcliffe
Bailey	Coolidge	Lonergan	Reynolds
Barkley	Davis	Long	Robinson
Benson	Dieterich	McAdoo	Russell
Bilbo	Duffy	McGill	Schwellenbach
Black	Fletcher	McKellar	Sheppard
Bone	Frazier	McNary	Shipstead
Borah	George	Maloney	Thomas, Okla.
Brown	Gerry	Minton	Thomas, Utah
Bulow	Glass	Moore	Truman
Burke	Guffey	Murphy	Van Nuys
Byrnes	Hatch	Murray	Wagner
Capper	Hayden	Norris	Wheeler
Caraway	Holt	O'Mahoney	
Carey	Johnson	Overton	

NAYS—14

Austin	Cousens	Keyes	Vandenberg
Barbour	Gibson	Steiwer	White
Bulkley	Hale	Townsend	
Byrd	Hastings	Tydings	

NOT VOTING—20

Ashurst	Dickinson	Lewis	Norbeck
Bankhead	Donahey	Logan	Nye
Connally	Gore	McCarran	Pittman
Copeland	Harrison	Metcalf	Smith
Costigan	King	Neely	Walsh

So the bill was passed.

Mr. GLASS. Mr. President, I desire to state for the record that I have been consistently opposed to lump-sum appropriations; but I voted for the bill because it was reported from my committee and because there are 500 or 600 other items in the bill, and I am not going to vote against the bill and undertake to explain whether I voted against this, that, or the other item. I am always opposed to lump-sum appropriations.

Mr. CLARK. Mr. President, I should like to say, in explanation of my vote on this bill, that I agree 100 percent with the Senator from Virginia [Mr. GLASS] as to the viciousness of the practice of making lump-sum appropriations.

In the form in which this bill came into the Senate it was impossible to vote against it without voting to cut off relief which was absolutely necessary for the people of the country; but I say, in all candor, that it seems to me while possibly at the height of the emergency in 1933 there may have been justification for a lump-sum appropriation, after 3 years it should be possible to make these expenditures on the ordinary budget basis, as all other expenditures of the Government should be made.

I therefore voted for the bill today with great reluctance. So far as I am concerned, I hope it may never again be necessary to vote for a bill which, after all, amounts to the signing of a blank check by Congress.

Mr. ADAMS. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ADAMS, Mr. GLASS, Mr. McKELLAR, Mr. HALE, and Mr. KEYES conferees on the part of the Senate.

LOW-COST HOUSING

Mr. WAGNER. Mr. President, I ask unanimous consent to present and have printed in the RECORD a letter containing a resolution transmitted to the junior Senator from Florida [Mr. LOFTIN] by the City Council of Jacksonville, Fla., favoring the enactment of the pending housing bill, and also several other letters or resolutions of the same character. I ask that these papers be appropriately referred.

There being no objection, the letters and resolutions were referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

CITY OF JACKSONVILLE,
Jacksonville, Fla., May 27, 1936.

Hon. SCOTT M. LOFTIN,
United States Senator, Washington, D. C.

DEAR SIR: The City Council of the City of Jacksonville, in regular session May 26, 1936, went on record as endorsing the Wagner-Ellenbogen United States housing bill, now before Congress, and ordered that you be apprised of this action.

Yours very truly,

W. C. ALMAND, *Recorder.*

NEW YORK TYPOGRAPHICAL UNION, No. 6,
May 28, 1936.

His Excellency the PRESIDENT OF THE UNITED STATES,
Washington, D. C.

SIR: The executive committee of New York Typographical Union, No. 6, has instructed me to inform you as Chief Executive of the United States of its wholehearted support of the United States housing bill (S. 4424 in the Senate; H. R. 12164 in the House) now pending before the present session of Congress.

The enactment of this bill as written will constitute the necessary first step in the realization of an adequate and permanent housing program. Employment in the building industry will be permanently increased and the living conditions of wage earners

and their families will be improved, a situation Your Excellency has courageously endeavored, through various acts of Congress, to secure in the past.

Knowing your deep interest in legislation looking toward making for better living conditions among the citizens of your country, the executive committee of Typographical Union, No. 6, hereby endorses the housing bill and urges Your Excellency's cooperation in making law the Wagner-Ellenbogen bill dealing with a major social problem which, in the past 4 years, has no doubt been closely akin to Your Excellency's earnest endeavors along similar lines.

Respectfully yours,

JAMES A. MCCANN,
Secretary, Executive Committee.

A resolution memorializing the Congress of the United States to enact the United States Housing Act, being S. 4424 by Wagner, and H. R. 12164 by Ellenbogen

Whereas the availability of decent sanitary and safe housing for all of the people is now recognized as a proper concern of Government; and

Whereas persons of low income can be housed adequately only by a degree of Government aid; and

Whereas the low-income group is of necessity occupying cast-off housing in what are known as our slum and blighted areas; and

Whereas the continued maintenance of our slums is socially undesirable and an economic waste; and

Whereas the city of Schenectady has embarked upon a low-cost housing and slum clearance program with the aid of the housing division of the Emergency Administration of Public Works; and

Whereas no funds are available to carry on this work without additional appropriations; and

Whereas it is desirable to preserve the benefits of the emergency housing experiences by providing for a permanent housing agency in the Federal Government; and

Whereas the building trades are still in need of stimulation in order to bring back a greater degree of employment: Now be it

Resolved by the Council of the City of Schenectady:

SECTION 1. That the United States Senate be, and it is hereby, requested to enact at the earliest date possible the United States Housing Act of 1936, being Senate bill no. 4424 introduced by Senator ROBERT F. WAGNER, and that the House of Representatives enact the identical measure introduced in said House by Congressman HENRY ELLENBOGEN, of Pennsylvania, and being H. R. 12164.

SEC. 2. That a copy of this resolution be sent to the President and to the Vice President of the United States, the Speaker of the House of Representatives and to Senators ROBERT F. WAGNER and ROYAL S. COPELAND, and the following Representatives: Hon FRANK W. CROWTHER, Hon. BERTRAND SNELL, Hon. JAMES W. WADSWORTH, Hon. PARKER CORNING and Hon. HAMILTON FISH.

SEC. 3. This resolution shall take effect immediately.

THE YOUNG DEMOCRATIC CLUB OF JACKSON COUNTY,
Jackson, Mich., May 27, 1936.

Senator WAGNER,
The Capitol, Washington, D. C.

DEAR MR. WAGNER: The following resolution was adopted by the Young Democratic Club of Jackson County on May 25, 1936:

"Resolution endorsing the Wagner-Ellenbogen housing bill

"Whereas the bad, obsolete, and inadequate dwellings in which the majority of workers in Jackson, Mich., are forced to live constitute a mockery of this country's vast resources of land, labor, materials, and technical skill; and

"Whereas an absolute shortage of all kinds of dwellings is rapidly approaching, both here and throughout the country, and is forcing rents to exploitive heights and forcing families to 'double up'; and

"Whereas continued severe unemployment in the building industry is inexcusable in view of the great and urgent need for new dwellings; and

"Whereas ordinary private enterprise is not able, and never has been able, to meet the housing needs of average American workers; and

"Whereas only a long-term program of Federal aid, combined with local initiative, will meet this situation adequately; and

"Whereas labor has a double interest in the construction of low-rent dwellings, as the representative both of the unemployed building and material workers and of low-income families in need of better housing; and

"Whereas labor's housing program is substantially embodied in the Wagner-Ellenbogen housing bill; and

"Whereas this administration must keep its oft-repeated promises to the American people to improve housing conditions and increase employment in the building trades, which promises can be fulfilled only by the immediate enactment of the Wagner-Ellenbogen housing bill, preferably with larger appropriations and bond issues; and

"Whereas the provision of low-rent housing on a nonprofit basis should be a great nonpartisan movement, and this bill should be supported by all Republicans and Democrats alike who truly represents the interests of the people; be it therefore

"*Resolved*, That the Young Democratic Club of Jackson hereby actively endorses and supports the Wagner-Ellenbogen housing bill and urges both the President and every Member of Congress to do likewise, and to make this bill into law at this session; and be it further

"*Resolved*, That copies of this resolution be sent to the President and to the Senators and Representatives in Congress of this State."

In closing, we are thanking you for your kind consideration of this bill and commending your action in introducing this important legislation. We assure you that you shall have our support in securing its passage.

JACKSON COUNTY YOUNG DEMOCRATIC CLUB,
DEXTER BABCOCK,
Resolutions Committee.

ESTABLISHMENT OF VETERANS' CEMETERY IN RICHMOND COUNTY, N. Y.

Mr. WAGNER also presented resolutions of the Richmond County organization of the American Legion, Department of New York, which were referred to the Committee on Public Lands and Surveys and ordered to be printed in the RECORD, as follows:

Whereas available plots in the National Cemetery located in the city of New York are about exhausted; and

Whereas the Government has voted an appropriation of $250,000 for the immediate purchase of additional cemetery grounds in the vicinity of New York City; and

Whereas the location of this new cemetery is of vital importance to every veteran in and near the city of New York: Now, therefore, be it

Resolved, That the Richmond County organization of the American Legion, Department of New York, in meeting duly assembled this 15th day of May 1936, go on record as follows:

Resolved, That we favor the establishment of a new veterans' cemetery within New York, and particularly within the county of Richmond, where a suitable cemetery site is available; that a cemetery so located will be readily accessible to all boroughs of the city and also to adjoining Jersey territory, including Newark, Bayonne, Jersey City, Elizabeth, and Perth Amboy;

Resolved, That a cemetery so located is of vital importance to the veterans, in that, its accessibility permits of inexpensive funerals and convenient family visits, and likewise renders the cemetery easily accessible to the many thousands of veterans for military observances and honors; and

Resolved, That this affords the United States Government an opportunity to establish a cemetery similar to Arlington in this, the greatest city of our country, which will not only honor the city itself but serve as a befitting memorial to the veterans of New York and vicinity; surely this is their just due; and

Resolved, That copies of these resolutions be transmitted to the county commanders of the first and second districts with a request that they adopt similar resolutions.

ADDITIONAL BILL INTRODUCED

Mr. SHEPPARD introduced a bill (S. 4734) to provide for hurricane patrol in the Gulf of Mexico and environs during the hurricane season, which was read twice by its title and referred to the Committee on Commerce.

SENATOR THOMAS P. GORE

Mrs. LONG. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Mrs. Atwood Risner at Durant, Okla., May 19, 1936, introducing the Senator from Oklahoma [Mr. GORE]; a letter from Mrs. J. Hale Edwards, of Lawton, Okla., addressed to Senator GORE; an article by Mrs. Walter Ferguson, entitled "A Woman's Viewpoint: Patriotism and War", referring to Senator GORE and others; and an address delivered by Senator GORE at Durant, Okla., May 19, 1936.

There being no objection, the addresses, letter, and article were ordered to be printed in the RECORD, as follows:

SPEECH OF MRS. ATWOOD RISNER INTRODUCING SENATOR T. P. GORE AT DURANT, OKLA., MAY 19, 1936

Mr. Chairman and friends of Bryan County, I appreciate being invited here to speak to you today and pay tribute to a worthy public servant.

I have never enjoyed a personal acquaintance with Senator GORE, but I have enjoyed, and do now appreciate, the service he has rendered to the State of Oklahoma and the Nation. I remember with what anxiety we watched the returns in that memorable election when for a week the result seemed to hang in the balance, and finally the news came that California had gone over to Wilson and we had elected that great man to the Presidency of the United States. I remembered then, and I remember now, that credit was given Senator GORE for the efforts he made in California to carry that State for President Wilson.

I also remember when Senator GORE in the United States Senate stood for that which is near and dear to every mother's and father's heart—the life of their boys. He was crucified on the cross of public opinion. I see now a nation which has adopted the views expressed by Senator GORE at that time. I want to remind you that Senator GORE has not changed his position, but it has taken 20 years for the people of the United States to fully realize

and appreciate the correctness of his views at that time. When a little more than a year ago he made the following statement:

"I will never vote to draft American boys and ship them across the seas to fight and bleed and die in anybody's battles but our own. * * * I would not sacrifice the life of one American boy, I would not break the heart of one American mother, to guard the boundaries or to maintain the territory of all the faith-breaking and debt-defaulting nations on this globe"—

we knew that he meant it. He faced the fire without flinching.

A great many of you remember that boy who was like a son to me, and who was raised in my home, the last from Bryan County to give up his life on the bloody fields of France. Had this Nation seen with the clear vision that Senator GORE saw with, that boy and thousands of others need not have made that sacrifice.

I am going to cast my vote and use my influence to, in part, repay this servant for duty well performed and in order that we may receive the benefit of his ability in the future.

LAWTON, OKLA., *May 17, 1936.*

Hon. THOMAS P. GORE,

United States Senator, Oklahoma City, Okla.

MY DEAR SENATOR GORE: Enclosed is a poem which expresses my sentiments about sending our sons to war even better than I can. My three sons, all of vulnerable age, mean more to me than all other issues now before our people.

I have just heard over the radio that the Governor of this State has said that no man should offer himself as a guard at the penitentiary unless he is willing to sacrifice his life to keep the criminals inside the penitentiary, thus protecting the lives of innocent citizens.

This is well taken, of course, but to me it is much more important that no man should offer himself as a candidate for Congress unless he is willing to sacrifice his seat to keep our sons inside this country and out of war, thus protecting the lives of not a few innocent citizens but of thousands, which always include the choicest of American manhood.

Mothers are by nature conservatists as well as humanitarians. We feel and know that our Government should preserve and encourage the finest and the best of our citizens if it is to endure.

This applies not only to peace and war but to our economic problems as well. The interests of the great middle class must be protected. To apply these principles requires sane and courageous judgment. It is that quality that is most admirable in you—particularly your consistency in always opposing war.

With best wishes, I am,

Sincerely yours,

Mrs. J. HALE EDWARDS.

[From the Oklahoma News of Apr. 17, 1936]

A WOMAN'S VIEWPOINT—PATRIOTISM AND WAR

By Mrs. Walter Ferguson

At last we give honor where honor is due. For the first time in our history, statesmen who opposed war have been crowned with laurel wreaths. Four of them still serve us in Washington—NORRIS, of Nebraska; LUNDEEN and KNUTSON, of Minnesota; and GORE, of Oklahoma.

In 1917 these men knew what it was to be called slackers and Reds. They were charged with traitorous conduct. Those whose memory runs back to the hysterical days can recall the vituperations hurled at them when thousands of pigmy patriots were for hanging them in effigy.

Now, 19 years later, we pay them a belated tribute. Our weakness bows at last to their strength, and our folly acknowledges their wisdom. For make no mistake about it: The man who keeps his country out of war is the true patriot of the twentieth century.

Now, let's look at the picture etched upon national annals in 1917 when a handful of men and one woman, Jeannette Rankin, voted against our entry into the World War. As time passes, its significance will grow clearer, for several in so doing voted themselves out of Congress.

How many of our present Representatives, I wonder, will show the same courage when the test comes—and it seems to be coming. The United States is getting ready for war in such a sweeping fashion as to frighten the most optimistic. We now have the largest peacetime war budget that any country has or ever has had in the whole history of the world. Read that sentence again. Let it sink into your consciousness, for you are helping to pay the bill.

And what does such a bill mean? It means war. Peace is not preserved in any such belligerent fashion. The throttling fingers of militarism are about our very throats ready to choke democracy to death. Do not be fooled; there is no such thing as a free republic once war is declared. Military rule takes precedence over everything.

Surely the ghosts of the boys who died "to make the world safe for democracy" must walk restlessly by night in this "peace-loving America."

THE PIONEER WOMAN—ADDRESS DELIVERED BY HON. T. P. GORE

We have met this evening to pay the tribute of our respect to the pioneer women of America. Such a meeting with such a mission is more than unusual; it is unprecedented.

It is not unusual for us to meet to commemorate the deeds of the mighty "dead but sceptered sovereigns, whose spirits still rule us from their sacred urns." But yesterday we were celebrating the birth of Washington and Lincoln—twin stars of the first magnitude in the firmament of American statesmanship. But Washington and Lincoln in their own day could read their glory as well as "their history in a nation's eyes."

I have seen the representatives of all the nations of the earth meet with "the pomp and circumstance of war" at the Tomb of the Unknown Soldier but the Unknown Soldier died in the shock of battle; he fell, as we may say, upon the field of martial glory, "and fame was there to tell who bleeds and honor's eye on daring deeds."

It is not unusual for us to meet and render the tribute of our respect to those who occupy the seats of the mighty—to those who are possessed of power and prestige, to those who have favors to grant or to withhold.

It is easy to say "long live the queen." It is easy to render homage to the 60,000,000 American women of this generation.

They are sceptered sovereigns—vested with the vote, they have the power to lift up and to cast down. It is easy to say now that we want the women to have everything on earth that they want—and more, too, if they want it!

It is unusual to meet to render homage to the inconspicuous—to the nameless dead—to those who left no bloody trophies to perpetuate their renown—who left no visible "Footprints upon the sands of time"—to those who lived only to labor and to love, who lived only to suffer and serve and then to pass on, not, indeed, unwept, but unhonored and unsung.

The purpose of this meeting is to do honor—not so much to do honor as to do justice to the pioneer woman of America. The memory of her whom fame forgot shall live like "a soul imprisoned in stone", shall live while the sculptured marble lasts. Her memory like her merits shall now take its appointed place among the "timeless things."

In order to appreciate any subject you must take into account and understand the background. The prototype of the pioneer woman of America is to be found in the pioneer race itself. We must appreciate the important part she played during the long ages, during the long states of savagery and barbarism en route to civilization.

Our modern civilization, with all its splendor, with all its diversified arts and industries, began with the principle and was builded upon the principle of "the division of labor." The first division of labor was founded upon sex; it began, the scientists say, with the discovery and use of fire. The women tended the fire while the men forayed, foraged, and fought.

The primitive woman was the pioneer inventor; she invented all the arts of peace. The pioneer woman was the first weaver and invented the primitive spindle and loom; she was the first tanner and invented her rude appliances; she was the first potter and advanced that art a long way toward its present perfection.

The primitive woman, to use the language of those who write of primitive culture, was the first "beast of burden"; she held that post for ages before the domestication of the horse and the camel. The invidious say that woman herself domesticated the cat; but, if so, she did so to guard the granaries she had built.

For ages woman's back bore the burdens of the race; she was the first packhorse, the first freight, the first passenger, the first accommodation train. The papoose frame was the first passenger car, the first palace coach invented by primitive woman, and not by Mr. Pullman—to whom letters patent were issued.

Let me repeat here the table of contents of a work entitled "Woman's Share in Primitive Culture"—the food bringer, the weaver, the skin dresser, the potter, the beast of burden, the Jack-at-all-trades, the artist, the linguist, the founder of society, and the patron of religion.

Did you ever reflect that the mother's love for her offspring is the beginning of all morality? It is the source and origin of ethics, it was widened to include the tribe, it was widened to include the race. Without this consecrated instinct, without this spark of divinity in the mother's breast, the race could not have endured. If I may change the metaphor, it is the taproot out of which has grown and flowered and fruited our civilization itself. It is the selfsame sentiment which inspired the dying words of Miss Edith Cavell when she said—with the light of another world breaking in her face—"patriotism is not enough."

We have heard a great deal about the rights of man—but very little about the rights of women; but of the long and tragic struggle on the part of woman, not for equal rights but for human rights, I shall not speak. It is easy now for chivalry to indulge in fine rhetoric about the uncrowned queen, but from the condition of slavery, from the status of property, woman has trod along the thorny and weary way.

When Columbus discovered America, when he lifted these two continents from out the sea, when he created the Western Hemisphere and rounded out the globe, when he raised the curtain and exhibited the new world unto the old as the theater where the great drama of the future was to be enacted, this discovery was followed up by two distinct types of civilization.

The Spaniard came, clad in a coat of mail—booted and spurred; he waded through slaughter in quest of gold; he burned the Incas in his rage for gold; someone has said that he fell first upon his knees and then upon the aborigines. He did not bring his mother, his sister, or his wife to the New World; he murdered the men and married the women of the wilderness, or, rather, he mated with them. Out of this union came the civilization of Latin America with its distinctive characteristics.

When our fathers came they came in search of liberty and not of gold; they brought with them the institution of the family and the home. They brought with them their helpmates, their wives, their sweethearts. Out of their union grew up the civilization of the Colonies, and out of that has grown the civilization of the United States of America. The distinctive character, the distinguishing characteristics of this civilization, are to be sought in the character and the influence of the pioneer women of America.

Of course, we have heard a good deal about the bonnie brides who were brought over and bartered for tobacco, and I suppose it is in retribution for this that her daughters of the present day have made conquest of the cigarette.

We have heard a great deal, both from history and tradition, about Capt. John Smith and Nathaniel Bacon down in Virginia, about the Wesleys and Oglethorpes of Georgia, about the Calverts and Carrolls of Maryland, about the Penns of Pennsylvania, about the Stiversons and Schuylers of New York. We have heard a great deal, a very great deal, about the Pilgrim Fathers in re the *Mayflower*. We have heard very little about the Pilgrim Mothers, but if truth be told, notwithstanding the silence of historians, they have no alibi.

We hear very little about Mary Chilton, although she was the first to step forth from the *Mayflower* and set foot upon the historic rock at Plymouth.

We hear a great deal about the Boones and the Crocketts and the Carsons far out upon the far-flung border; we hear very little about the widow Sutton, who slew a dozen of her savage captors while they slept and made good her escape.

We hear a great deal in story and in song about the midnight ride of Paul Revere, but we hear very little about the midnight ride of Mrs. Lydia Darrah. She overheard the British officers when they were planning a surprise attack upon Washington and Valley Forge. She obtained a passport through the British lines under the pretense of getting an order of meal. She walked 5 miles during the night to notify Washington of the threatened attack. She walked back after her patriotic mission was accomplished. When the British marched out in pursuance of the plan to attack Washington they found him prepared for this "surprise attack."

The people of Oklahoma are the last pioneers. They assembled in that section from every other State in the Union—I might almost say from every quarter of the globe. There they encountered the hardships of the border. They conquered the obstacles of the frontier. Brave men and brave women underwent all the privations of a new country, inspired by the sacred desire to acquire a home. They developed there the virtues of the pioneer—fortitude, self-denial, self-reliance, self-respect—virtues which have made this country great in the past, virtues which alone can keep us great in the future.

In our country the pioneers lived in sod houses. They lived in dugouts. That country was settled by brave men, by men who dallied with danger as the she tiger fondles her young. They made Oklahoma in their own image. They asked only a chance. Give them a chance and they will rebuild their fallen fortunes. Give them a chance and they will conquer their own destiny. That is my faith. That is my hope.

THE NEW DEAL AND ITS CRITICS—ADDRESS BY HON. JAMES A. FARLEY

Mr. DUFFY. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Hon. James A. Farley, chairman of the Democratic National Committee, at the Democratic State convention, Grand Rapids, Mich., May 20, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Some of my Republican friends tell me Michigan is a doubtful State. In 1932 they did not admit that much. Right up to election day they claimed this Commonwealth as doomed and destined to be in the Hoover column. You know and I know what happened then. The people of this State marched up to the polls and registered their faith in Franklin D. Roosevelt. When the votes were counted the Democratic candidate had a majority of more than 180,000.

I am not so blind a partisan as to insist that all who voted in this State 4 years ago were enrolled in my party. No; here, as elsewhere, Republicans and Independents and Progressives, who had only the slightest tie with either of the great parties, joined forces—not because our candidate was a Democrat, but because they saw in him the only hope there was to get away from a regime that had demonstrated its utter incompetence to deal with the terrific problems incident to a depression.

The opposition party had been in power for 12 years, during nearly all of which time they had not only the Chief Executive but both Houses of Congress. They could have put through any sort of legislation they wished. They could have done all the things that Franklin D. Roosevelt has done if their President had the courage, the desire for service to the general public, and the ability to perceive what was bound to come.

I think you must agree with me when I say that it would have been a very much easier job to have prevented the Hoover panic than it was to check it and turn the tide after that great disaster was upon us in full force.

Take a single simple instance: Does anybody believe that if the former President had grappled with the banking situation as firmly and as intelligently as the present President did, the economic disaster would have been as acute as it was? The stock market crash that inaugurated the panic was in the fall of 1929. That shook the banks. Tempted by the opportunities, hundreds of banks had rushed their depositors' money to Wall Street, to be loaned to brokers carrying stocks on margin. It should not have taken two and a half years to learn that many of the banks were in a desperate state. As a matter of fact it did not. Failure after failure heralded the gruesome intelligence. They toppled and fell at the rate of 30 to 40 a week. At the end of June 1932, one huge institution, presided over by an ex-president of the Reconstruction Finance Corporation, sent its midnight demand to Washington for a $90,000,000 loan.

I remember the date because the Democratic national convention was then in progress and the streets of Chicago were blocked by the multitude that was making the run on that and other banks. We are still trying to collect that loan, incidentally.

There was nothing to prevent President Hoover from taking the steps that President Roosevelt took on the very day of his inauguration.

But, reasoned the administration then in power, including Secretary of the Treasury Ogden Mills, to shut up the banks, while the good were separated from the bad, would have precipitated the panic. Suppose that to be true? Letting bankrupt banks remain open only deferred the inevitable day, and practically every 24 hours saw one or more of the depositories folding up, and taking to destruction business firms and individuals whose funds were in their keeping.

Would it not have been infinitely better to have faced the situation at any time during these 2½ years, with courage, resolution, and care for the interests of the depositors, than to have permitted things to drift while some of our great financiers, themselves perfectly cognizant of what was bound to happen, looked out for themselves while the people who trusted them were ruined?

So far from precipitating disaster, the bank holiday checked the panic, and restored confidence, because the people saw that there was an administration in power that had their interests in mind. The bank holiday was the first step upward that this country had seen in 2½ distressing years.

And what have we now? Ex-President Hoover tells us in his speeches that he had the depression stopped at the very period of the Chicago banking incident to which I have referred. Ex-Secretary of the Treasury Ogden Mills, with his own particular air of authority, warns the country that unless we go back to the system and the political control that marked the period of hideous economic failure, that chaos is just around the corner—the same corner, I presume, we heard so much about 4 or 5 years ago—the corner around which prosperity coyly lurked, according to this same regime.

Michigan a doubtful State! I can tell you one thing, at least, about which it has no doubts, and that is the difference between things as they are and things as they were under the previous administration.

Nor do I question where Michigan stands this year on the great political issue. That issue is just what it was 4 years ago. Shall you have a government in Washington that has demonstrated its ability and willingness to face every situation calmly and with the single purpose in mind of making and keeping this country one in which the ordinary average man and woman can live comfortably and make his or her own way according to the abilities of the individual, or shall we go back to the system that meant great fortunes for those who had the Government's favor and penury for the great mass of our population?

You are being asked to believe—in this progressive section of the country, at least—that the Republican Party is purging itself of the old predatory spirit and that it means hereafter under new leaders to go forward in the path of advancement and care for the plain people.

Do you believe that fairy story?

You know how the Republican Party is being financed during the present campaign. Does it seem likely to you—a hard-headed practical people—that the Du Pont Liberty League, that collection of multimillionaires, and their satellite lawyers and paid propagandists, is going to back any program that would run counter to their own interests, habits, and special privileges?

This group that has turned every emergency that had to be faced by our country into an opportunity to pile up enormous fortunes is paying the bills of any and practically every real or pretended organization that announces it is against President Roosevelt. They do not even inquire what some of the fly-by-night outfits are based on. This was evidenced the other day, when President Sloan, of the General Motors Corporation—in which the Du Ponts have the largest holdings—had to explain how has name came to appear among the contributors to the sentinels of something or other, which had for its cardinal principle the incitement of religious prejudice against a large element of our population. He said he had not known that this was an anti-Jewish vehicle and promised not to give it any more money. He chipped in there simply because the sentinels said they were anti-Roosevelt. The other conspicuous figures of the League, whose names turned up on the lists of this and other propaganda rackets that were too raw to be fathered by the regular Republican organization, probably took no more pains to investigate

the class and caliber of the beneficiaries of their subscriptions than did Mr. Sloan.

You know how great and how sincere would be the support that a real opponent of the principle of the greatest good for the richest combinations would get from that group. What could he expect from that element of our population which in turn fought against the enactment of the antitrust laws, the income tax, the Federal Reserve banks, and every other enactment having for its purpose the curbing of exploitation and monopoly?

We do not yet know just what Republican figure will be put up to oppose Franklin D. Roosevelt next November. From present indications it appears probable it will be a gentleman of whom none of you had even heard a little more than a year ago.

Talk about reckless experiments in Government, which is one of our critics' favorite charges against the administration! Could there be a more perilous experiment than putting the complex and highly delicate control of our Government into the hands of a man destitute of experience and devoid of practice in national, still less in international, matters?

You knew Roosevelt. He had been in public life from early manhood as a member of the New York Legislature. He had been part of the Woodrow Wilson administration. He had twice been an eminently successful Governor of the most populous State in the Union. Responsibility was nothing new to him. The problems of administration he had encountered in almost every form.

What do you know about the individual who now appears as the most probable candidate of the minority party?

True, he is being exalted by the antiadministration press. If we accept this version, we have been entertaining in obscurity a genius in government; another Lincoln, with dashes of Coolidge in his composition. I think all of us who have any familiarity with politics are cognizant of the process of building up the commonplace into the remarkable. This gentleman may be all his boosters present him as being, but he is nearly 50 years old, and it would be something new if he possessed all the magnificent qualities of administration, all the knowledge of public questions, all the nobie attributes with which his champions endow him, without his fame getting beyond the borders of his own State. I believe he made a moderate fortune in the oil business, though his biographers say he was educated as a lawyer, but success in oil is not generally regarded as particularly fitting a man for the Presidency.

I am not, of course, in possession of exact knowledge of why the Republican Party chooses to put him on a pedestal, but if I were permitted to guess, I would be inclined to believe it was because he was elected Governor of a typical prairie State, that has usually been Republican, and that the Du Pont Liberty League crowd is less afraid of him than it is of more widely known, and more experienced statesmen who have been mentioned in connection with the Republican nomination.

It is assuming that he is to be the candidate against Mr. Roosevelt that impels me to smile at the thought of Michigan as a doubtful State. I do not think that even Kansas is a doubtful State if the competition is to be as I have surmised.

The real question to be decided next November is simply if the Roosevelt administration has given the majority of the people of this country a better chance for the good things of life than they had when it came into power. Whether the President has been reasonably successful in meeting the stupendous problems that confronted him. I do not mean that he has foreseen everything, or that he may not have made some mistakes. What I do mean is that he tackled his job courageously, sincerely, and industriously, and because of him the country is in a vastly better condition than it was.

I have no time to deal with such absurdities as that he has assumed despotic power or sought to be a dictator; that he is bent on making this a Socialist or Communist or Fascist government; that he seeks to take the profit motive out of business. These things are merely campaign tommyrot. Perhaps the greatest success he has made is in improving business. Indeed one of the criticisms of his enemies is that, while restoring the ledger balances of business to the black after they had been so long in the red, he has failed to completely wipe out unemployment and do away with the relief rolls. In other words, they would imply that he has been more tender and helpful to business than to the mass of the people. That, of course, is as ridiculous as the other.

Let me support what I say by quoting from one of your own town newspapers. The Grand Rapids Herald does not like us any more, but 3 years ago, before the virus of a political campaign got to working, it had this to say editorially:

"Complaint is made that the Democrats propose to make Roosevelt a dictator but we refuse to be alarmed. Congress had its chance and failed. A dictator whose powers are absolutely only in the field of economy can do no harm and may do much good."

This was just before Mr. Roosevelt took office. This same paper at that time bristled with head-lines such as "Live Stock Values Reach Low Mark", and "Business in Arms for Bank Relief" and similar expressions of dismay at the economic condition of the country.

Let us jump a year in the pages of this same newspaper—to March 6, 1934 to be exact—and we read an editorial:

"One year ago the country was suffering an acute attack of nerves. Today confidence has been, in a large measure, restored. * * * Looking back the President has reason for pride. He has steadied the nerves of the country and has imparted to its people some part of the confidence which seems never to desert him."

Of course, this was 2 years before a campaign year. This newspaper's editorials do not sound that way now, even though the paper itself shows the return of prosperity. When the first editorial quoted was printed the Herald was running a meager 10 pages ordinarily and 30 pages on Sunday. Today, thanks to plenty of advertising, it runs 14 pages on week days and 50 pages on Sunday. I'm glad it is doing so well, for a paying newspaper means a prosperous community.

This paper no longer cheers the President editorially but it is unable to get away from the effect of what the President has accomplished on its business pages. Likewise the Grand Rapids Press headlined at the beginning of this year: "New era for furniture." Editorially it said early this year (1936): "Prospects for increased business in the furniture industry have been bright for months. * * * Employment prospects at the factories are the brightest since the outset of the depression."

Throughout the State your newspapers tell the same story. From the Lansing Journal we learn that "State bank deposits gain $105,000,000 in past year."

The Detroit News tells us "business expansion indicated by figures."

The Flint Journal tells us "Buick sales best in years."

The Detroit Free Press publishes that "power sales, auto output, and employment figures register good increases."

And incidentally the good people of Michigan were able to buy 203,000 new automobiles in 1935 whereas they bought only 66,000 in 1932.

I was very happy to read in the newspapers this morning the announcement that my very good friend, Walter P. Chrysler, a great American and a great industrialist, had made the announcement of an increase of from five to six million dollars in the yearly wages of all his employees. This is just another evidence of increasing prosperity brought about through the efforts of President Roosevelt's administration. It is my belief that this is the forerunner of other announcements of a like character in many fields of business activity.

What do you suppose brought all this about? According to the income-tax figures your people paid $40,000,000 more this year than in 1933. That translated means that their incomes are up about $800,000,000.

Your farmers' incomes are up about $20,000,000. Your pay rolls show nearly twice as many people at work in Michigan as there were in 1933. How did it all happen?

Did the circumstance that the Government sent about $957,000,000 into this State have anything to do with starting business to going again? Not that this much was dispensed in Federal charity. Seven hundred millions came to you as loans, insured by the security of your properties. Incidentally, 30,000 or 40,000 farms were saved from mortgage foreclosure; and twice as many homes. That money will all come back to the Treasury, a fact worth keeping in mind when you read those alarmist stories about the vastness of the national debt and the Treasury deficit.

Was the expenditure of forty-odd millions of dollars in the C. C. C. camps, without its effect on bringing Michigan back in the direction of prosperity? Did the keeping of thousands of your boys out of the ranks of the workless by putting them to cleaning up your woods, decreasing the forest-fire peril, guarding your rivers from floods, and preserving your farms from having the soil washed away, play any part in helping this great State? Or were these things mere boondoggling, waste of public funds, and wanton extravagance?

You know the answers to these questions. You know that no modern President has done a big job more bravely, efficiently, and honestly, than Franklin D. Roosevelt has performed the stupendous task to which you set him.

You know that the job is by no means finished, and that if prosperity is to be made stable and anywhere near complete, he is the man to do it, and there must be no interruption to the great work.

Michigan a doubtful State? Well, I guess not!

FEDERAL HOUSING ADMINISTRATION—STATEMENT BY STEWART M'DONALD

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Stewart McDonald, Administrator, on the achievements of the Federal Housing Administration.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Federal Housing Administration launched the Modernization Credit Insurance Plan, a temporary recovery measure, in August 1934. The Mutual Mortgage Insurance Plan, a permanent measure, was placed in active operation during the spring of 1935, when the States had paved the way with necessary amendments to their laws. Today, within less than 2 years of operation under the National Housing Act, the total business transacted under the two plans, representing more than 1,125,000 individual loans, amounts to $828,000,000, and during next August should pass the billion mark.

It should be borne in mind that the money advanced under the Federal Housing Administration program is all private capital. The Administration makes no loans—it merely reinforces the tie between the borrower and the lender by providing credit insurance

for loans meeting certain required conditions. Thus far, the confidence of the Government in the willingness and capacity of its citizens to meet such obligations has been fully justified, as the claims for losses under the insurance plans have been very small.

MODERNIZATION CREDIT INSURANCE PLAN

The modernization credit insurance plan gave new heart to the whole recovery movement by unlocking sources of credit in practically every city, town, and county. At the time the National Housing Act was passed less than 1 percent of the banks were either organized or prepared to make personal loans based on character and income of the type necessary to make the act function properly. Now banks that have made insured modernization loans represent over 85 percent of the total banking resources of the country. In all more than 6,000 banks, building-and-loan associations, finance companies, and other institutions have participated actively in making loans under the plan.

More than 3,000 local better-housing committees and other voluntary agencies were stirred into action because of the credit that was made available, and have generated total modernization work estimated at $1,500,000,000. As a result of these activities millions of our people are now living in improved homes and thousands of wage earners in the durable-goods industries—which were the hardest hit by the depression—have received jobs or have had steadier work and bigger pay checks.

The progress of the modernization credit insurance plan is shown by the following tables:

Volume of modernization notes insured

Month	Monthly		Cumulative	
	Number	Amount	Number	Amount
1934				
August	514	$251,595	514	$251,595
September	7,361	3,274,425	7,875	3,526,020
October	20,886	8,834,565	28,761	12,360,585
November	23,961	9,852,992	52,722	22,213,577
December	19,936	8,237,006	72,658	30,450,583
1935				
January	15,310	6,582,034	87,968	37,032,617
February	12,206	5,269,524	100,174	42,302,141
March	18,644	7,814,722	118,818	50,116,863
April	28,254	11,300,416	147,072	61,417,279
May	36,374	14,415,746	183,446	75,833,025
June	41,285	16,154,052	224,731	91,987,077
July	63,418	21,084,565	288,149	113,071,642
August [1]	71,297	24,240,035	359,446	137,311,677
September	87,970	30,403,178	447,416	167,714,855
October	81,251	27,163,130	528,667	194,877,985
November	93,712	31,051,675	622,379	225,929,660
December	86,026	28,141,069	708,405	254,070,729
1936				
January	82,273	26,337,862	790,678	280,408,591
February	55,028	17,521,022	845,706	297,929,613
March	82,673	28,627,748	928,379	326,557,361
April	89,259	39,052,131	1,017,638	365,609,492

[1] Act amended to include notes of over $2,000.

Volume of modernization notes by States, reported by address of borrower through April 1936

State	All notes	
	Number	Amount
Alabama	8,528	$2,708,512.15
Arizona	8,863	3,224,162.09
Arkansas	8,424	2,959,814.93
California	180,823	57,665,219.76
Colorado	5,578	2,087,266.14
Connecticut	13,451	5,405,287.63
Delaware	1,914	807,181.22
District of Columbia	5,434	2,718,312.83
Florida	13,780	5,639,956.09
Georgia	11,762	4,528,394.72
Idaho	6,690	1,994,039.41
Illinois	47,467	17,345,512.24
Indiana	26,511	7,705,109.18
Iowa	10,056	3,701,455.33
Kansas	6,545	1,961,150.20
Kentucky	9,654	3,367,901.25
Louisiana	12,304	3,219,157.13
Maine	2,843	1,091,740.17
Maryland	11,405	4,702,379.31
Massachusetts	33,799	12,470,975.74
Michigan	47,608	13,891,344.02
Minnesota	14,337	5,457,343.14
Mississippi	5,597	2,155,325.28
Missouri	20,519	9,253,012.95
Montana	2,525	1,310,989.56
Nebraska	4,340	1,484,162.60
Nevada	1,971	860,473.91
New Hampshire	3,260	1,363,334.21
New Jersey	68,651	24,657,448.38
New Mexico	2,105	1,052,413.05
New York	150,508	69,198,280.15
North Carolina	1,724	2,808,216.02

Volume of modernization notes by States, reported by address of borrower through April 1936—Continued

State	All notes	
	Number	Amount
North Dakota	1,229	$584,797.87
Ohio	39,211	11,871,045.17
Oklahoma	11,590	3,610,306.11
Oregon	16,273	5,221,789.59
Pennsylvania	56,727	19,131,364.87
Rhode Island	6,593	2,679,875.40
South Carolina	4,370	1,674,747.11
South Dakota	1,696	752,348.41
Tennessee	10,837	4,057,228.23
Texas	33,829	11,108,322.16
Utah	4,802	1,795,952.91
Vermont	1,772	661,006.92
Virginia	11,443	4,800,421.42
Washington	35,727	11,836,540.61
West Virginia	4,183	1,663,161.31
Wisconsin	10,395	4,295,723.33
Wyoming	1,408	718,636.27
Alaska	110	95,021.17
Hawaii	439	241,275.85
Puerto Rico	20	18,980.00
Canal Zone	3	4,067.00
Total	1,017,638	365,609,492.50

MUTUAL MORTGAGE INSURANCE

Mutual mortgage insurance is now firmly tied into the financial fabric of the Nation through the amended laws of 47 States and through the amendments that have been made to the National Banking Act and other Federal laws. Financial institutions are finding that mortgage insurance, through the means which it provides for distributing the burden of losses that may arise from time to time, has substantially broadened the scope of conservative home-mortgage lending, just as fire insurance had already done in times past.

Improved techniques of appraisal and of analyzing mortgage risks have been developed as an inherent part of the mutual mortgage insurance system. These methods are applied by the thoroughly trained professional underwriting staff of the Federal Housing Administration, and provide a primary protection to both borrowers and lenders as well as the Administration itself. The protection afforded lenders and borrowers is thus enhanced beyond the direct benefits provided by the presence of the mutual mortgage insurance fund.

Within less than a year's operation of the plan, home-mortgage credit, which had been frozen almost solid for several years, was made generally available to home owners on the most attractive terms in the history of the Nation.

Fomerly home owners, in order to obtain as much as 80 percent of the value, were often obliged to seek junior loans and were thus at the mercy of second-mortgage sharks. Now, however, one insured loan up to 80 percent of the appraised value may be obtained, and for a term up to 20 years, at a lower interest rate than formerly prevailed in many States for highly restricted short-term loans.

Mutual mortgage insurance provides for a free flow of mortgage funds from centers of supply into communities where funds are normally scarce. It has effected a reduction in mortgage financing charges for large sections of the country, due to the uniform interest rate established by the Administration. Thus in several States where home-mortgage interest rates averaged about 8 percent, or even higher, the Administration has insured loans amounting to many millions of dollars at an interest rate of 5 percent, plus one-half of 1 percent service charge and the mortgage-insurance premium.

There can be no dispute as to the need for improvement in the mortgage lending system of the country, nor of the timeliness of the mutual mortgage insurance plan as a response to that need. The shortcomings of the old system need no recital. It financed extensive overselling of houses at inflated values, to borrowers unable to pay for them; further, first-mortgage lenders who apparently operated conservatively, frequently acted as parties to home-financing transactions in which the second mortgages involved exorbitant charges. There were, of course, many institutions that made fully amortized mortgages, usually ranging from 7 to 12 years in duration, and for amounts up to 60 to 75 percent of the appraised value. However, in many areas such amortized mortgages involved substantially as high charges and as onerous terms in other respects as a combination of a first and a second mortgage. A large proportion of mortgages were for relatively short terms and were not amortized; hence the coming of the depression led to wholesale embarrassment on the part of numerous lending institutions, for their could not, or would not, because of shrinking values, renew the old mortgages and borrowers were not in a position to make lump-sum curtailments. Hence, many institutions found home mortgages a frozen asset.

Now, on the other hand, the insured home mortgage is being constantly amortized, it is readily salable, under ordinary conditions, and it is also discountable at Federal home-loan banks, as well as being in part usable as collateral for advances at Federal Reserve banks.

The old system again failed to function properly during the period of deflation when a temporary wave of overcaution resulted in making reasonable credit unobtainable for many prudent prospective home owners whose support would have meant much to the home real-estate market.

The load placed upon the Home Owners' Loan Corporation to take over approximately $3,000,000,000 worth of home mortgages, representing a million properties, testified to the magnitude of the break-down.

Increases in population and in the number of families, together with the present deficit in housing, are bound to result in a large revival in home-building activity during the next few years. It is of incalculable importance to the Nation that the major mistakes of the past be avoided in financing this program. The mutual mortgage insurance system is exerting a powerful influence in the right direction. It is helping to raise home-building standards, including the proper lay-out and financing of new subdivisions, site planning, intelligent design, adequate standards for materials, and good workmanship throughout. It helps to bring the conservative buyer into the market by giving him adequate credit at reasonable terms. It discourages financing of borrowers who attempt to buy beyond their means, and the exorbitant financing charges that frequently went with such transactions. It encourages each home owner to make a sound purchase within his means.

The progress of the mutual mortgage insurance plan is shown in the following tables of mortgages accepted for insurance each month; i. e., the mortgages which the administration commits itself to insure. In the case of new construction, the actual insurance is not in effect until the building operations are complete, and the home owner begins payment of the insurance premium.

Volume of mortgages accepted for insurance

Month	Monthly		Cumulative	
	Number	Amount	Number	Amount
1935				
January	102	$514,280	102	$514,280
February	435	2,136,480	537	2,650,760
March	1,211	5,101,596	1,748	7,752,356
April	1,880	7,926,354	3,628	15,678,710
May	2,612	11,109,683	6,240	26,788,393
June	3,048	12,264,001	9,288	39,052,394
July	4,112	16,872,481	13,400	55,924,875
August	5,010	20,671,898	18,410	76,596,773
September	5,300	21,285,398	23,710	97,882,171
October	6,673	26,163,901	30,383	124,046,072
November	6,197	24,515,145	36,580	148,561,217
December	5,567	22,033,647	42,147	170,594,864
1936				
January	5,472	21,531,888	47,619	192,126,752
February	4,700	19,182,530	52,319	211,309,282
March	5,595	22,026,845	57,914	233,336,127
April	7,672	31,243,666	65,586	264,579,793
Total reported through May 23			72,862	293,490,861
Balance home mortgages in process				36,456,179
Rejections				83,825,435
Total home mortgages selected for appraisal				413,772,475

Volume of mortgages accepted for insurance through April 1936

State	Total		New construction only	
	Number	Amount	Number	Amount
Alabama	1,051	$3,268,799	279	$1,059,009
Arizona	502	1,626,244	143	614,452
Arkansas	1,164	2,873,720	259	856,840
California	8,070	34,582,434	2,844	14,024,002
Colorado	441	1,335,474	87	354,180
Connecticut	570	2,927,970	263	1,400,635
Delaware	214	1,055,600	53	270,000
District of Columbia	1,133	7,337,790	264	1,985,200
Florida	1,092	4,346,837	635	2,764,502
Georgia	1,041	3,898,494	382	1,545,994
Idaho	352	1,060,860	147	534,000
Illinois	2,611	11,404,080	553	3,296,285
Indiana	2,059	7,027,341	305	1,505,298
Iowa	757	2,526,879	125	559,295
Kansas	1,818	4,833,507	372	1,334,670
Kentucky	717	3,129,160	148	799,494
Louisiana	575	2,255,960	156	639,355
Maine	217	661,780	28	124,400
Maryland	923	3,568,780	117	652,750
Massachusetts	1,062	5,422,918	113	729,360
Michigan	2,911	12,613,630	913	5,273,410
Minnesota	1,028	3,393,094	246	955,778
Mississippi	1,201	3,366,222	454	1,503,858
Missouri	2,932	12,611,665	537	2,957,440
Montana	158	477,261	30	123,491
Nebraska	406	1,344,530	66	294,450
Nevada	183	653,905	40	167,175
New Hampshire	407	1,449,751	30	124,015
New Jersey	4,608	23,524,445	1,657	9,154,834
New Mexico	271	895,675	96	384,700
New York	3,046	$14,654,615	1,672	$8,335,430
North Carolina	779	3,006,584	302	1,357,960
North Dakota	289	785,705	65	233,450
Ohio	4,962	21,261,805	957	5,662,829
Oklahoma	918	3,105,477	199	1,019,380
Oregon	331	845,525	71	227,750
Pennsylvania	4,134	16,810,065	659	3,664,406
Rhode Island	312	1,352,680	59	260,630
South Carolina	232	855,908	80	320,939
South Dakota	315	820,480	56	206,300
Tennessee	1,238	4,671,345	225	967,225
Texas	2,855	10,313,325	1,157	4,792,898
Utah	875	2,698,735	159	579,900
Vermont	348	1,189,165	38	189,450
Virginia	1,458	5,776,911	452	2,004,380
Washington	1,081	3,108,255	276	998,970
West Virginia	307	1,283,785	91	482,450
Wisconsin	1,010	4,981,931	485	2,646,736
Wyoming	492	1,189,397	68	226,112
Alaska	39	119,060	6	16,800
Hawaii	71	275,235	57	221,215
Total	65,586	264,579,793	18,476	90,404,282

The application of the mutual mortgage insurance plan to large-scale housing projects is a most promising phase of the program, for the financing of apartments and other rental quarters often has been of an unsound character. There has been a reluctance of responsible lenders to make high-percentage loans, particularly for large projects where the amounts tied up are considerable; most of the largest rental projects in the past were for families of high incomes, and many of them were financed through misleading appeals to small investors. Through its power to insure mortgages on large-scale housing developments for persons of small income where the owner is a limited dividend corporation, the Federal Housing Administration is encouraging private capital to enter the field. Particular emphasis is given to the matter of sound planning and financing, and to responsible, efficient management.

To date 21 projects involving a total cost of nearly $42,000,000 and mortgages amounting to $33,000,000 have been approved and commitments to insure mortgages have been issued. In addition, proposals are under consideration for insurance of underlying mortgages amounting to $104,000,000 on 52 projects, all of which have undergone preliminary examination. They range in amount from mortgages of around $100,000 up to $10,000,000, the limit allowed by the law, with the average around $2,000,000. Additional applications indicate the possibility of construction running into several hundred million dollars per year.

ENDORSEMENTS OF PROGRAM

The activities of the Federal Housing Administration have received the most whole-hearted endorsement from groups having widely varying interests. For example, a report approved by the Chamber of Commerce of the United States at its latest annual meeting stated:

"The elimination of the second mortgage by the mutual insurance of first mortgages up to 80 percent of the value of the property is an experiment which is worthy of further trial. Accompanied as it is with the assumption of a contingent liability on the part of the Government, there are reasons to believe that this experiment will become an increasingly important factor in the next 2 years in the recovery of small-house construction. The plan definitely reduces the costs of home ownership to the consumer or purchaser who is not in a position to make a down payment of more than 20 percent; that is, to the buyer who ordinarily would need a second mortgage in order to acquire a home. Since second-mortgage financing facilities are not at present generally available, the plan provides an immediate means of obtaining such funds as a part of a single mortgage."

Again, the president of the American Bankers' Association, Mr. Robert V. Fleming, stated to a group of bankers:

"I desire to call your attention to first-mortgage amortized loans on real estate which can be made under the provisions of title II of the National Housing Act. This type of loan is particularly desirable, as there is no industry which can do more to stimulate employment and help in the stability of the country than the construction of homes. Furthermore, title II loans assist in making unimproved real estate liquid, thus supplying an additional purchasing power. I believe the campaign of education which is being carried on in connection with the provisions of the National Housing Act as to the principles of amortization and standardization of appraisals will be most helpful."

A prominent building and loan association official stated:

"The Federal Housing Administration loan is really the 1935 model of the building and loan mortgage. * * * Our association is well satisfied with the reception of the Federal Housing Administration insured mortgage plan by the prospective borrowers. We intend to take just as many loans on this plan as our funds will permit. Our association is quite willing to make loans on the 20-year plan backed up by the Federal insurance giving further protection to the investments of its savings shareholders."

Mr. William Green, president of the American Federation of Labor, in a message addressed "to the men and women of labor" has stated:

"The American Federation of Labor, ever anxious to provide employment for the workers and to improve the conditions under which they and their dependents live and labor, unequivocally endorsed the program of the Federal Housing Administration in its recent convention in San Francisco.

"The Federal Housing Administration has now made effective those provisions of the National Housing Act under which loans for new construction and the purchase of existing homes may be insured, thereby making possible the freeing of billions of money so long withheld from the building industry on terms fair to the borrower and safe to the lender, and opening the door of employment to millions long idle.

"In conformity with the action of the San Francisco convention, I now urge all of our people to get squarely behind the Federal Housing Administration and the building trades in their efforts to revive building and to provide better and healthier housing under these provisions of the National Housing Act.

"The ramifications of the better-housing program are almost infinite. Directly the millions employed in building and in the production and transportation of building materials will benefit. Indirectly those normally engaged in the production and sale of all types of goods and in services will benefit.

"The building dollar is a busy dollar. It is not 'hidden in a bush' or buried in a vault. From the pay envelope it speedily finds its way into the purchase of clothing, of food, of the 1,001 things and services we all require or wish in our daily lives. In turn it makes it possible for those producing, transporting, and selling these goods and services to satisfy their own wants and needs and give employment to others."

Such comments have their parallel in many hundreds of commendatory editorials coming from practically all sections of the daily and periodical press.

CONCLUSION

The rise in residential building which has been so marked during the past 12 months could not have proceeded as it has without the constructive help of the mutual mortgage insurance plan. There was an increase of 172 percent in the dollar amount of residential building permits in 1935 over 1934, and a further increase of 142 percent during the first 4 months of 1936 over the same months in 1935.

Reports of shortages in skilled building-trades labor have been received from many points in different regions of the country. In one city after another housing has come out of reverse and once again is moving forward toward better living standards.

In concrete terms, hundreds of thousands of families are buying or building homes this year, or are refinancing their present homes at lower cost, because they can obtain credit safely and on more reasonable terms than ever before. They are achieving their aspirations for better homes in which to live and to raise their children, and they are able to do it because of the insured mortgage system.

The resulting home building is furnishing a powerful stimulus to recovery in business and employment, and is rightly regarded as holding unique possibilities as a force for continued prosperity in the future. The good work must be pressed vigorously on. The present housing deficit means that there is lost ground to be made up, and demands for new housing, including rental projects, will crowd in faster than we realize with each further step in the recovery of employment. There must be no let-up, no relaxation of effort in the movement to establish home financing and the financing of large-scale rental projects on a thoroughly sound basis. It is unthinkable that the Nation should fall behind when the groundwork for advance has been laid so ably through the far-seeing action of Congress in creating the Federal Housing Administration.

INTERNAL REVENUE TAXATION

Mr. GEORGE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 12395, the revenue bill, there being, of course, no purpose to press for consideration of the bill tonight.

The VICE PRESIDENT. Is there objection to the request of the Senator from Georgia?

Mr. McNARY. Mr. President, is that the revenue bill?

Mr. GEORGE. The revenue bill.

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, which had been reported from the Committee on Finance with amendments.

MINORITY VIEWS ON TAX BILL—SUPREME COURT OPINION IN CASE OF KOSHLAND AGAINST HELVERING

Mr. BLACK. Mr. President, I desire to file, for the Senator from Wisconsin [Mr. LA FOLLETTE] and myself, from the Committee on Finance, the views of the minority on the tax bill, being the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes. I desire to ask, if it is necessary to do so, that the views of the minority be printed with the majority report.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. HASTINGS. Mr. President, I desire to make a similar request on my own account. I ask leave to file minority views, and ask that they be published with the report of the majority.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LA FOLLETTE subsequently said: Mr. President, I ask that there be printed in the RECORD the minority views submitted by the Senator from Alabama and myself on the tax bill; and, following that, I ask unanimous consent that there may be printed in the RECORD the decision of the Supreme Court in the case of Koshland against Helvering, delivered May 18, 1936, which I think will be of interest in connection with this whole tax discussion.

The PRESIDING OFFICER. Without objection, it is so ordered.

The minority views and decision of the Supreme Court are as follows:

MINORITY REPORT ON H. R. 12395

Although we voted to report H. R. 12395 to the Senate, we did so for the purpose of bringing it before this body for discussion and action. We are opposed to the measure in its present form and herewith submit some of our reasons for this opposition.

The President's message asking for additional revenue suggested that the additional amount he deemed necessary at this time might be raised by enacting the proper legislation to prevent tax avoidance, and that this object could be accomplished by imposing a tax on undistributed corporation profits. A tax on undistributed corporation profits must be considered in the light of the fact that it presents a double aspect as to prospective effects.

(a) If corporate profits should be retained by the corporation, the corporate tax would be increased, thereby bringing additional revenue to the Government.

(b) If the imposition of the tax caused a larger distribution of corporate profits, this would increase the amount of income received by individual stockholders. Since all plans contemplate imposing the normal tax on dividends received by individuals, an additional distribution of corporate profits would increase the aggregate amount received by the Government from individual income-tax payers in the higher income-tax brackets.

Let us consider now the effect of the present corporate tax system, the proposal submitted by a part of the Finance Committee, and the principle of taxing undistributed corporate profits as advocated by the President.

Under our present tax system we lay an income tax of 12½ to 15 percent upon the annual profits of corporations. We also impose a graduated income tax upon individuals ranging from 4 to 75 percent. The major portion of America's trade, commerce, and finance is transacted through the medium of corporations. The tax system, therefore, as it relates to corporate profits and individual profits, can function in such manner as to work a gross injustice to a major proportion of individual corporate stockholders and the public and at the same time bestow an unwarranted privilege upon another group of stockholders. This can be readily seen when it is remembered that the individual income-tax rate of those in the higher income-tax brackets may be six times as much as the rate of tax on corporation profits. It is also true that the corporation tax rate may be as much as four times the rate of tax on a stockholder of the corporation who is in the lower individual income-tax bracket.

From this simple statement it is clear that it is decidedly to the interest of individual corporate stockholders in the high income-tax brackets not to receive their share of annual corporate profits into their individual income. They prefer that the corporations should pay a flat corporate rate, whether that rate be 15 or 18 percent, and retain the profit in the corporate treasury rather than to have the profits distributed to these individuals, where they would be compelled to pay an individual tax rate of from 50 to 75 percent of the profits. Thus we find the high income-tax individuals prompted by the most powerful self-interest to have corporate profits remain in the corporate treasury and thus save themselves a large amount of taxes.

Evidence before the Senate Finance Committee showed that approximately 90 percent of all corporate business in the United States is done by 10 percent of the corporations. This 10 percent of the corporations constitutes the smallest number, but their far-flung interests extend into every corner of our country. It is well known that these large corporations doing 90 percent of the corporate business of the Nation are actually controlled by a very small group of stockholders. While there are thousands of small stockholders in these vast corporate enterprises, it is common knowledge that these small stockholders vote by proxy, if they vote at all. They have nothing whatever to do with shaping the policies of these large corporations, either with reference to dividends or anything else. Perhaps not once in 10,000 times do these small stockholders even know the names of the controlling groups ma-

nipulating the corporate profits. As the corporate system actually works in this country, these small stockholders, who are chiefly in the lower income-tax brackets, most frequently have their rights to dividends passed on by these stockholders who are in the higher income-tax brackets, who have working control of the corporation, and who are prompted by the strongest motives to manipulate these corporate profits so that they will not have to pay individual income taxes on them.

By this simple device of retaining corporate profits unnecessarily there has evolved the most stupendous tax avoidance in our history. It is proper to state, however, that it is practically impossible to prove that this retention was not within the law. According to the report of the Treasury Department, made after careful study, the United States Government will lose more than $600,000,000 during the taxable year of 1937 if Congress permits this unfair and unjust system to continue.

In other words, by amending the law in such way as to require men in the higher income-tax brackets to pay their taxes on the same square and honest basis as men who do not draw profits from corporations, these particularly favored persons will be required to pay $600,000,000 in additional taxes on individual income.

EFFECT OF COMMITTEE BILL

Since the majority report recommends an increase of a flat tax of 3 percent on corporations it is proper to consider the effect it will have on this situation. The committee bill providing for an increased flat corporate rate does not lessen the unjust result of this evil practice. On the contrary, it exaggerates the injustice. It strikes a wholly unnecessary and deadly blow at many of the 90 percent of small corporate structures now struggling to compete with the larger corporations so well financed with funds often selfishly withheld from their small stockholders. This increased flat corporate rate of the committee bill adds to the actual tax laid upon the corporate profits and thus is an additional tax burden of 3 percent on the gains of the hundreds of thousands of small corporation stockholders in the lower individual brackets. Thus we find the small stockholders, who are in the 4-percent income-tax bracket, whose corporate profits are taxed 18 percent by the committee bill instead of 15 percent, as under the present existing law. We are opposed to adding this heavy tax burden to more than 200,000 small corporations, and thus, also, increasing the burden of tax upon thousands of individuals, small stockholders, and taxpayers, in general, until we first attempt by legislation to collect the more than $600,000,000 of individual income taxes which those in the higher individual income-tax brackets now escape.

We believe that the small income taxpayers and the small corporations, are unjustly treated by the present tax law and would be more unjustly treated by the committee proposal. Recent history has shown that many who enjoy the largest incomes and who make the most profits, do not, in many instances, pay the most income taxes, because they are able to avoid them under our present corporate tax system.

This was illustrated recently when the country was astonished to know that one of its wealthiest citizens had not paid a dollar of income tax in a year. The corporate device so frequently used for tax avoidance, which we have heretofore outlined, aided materially in bringing about this indefensible situation. The committee's bill, which would increase the flat corporate rate 3 percent upon all corporations and which would impose a 7-percent flat rate upon undistributed profits and 4-percent increase upon dividends received by stockholders, will result in unnecessarily accentuating and aggravating existing tax injustices. A graphic picture of the law as it operates under the present method, as it would operate under the committee's bill, and as it would operate if corporate profits were distributed in line with the President's suggestion, is shown below. In this illustration it is assumed that two individuals own stock in the same corporation, and that their part of the corporate earnings for the year is $1,000 each. The individual numbered (1) falls in the 4-percent individual income-tax bracket, and no. (2) in each instance falls in the 75-percent income-tax bracket. These illustrations would produce a similar result, if other figures had been selected, although the differences would not be so great.

UNDER EXISTING LAW

Corporate profit of individual	Corporate tax on this profit at present rate if undistributed and tax paid by the corporation	Income tax for individual if dividends distributed and tax paid by the individual
(1) $1,000	$150.00	$40.00
(2) $1,000	$150.00	$750.00

UNDER SENATE COMMITTEE'S BILL

(1) $1,000	$237.40	$40.00
(2) $1,000	$237.40	$750.00

It will be observed from the above illustration that under the Senate committee's bill the stockholder in the individual 4-percent-tax bracket has an additional tax placed upon his part of the retained corporate earnings of $87.40 on each $1,000 of corporate profits. It is also noted that under the committee's bill the stockholder in the 75-percent income-tax bracket would still avoid the payment of more than $500 of individual income taxes, if his $1,000 profit should be retained in the corporate treasury instead of being distributed to him in dividends. It is clearly seen from this illustration that the committee's bill would aggravate the existing injustice to the small stockholders and small taxpayers.

As a matter of fact, we believe that the Treasury experts are correct in their conclusion that the committee's bill will not provide any effective incentive for the reasonable distribution of dividends. While the corporation would be subjected to an increased tax of 7 percent on undistributed profits, it is also true that the committee's bill adds 4 percent on the normal tax of the individual where these dividends are distributed to the individual stockholders. This means that if all the corporate profits should be distributed the corporation would not pay the 7-percent penalty, but the individual would pay a 4-percent tax on the dividends. The net incentive, therefore, is a 3-percent tax on undistributed profits. Such a penalty will not cause the controlling group in the higher income-tax brackets to declare dividends, because it is too much to expect that men will deliberately take action that increases their own individual income tax up as much as 500 percent. As a matter of fact, the net result of the passage of the committee's bill will be an ostensible increase of tax upon corporations, but in reality it amounts to an indefensible increase in the tax on thousands of small corporations and small corporate stockholders, while at the same time the committee's bill perpetuates the evils of a tax system under which the largest income beneficiaries in America avoid their fair proportion of tax.

OUR PROPOSAL

We are in full accord with the objective of the House bill to stop the tax avoidance through the corporate device. We believe, however, that the rate schedules provided in the House bill are too complex and too complicated. We suggest, therefore, as a substitute for the House rates on undistributed profits, and as a substitute for the proposal of the Senate Committee, a simple and easily understandable schedule of corporate tax rates. Since we believe there is no justification at the present time for an arbitrary flat increase of 3 percent on corporation taxes when such an increase will fall heavily on thousands of small struggling corporations, we propose to retain the present flat graduated corporation rates of 12½ percent to 15 percent. We propose a plan in line with the President's suggestion, which, according to Treasury estimates, will obtain substantially the same revenue as the increased flat corporation rate proposed by the committee with its 7-percent surplus tax. While our proposal, according to Treasury estimates, will raise $502,000,000; while the corporate tax plan of the committee, according to Treasury estimates, will raise $522,000,000, our proposal will not, as does the committee bill, fall with crushing force upon the small corporations and the small taxpayers. It will place a fairer burden of taxes upon the higher income group who have been heretofore escaping from their just burden, and who will continue to escape if the bill reported by the committee is adopted. Our proposal is as follows:

1. Exempt the first $15,000 of adjusted net income from the undistributed profits tax. Our proposal will therefore permit 90 percent of all of the corporations of the country making $15,000 or less, to retain all of their profits free from the undistributed profits tax.

2. In addition to the present corporation tax, impose no additional tax upon the first 20 percent of corporate adjusted net income.

3. Impose 20 percent tax on that part of the undistributed adjusted net income in excess of 20 percent and less than 40 percent of such income.

4. Impose 30 percent tax on the remainder of the undistributed net income.

5. Enact the same provision as appears in the House bill for permitting the corporation to comply with outstanding written agreements which prevent a distribution of dividends.

6. Specifically provide that there shall be no undistributed profits tax on stock dividends which are taxable income for the individual recipient because the stock "gives the stockholder an interest different from that which his former stockholdings represented."

Under the opinion of the Supreme Court in *Koshland* v. *Helvering*, decided May 18, 1936, the Supreme Court decided that stock dividends represented taxable income where they give "the stockholder an interest different from that which his former stockholdings represented." It is, therefore, beyond any question of doubt, that under our proposal, corporations would be able to retain all money profits needed for carrying on their business without any additional corporate tax. If the exemption of the first 20 percent of profits, and the exemption as to outstanding dividend contracts, were not sufficient to protect the interest of the corporation, it could declare stock dividends of such a nature as to be taxable income in the hands of the individual stockholders without paying additional corporate tax. It cannot be argued that under our proposal corporations would be unable to discharge their obligations or meet business conditions and requirements for expansion.

Under our proposal the Government of the United States would be able to collect a large part of the more than $600,000,000 in taxes which the most prosperous financial group in the Nation

will inevitably escape and avoid if the corporate tax law remains unchanged or if the Senate committee's bill becomes the law. Our proposal therefore would simply require this group so greatly favored at present to bear their proper proportion of taxes as a result of benefits accruing to them from their share of corporate profits. Our proposal would advance toward the goal of equalizing tax burdens and of requiring an individual to pay a similar rate of tax upon profits accrued from corporation investments as other individuals are now compelled to pay on profits accrued from noncorporate investments.

We do not here consider at any length the uses to which the higher income groups who control large corporate surpluses have employed these surpluses for their own advantage and to the distinct disadvantage of the small stockholders and the public in general. It is well known that these closely controlled surpluses have been availed of for stock-market manipulation to the advantage of the same group that avoided individual taxes by withholding dividends. It is common knowledge that at the height of the stock-market boom the gambling funds of the Street were replenished from these closely controlled corporate surpluses.

It is clear that if we will tax the income, in the form of corporate profits, of this higher income-tax group which is now avoiding the higher individual-income taxes, we need not impose further burdens in this bill on small corporations and upon individuals who are now paying their just share of taxes. We cannot follow the recommendations of the majority, which imposes additional tax burdens on those individuals now paying their fair share of taxes, until we first make a conscientious effort to place a just tax burden on those who today are escaping their share of taxes by retaining more than $600,000,000 annually which in all equity they owe to the Government in taxes.

Just one example of many possible illustrations will show the enormity and injustice of this tax avoidance. A certain corporation made more than $6,000,000 net income in one year. This corporation paid Federal taxes that were approximately $700,000. If the profits had been declared out in dividends, so as to be taxable in the hands of stockholders, one stockholder of this corporation would have paid the Government more than three and a half million dollars in additional individual income taxes. In other words, the graduated individual income-tax brackets for this individual and numerous others are but "paper brackets", and unless and until these "paper brackets" for the favored few become real brackets we consider it unjustifiable to raise the individual income taxes of those who now pay their full share of taxes.

Instances like this could be multiplied. It is typical of the tax avoidances of those who are the most prosperous. The corporate device is now being used to a large extent as nothing more or less than a scheme through which the higher individual income-tax brackets are avoided. The committee bill would permit many persons to continue to escape the payment of just taxes as did the individual in the above case. Evidence before the committee shows that other individuals will escape taxes in this manner at a cost to the Government and an enrichment to themselves of more than $600,000,000. We cannot recommend a bill which provides for legalized continuation of such an unjust system. The existing law and the committee bill are unfair to the small corporations and to the men and women who now pay their fair share of income taxes without the benefit of this device which brings about such widespread and wholesale avoidance of higher individual taxes. Our proposal, if adopted, would collect the $600,000,000 of taxes now being avoided by this privileged group.

Supreme Court of the United States. No. 774. October term, 1935. *Corinne S. Koshland, petitioner*, v. *Guy T. Helvering, Commissioner of Internal Revenue*. On writ of certiorari to the United States Circuit Court of Appeals for the Ninth Circuit. May 18, 1936

Mr. Justice Roberts delivered the opinion of the Court.

The writ of certiorari was granted in this case to resolve a conflict between the decision below[1] and one by the Circuit Court of Appeals for the Sixth Circuit.[2]

The question is whether, under the Revenue Acts of 1926 and 1928, a taxpayer who purchases cumulative nonvoting preferred shares of a corporation upon which a dividend is subsequently paid in common voting shares, must, upon a sale or other disposition of the preferred shares, apportion their cost between preferred and common for the purpose of determining gain or loss.

The petitioner, in 1924 and 1926, purchased preferred stock of Columbia Steel Corporation. The company's articles of incorporation provided that holders of preferred stock should receive annual dividends of $7 a share in cash or, at the company's option, one share of common stock for each share of preferred. Dividends on the preferred were to be paid in full before any could be paid on the common; the common had voting rights, the preferred none. The preferred was redeemable at $105 per share, plus accrued dividends; and upon dissolution or liquidation was entitled to preferential payment of $100 per share, plus accrued dividends, and no more. The common alone was entitled in such event to the assets of the corporation remaining after payment of the preferred.

In each of the years 1925 to 1928, inclusive, the company had a surplus sufficient to pay the preferred dividends in cash, but elected to pay them in common stock. The petitioner received, in each of those years, shares of common stock as dividends on her preferred. In 1930 the corporation redeemed its preferred stock at $105 per share. In computing the profit realized by the petitioner the Commissioner allocated to the common stock so received, in each instance, a proportionate amount of the cost of the preferred stock. He thereby decreased the resulting cost basis per share and increased the gain. The Board of Tax Appeals reversed holding that the dividends were taxable income, were not stock dividends within the meaning of the Revenue Acts,[3] and their receipt did not reduce the cost basis of the preferred stock. The Circuit Court of Appeals reversed the Board and approved the Commissioner's action.

The petitioner contends, first, that the dividends she received were not stock dividends exempted from taxation by the revenue acts; and, secondly, if exempted, they were none the less income and cannot be treated as returns of capital in computing capital gain or loss. The respondent answers that the distributions were stock dividends because made in the capital stock of the corporation and come within the plain meaning of the provisions exempting stock dividends from income tax; accordingly, the Treasury regulations have consistently and continuously treated them as returns of capital and required the original cost to be apportioned between the shares originally acquired and those distributed as dividends to obtain the cost basis for the calculation of gain or loss. We hold that the dividends were income and may not be treated as returns of capital.

The Revenue Act of 1913 imposed an income tax on dividends.[4] In *Towne* v. *Eisner* (245 U. S. 418), it was held that where a corporation declared a dividend on its common stock, in the form of common stock, the dividend was not income within the intendment of the act. The Revenue Act of 1916 provided that a stock dividend should be considered income to the amount of its cash value.[5] In *Eisener* v. *Macomber* (252 U. S. 189), it was decided that a dividend in the corporation's common stock paid to the then common-stock holders, was not income within the meaning of the sixteenth amendment, and therefore the effort to tax such dividends exceeded the power granted by the amendment. It was said that such a dividend was not income because, by its payment, no severance of corporate assets was accomplished and the preexisting proportionate interests of the stockholders remained unaltered. After the decision the Treasury revoked regulations to the effect that a dividend paid in the corporation's stock is income and issued amended regulations, broadly phrased, to exempt all income in the form of stock dividends, whether the dividend shares be of the same class as those theretofore held by the stockholder or of a different class, and prescribing the method of allocating the original cost as between the old and the new stock for purposes of calculating gain or loss upon realization. Subsequently Congress adopted the Revenue Act of 1921 which provided, in section 201 (d): "A stock dividend shall not be subject to tax * * *."[6] The reason for the exemption was the decision in *Eisner* v. *Macomber*, supra. The reports of both the House and the Senate committees dealing with the bill state that the act "modifies the definition of dividends in existing law by exempting stock dividends from the income tax as required by the decision of the Supreme Court in *Eisner* v. *Macomber* (252 U. S. 189)."[7]

Although Eisner against Macomber affected only the taxation of dividends declared in the same stock as that presently held by the taxpayer, the Treasury gave the decision a broader interpretation which Congress followed in the act of 1921. Soon after the passage of that act, this Court pointed out the distinction between a stock dividend which worked no change in the corporate entity, the same interest in the same corporation being represented after the distribution by more shares of precisely the same character, and such a dividend where there had either been changes of corporate identity or a change in the nature of the shares issued as dividends whereby the proportional interest of the stockholder after the distribution was essentially different from his former interest.[8] Nevertheless, the successive statutes and Treasury regulations respecting taxation of stock dividends remained unaltered.[9] We give great weight to an administrative interpretation long and consistently followed, particularly when the Congress, presumably with that construction in mind, has reenacted the statute without change.[10] The question here, however, is not merely of our adopting the administrative construction but whether it should be adopted if in effect it converts an income tax into a capital levy.

---

[1] *Commissioner* v. *Koshland* (81 F. (2d) 641).

[2] *Commissioner* v. *Tillotson Mfg. Co.* (76 F. (2d) 189).

[3] Revenue Act of 1928, sec. 115 (f), c. 852, 45 Stat. 791, 822; Revenue Act of 1926, sec. 201 (f), c. 27, 44 Stat. 9, 11: "A stock dividend shall not be subject to tax."

[4] 38 Stat. 114, 166, 167.

[5] 39 Stat. 756, 757. Compare Revenue Act of 1918 (40 Stat. 1057, 1059).

[6] 42 Stat. 227, 228. The same provision was repeated in all subsequent revenue acts; Revenue Acts of 1924 and 1926, sec. 201 (f); Revenue Acts of 1928, 1932, and 1934, sec. 115 (f).

[7] H. R. 350, 67th Cong., 1st sess., p. 8; S. Rept. No. 275, 67th Cong., 1st sess., p. 9.

[8] *United States* v. *Phellis* (257 U. S. 156); *Rockefeller* v. *United States* (257 U. S. 176); *Cullinan* v. *Walker* (262 U. S. 134); *Marr* v. *United States* (268 U. S. 536).

[9] See Regulations 65 and 69, arts. 1547, 1548; Regulations 74 and 77, arts. 627, 628; Regulations 86, arts. 115–7, 115–8.

[10] *Poe* v. *Seaborn* (282 U. S. 101, 116); *McCaughn* v. *Hershey* (283 U. S. 488, 492); *McFeely* v. *Commissioner* (296 U. S. 102, 108).

We are dealing solely with an income-tax act. Under our decisions the payment of a dividend of new common shares, conferring no different rights or interests than did the old—the new certificates, plus the old, representing the same proportionate interest in the net assets of the corporation as did the old—does not constitute the receipt of income by the stockholder. On the other hand, where a stock dividend gives the stockholder an interest different from that which his former stock holdings represented he receives income. The latter type of dividend is taxable as income under the sixteenth amendment. Whether Congress has taxed it as of the time of its receipt, is immaterial for present purposes.

The relevant capital gains provisions of the Revenue Act of 1928 are section 111 (a):

"* * * the gain from the sale or other disposition of property shall be the excess of the amount realized therefrom over the basis provided in section 113" * * *.[11]

and section 113:

"The basis for determining the gain or loss from the sale or other disposition of property acquired after February 28, 1913, shall be the cost of such property;" * * * (with exceptions having no relevancy here).[12]

The property disposed of was the petitioner's preferred stock. In plain terms the statute directs the subtraction of its cost from the proceeds of its redemption, if the latter sum be the greater. But we are told that Treasury Regulations[13] long in force require an allocation of the original cost between the preferred stock purchased and the common stock received as dividend. And it is said that while no provision of the statute authorizes a specific regulation respecting this matter, the general power conferred by the law to make appropriate regulations comprehends the subject. Where the act uses ambiguous terms, or is of doubtful construction, a clarifying regulation or one indicating the method of its application to specific cases not only is permissible but is to be given great weight by the courts. And the same principle governs where the statute merely expresses a general rule and invests the Secretary of the Treasury with authority to promulgate regulations appropriate to its enforcement. But where, as in this case, the provisions of the act are unambiguous, and its directions specific, there is no power to amend it by regulation.[14] Congress having clearly and specifically declared that in taxing income arising from capital gain the cost of the asset disposed of shall be the measure of the income, the Secretary of the Treasury is without power by regulatory amendment to add a provision that income derived from the capital assets shall be used to reduce cost.

The judgment is reversed.

Mr. Justice Stone and Mr. Justice Cardozo are of the opinion that the judgment should be affirmed.

The meaning of the act of Congress exempting stock dividends from taxation as income at the time of distribution has had a practical construction through administrative action and legislative acquiescence. Even though the meaning may have been uncertain in the beginning, it has now become fixed in accordance with long-continued practice. (*Morrissey* v. *Commissioner*, 296 U. S. 344, 355; *Helvering* v. *Minnesota Tea Co.* (296 U. S. 378, 384). This is not denied in the opinion of the Court. Congress did not intend, however, when it refused to tax the newly acquired shares as income in praesenti to exclude them from taxation in futuro if disposed of at a profit. A tax upon a gainful use either of capital or of income, when the gain is fully realized, is a true tax upon income and not a capital levy. The question is merely one as to how the profit shall be computed. Following the analogy of *Miles* v. *Safe Deposit & Trust Co. of Baltimore* (259 U. S. 247, 253), the cost of all the shares is properly distributed between the investment and its accretions, between the old shares and the new. The regulations so provide. Regulations 45, 1916 act, article 1547; Regulations 65, 1924 act, articles 1547 and 1548; Regulations 69, 1926 act, articles 1547 and 1548; Regulations 74, 1928 act, articles 627 and 628; Regulations 77, 1932 act, articles 627 and 628; Regulations 86, 1934 act, articles 115–7 and 115–8.

[11] 45 Stat. 815.
[12] 45 Stat. 818.
[13] Regulations 74, article 58, 628, and 600.
[14] *Manhattan General Equipment Company* v. *Commissioner of Internal Revenue*, no. 226, October term, 1935, and cases cited.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of A. Miles Pratt, of New Orleans, to be collector of customs, customs collection district no. 20, with headquarters at New Orleans, La.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES PATENT OFFICE

The legislative clerk read the nomination of Justin W. Macklin, of Ohio, to be First Assistant Commissioner of Patents.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Henry Van Arsdale, of New York, to be Assistant Commissioner of Patents.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Floyd J. Porter, of New York, to be Examiner in Chief, United States Patent Office.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask unanimous consent that nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 2, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 1, 1936

FEDERAL POWER COMMISSION

Claude L. Draper, of Wyoming, to be a member of the Federal Power Commission for the term expiring June 22, 1941. (Reappointment.)

BOARD OF TAX APPEALS

Arthur J. Mellott, of Kansas, to be a member of the Board of Tax Appeals for a term of 12 years from June 2, 1936. (Reappointment.)

REGISTER OF LAND OFFICE

Mrs. Belle D. Byrne of Bismarck, N. Dak., to be register of the land office at Bismarck, vice Chris Bertsch, resigned.

PUBLIC HEALTH SERVICE

The following-named persons to be passed assistant sanitary engineers in the United States Public Health Service, to take effect from dates of oath:

John J. Bloomfield
Judson L. Roberston, Jr.
Charles T. Wright

CONFIRMATIONS

Executive nominations confirmed by the Senate June 1, 1936

COLLECTOR OF CUSTOMS

A. Miles Pratt to be collector of customs, customs collection district no. 20, with headquarters at New Orleans, La.

UNITED STATES PATENT OFFICE

Justin W. Macklin to be First Assistant Commissioner of Patents.

Henry Van Arsdale to be Assistant Commissioner of Patents.

Floyd J. Porter to be examiner in chief, United States Patent Office.

POSTMASTERS

ALABAMA

James A. Sanders, Beatrice.
Clyde H. West, Center.
Hettye M. Snell, Clio.
Leslie D. Stallworth, Cordova.
James Claude Golden, Dora.
James Davis Hilyer, East Tallassee.
Clellon L. Wager, Heflin.
Albert C. Blacklidge, Phil Campbell.

ARKANSAS

David Compton, Bentonville.
Logan Stafford, Green Forest.
Carrol L. Bird, Wilmar.

COLORADO

Leo F. Houston, Sugar City.

CONNECTICUT

Catharine W. Quinlan, North Haven.
James H. Morrissey, Unionville.

FLORIDA

Nancy L. Mims, Deerfield.
Rondal B. Handley, Holopaw.
Claudine J. Hansel, Pinecastle.

GEORGIA

Anna Morrison, Mount Vernon.

INDIANA

Pierre Helms, Centerville.
Jesse L. Hoppes, Farmland.
John F. Mitchell, Jr., Greenfield.
John G. Harding, Kirklin.
Clarence A. Washler, Lynn.
Melvin Woods, Milroy.
Maurice C. Ingerman, Milton.
Albert E. Sewell, Pleasant Lake.
Guy R. Sears, Red Key.
Fred B. Pickett, Richmond.
John E. McFarland, Ridgeville.
Rollin J. Clark, Topeka.
Orvah L. Hindsley, Union City.

IOWA

Raymond F. Sullivan, Afton.
Rex O. Mayhew, Blairstown.
Joseph Benesh, Chelsea.
Palmer H. Hedges, Hedrick.
John M. Stephenson, Mediapolis.

KENTUCKY

Joseph E. Langley, Clarkson.

MAINE

Ralph H. Egan, Ashland.
James G. O'Connor, Bangor.
Herbert Fred Hanson, Belfast.
Arthur J. Remillard, Biddeford.
Ralph H. McEwen, Bowdoinham.
Perl E. Woodbury, Damariscotta.
David H. Smith, Darkharbor.
George R. Desjardins, Old Town.
Ella Mae Quimby, Oquossoc.
Allston M. Hatch, Stonington.
Thomas G. Burdin, Turner.

MARYLAND

Isaac Henry Morris, Federalsburg.
Ethel W. Gallagher, Preston.

MASSACHUSETTS

Eugene J. LeMaire, Fisherville.
George F. McNamara, Haverhill.
John R. Walsh, Topsfield.

MINNESOTA

Claude C. Stubbe, Ashby.
Ethel F. Lerohl, Bovey.
Owen J. Regan, Butterfield.
Milton O. Perry, Dodge Center.
Christopher J. Keefe, Eyota.
Elisha L. Creech, Grand Marais.
Frank M. Holecek, Jackson.
Carl T. Torgerson, McIntosh.
Walter B. Gislason, Minneota.
Dolphin W. Forsmark, Palisade.
Raymond C. Faust, Pierz.
Chester C. Gallagher, Plainview.
T. Donald O'Connor, Renville.
John F. Hawley, Sandstone.
Joseph H. McCaffrey, Wabasha.
Minor Buckingham, West Concord.

MISSOURI

Walter Fraser, Bolckow.
Charles V. Hollady, Illmo.
Anna L. Robinson, Oak Grove.
Willie L. Hixson, Ozark.
Leonard V. Parker, Plattsburg.
Edward P. Mullaley, Sedalia.

NEW JERSEY

Carl Shurts, Lebanon.

NORTH CAROLINA

Robert Boyd Patterson, Littleton.

TENNESSEE

George V. Anderson, Gates.
Hugh B. Milstead, Hornsby.
Allen N. Williams, Newbern.
Hughes H. Hunt, Rives.

VERMONT

Alice C. Carr, Derby.

WEST VIRGINIA

Arling C. McGee, Elkins.
Austin H. Elrick, Gormania.
Edson Stout, Nutter Fort.
Swepson J. Richter, White Sulphur Springs.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 1, 1936

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

God be merciful unto us and bless us, and cause His face to shine upon us; that Thy way may be known upon earth, Thy saving health among all nations. Let the people praise Thee, O God; let all the people praise Thee. O let the nations be glad and sing for joy; for Thou shalt judge the people righteously and govern the nations upon earth. Let the people praise Thee, O God; let all the people praise Thee; then shall the earth yield her increase, and God, even our own God, shall bless us. God shall bless us, and all the ends of the earth shall fear him. We pray in the name of our Savior. Amen.

The Journal of the proceedings of Friday, May 29, 1936, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6772. An act to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate to the bill (H. R. 11418) entitled "An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes", nos. 85 and 86.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 4622. An act to amend section 2 of the act entitled "An act granting the consent of Congress to the Alabama State Bridge Corporation to construct, maintain, and operate bridges across the Tennessee, Tombigbee, Warrior, Alabama, and Coosa Rivers, within the State of Alabama", approved May 26, 1928.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 267) entitled "An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature."

The message also announced that the Senate had appointed Mr. CLARK and Mr. LA FOLLETTE additional members of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9185) entitled "An act to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes."

WILLIAM WALLER RUCKER

Mr. NELSON. Mr. Speaker, it is with real sorrow that I announce the death of William Waller Rucker, at his home in Keytesville, Chariton County, Mo., on Saturday, May 30. Judge Rucker was for 24 consecutive years an honored and influential Member of the National House of Representatives, representing the Second Missouri Congressional District, which I now have the privilege of representing. Mr. Rucker was born February 1, 1855.

Following his retirement at the end of the Sixty-seventh Congress, Judge Rucker returned to his home, where he had extensive farming interests, and to which he had since devoted his time. No district has ever had in Congress a more faithful representative than was Mr. Rucker. He was true to every trust. Popular with his colleagues, he had a wide influence in legislative matters. His judgment was excellent and friends consulted him with confidence. His popularity in Congress was exceeded only by that among his constituents, to whom he gave his very best. No commission was too small for him to attend to with the greatest care, and none too big for him to undertake and carry through to a successful conclusion. The old Second Missouri District was fortunate in being represented for many years by one so capable, conscientious, and courteous as was Mr. Rucker.

Only 2 weeks ago it was my privilege to visit for an hour with this grand old man at his home. I was saddened, though, as we sat there and faced the sunset, by the realization that he was rapidly approaching the sunset of his long and useful life; that soon, in all human probability, he would be called upon to travel, as each of us must, alone down the long lane that leads to the Father's house. The journey came, though, sooner than I had anticipated. I shall always count it a pleasure and a privilege to have had this last talk with one to whom I am so greatly indebted, to one who left his impress deep on the State of his adoption, and whose death has brought genuine sorrow to so many.

MEMORIAL DAY ADDRESS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to revise my remarks and to include therein a short Memorial Day address I delivered to Spanish-American War veterans on Memorial Day.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered on Memorial Day, at Cedar Hill Cemetery, Washington, D. C., 1936:

It is springtime. The fragrance and beauty of flowers fill the land. The flag is at half mast. The loom is hushed, and the wheels of industry stand still. It is Memorial Day; a day on which to rekindle the fires of patriotism and love for the land we call home. It is a day of memories.

With heads bowed reverently and respectfully, Americans gather today on the hillsides, in the valleys, and on the plains to honor the Nation's dead. A grateful people pause to perpetuate the memory and recall the unselfish devotion and sacrifice of those who died that the Nation might live.

Yonder across the river on the inspiring dome of the Nation's Capitol, kissed by the sun of day and watched by the stars at night, floats the unconquered flag of the country they preserved for us.

When Jefferson penned the Declaration of Independence he included in that sacred document the thought that men were endowed with certain inalienable rights. Those rights were not granted by man. We do not inherit them from our ancestors; neither can we pass them on to our posterity. We are endowed with them at birth by the Great Creator. They come down to us from Heaven. They belong to us and die with us. Those rights are life, liberty, and the pursuit of happiness. They are interwoven in the fabric of our Government.

The American ideals which we have inherited are lofty ones. They mean courage in the face of difficulty, loyalty to truth, sympathy, and courtesy, industry, and reverence to God and to our fellow men. These have been American ideals since the *Mayflower* crossed the sea.

The principles for which the embattled farmers left their plows on an April morning in the long ago, when reduced to a single thought can be couched in one sentence: "They fought and died to lift the weights from the shoulders of men."

Your fathers in offering all they could give in the great War between the States were ready to yield life freely in order that those principles might be preserved. We who now live in this day and generation, who have inherited the country which our ancestors nobly won and gave to us, may not fully appreciate the sacred heritage which we have received. There is a tendency today on the part of some of the people to forget that which was so nobly achieved and preserved for us and take up the "isms", the imagined glories and benefits of some foreign notions of government.

I, for one, hope this Republic will never grow old enough to forget the sacrifices and devotion of the men who wore the uniform of the American soldier in preserving intact every human principle of right and justice included in the Declaration of Independence and the Constitution of the United States. If that time should ever come in this land when we can no longer remember what the men who followed the flag did for us, then the Republic no longer deserves to remain. Our form of government may not be perfect, but with all its faults, it stands out as the last and best hope of man—freedom to rule himself.

The Government, through Congress, makes laws to rule the people; but the people made the Constitution of the United States to rule their Government. Therefore, any assault on the fundamental law of the land is a direct attack on the rights of the people themselves—rights which were born in death and baptized in the blood of the Nation's soldiers.

To those who would destroy this Government by force and bloodshed from within, let us, the living, join in the silent appeal of the dead, and declare that America needs none but those who appreciate her institutions and cherish the rights and liberties they enjoy under them.

To all others we invite attention to the fact that all ports of departure are open, and if there be any who are dissatisfied with life beneath the Stars and Stripes, the most beautiful flag ever to float beneath an azure sky, then let them return to the land whence they came and no longer remain here to desecrate the soil purchased by the blood of free men.

These dead, in memory of whom we are gathered, are sacred to us. They will remain sacred as long as the generations honor the supreme virtures of manhood.

These honored dead were patriots. Though dead we are inspired and ennobled by the memory of their deeds. Their dust remains an inspiration to their countrymen.

Patriotism consists of doing one's utmost to make one's own country strong, glorious, and honorable among the nations of the world in order that it may thereby best benefit all humanity and serve the race.

Under our form of government every citizen is a sovereign, and no one cares to wear a crown. We are what we are because we have accomplished. Without these honored dead it would not be so. America is not a creed, not a dream, but a breathing actuality with a magnificent past and we hope with a great future still unborn.

Who is an American? He who looks with pride upon the history which his fathers have written by their heroic deeds, who accepts with gratitude the inheritance which they have bequeathed

to him, and who highly resolves to preserve that inheritance unimpaired and pass it on to his descendants, enlarged and enriched, is a true American, be his birth or parentage what it may.

War under any flag means destruction. If these noble dead could stand among us this morning their prayer would be one of peace and good will among men as taught by the white-souled Man of Galilee 2,000 years ago. They died to bring peace to their fellowmen. All the progress of the world has not solved the heinous crime of war. Happy that day, my fellow countrymen:

"When the war drums throb no longer
And the battle flags are furled,
In the parliament of man,
The federation of the world."

A government like ours is the best example in the world as a force for peace and justice. We have no greater security against war than the Constitution of the United States and we will act wisely in this country if we move slowly before we malign the Magna Charta of our liberties. The underlying idea of our Government does not need change, for truth is always unchanging and eternal. What was so when the morning stars sang together will be so when time shall be no more.

St. Paul said, "I am a citizen of no mean country." The Romans challenged the world with the slogan, "I am a Roman." Let no prouder boast fall from our lips than for us to say "I am an American." No man has a right to demand a better government than that toward which he is willing to contribute.

The fathers who founded this Government understood so clearly the full meaning of our great triumph of independence and knew so well the long struggle of those who had fought for liberty that they were unwilling to commit the full measure of their blood-bought rights unto the keeping of any man. So when they formed the Union, before they entrusted any power to any man, they first set down in a written constitution, beyond the profane touch of any official hand, those fundamental rights which neither Congress nor the President could alter or abridge; and for further assurance they established the judicial power to lay the restraining hand upon Congress and to nullify and to make of no effect any act which ran counter to the Constitution. Thus was the light of liberty set upon a hill and so far their blessed rays have spread over the earth since that day that the oppressed of all the world have sought our shores.

When our majestic Capitol was built in Washington, it was proposed to put a liberty cap upon the figure which was to surmount the dome. Jefferson Davis, then Secretary of War, objected because the liberty cap worn by the Liberati in Rome had a significance too narrow to measure our conception of liberty. The classic sculptures of the ancients were studied to find an appropriate suggestion.

At last the goddess of the classics was agreed upon, but with a headdress borrowed from the American Indian in commemoration of his courage in his losing fight for his happy hunting grounds, rather than the ferocious quality of his warriors. Then there was placed in her hands a sword and a new character was given to the goddess of the old Celestials and they called her "Armed Liberty." Whether she is to remain there depends upon us. The soldiers of the Republic have always done their duty to keep her there. May the people be inspired by their example to do likewise.

When the struggle to preserve for our children the constitutional system under which we have so long prospered comes, may the historian of the future who records the part we play in that contest be able to set down opposite our names, "They also kept the faith."

"God of our fathers, known of old,
Lord of our far-flung battle line;
Beneath whose awful hand we hold
Dominion over palm and pine;
Lord God of Hosts, be with us yet,
Lest we forget—lest we forget."

Mr. TREADWAY. Mr. Speaker——

The SPEAKER. The Chair may state that there are pending a number of special orders which will take about 70 minutes, as well as a matter of unfinished business, the vote on the Jefferson Memorial bill. Except for corrections of the RECORD we will take up matters that have priority.

THOMAS JEFFERSON MEMORIAL

The SPEAKER. The question is on the passage of the bill (H. R. 12027), to authorize the execution of plans for a permanent memorial to Thomas Jefferson.

The question was taken; and there were on a division (demanded by Mr. SNELL)—ayes 73, noes 18.

So the bill was passed.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent that, following the address of the gentleman from Missouri [Mr. NELSON], I may address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that on Wednesday next immediately after the reading of the Journal and the disposition of business on the Speaker's table I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DALY. Mr. Speaker, I ask unanimous consent that following the address of the gentleman from Massachusetts [Mr. TREADWAY], I may address the House for 3 minutes.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, and I shall not object, last week special orders were passed which will take up 70 minutes, and this morning about 15 additional minutes' time has been added by way of further special orders. This is the regular Consent Calendar day and many Members on the floor have bills on this calendar they are anxious to dispose of. I shall be compelled to object to any further requests for time this morning.

The SPEAKER. The gentleman from Pennsylvania [Mr. DALY], asks unanimous consent to address the House for 3 minutes following the address of the gentleman from Massachusetts [Mr. TREADWAY]. Is there objection?

There was no objection.

THE PROMISED LAND

Mr. LARRABEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by Hon. Harold L. Ickes, Secretary of the Interior.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LARRABEE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered before the United Palestine Appeal, at the Hotel Astor, New York City, on May 24, by Hon. Harold L. Ickes, Secretary of the Interior:

In man's struggle to civilize himself his inveterate and implacable foe has been ignorance—ignorance which from its noisome cave spawns cruelties, injustice, oppressions, prejudices, and intolerances, myriad in number and of infinite variety and form. Ignorance shackled the timid feet of prehistoric man as he ventured the first faltering step along the road toward enlightenment. Ignorance has forced us back time and again, even after we had firmly set out upon the path that, in our lucid moments, we sought to tread. Ignorance will continue to dog our footsteps to the end of time and will outpatience patience itself in waiting watchfully for opportunities to stir our latent prejudices, our corroding fears, and our all-too-easily stimulated hates.

Most frequently and quickly can this be done against those whom we regard as outlanders merely because they have differently colored skins or speak languages that we do not understand or worship according to beliefs that are alien to us. Although, intellectually, we know all too well the subtly sinister methods resorted to by ignorance to bring about discord, disunion, and disharmony; although from bitter experience we have learned that ignorance, more than all other physical and spiritual forces together, has been responsible for the injustices, the cruelties, and the savageries of mankind, nevertheless, we have so far failed to face it with that courage and will, without which we will continue to be its victims. Instead of letting in the light, we have opposed ignorance with ignorance, thus closing our eyes to the fact that when ignorance meets ignorance, ignorance cannot fail to win.

More than any other race of men that has ever lived, so far as history records or archeological researches have disclosed, has the Jew been the victim of an ignorance that has expressed itself in prejudice, persecution, intolerance, and hate. A race less generously endowed with courage would long ago have perished if called upon to endure half of the miseries that the Jew has stoically and philosophically withstood. Nor has the Jew been lacking in physical stamina of such a high order that he has been able to withstand hunger and thirst, the burning suns of the desert, and the freezing winds of the Arctic. Yet physical stamina he might have had in that measure which has not yet been vouchsafed to men of any other race, and still he would not have been able to survive the forces that throughout the ages have been unleashed to his destruction.

Above all else it has been the spiritual qualities of the Jew that have made it possible for him to survive trials and tribulations to which even the strongest body and the stoutest heart, lacking such spiritual qualities, would long since have succumbed. Time after time recurring tempests of bitter human passions have smashed and torn and battered until only the hardiest were able to survive. Looking back over the boundless sea of tossing, mountainous

waves, upon the crests and in the troughs of which the peoples of the world from time to time have been thrown about or have floundered, one beholds the miracle of a single people savagely flung about whenever there was a storm, and time after time, apparently drowning, yet always in the end emerging with unimpaired vigor, ready and eager once more to resume the road leading to the promised land of the spirit.

How many nations have been born, have flowered, and then have died, the wisest historian would scarcely venture to answer. But throughout the colorful story of submerging and emerging peoples, one thread has been intricately interwoven, but never severed. Sometimes it was snarled; sometimes it was twisted and frayed almost beyond seeming in the hands of cruel and malevolent men, who sought to destroy the wonderful pattern which life was determined to save from them. Merged with other strands, at times it almost became lost. Yet, lost it never has been, and in the light of its sturdy survival who would be so bold as to predict that, come what may, it ever can be destroyed.

This strand, whose origin lies deeply hidden beyond the far horizon whence recorded history finally emerged, in these latter days stands out once again sharp and clear in the design of our slowly developing civilization. It is not important whether those early shepherds, who later were brought together by their common needs and their common aspirations, had a common origin or not. We do know that they regarded themselves as the descendants of a line of patriarchs who were half shepherd kings and half shepherd prophets. We know that in course of time a tribal organization came into being. There followed the selling of Joseph into Egypt and his spectacular rise into the foremost statesman of his age just in time to save from starvation, not only the momentarily grateful Egyptians, but his own kith and kin as well.

Then evil days befell during which the Jews continued to persevere in the development of those qualities of patience, of steadfast endeavor, and of adherence to their belief in one God, which distinguished them from all other peoples of their time, and which, above all else, was the granitic binder that held them together, steadfast in the faith that enabled them to endure and to conquer, to be submerged and to rise again, during the cruel centuries that lay ahead of them. At last throwing off the bondage of Egypt, during 40 years of wandering in the desert in search of the promised land, they had further tragic opportunity to develop to a still higher degree their great qualities of heart and spirit. Then in the promised land, having at last attained it after great travail, they built and maintained the outstanding civilization in the known world, a civilization that has profoundly influenced all succeeding ones and will continue to furnish the woof for the warp of the civilizations that are to come.

But, once again, just when it seemed that they had attained heights upon which they might dwell securely forever, they were brought face to face with the greatest tragedy in their history as a nation. As the result of schisms from within and of the pressure of covetous foes from without, Jerusalem fell and Palestine became for centuries merely a cherished memory to the Jews scattered in all parts of the civilized world.

Always have the Jews been a people of spiritual vision. It is their prophets and their holy men that they have revered throughout the ages—not warriors, not conquerors of foreign lands, not merchants nor bankers nor lawyers. They ever have had leaders of courageous vision to sustain their hopes when the road was the roughest and the night the darkest. The body of the Jew might be making bricks without straw for his oppressive taskmasters in Egypt, but his spirit was always projected toward the promised land. From the day when he was driven from Jerusalem, during all of those ages which, while murky even for those newer civilizations newly emerging from the barbarism of the great forests of Europe, were Stygian in their blackness for the friendless and the outcast Jew, was there mixed with his longing for the promised land that had been won and lost to him the unquenchable hope that it was still the promised land of the Jew of some future generation.

And just as the Jew, escaping finally from Egypt, after long years found his way to the promised land, so latterly the far-off descendants of this same people once again have retraced their steps to that same promised land. Here, indeed, is the fulfillment of the destiny of a people that has no parallel in history. And it is this destiny, this conquering of what seemed to be fate itself, which has brought us here tonight to acclaim what has already been accomplished toward the rehabilitation of the homeland of the Jew, while giving our encouragement and support to a movement which must not be permitted to fail.

With all of their vision the Jews would have failed to take even the farthest outpost of their objective if the social idealism which inspired him had not been supported by practical ability of a high order. It is inspiring to think of a people, scattered and comparatively few in numbers, undertaking a task that is without comparison in the history of the human race. It is even more inspiring to contemplate what has already been accomplished in Palestine and what is now taking place there. Despite what seemed to be insurmountable difficulties, notwithstanding misconceptions and misunderstandings that have developed from unforeseen circumstances or that have been deliberately created for the confusion of a great people intent upon doing a tremendous task, wonderful progress has been made. Despite a financial catastrophe that seemed to threaten the very foundations of our civilization, there is apparent no other disposition than to keep the hand to the plow until the soil has been turned clean and true to the very end of the furrow.

The purpose underlying the repossession of Palestine by the Jews was, of course, to provide a homeland for a people who, by stress of circumstances, had become nomads against their will; a people in whose hearts the hope had never become extinguished, however dim it grew at times, that a wandering and persecuted people would again, sometime or other, return home. Those who, with praiseworthy patience and vision, have made themselves responsible for the success of this unique and significant undertaking have encountered tremendous discouragements.

Men of lesser spirit would long ago have abandoned an enterprise that on many occasions must have seemed impossible of attainment. Yet always they have persevered, just as they will continue to persevere. They have been beset with problems of diplomacy, with problems of internal adjustments, with problems involving the most efficient development of Palestine, with problems of finance. Yet, despite all of these and other seemingly insuperable obstacles notwithstanding the fact that at times there has been far from unanimity even among Jews themselves, leaders who had the vision have persevered, with results that are no less heartening for the future than they are significant of the past.

I was amazed to learn that of the 300,000 Jews who have migrated from various countries, particularly in Europe, during the last 8 years, 162,000 have been admitted to Palestine. It was enlightening to me to learn that more than 60,000 were admitted there during the past year and that, given normal opportunities, another half million will knock on the doors during the next decade.

Those who are creating a home in Palestine are not only helping themselves; they are helping civilization. The world is so closely knit together now that we cannot say that that which is happening in one section will be without influence and effect in another. When we contemplate that the third of a million Jews who now inhabit that famous area have built more than 300 schools, that their hospitals are giving aid to all who apply, that the application of scientific methods to soil reclamation and to agriculture is producing marvelous results, that scholarship is being given a tremendous impetus by virtue of the establishment of that magnificent institution of higher learning on Mount Scopus, we cannot but believe that the effect of a liberal, advanced civilization in the new Palestine will react to the benefit of the whole world. I may say parenthetically that the members of the Department of the Interior are proud of the fact that it was our distinguished reclamation expert, the late Dr. Elwood Mead, who was head of a commission which made a report upon which the program of reclamation in Palestine has been based.

Like any other person of broad interest I have been fascinated to watch this activity in Palestine. From my office in the Interior Building in Washington I have frequently noted the construction of the new Department building. From a large hole in the ground there has risen a skeleton of steel around which the mortar and brick and stone are now being placed which will give character and graceful shape to the building. In a broad way I see in this Interior Building construction an analogy to the building of Palestine. For our project we were concerned with starting with a good and firm foundation. We selected the best steel, we were careful of our cement, we choose as workmen those who were competent to give the best results. And you, in building Palestine, are doing likewise. The foundation upon which you are now engaged must be well and firmly set and the framework upon which the completed homeland ultimately will rise must be solidly constructed by artisans who are both loyal and capable.

In this work, American Jewry has taken a leading part. That is as it should be. It seems to me that there is a form of self-taxation which every understanding and fair-minded person imposes upon himself in behalf of a good cause. Palestine is such a cause. Although the Jews in the United States are comparatively small in numbers, nevertheless they represent a much larger proportion of the wealth of the Nation. And by wealth I do not mean money alone. I refer rather to the important elements of education, industry, loyalty, integrity, and vision.

Certainly no cause confronting the Jews of the world is deserving of more sympathetic consideration than that of the reestablishment of the homeland. There is no inconsistency between that true Americanism which is bred of real understanding and patriotism and participation in the upbuilding of a Jewish homeland. Jews of America are giving their less fortunate brothers a new deal in Palestine, just as we Americans have been endeavoring in the last 3 years to give ourselves a new deal.

It seems to me that those who are devoting their energies to the reestablishment of Palestine must perceive a parallel between what they are trying to do and one of the efforts of our own administration. In the Jewish homeland you are seeking to provide a sanctuary where many of your race who might otherwise be engulfed in the struggle for existence may work and dwell in economic security. In our own land the Government in seeking, through Rural Resettlement and the housing division of the Public Works Administration, to establish social and economic cases where some of those who are having great difficulty in maintaining their economic footing may be given a new start on the road to success.

In rebuilding a Jewish civilization in the land where a great Jewish civilization ages ago held aloft the torch of learning and philosophy and religion, the hope may be voiced that you will construct it around a cornerstone of enduring granite hewed from the mine of true political freedom. Let not your spirit become embittered because for so long a time you have been the outstanding victims of intolerance, of the lust of the ignorant mob to offer up

living sacrifices to its own ignorance, the objects of persecution and of religious bigotry.

I beg of you ever to have in mind that one of the curious phenomena of human nature is the disposition of the oppressed themselves, after they have achieved power in their turn, to use the instrumentalities of even greater oppression. Remember also that not only does a liberal government promise the greatest possible happiness and welfare for those who follow the majority in its thoughts and opinions, it is equally true that only under liberal government can minority groups prosper and thrive. The Jew knows well enough from his own story that only where there is enlightenment can there be peace and freedom.

We Americans pride ourselves on our freedom of press and speech, of assembly and of religion. We must never forget that not one of these can stand alone. If we encroach on one, we soon will limit or altogether destroy the others. There are active and malignant forces in our own Nation now which, while demanding liberty of one sort for themselves, ruthlessly would abridge a constitutional right that is precious to another. This must not be. Always in times of economic upheaval and social stress there is an accelerated tendency in some quarters to insist upon a limitation of the freedom of thought and expression on the part of others. The exponents of one idea would bind and crush those who cherish another. To permit that would be to undermine and ultimately destroy that which is most vital to our national unity and to the orderly progress of our civilization.

The Bill of Rights in our Constitution is for the protection of minorities. A majority needs no protection. Except when subjected to restraint, it is all powerful. It is the minority which requires to be safeguarded from the ruthlessness that sometimes possesses the majority and which is all too likely to possess it in that degree in which it is an overwhelming majority. All too frequently we have seen in this country the stirring up of a mob to wreak vengence on a helpless individual or a forlorn minority group. Even more dangerous, because more insidious and more persistent, is the more refined mob spirit that binds together witch hunting, character assassinating, atavistic superpatriots, whose congenital ignorance calls for all the tolerance and pity that we can muster. Because a man's race, his political beliefs, or his religion are unintelligible or displeasing to us we lynch him physically or spiritually, in total disregard of his natural or political rights or of our own obligations and responsibilities as citizens under the Constitution.

The history of America contains all too many disgraceful instances of suppressions and oppression; of tyrannies by the mob; of ruthless disregard of the rights of individuals and of minority groups, sometimes under the lash of a hydrophobic yellow press, oftentimes with the acquiescence, if not at the secret instigation of constituted authorities, such as to bring the blush of shame to the cheek of every true American who believes in the civil liberties that were written into our Constitution. But be it said to our credit that the record of our Nation is studded with incidents in which we, as a liberty-loving and tolerant people, have expressed our sympathy in behalf of oppressed minorities in other lands.

President Roosevelt was a true spokesman for the America that we love, when, in discussing our foreign policy in his message to Congress last January 3, he said:

"It is idle for us or for others to preach that the masses of the people who constitute those nations which are dominated by the twin spirits of autocracy and aggression are out of sympathy with their rulers, that they are allowed no opportunity to express themselves, that they would change things if they could.

"That, unfortunately, is not so clear. It might be true that the masses of the people in those nations would change the policies of their governments if they could be allowed full freedom, full access to the processes of democratic government as we understand them. But they do not have that access; lacking it, they follow blindly and fervently the lead of those who seek autocratic power. * * *

"They have therefore impatiently reverted to the old belief in the law of the sword or to the fantastic conception that they, and they alone, are chosen to fulfill a mission and that all the others among the billion and a half of human beings in the world must and shall learn from and be subject to them. * * *

"We have sought by every legitimate means to exert our moral influence against repression, against discrimination, against intolerance and autocracy, and in favor of freedom of expression, equality before the law, religious tolerance, and popular rule." * * *

It is my privilege to bring to you tonight a greeting from the President of the United States, expressing his interest in what you are trying to do. He has charged me to say to you who are an integral and valued element in the Nation, that he is distressed and disturbed by the reversion in certain parts of the world to days and deeds of an era which all enlightened people had long hoped would never return. It is his conviction that so long as minorities of the nations of the world are deprived of liberty of thought and religion, and the right to lead a normal, civilized life, there can be no true and permanent understanding between nations.

The President expresses through me to you, the representatives of a great and virile race, the hope that calmer and more dispassionate judgments will prevail, and asserts the belief that the Government of the United States, in carrying out the will of the people, will ever give watchful care to the minorities within its borders, and will maintain inviolate those vital rights that are guaranteed by the Constitution even to the most humble of our citizens.

CENTRAL VALLEY WATER PROJECT

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to include in the RECORD at this point a letter from Mr. Edward Hyatt, State engineer of the State of California, answering certain assertions made on the floor by the gentleman from New York 2 or 3 days ago which pertained to the Central Valley water project.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, I must object to that part of the gentleman's request to insert at this point in the RECORD. I think it is a bad practice. I must object to this part of the request.

Mr. GEARHART. Mr. Speaker, will the gentleman withhold his objection for just a moment?

Mr. BANKHEAD. No; I shall insist upon my objection to that part of the gentleman's request to insert it at this point in the RECORD.

Mr. GEARHART. Then, Mr. Speaker, I modify my request to that extent.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEARHART. Mr. Speaker, under leave granted by the unanimous consent of the House, I am including in the CONGRESSIONAL RECORD a letter which I today received from the Honorable Edward Hyatt, State engineer of the State of California, which relates to certain phases of the great Central Valley project in California.

My purpose in soliciting this letter from Mr. Hyatt and for asking its incorporation in the RECORD is to dispel certain doubt in respect to the attitude and professional opinions of this eminent engineer, doubt which has arisen as a consequence of certain assertions, astonishing to those Californians who heard them, that were made upon the floor of this House some few days ago by the gentleman from New York [Mr. TABER].

It seems quite unnecessary to comment upon Mr. Hyatt's professional standing or the esteem in which he is held throughout the West. Let it suffice to say that, among all of those who have down through the fastly multiplying years labored for the realization of this great project, no one is held in warmer affection nor are the professional opinions of anyone held in higher regard.

The letter follows:

WATER PROJECT AUTHORITY OF THE STATE OF CALIFORNIA,
Sacramento, Calif., June 1, 1936.

Hon. B. W. GEARHART,
Member of Congress, Ninth California District,
Washington, D. C.

MY DEAR CONGRESSMAN GEARHART: In compliance with your request for a statement concerning the accuracy of statements attributed to the State engineer of California in the CONGRESSIONAL RECORDS of May 20 and May 29, in connection with Central Valley project of California, the following is submitted.

The CONGRESSIONAL RECORDS of May 20 and 29 have been examined. In the RECORD of May 20, on page 7639, the following statement occurs:

"Mr. TABER. Let us take the Central Valley project in California, the first item. That project is said by reclamation people to be subject to a cost of $170,000,000. I have in my hand a document issued by the State engineer of California, and on page 37 it is shown that the project will cost $683,000,000 before being completed."

This statement is clearly incorrect. The $683,000,000 figure quoted relates to the State water plan of California and not to the Central Valley project, two separate things. The Central Valley project is known and definite; it has been specifically described by a statute of the State of California, which was upheld at a referendum election; therefore, there can be no mistaking what the words "Central Valley project" mean. This act also limits the expense in connection with the project to $170,000,000, which is somewhat in excess of the engineering-cost estimates.

On pages 8325 and 8326 of the RECORD of May 29, Mr. GEARHEART made the statement that no definite plan had been offered for the saving of the parching lands of the upper San Joaquin other than through the utilization of some, if not all, of the units of the Central Valley project. Quotations follow:

"Mr. TABER. Does the gentleman recognize the State engineer of California as an authority? He has studied the project and has demonstrated it clearly in his report?"

"Mr. TABER. And he has said that what the gentleman has asked is not necessary."

This statement is likewise erroneous. Units of the Central Valley project are the only solution found for the saving of the lands suffering from water shortage in the upper San Joaquin Valley, since the necessary water is not available locally. This has been clearly stated in the reports of the State engineer dealing with the subject, and has been concurred in by Federal agencies who have investigated the problem. Friant Dam on the San Joaquin River and the Madera and Kern Canals are integral parts of the Central Valley project, as are the San Joaquin pumping system and the Kennett Reservoir in Sacramento Basin, all of these units are necessary to remedy the water-shortage conditions in the upper San Joaquin Valley.

With assurances of highest official and personal regard, I remain,

EDWARD HYATT,
State Engineer of California.

THE PROPOSED NEW TAX BILL

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the National Broadcasting System from the National Capital at Washington, on May 29, 1936:

For the past few months the business world has been in a state of uncertainty as to what Congress would do with reference to the passage of a new tax bill. This uncertainty has been caused principally by the uncertainty which prevails in Congress itself. Will there be a tax bill and what will be its provisions is still uncertain. The morning papers indicate a bitter strife between the President, who is demanding the limit in taxation, and the members of his own party on the Senate Finance Committee, who are refusing to follow the dictates of the administration. A showdown came today when the Senate Finance Committee decided to disregard the orders of the President and to exercise their own judgment—in part, at least.

Early last January the President in his message to Congress assured the Nation that he saw no probable need for increased taxation, yet 2 months later he insisted that Congress should proceed immediately to the passage of a tax bill that would net the Government $1,137,000,000 in additional revenues. This was an urgent message, and the Ways and Means Committee of the House proceeded immediately to the task of bringing forth a bill in obedience to the orders of the President. The President demanded a new form of taxation by a levy upon the undivided profits of corporations. There was a wide division in the Ways and Means Committee, especially among the Democratic members themselves, as to how to meet this demand. For 6 weeks they wrestled with the problem. Troubled by doubts as to the wisdom of any tax bill at this time, and recognizing the impossibility of preparing a fair and scientific bill in a limited time and under pressure of administration spendthrifts, the House committee voted out a hodgepodge bill which was satisfactory to no one. The bill was opposed by the solid Republican membership on the committee. But under the lash of the administration this half-baked bill was forced through the House in short order and with little ceremony.

The Senate, although usually tractable and very responsive to the wishes of the administration, gagged at the unsound and unwise provisions of this bill and proceeded to rewrite it. According to the morning papers, the Finance Committee of the Senate, either from sheer exhaustion by reason of their long and tedious efforts or in abject surrender, were about ready to give up the ghost and to report out some sort of a bill that is certain to be unscientific, ill-prepared, and consequently unfair.

I should probably not be too harsh with these legislative committees, because their trouble is due solely to the fact that the administration had no tax program which would meet the test of consistency with any recognized taxation theories. The sole aim of the administration is to get its hands on great sums of money, without regard to the disastrous consequences to business, and for the sole purpose of carrying on its extravagant orgy of spending at least until the November election.

The levying of taxes in a great country such as ours is now almost a science. There is such correlation between all business that an unreasonable burden placed hurriedly upon any one branch may throw out of joint the whole business structure, with the result that the loss in other directions will be much greater than the tax collected.

There is no denying the fact that sooner or later we must embark upon a program that will provide for large additional tax levies. But I maintain that it is unwise to do so before and until the administration has shown a determination to curb the wasteful extravagant course it is now pursuing. At present our Federal Government is running behind at the rate of $15,000,000 every working day. Forty years ago the total cost of government was approximately $1,000,000 per day. The interest on the public debt now greatly exceeds the total cost of government 25 years ago.

This administration has increased taxes four times and the expenditures of the Government within that time have increased as follows:

In the fiscal year ending June 30, 1932, the cost of Government was $3,062,000,000.

In the fiscal year ending June 30, 1933, the cost of Government was $3,574,000,000.

In the fiscal year ending June 30, 1934, the cost of Government was $5,187,000,000.

In the fiscal year ending June 30, 1935, the cost of Government was $6,536,000,000.

In the fiscal year ending June 30, 1936, the cost of Government was $7,025,000,000.

In the fiscal year ending June 30, 1937, the cost of Government is estimated to be $8,612,000,000.

As long as the administration shows no inclination to keep its expenditures within receipts it will be unwise for the tax committees of Congress to assume the impossible burden of taking from disorganized and frightened businessmen and property owners the money necessary to match the easy and carefree expenditures of the National Government, whose mind is centered only on spending.

The bill today recommended by the Senate Finance Committee provides for an increase in the present corporation-tax rate of 12½ to 15 percent to 15½ to 18 percent, or an increase of 3 percent. Also a new tax of 7 percent on the undivided profits of corporations. Also a 1-percent increase in the surtaxes on individual incomes between $6,000 and $50,000. Also for the continuance without change of the present excess-profits and capital-stock taxes which the House bill would have repealed.

Instead of yielding a billion dollars per year as the President urged, it is likely that the new bill will not carry more than an increase of $500,000,000 per year. While this is a colossal sum, yet it is only enough to run the Government about 3 weeks at its present rate of spending.

This extravagance unless curbed is bound to lead to national bankruptcy. It is to lead to destructive inflation or to ruthless repudiation. A course of inflation will burst as every bubble must burst, and a course of deflation through repudiation will drag everybody and every business to destruction.

As I see it the only sensible course to pursue is to halt extravagant expenditure, and to do this in such a positive way as that it will carry conviction to the people of the country.

The President has deviated so far from his campaign promises and has changed his mind so conveniently since he has been in office that he can blame no one but himself if the people now are distrustful of his pledges.

I repeat that the only course out is a positive halting of expenditures so that the people of the country may definitely believe that a new course has been determined upon. When this is done business will revive to such an extent that the people will be more ready to assume the burden of paying the colossal debt under which the Government is now staggering.

Being a Republican I naturally think that this much-desired situation will not come about until a Republican administration is established in Washington. In 1920 our Government was then staggering under the greatest burden of debt that it had ever accumulated up to that time. The Republican administration assumed that debt courageously and inspired confidence in the American people, with the result that for 10 years the debt was reduced at the astounding rate of a billion dollars a year.

And during that time the rate of taxation was reduced several times, but the volume of taxes was increased with each reduction, because the business of the country increased and the confidence of the people in their Government was complete.

Let us restore confidence to the American people. To do this, those responsible for the operation of the Government must carry on so that the people will have confidence in them.

Let us end this reckless joyride of New Deal squandering.

Let us again recognize that thrift is a virtue.

THOMAS JEFFERSON MEMORIAL

Mr. MAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAIN. Mr. Speaker, on last Friday afternoon, when the majority leader made some remarks concerning the authorization for the construction of a memorial to Thomas Jefferson, to be erected in the city of Washington, his persuasive eloquence overcame the reservations and doubts which I then entertained as to the wisdom of such legislation at this particular juncture in our Nation's history.

I have been charmed and impressed by the diction and logic of the gentleman from Alabama on other occasions, but when he referred to his own father, the plans for the Lincoln Memorial and the participation of the Democratic Party in the consummation of those plans for the magnificent structure on the banks of the Potomac dedicated to Abraham Lincoln, I was carried along with the surge of patriotic pride that irresistibly rises in my breast a response to patriotic appeals clothed in choice language and framed in well-turned phrases. The gentleman from Alabama has added one more bit of sparkling oratory to the collection of literary gems with which he has adorned the RECORD during this session of Congress.

But, Mr. Speaker, during the period which has elapsed since the House adjourned on Friday, I have viewed the site upon which I am told the Commission expects to locate the proposed memorial. In my humble opinion the site is entirely unworthy of such a distinction.

In fact, sir, it is my opinion that a memorial costing $3,000,000 could not be effectively located or adequately landscaped on any vacant parcel of land in the vicinity of the Capitol without detracting from the beauty and effectiveness of public buildings and monuments already in existence. It would be most unfortunate, sir, if any part of the Archives Building should be put into eclipse by any building or monument in its immediate vicinity. The new super-super greasing palace of the Standard Oil Co. and the other glorified filling stations nearby have effectively precluded the possibility of any thoroughgoing beautification of Constitution Avenue. In fact, Mr. Speaker, on more mature thought, why should another expensive memorial be added to the very impressive group of monuments already existing in our Nation's Capital? Without attempting to detract one iota from the significance of the towering shaft erected in honor of Washington, nevertheless, I do not hesitate to assert that the simple, classic beauty of Mount Vernon is enshrined in the hearts of the American people in a manner that can never be approximated by any shaft of granite, no matter how stately or unique that structure may be.

The city of Washington was not the scene of the most notable of Jefferson's achievements. In fact, sir, as sometimes happens, in these latter days, so in the case of Jefferson, his accession to the Presidency did not bring the glow of satisfaction; but on the contrary there were the bruises of disillusionment. Thomas Jefferson was more influential in theory than he was impressive in practice. As President he did only that which any other good Republican of his day would have done. As a leader in thought and a shaper of political progress he stands unique and supreme in American history. His stature in Philadelphia, Richmond, or Charlottesville is infinitely greater than in Washington. His memorial should be erected where his figure bulks largest in his service to his country.

When Jefferson became President he no longer wielded the trenchant pen of a political crusader. The responsibilities and exigencies of the office cramped his style and thwarted his ideals. Let this monument, sir, be constructed in some spot already dedicated to the memory of Thomas Jefferson. In this city nothing can escape the benevolent but omnipresent shadow of General Washington. With the advantage of an exceptional location and because of surpassing beauty, the memorial to Lincoln has achieved distinction and acclaim. But I venture the assertion that the proposed memorial to Jefferson cannot attain a fair degree of attention or respect in this city already overadorned with monuments and statues that are obscured and rendered commonplace by their surroundings.

Moreover, Mr. Speaker, I cannot forget that the morning papers announce a new all-time peak for the national debt. Even though this is not the appropriation measure, nevertheless, an authorization of a project to cost $3,000,000 implies and assumes an ultimate expenditure of that amount, or more. And $3,000,000 is too much money to put into a project at this time that does not contribute in some recurring and continuous manner to the well-being and improvement of social and economic conditions.

Three million dollars, Mr. Speaker, would build and equip 10 school buildings designed for special education of youth comparable to the Ann J. Kellogg School, dedicated to the problems of special education in my home city of Battle Creek. Three million dollars would richly endow a school of government in connection with the university which Thomas Jefferson founded. When $3,000,000 are expended to honor the name of Thomas Jefferson, it is my opinion that those millions should be devoted to keeping the idealism of Jefferson a living, vital force throughout the length and breadth of our land. Carving on a marble surface in the city of Washington will not inscribe his name more deeply in the minds of the school children of the Nation.

Casting his figure in bronze, set on a pedestal in the District of Columbia, will not lengthen the shadow of Thomas Jefferson as it betokens the principles of religious liberty in America. Mr. Speaker, I submit that at this time we can do greater honor to the name and memory of Thomas Jefferson by observing and honoring the Constitution itself, rather than by planning to spend borrowed millions to add another ornament to the avenue in the city of Washington named after the Constitution. In the name of the principles established by Jefferson, let us beware of any procedure that may, in years to come, make the name of that avenue but a hollow mockery.

VETERANS, WORLD WAR, EMPLOYEES' COMPENSATION ACT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to have until noon tomorrow to file minority views upon the bill (H. R. 12869) to liberalize the provisions of Public Law No. 484, Seventy-third Congress, to effect uniform provisions in laws administered by the Veterans' Administration, to extend the Employees' Compensation Act with limitations to certain World War Veterans and other persons, and for other purposes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to include in the RECORD a resolution passed by the Senate of the State of California on May 26, 1936, which relates to legislation pending before the Congress.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. GEARHART]?

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, the ordinary practice is to file these resolutions and have them referred to in the RECORD, rather than set the resolution out in full. During the last session of Congress we had hundreds of these resolutions inserted in the RECORD. All Members get memorials from their respective legislatures. They are filed at the desk and referred to under the head of "Memorials" in the RECORD. For this reason I am compelled to object.

Mr. RICH. Mr. Speaker, this is a resolution to the Congress of the United States and the gentleman from California has a right to have it inserted in the RECORD.

The SPEAKER. The gentleman from New York [Mr. O'CONNOR] objected.

Under the special order for today the Chair recognizes the gentleman from Maryland [Mr. GOLDSBOROUGH] for 15 minutes.

MONETARY LEGISLATION PASSED DURING THE PRESENT ADMINISTRATION

Mr. GOLDSBOROUGH. Mr. Speaker, I am not at this time going into an extended analysis of the monetary accomplishments of the present administration in the interest of the people. I do at this time, however, have in mind placing in concrete form the specific legislative acts passed during the administration which are in the public interest.

Each of these acts tends to withdraw the control of the people's money from private interests and place that control in the hands of Government agencies which represent all of the people.

For the convenience of the people of the United States, I have undertaken to list this legislation in concrete form and hope that this attempt will meet with the approval of the Congress and of the country.

The legislation to which I am calling your attention is as follows:

(1) All coins and currencies made legal tender: All coins and currencies of the United States including Federal Reserve notes heretofore or hereafter coined or issued have been made legal tender for all purposes, public and private. (Sec. 43 (b) (1) of the Agricultural Adjustment Act; Emergency Banking Act, sec. 2 (U. S. C., 1934 ed., title 31, sec. 462).)

(2) Circulating notes of national-bank associations abolished: By the expiration of the circulation privilege of United

States bonds under section 29 of the act of July 2, 1932, and by the calling for redemption of 2-percent consols and Panama bonds, there are no bonds eligible for deposit as security for such circulating notes.

(3) Gold removed from domestic circulation: The Secretary of the Treasury was authorized to require the delivery to the Treasurer of the United States of all gold coin, bullion, and certificates, in return for other lawful money, by the Emergency Banking Act of 1933 (U. S. C., 1934 ed., title 12, sec. 248 (n)), Gold Reserve Act of 1934 (U. S. C., 1934 ed., title 31, sec. 443).

(4) Gold held in the Treasury in the form of bullion: No gold may be coined, and no gold coin may be paid out or delivered by the United States, and all gold coin withdrawn from circulation shall be formed into bars. (Gold Reserve Act of 1934, secs. 5 and 6 (U. S. C., 1934 ed., title 31, secs. 15b and 408a).)

(5) Contracts called for payment in gold weight prohibited: Provisions purporting to give the right to require payment in gold or a particular kind of coin or currency declared to be against public policy by the act of June 5, 1933 (U. S. C., 1934 ed., title 31, sec. 463).

(6) All contracts calling for payment in gold by weight were made dischargeable by payment in any coin or currency which is legal tender. (Act of June 5, 1933 (U. S. C., 1934 ed., title 31, sec. 463).)

(7) Sale of gold for industrial uses and for settlement of international balances: The Secretary of the Treasury, with the approval of the President, is authorized to prescribe conditions under which gold may be acquired and held or used for industrial purposes and for the settlement of international balances, and he is authorized to sell gold at home and abroad by sections 3 and 9 of the Gold Reserve Act of 1934 (U. S. C., 1934 ed., title 31, secs. 442 and 733).

(8) Expansion of the currency by issuance of silver certificates: The Secretary of the Treasury is authorized to issue silver certificates by section 43 (b) (2) of the Agricultural Adjustment Act, section 12 of the Gold Reserve Act of 1934, and section 5 of the Silver Purchase Act of 1934 (U. S. C., 1934 ed., title 31, sec. 821b (2) and sec. 405a).

(9) Expansion of the silver base for money: The Secretary of the Treasury is authorized to purchase silver so long as the proportion of silver stocks of the United States is less than one-fourth of the monetary value of the gold stock, by section 3 of the Silver Purchase Act of 1934 (U. S. C., 1934 ed., title 31, sec. 734a).

(10) Bank deposits guaranty: A system of bank deposits guaranty under the management of the Federal Deposit Insurance Corporation was established by the Banking Act of 1933 (U. S. C., 1934 ed., title 12, sec. 264).

(11) Regulation of securities and exchange transactions: Substantial laws to regulate the sale of securities, transactions on the securities markets, and to prevent wild speculation arising from inflated credit, in the Securities Act of 1933, the Securities and Exchange Act of 1934, the Banking Act of 1933, and the Banking Act of 1935. Limitations on the extent of loans secured by stock and bond collateral in relation to capital and surplus of member banks of the Federal Reserve System, and limitations on loans secured by stocks or bonds of affiliates in relation to the capital and surplus, have been prescribed in such banking acts (U. S. C., 1934 ed., title 12, sec. 248 (m) and sec. 371c).

(12) Banks prohibited from having security-selling affiliates: By section 20 of the Banking Act of 1933, as amended by the Banking Act of 1935, member banks of the Federal Reserve System were prohibited from being affiliated with any company engaged in the issuance, underwriting, or sale of stocks, bonds, or other securities (U. S. C., 1934, ed., title 12, sec. 377).

(13) Strengthening the Federal Reserve System: Title II of the Banking Act of 1935 provided for the reorganization of the executive control of the Federal Reserve System, establishing the Board of Governors of the Federal Reserve System, with seven members.

(14) Increased control over Federal Reserve banks: Section 201 of the Banking Act of 1935 gave the Board of Governors the power to veto the election of the president of any Federal Reserve bank (U. S. C., 1934 ed., title 12, sec. 341).

(15) Regulation of interest and discount rate of Federal Reserve banks: The Board of Governors has been given control of the interest and discount rates by sections 206 (b), 208, and 324 of the Banking Act of 1935. The Board of Governors is authorized to define the various kinds of deposits, payment of interest on demand deposits by member banks is prohibited, and the Board of Governors is authorized to limit by regulation the rate of interest payable by member banks on time and savings deposits (U. S. C., 1934 ed., title 12, secs. 461 and 371). The discount rate of Federal Reserve banks is made subject to review and determination by the Board of Governors every 14 days, or oftener if deemed necessary by the board (U. S. C., 1934 ed., title 12, sec. 357).

(16) Control of reserves to meet credit expansion: The Board of Governors may change the requirements as to reserves against deposits, with the power to raise the requirement up to not more than twice the requirement in force prior to the Banking Act of 1935, by section 207 of the Banking Act of 1935 (U. S. C., 1934 ed., title 12, sec. 426b).

(17) Control of open-market operations and policies: Section 205 of the Banking Act of 1935 places the open-market operations of Federal Reserve banks under the control of the Board of Governors through the Federal Open Market Committee created by such section (U. S. C., 1934 ed., title 12, sec. 263).

(18) Bank loans on real estate: The power of banks to make loans on improved real estate was expanded by sections 208 and 328 of the Banking Act of 1935 (U. S. C., 1934 ed., title 12, sec. 371).

(19) Expansion of discount facilities of Federal Reserve banks: Section 9 of the Banking Act of 1933 and section 204 of the Banking Act of 1935 expanded the discount facilities of Reserve banks for the benefit of member banks (U. S. C., 1934 ed., title 12, sec. 347 and sec. 347b).

(20) Use of public credit to relieve from effects of depression: Numerous acts enabling greater use of Government credit and numerous acts appropriating funds for relief of depression, unemployment, and distress. The amendment to the Second Liberty Bond Act of February 4, 1935, increased the limits of indebtedness which may be incurred by the issuance of bonds, Treasury notes, and other Government securities. The Home Owners' Loan Act of 1933; the Emergency Farm Mortgage Act of 1933; the Farm Credit Act of 1933; title II of the National Industrial Recovery Act, relating to public works, of June 16, 1933; the Federal Emergency Relief Act of 1933, passed May 12, 1933; the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934; the Emergency Relief Appropriation Act of 1935, approved April 8, 1935; and the First Deficiency Appropriation Act, fiscal year 1936, are some of the acts involving the larger appropriations and expansions of Government credit.

I have an abiding conviction that if the present administration is continued in power by the action of the American people at the coming election in November, there will be undertaken directly the solution of the problem of "poverty in the midst of plenty." In other words, legislation will, in my opinion, be passed looking to the distribution of all the wanted goods and services which can be produced by all the people. If this legislation is successful it will result in the people of the United States getting in the neighborhood of $80,000,000,000 more in wanted goods and services than they are now receiving, with greater prosperity for every class and without taking from one to give to another.

MY DOG

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address delivered by me before the Tenneva Field Trial Banquet, held at Hotel Bristol, Bristol, Va., on the night of April 27, 1936.

Inquire about the ownership of many things, and although the owner may be present, silence reigns. But inquire about the ownership of any dog, even the measliest, God-forsaken cur to be found, and although the owner may be as forsaken looking as his cur, he will straighten his shoulders, look you in the eye, and answer with pride in his voice, "He is my dog."

And so I am thinking today about "my dog" of the yesterdays of long ago.

They called him a cur, and by all man-made standards I reckon he properly fell in that class, and yet to me he was a thoroughbred to the manner born. I know that the blood of the great generals and war lords of dogdom coursed through his veins, because he was brave and courageous. I know that the blood of the stately matrons and royal ladies of dogdom was his heritage, because he was kind-hearted, tender, and compassionate. No; he wasn't a cur, but the legitimate heir to all the noble traits of all the good and brave dogs of the ages.

There were those who seemed to take a delight in commenting upon his personal appearance because he was in color what is known as a brindle, and his legs were not exactly straight, and his hair was more or less woolly, and his carriage was not what you would term regal, but they only saw a portion of Old Ned. He was white, clean white, inside.

And there were those who even found fault with his conduct and manners, because he would chase the cats through the house without stopping at the door to wipe his feet, scratch fleas in the presence of company, and purloin this, that, and the other when left alone with the cupboard, but you know Old Ned was only human. And, I pray, what red-blooded boy ever took time to wipe his feet when in a hurry to find his ball or fishing line; who ever had such respect for the proprieties of polite society as not to scratch in the presence of company around chigger time; or who ever refused, because of moral reasons, to take a piece of juicy pie or chocolate-covered cake that happened to be laying around and looking sorter lonesome? Yes; when it came to manners and conduct Old Ned was only a boy.

But in spite of his ancestry, in spite of his looks, in spite of his manners and conduct, Old Ned was a great pal and, above all, a great teacher.

We played together, we hunted together, we fished together, we went swimming together, we hoed corn together, went after the cows together, milked together, and, when mamma was not acting the part of the detective, slept together.

And many lessons that have stood me in hand I learned from Old Ned.

Though small of stature, bigness never frightened Old Ned. In defense of his rights he would fight anything, large or small, from a tomcat to a vicious bull. And I learned the lesson of courage from Old Ned.

Though ofttimes neglected and mistreated, nothing could come between our friendship or cause him to turn against his pal. And I learned the lesson of loyalty from Old Ned.

Though ofttimes he went without his meals or shivered through the cold winter night, there was never a whimper. And I learned the lesson of fortitude from Old Ned.

Ever appreciative of every act of kindness, he would express it in his doggish way by licking my face, or jumping up on me with his paws, or barking out words of love. And I learned the lesson of gratitude from Old Ned.

And then one day in the spring Old Ned, my dog, passed on. And over in the orchard under the June apple tree where we had often played and frolicked together, where we had often lay down and watched the clouds go by or listened to the music of the birds, I buried Old Ned and erected a marker over his grave, and that night a country boy sobbed himself to sleep with a petition upon his lips for the dog he loved.

Oh, it may be just a boyish dream, a fancy that found lodgment in my boyish mind, but somehow down through the years I have nurtured the belief that my dog had the spark of immortality, and that God just borrowed him for a season to gladden the heart of some lonesome little boy up there, and that Old Ned hasn't forgotten any more than I have forgotten, and that when I arrive one of the first to greet me will be Old Ned, who will run up, put his paws upon my breast as he did in the days of yore, look up with those knowing eyes, wag his tail, and bark out a greeting that I will understand.

And there in the presence of that heavenly throng, if the expressions on their faces indicate that they do not understand how Old Ned recognized the newcomer, I will not wait for them to ask, but with joy in my heart and pride in my voice I will answer, "He is my dog."

FRANCIS E. TOWNSEND

The SPEAKER. Under the special order for today the Chair recognizes the gentleman from Montana [Mr. MONAGHAN] for 10 minutes.

Mr. MONAGHAN. Mr. Speaker, I must make what might be termed an ex-post-facto speech here this morning. I would have made this speech here last Friday had I been allowed the time, but as the man whose lawyer stated, "You should not be in jail", replied "But here I am." This often happens, and might be the case with Dr. Townsend. However, I believe that if the courts will look into the law there will be no such miscarriage of justice, even though there may have been a miscarriage of legislation in this House last Friday.

The purpose of the Constitution of the United States, and the Bill of Rights especially, was to preserve and safeguard first and foremost the citizen's individual rights, to keep him free from unreasonable search and seizure, and to prevent inquisitions against the individual. The right of Congress to investigate is only an implied right growing out of the general provision in the Constitution that the Congress shall have the authority to make all laws that are necessary for carrying into execution the expressed powers granted in the Constitution of the United States. Therefore the power to investigate is implied. It is not a real or express power.

The power to cite for contempt, therefore, is likewise an implied power, which has been construed and interpreted by the courts to exist merely to safeguard the rights and to preserve intact the legislative powers of the Congress of the United States. In order to legislate more properly the courts have permitted Congress to question witnesses to get information which might be necessary to properly enact laws, but the courts have constantly, consistently, and without exception held that the rights of a witness to refuse to answer questions when the scope of the congressional inquiry is exceeded is a real right which arises under the fourth and fifth amendments to the Constitution of the United States.

The resolution was, in my judgment, out of order, inasmuch as the investigating committee exceeded its legislative bounds. Plainly there could be no reason for such an investigation as that authorized by House Resolution 443 unless it were looking to and springing from the desire for legislation—either positive legislation or repeal legislation; that is, legislation for the enactment of pension legislation or for the repeal of existing pension legislation. There can be no question in the mind of anyone that the purpose of House Resolution 443 was not to get information to pass pension legislation but rather, if possible, to destroy the greatest single movement for the promotion of pension legislation in this country ever organized, the Townsend movement; and take a fine, upstanding citizen, whose greatness and whose conscientiousness and integrity exceed by far many of those who occupy seats in this body, and tear his character to pieces and thereby prevent passage of legislation which he sponsored.

The questions propounded during the course of the inquiry, which was set in motion by House Resolution 443, clearly showed that the investigating committee was an inquisitive, rather than a legislative, committee.

Let me give you a citation from the case of *Seqmour* v. *The United States* (77 Fed. at p. 580):

The limitation of power of investigation is that it must be germane to some matter concerning which the House conducting the investigation is about to act, whether such action be enactment of statutes or something else, and not a mere inquisition into the private affairs of the citizen.

In the case of *McCracken* v. *Jurney* (72 Fed. at p. 565), they cited Kilbourne against The United States as holding that "A witness rightfully may refuse to answer where the bounds of the power are exceeded or the questions are not pertinent to the matter under inquiry."

Also in the Marshall against Gordon case the Supreme Court—wherein a United States attorney wrote a very critical letter about the Judiciary Committee, which was trying him for nonfeasance and malfeasance in the Supreme Court—held that—

The proceedings concerning which the alleged contempt was committed were not impeachment proceedings; that, whether they were impeachment proceedings or not, the House was without power by its own action, as distinct from such action as might be taken under criminal laws, to arrest or punish for such acts as were committed by appellant.

And the opinion of the Court cited on page 115 of Jefferson's Manual expressly is:

No express power to punish for contempt was granted to the House of Representatives save the power to deal with contempts committed by its own Members.

In MacCracken against Jurney this same doctrine was expounded, and while the Court held in MacCracken against Jurney that the Congress had the power to cite MacCracken for contempt it did so upon the theory of self-preservation of the powers of Congress; that is, the power of Congress to legislate, using this language: That—

The legislative powers granted and secure their free exertion, and yet, at the same time, not substantially interfere with the great guaranties and limitations concerning the exertion of the power to criminally punish.

Let me distinguish the MacCracken against Jurney, McGrain against Daugherty from the instant case. In both these cases the contempt would have prevented a legislative act. In the instant case the action of Dr. Townsend in refusing to testify before the Bell House Investigating Committee was with no view to preventing pension legislation, but rather to prevent the committee from destroying pension legislation and movements for pension legislation in this country.

The power of Congress was clearly exceeded in the Townsend case. The witness was questioned on the receipt of a dollar from some widow, asking the good doctor what he had done with that dollar. What possible connection there can be between that transaction and information necessary for Congress to legislate is beyond my comprehension.

I rise, therefore, today, with the limited time at my disposal, which, thank God, I had previously obtained by unanimous consent, or I know I would never have been allowed to obtain it afterward, because it seems Congress does not want the country to know the true legal status of this situation—I have risen today and have taken time to look up all of the legal authorities in the matter. Unfortunately, I shall not have time to cite them all. I am going to ask unanimous consent, however, to put such of them as are necessary in the RECORD to prove the case in point.

It is clear to me, and it should be clear to anyone, that if we are going to preserve the Constitution of the United States intact we must destroy the power of any legislature to wage an inquisition into the affairs of a citizen.

In *McGrain* v. *Daugherty* (273 U. S. 137) it was argued that each House of Congress has power to conduct an investigation in aid of its legislative functions.

Each House of Congress has power to conduct an investigation in aid of its legislative functions, to compel attendance before it of witnesses, and the production of books and papers which may throw light upon the subject of inquiry; subject, of course, to protection against the invasion of such privileges as those against unreasonable searches and seizures, etc. This power is for the purpose of aiding each House more fitly to discharge its legislative duties.

In all cases where the power of the courts to punish for contempt was upheld the case was decided solely on whether or not the action of the witness was obstructing legislation and preventing the Congress from exercising a legislative function. The report of the committee which was read before the House of Representatives itself shows that the line of questioning to which the doctor was subjected and to which the members of the Townsend organization were subjected were such not as to glean information for a legislative purpose but for the purpose of discrediting, if possible, those men who were engaged in promoting pension legislation. The action of the committee was inquisitive rather than legislative.

In refusing to testify, Dr. Townsend himself first attempted to read into the record a brief statement by himself, which right the committee denied him. In making an oral statement, he said:

In view of the unfriendly attitude of this committee and its attempt to discredit the movement with which I am connected, I am refusing to return to this inquisition.

A subpena issued on May 18 to one of the witnesses to be cited for contempt stated:

Come and bring exact copies of your income-tax returns.

What in the name of creation can income-tax returns have to do with the old-age pension legislation? On the contrary, this subpena itself is prima-facie evidence that the committee was not seeking information with which to legislate but seeking information for the sole purpose of discrediting the movement. In so doing it was violating the Constitution of the United States. Amendment 4 and amendment 5 provide that:

The right of the people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures shall not be violated, and no warrants shall be issued but upon probable cause.

Amendment 4 provides:

No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury.

The same conclusion may be obtained from a thorough reading in re Chapman (166 U. S. 661).

Without going into further detail, and to summarize, it is patent: First, that the committee was conducting its investigation as a criminal inquiry, not as a legislative inquiry; second, that its intent in so doing was to destroy, not to promote, legislation for the aged.

In the kingship of old was vested the power to execute, to make laws, and at the same time to be the judge and jury. If the Congress of the United States is going to be given this kingship power, and, seemingly, it has taken it and assumed it in this citing of Townsend for contempt, it ceases to be the legislative branch of the Government, and as the gentleman from Texas said the other day in making his point of order, it becomes a judicial or a quasi-judicial branch of the Government.

We have established courts, we have established Federal judges and United States district attorneys. The unfortunate part of it is that half of them should be impeached, because when it comes to a case of real violation of law they refuse to act, even when the Attorney General of the United States is called upon, as I did in the case where the KGIR radio station was openly and flagrantly violating the law. My letter to the Attorney General was as follows:

MAY 7, 1936.

Hon. HOMER S. CUMMINGS,
Attorney General of the United States,
Department of Justice, Washington, D. C.

MY DEAR MR. CUMMINGS: I have your letter of May 1, 1936, which is a reply to my telegram to you of April 27 with respect to the difficulty I am encountering in obtaining time from radio station KGIR, Butte, Mont.

I note you are of the opinion that since the definition of "carrier" does not include a person engaged in radio broadcasting the rights of citizens under the Communications Act of 1934 to obtain time from a radio station are thereby annihilated; but I refer you to section 201 (a) of the Communications Act, which provides as follows:

"It shall be the duty of every common carrier engaged in interstate or foreign communication by wire or radio to furnish such communication service upon reasonable request therefor."

Carrying your contention to its logical conclusion would destroy the very intent and purpose of Congress in enacting the communications law, since Congress sought destruction of control over the radio stations of the country. In further support of the contention that it was the Congress' intent to make radio facilities available to all who desired, I cite you to section 202 (a) of the Communications Act, under which I am proceeding.

You are also of the opinion which was erroneously maintained by United States Attorney Tansil that the only rights which might accrue to me under the Communications Act of 1934 are those of a candidate for public office. Since I am not "a legally qualified candidate" for the United States Senate as yet, the sentence in section 315 which you quote, to wit: "No obligation shall be imposed upon such licensee to permit the use of its facilities to any such candidate," is not applicable. I am a person within the meaning of the act as defined in section 3, subparagraph (i), as follows:

"'Person' includes an individual", etc. Under this definition I am an individual. As such person I have sought from KGIR a definite contract for time. KGIR has refused such definite contract for time and in the process of refusing a definite contract admits discrimination and the giving of unreasonable preference which violates section 202 (a) of the Communications Act providing:

"It shall be unlawful for any common carrier to make any unjust or unreasonable discrimination in charges, practices, classifications, regulations, facilities, or services for or in connection with like communication service, directly or indirectly, by any

means or device, or to make or give any undue or unreasonable preference or advantage to any particular person, class of persons, or locality, or to subject any particular person, class of persons, or locality to any undue or unreasonable prejudice or disadvantage."

And to specifically include radio broadcasting within the definition of the act (b) specifically sets forth:

"(b) Charges for services, whenever referred to in this act, include charges for, or services in connection with, the use of wires in chain broadcasting or incidental to radio communication of any kind."

It will be readily seen by one who is not attempting to find loopholes in the Federal Communications Act of 1934 that its purpose is clear and definite; that its intent was to prevent just such situations as have arisen in the instant case. I may say, Mr. Attorney General, that if this were merely a matter of my obtaining time on the radio the night before election, I should not have gone to such great lengths in attempting to see that specific action be taken. But it is because it involves the very fundamental principle of the Communications Act itself, namely, keeping the radio waves of our country free from domination and control by anyone, that I have fought this matter right to the highest authority of this Nation. Evidence of the bad faith of radio station KGIR in the premises is the fact that the easiest way out of the difficulty would have been to furnish me with a definite contract, which that station has stubbornly refused to do—that is, unless they were advised beforehand that they could flaunt the law with impunity. It was with the most profound regret and disgust that I read the following telegram which was incorporated in a letter directed to me on April 29, 1936, by Mr. John Tansil, and which was sent to him from the Department of Justice on April 28:

"Retel April 23, station KGIR, Butte department, is informally advised by Communications Commission that complaint referred to is without merit. Department approves your action thus far. It is suggested that you advise interested persons to present the matter to the Communications Commission."

This telegram, in effect, says this: "The Communications Commission favors violating the Communications Act and will protect KGIR in defying the law. Otherwise, the Attorney General's office will protect KGIR. But to give the appearance of justice, tell Monaghan to go to the Communications Commission, which has already decided to decide against him, and thus rob him of any further remedy under the act." See section 207, Communications Act of 1934.

It was collusion such as this, in defiance of law and order, that led the pioneers of the western country in which I was born to organize into vigilante committees. If you wink at such violations of the law, no alternative is left but to seek the highest executive of the Nation, charged with the responsibility of executing the laws of the land. That I have done.

This country has in the past known a siege and orgy of crime that has shocked the world. It is time that our law enforcers awakened to their duty to respectable citizens. If departments of Government are to condone evil and garb with a cloak of innocence those forces that defy law and order and decent and orderly Government, the very foundations of our Nation are at stake and the rights of the people in jeopardy.

I, therefore, urge you, in the interest of orderly Government and due process of law, to instruct the United States District Attorney for Montana to institute immediate action to enforce the Communications Act of 1934 to the end that the rights of citizens under the act be protected.

Very truly yours,

——— ———.

But they will not waste any time in dragging Dr. Townsend into court, because it seems to be the wish and will of those who are embarrassed to destroy any real legislation for the people of the country. [Applause.]

[Here the gavel fell.]

Mr. Speaker, I asked unanimous consent during the course of my speech to revise and extend my remarks.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I want to ask the gentleman if he thinks that where a man uses the mails to take dimes and nickels out of poor people, to whom he knows he can give nothing in return, and says "there are millions in it", the Congress then has not the right to investigate him.

Mr. MONAGHAN. I will say to the gentleman that that has been investigated, and they gave the doctor a clean bill of health. Notwithstanding this, the Congress would be exceeding its constitutional authority in investigating except for legislative purposes.

Mr. BLANTON. Oh, the committee had just begun to uncover that stuff and to show over a million dollars he had taken from aged, poor people who needed it themselves.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Kentucky [Mr. ROBSION] for 30 minutes.

Mr. ROBSION of Kentucky. Mr. Speaker, ladies and gentlemen of the House, I wish to take this opportunity to thank the Speaker and the Members of the House for giving unanimous consent for me to address you at this time.

As you well know, I am a Republican. I come from the great highland district of Kentucky. I represent a wonderful people. They had an important part in winning the Revolution; they were with General Jackson at New Orleans, with General Taylor at Buena Vista, and helped General Scott to raise the Stars and Stripes over the ancient capital of the Montezumas in Mexico. They were with the great "Teddy" Roosevelt at San Juan Hill, with Admiral Dewey at Manila, and helped to carry the Stars and Stripes to victory on Flanders Fields.

These hill people, like the hill people throughout all the ages, loved freedom and despised slavery. Like Abraham Lincoln, they have always believed in a government of all the people, by all the people, and for all the people. Abraham Lincoln was a product of the Kentucky hills. He, too, had a great passion for the Union and was a consistent opponent of Negro slavery. It is not strange, therefore, that there were more men and boys who entered the Union Army from my district than there were voters in the counties now composing that district. They were with Grant, Sherman, Sheridan, Garfield, McKinley, and other great Union commanders on many of the bloodiest battlefields of the great Civil War.

It is not my purpose on this occasion to fight over again the great Civil War or to refer to the stirring scenes that culminated in that war, or the questions relating to parties, policies, and government, only insofar as it may be necessary to present the facts and clarify the issues raised wherein our colored Democratic colleague, Mr. MITCHELL, of Chicago, in his political speech on the floor of the House on April 22, 1936, made an attack on Abraham Lincoln and the Republican Party. I thank God that great war is over. The sons of those who wore the blue on the Republican side of this House, as well as the sons of those who wore the gray, on the Democratic side, may justly point with pride to the military genius and accomplishments of the respective commanders of their armies and the unfaltering devotion and courage of those who served under them.

Every good American should be grateful that Divine Providence so guided the affairs of our Nation in that trying period that we are today united and not divided, and that the darkest blot on the pages of American history, Negro slavery, is no longer sanctioned by law.

On May 30, our national Memorial Day, in the great cities of the dead, in the quiet country churchyard, amid the tangled vines, under the spreading oaks and elms, kindly hands strewed flowers over the graves of the Blue and the Gray and tears were shed over the last resting places of the Gray and the Blue.

RACE HAS MADE GREAT PROGRESS

I yield to no man in my appreciation of the accomplishments of this race or the fine qualities of mind, high character, and loyal patriotism of the Douglasses, the Washingtons, and other great men and women of the colored race. I am in accord with the opinion expressed by a great many of the white race that the colored race in this country has made more progress in the last 65 years than any other race of people under like circumstances. As a race of people they are grateful, courteous, kind, and forgiving. I have wondered at their magnanimity and forbears, especially during the Civil War. While their masters were away in the army fighting to keep them in bondage, the slaves remained at home and took care of the missis and the children. No other race of people has been so loyal, generous, and magnanimous. [Applause.]

I am informed that the father and mother of our colored colleague [Mr. MITCHELL] were slaves. It is most gratifying to me that he has overcome so many handicaps.

REPUBLICAN PARTY CONCEIVED IN AND DEDICATED TO HUMAN RIGHTS

The Republican Party is the only party born on American soil that was conceived in and dedicated to human rights. It placed humanity above dollars. It claimed that the traffic in human beings was barbarous and an outrage against humanity. It insisted that the Declaration of Independence and the Constitution of the United States contemplated a government of all the people, by all the people, and for all the people in this Nation alike, without regard to race, color, or creed. [Applause.]

The Democratic Party believed in African slavery and its extension throughout this Nation. It seceded from the Union, established the Confederate States of America, the cornerstone of which was the continuation and perpetuation of African slavery.

The Republican Party has always held to the belief that the black man, although kissed by the shadow of God's love, is a human being and has an immortal soul. On the other hand, the doctrine has been preached through all the years in the Democratic States that the black man was not a human being—he ought to be a chattel, bought and sold. Study as carefully as you will the history of this country, and almost without exception every effort made for the advancement of the colored race, securing its freedom, educational, industrial, economic, and political rights, has been sponsored and put through by the Republican Party and over the active and bitter opposition of the Democratic Party. Many of our Democratic friends from the South opposed the bonus, and one of the main objections was that it would give a lot of money to a lot of trifling "niggers" in the South, although these black boys had responded to their country's call under a great Democratic President, Woodrow Wilson. The Republican Party has always held that if a black father and a black mother can bring forth sons who may be called to the defense of their country, and they meet, as they have, the carnage of battle heroically and unfalteringly, they certainly ought to have the right on election day to cast their ballots for the person and party of their choice.

The Democratic platform adopted at the Democratic national convention at Cincinnati, Ohio, June 2–6, 1856, among other things, as to slavery declared as follows:

> * * * that all efforts of the abolitionists, or others, made to induce Congress to interfere with questions of slavery, or to take incipient steps in relation thereto, are calculated to lead to the most alarming and dangerous consequences, and that all such efforts have an inevitable tendency to diminish the happiness of the people * * *.
>
> 3. That the Democratic Party will resist all attempts at renewing, in Congress or out of it, the agitation of the slavery question, under whatever shape or color the attempt may be made.
>
> * * * and repudiating all parties and platforms concerning domestic slavery, which seek to embroil the States and incite to treason and armed resistance to law * * *.

Our Democratic colored colleague of Chicago included in his speech on April 22 only a part of section 4 of the Republican platform of 1860. If he had included all that section anyone could see at once that the section of the platform related only to what was known as the Kansas-Nebraska contention. The national Democratic administration was trying to force the free people of the Territories of Kansas and Nebraska, through their Democratic Governors and by the use of the torch and sword, to adopt a constitution favoring African slavery; and this section 4 of the Republican platform denounced this action and claimed that the Federal Government had no right to force the free people of those States to admit Negro slavery into those two free Territories.

In order that we may get the attitude of the Republican Party and the Democratic Party, as expressed in their platforms in 1856, 1860, and 1864, I invite your attention to the Democratic platform of 1856. You can see at once that the Democratic Party stood unfalteringly for the continuation of Negro slavery and denounced all parties and platforms favoring the abolition or control in any way of Negro slavery.

The Republican platform adopted at its first national convention at Philadelphia, Pa., on June 17, 1856, among other things, declared as follows on African slavery. I quote from sections 1, 2, and 4:

> "SECTION 1. *Resolved*, That the maintenance of the principles promulgated in the Declaration of Independence and embodied in the Federal Constitution are essential to the preservation of our republican institutions, and that the Federal Constitution, the rights of the States, and the Union of the States must be preserved.
>
> "SEC. 2. *Resolved*, That, with our republican fathers, we hold it to be a self-evident truth that all men are endowed with the inalienable right to life, liberty, and the pursuit of happiness. * * * it becomes our duty to maintain this provision of the Constitution against all attempts to violate it for the purpose of establishing slavery in the United States, by positive legislation, prohibiting its existence or extension therein. * * *
>
> "SEC. 3. * * * and that in the exercise of this sovereign power it is both the right and the imperative duty of Congress to prohibit in the Territories those twin relics of barbarism, polygamy and slavery."

Can anything be more positive and explicit than that platform in expressly denouncing slavery and the slave trade? It declares that the attempt of the Democratic Party to perpetuate and expand Negro slavery is a crime against humanity and a burning shame to our country and age, and they call upon Congress to take prompt and efficient measures to abolish this barbarous practice.

The Democratic platform adopted by the national Democratic convention held in Baltimore, Md., June 18–23, 1860, declared:

> SEC. 6. *Resolved*, That the enactments of States' legislatures to defeat the faithful execution of the fugitive slave law are hostile in character, subversive of the Constitution, and revolutionary in their effect.

Section 2 declares that the Democratic Party will abide by the decisions of the Supreme Court of the United States on questions of constitutional law. In this day and time we hear very little about the Democratic Party standing by the decisions of the Supreme Court on questions of constitutional law. We hear a lot of criticism and derision by the New Dealers of the Supreme Court and the Constitution itself. They call it "horse and buggy" stuff.

Why was the Democratic Party so anxious to stand by the decision of the Supreme Court of the United States in 1860? Many of the Republican and free States had passed laws against pursuing and arresting Negroes in free territory. Chief Justice Taney, a Democrat of Maryland, had upheld the fugitive slave law and announced that the Negro was just a chattel—property like a horse, a cow, or a hog—and that slave owners could carry their slaves, just like they could any other property, into any State of the Union. That decision held that any Negro who was a descendant of African Negroes, even though his ancestors had been freed by their masters, could not maintain an action in court, could not be a party to any lawsuit in any court, and could not even testify as a witness for himself even though he might have been unlawfully and wrongfully picked up and held by some slave trader. This is the decision that the Democratic Party in 1860 wanted the American people to uphold and stand by.

The Republican platform adopted by its national convention May 16–18, 1860, at Chicago, which nominated Abraham Lincoln, denounced the fugitive-slave law, the Kansas-Nebraska bill, the efforts of the Democratic administration to force slavery into the free Territories of Kansas and Nebraska, and in section 9 of that platform used the following language:

> That we brand the recent reopening of the African slave trade, under the cover of our national flag, aided by perversions of judicial power, as a crime against humanity and a burning shame to our country and age, and we call upon Congress to take prompt and efficient measures for the total and final suppression of that execrable traffic.

Abraham Lincoln stood on that platform in the election of 1860 and was elected. Abraham Lincoln was a delegate to the Republican national convention in 1856, and helped to write that platform expressing opposition to and denouncing human slavery. Yet our colored colleague from Chicago says that the Republican Party and Abraham Lincoln were not against Negro slavery.

The Democratic platform adopted by the Democratic national convention at Chicago August 29, 1864, in section 2

denounced Abraham Lincoln and the Republican Party for violating the Constitution in freeing the Negroes, and called upon Abraham Lincoln and the Republican Party to stop the war, pull down the Stars and Stripes, and run up the white flag of surrender, and permit the Democratic Party to continue to enslave human beings.

The Republican Party wrote a very different platform. The Republican platform adopted at Baltimore on June 7, 1864, with Abraham Lincoln as the candidate, in section 3 of that platform declared as follows:

3. *Resolved*, That as slavery was the cause and now constitutes the strength of this rebellion, and, as it must be always and everywhere hostile to the principles of republican government, justice and the national safety demand its utter and complete extirpation from the soil of the Republic; and that while we uphold and maintain the acts and proclamations by which the Government, in its own defense, has aimed a deathblow at this gigantic evil, we are in favor, furthermore, of such an amendment to the Constitution, to be made by the people in conformity with its provisions, as shall terminate and forever prohibit the existence of slavery within the limits of the jurisdiction of the United States.

You can see at once that section 3 again denounces slavery and declares that—

The principles of republican government, justice, and the national safety demand its utter and complete extirpation from the soil of the Republic.

It also urges the adoption of amendments to the Constitution—

As shall terminate and forever prohibit the existence of slavery within the limits of the jurisdiction of the United States.

Why did not our colored colleague from Chicago give these planks of the Republican platforms and why was he as silent as the tomb in quoting anything in his speech from any Democratic platform from the days of Thomas Jefferson down to now that was favorable to the Negro race, and especially why did not he quote from the Democratic platforms of 1856, 1860, and 1864?

ATTACK UNJUSTIFIED

Our colored Democratic colleague had the right to make a political speech on the floor of this House for himself and the Democratic Party. It is his constitutional right as well as any other person, black or white, to leave one party and join another party. The Republican Party now stands and has always stood for a free ballot without regard to race, creed, or color; but was our colleague justified in his great desire for political preferment and in his zeal for his newfound political friends to fly in the face of recorded history and the testimony of mankind to belittle, misrepresent, and assail the great services rendered by Abraham Lincoln and the Republican Party to his own father and mother and to millions of his own race and with little-concealed scorn to make this attack in the presence of the sons who sit on the Republican side of this Chamber whose sires helped to hold the lines at Vicksburg, Gettysburg, Petersburg, and on a hundred other battlefields that his own father and mother as well as millions of others of his own race might be free, so that they might bring forth sons in freedom such as our colored colleague from Chicago? It does not seem to me that the political exigencies of himself and the Democratic Party required our Democratic colored colleague to so forget the sacrifices that were made for him, his loved ones, and those of his race.

Of course, if our colored colleague from Chicago now takes delight in being politically grouped with the sons of some of the sires who consistently favored Negro slavery and fought desperately under the Stars and Bars to keep his own father and mother in bondage and did all they could to prevent the adoption of the thirteenth, fourteenth, and fifteenth amendments to the Constitution and deny to our colored colleague the right to be born a freeman, the right to be a citizen, the right to vote, and the right to hold any office of trust or honor, that is a matter that addresses itself to his own conscience.

One of the noblest emotions that ever animated the human heart is gratitude. Can there be anything more ignoble than ingratitude? I have seen the swine in the mountains of Kentucky fill themselves day by day on the choicest nuts that fell from the oak, the chestnut, and the beach, but I have never yet seen one hog look up to seek the source of its bounty.

Ten lepers appealed to the Savior to cleanse them. He did cleanse them. One returned and, falling on his knees before the Savior, poured out his heartfelt gratitude. The Savior said to him, "Were there not ten healed? Where are the nine?"

I have pointed out that one of the finest traits of the colored people is their gratitude. Where you find one that has forgotten, there are thousands that have not forgotten.

Mr. MITCHELL of Illinois. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I desire to finish my statement and hope the gentleman will not take any of my time.

Mr. MITCHELL of Illinois. I simply want to ask the gentleman what it was that I said about Abraham Lincoln as a reflection on him. I quoted from his speech. Does the gentleman deny the quotation?

Mr. ROBSION of Kentucky. Why did not the gentleman tell the whole truth about Abraham Lincoln?

Mr. MITCHELL of Illinois. I told it as he told it.

Mr. ROBSION of Kentucky. Our colored colleague from Chicago quoted only a few words from one of the many speeches of Abraham Lincoln and said nothing of his activities. Our colleague from Chicago belittled Abraham Lincoln and his service. The speech shows for itself.

Mr. MITCHELL of Illinois. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I cannot yield further. Our colleague from Chicago left the emancipator in the attitude of being an impostor and a deceiver of the colored race.

Mr. BLANTON. Mr. Speaker, I make a point of order that where a speaker refers to another Member of this House and misquotes him, he ought to yield, and that he has no right to refer to him as "you", but it must be in the third person.

Mr. ROBSION of Kentucky. That is not true, and I object to the statement.

Mr. BLANTON. Well, I am making the statement on my own responsibility. I heard the speech, and say that he was misquoted in some particulars.

Mr. ROBSION of Kentucky. I have the speech of our Democratic colleague of Chicago before me, and I have not misquoted him or misinterpreted his slur on Abraham Lincoln. Of course, when one Member refers to another Member of this House it must be in the third person.

The SPEAKER. The rules are that a Member must address another Member in the third person. Of course, it is up to the gentleman who has the floor as to whether he yields. The Chair sustains the point of order that Members must refer to their colleagues on the floor in the third person.

LINCOLN, THE EMANCIPATOR AND MARTYR

Mr. ROBSION of Kentucky. I have been a Member of the House and Senate for many years. I have heard many speeches made on Abraham Lincoln by Republicans and northern and southern Democrats. They were all highly eulogistic. I have never heard any Democrat on the floor of the House or Senate contend that Abraham Lincoln and the Republican Party did not free the black race. Is not it a sad commentary on the intelligence of Fred Douglass, Booker T. Washington, and thousands of other intelligent men and women of his race that they never discovered that Abraham Lincoln and the Republican Party freed the black race until 4 or 5 years ago?

I am told that our colored colleague, Mr. MITCHELL, was born in Alabama. He was a Republican and many times lauded Abraham Lincoln and the Republican Party for having freed his father, mother, himself, and his race. I am also informed that he lived in Alabama until he was past 40 years of age, but he never voted. He migrated from Alabama to the city of Washington, and about 1928 located in the big colored Republican congressional district in Chicago. He attached himself to the Republican organiza-

tion, and I am also informed that he was employed and paid by the Republican Party at least for much of the time until near about 1932, when, according to his own statement in his speech, he thought the Republican Party was headed for defeat by the Democrats at the November election in 1932. He says he met a great Democratic leader in Washington and from his statement I assume that this great Democratic leader took him up on a high mountain and showed him the kingdoms of the earth. This is not a new experience. Nearly 20 centuries ago a certain character took the Savior of man up on a high mountain and showed him the kingdoms of the earth.

I am surprised that our colored colleague did not mention the name of Fred Douglass. He is by common consent regarded by his race as the greatest Negro this country ever produced. He was a slave. He had felt the anguish of being taken from his own mother. He had felt the sting of the taskmaster's lash. Two of his sons and his son-in-law served loyally in the Union Army. He electrified not only this country but England with his great plea to uphold Abraham Lincoln and the Republican Party who were trying to free his unfortunate race. Fred Douglass said on many occasions and up to the time of his death—"The Republican Party is the great ship of safety for the Negro, and all else is the great wide seething seas." He sought out no big Democratic politician to tell him that Abraham Lincoln was a deceiver and that the Republican Party was an impostor.

Abraham Lincoln, privately and publicly, expressed himself against African slavery long before 1860. When he visited, as a young man, the slave market in New Orleans and saw the golden chord of mother and child rudely broken by the slave trader, his great heart moved him to say "If I ever get a lick at that terrible institution, I will hit it hard."

In his memorable debates with Stephen A. Douglass in 1858, did he not declare—

> This Nation cannot long endure half slave and half free. A house divided against itself cannot stand. I do not expect the house to fall, but I do expect it to cease to be divided.

He was a delegate to the new Republican Party national convention in 1856. It denounced African slavery. The Republican platform on which Abraham Lincoln stood in 1860 declared against Negro slavery, denounced the inhuman fugitive-slave law and the Kansas-Nebraska bill, while on the other hand the Democratic Party in its platform in 1856 declared itself in favor of slavery and denounced all parties and platforms that were opposed to slavery. In 1860 the Democratic Party again declared in favor of slavery and it again denounced all parties and platforms that were against slavery.

Chief Justice Taney, a Democrat of Maryland, some time before that convention had announced the famous "Dred Scott decision" which held that slaves were simply personal property like horses, hogs, and cattle, and their owners could carry them into all parts of the Union. It also held that a Negro, even though his parents had been made free by their masters, and even though the son was born of free parents, yet he could not be a party to a suit or testify in any court in his own behalf.

The Democratic platform of 1860 called upon the people to stand by the Constitution as interpreted by the Dred Scott decision. The Republicans were opposed to the principles and policies enunciated in that decision. Mr. Lincoln stood on that Republican platform and was elected.

It is true that Mr. Lincoln and others believed it would take perhaps constitutional amendments and congressional action to do away with slavery. It is true that he was trying to avert a civil war and preserve the Union. It is history that it was his purpose to have the Federal Government pay the slaveholders for their slaves. He did offer the slaveholders the sum of $400,000,000 from the Government to purchase the freedom of the slaves, but the Democratic Party haughtily rejected his generous offer and insisted upon going on with the war, dividing the Union, and perpetuating Negro slavery.

But let us not be deceived. The Republican platform in 1856 and in 1860 in no uncertain terms denounced the traffic in human beings. Mr. MITCHELL only quoted a part of section 4 of the Republican platform of 1860. The Democratic administration had appointed Democratic territorial governors for Kansas and Nebraska. The power and influence of the Democratic national administration with the bayonet and torch was trying to force slavery upon the free people of Kansas and Nebraska, and section 4 of that platform denounced the attempt of the National Government to extend slavery into those territories. Section 9 of the Republican platform of 1860 declared:

> That we brand the recent reopening of the African slave trade, under the cover of our national flag, aided by perversions of judicial power, as a crime against humanity and a burning shame to our country and age, and we call upon Congress to take prompt and efficient measures for the total and final suppression of that execrable traffic.

Was our Democratic colored colleague [Mr. MITCHELL] knowingly attempting to deceive the people of his race in not telling the whole story about the Republican platform of 1860? Why did not he quote the Democratic platform of 1860?

Our colored colleague from Chicago says that the Negroes found out only 4 or 5 years ago that Abraham Lincoln and the Republican Party did not free the Negroes and did not intend to free the Negroes. The Democratic Party after the election in 1860 did not share that belief. The Democratic Party and its leaders were so certain that it was the purpose of Lincoln and the Republican Party to free the slaves that they immediately set about to secede. They did secede from the Union and established the Confederate States of America and asserted that African slavery was its chief cornerstone. They pulled down the Stars and Stripes and hoisted a new flag, the Stars and Bars.

Some contend that the war was over States' rights. Yes, but what was the matter that was pinching? The Republican Party was against slavery. The Democratic Party was in favor of slavery. The only real point at issue was the claim of the Democratic Party that they had a right under States' rights to continue to traffic in human beings and to carry on unmolested Negro slavery. The North and the South were not quarreling over the money question—it was the slave question. The Democratic Party saw the anti-slavery sentiment growing. New States were about to be admitted and they felt that the Republicans would amend the Constitution and abolish slavery.

The only two speeches of any American ever written in stone were Abraham Lincoln's Gettysburg speech and his second inaugural. He said at Gettysburg: "We must go forward and complete the work that those who died here have so nobly begun." And he further says, "Let us renew our devotion to a government of the people, by the people, and for the people." This meant, then, to Abraham Lincoln and the Republican Party that we cannot have a real government of the people, by the people, and for the people unless you give to all our citizens alike, without regard to race, creed, or color, the rights vouchsafed to them by the Constitution.

In 1864 the Republican Party, in its platform, again denounced slavery and pledged itself to go forward with the war "until African slavery was extirpated"—dug up root and branch—and that platform approved the emancipation proclamation of Abraham Lincoln and pledged the Republican Party to amend the Constitution so as "to forever bar human slavery in this country." The great Democratic Party—new friend of our colored colleague from Chicago—also wrote a platform. It denounced the war and called upon Abraham Lincoln and the Republican Party to pull down the Stars and Stripes and run up the white flag and permit Negro slavery to continue in this Nation.

The Union soldiers and sailors had been sorely pressed for 4 long years, the Federal Treasury had been greatly depleted, the credit of the Nation was strained, and strong appeals had been made to Lincoln and the Republican Party to cease the

war. What did he say in response to the Democratic platform and these appeals in his second inaugural address on March 4, 1865?—

If every dollar piled up by the 250 years of unrequited toil of the bondmen must be sunk, and if for every drop of blood drawn by the lash another must be drawn by the sword, I will still say, as the prophet of old said 3,000 years ago, the judgments of the Lord are just and righteous altogether.

Is this the language of the dodger, the deceiver, or quitter? It is sublime courage. What devotion to a great cause. He was told many years before he became President: "Mr. Lincoln, if you continue to fight against slavery, it will ruin your career." What was his response? "I, too, may be destroyed by it, but yield to it I never will."

FREED SLAVES' LINCOLN MEMORIAL

Our colored Democratic colleague from Chicago says that he and the other Negroes of this Nation have discovered within the last 4 or 5 years that Lincoln was a deceiver and the Republican Party was an impostor. I wish to invite him to visit Lincoln Park, in the Nation's Capital. There is a fine statue of the emancipator. How majestic, how wonderful, how gracious and kindly he looks. Bowing before him is a magnificent specimen of young colored manhood with the shackles on his wrists making an appeal to Father Abraham to break them. But more significant than anything else are the words written in brass on that monument:

Freedom's memorial. In grateful memory of Abraham Lincoln this monument was erected with funds contributed solely by emancipated citizens of the United States declared free by his proclamation January 1, A. D. 1863. The first contribution of $5 was made by Charlotte Scott, a freedwoman of Virginia, being her first earning in freedom, and consecrated at her suggestion and request, on the day she heard of President Lincoln's death, to build a monument to his memory.

Is this not an answer to the attack of our colored Democratic colleague from Chicago on Lincoln and the Republican Party? No orator could speak words so eloquent—"In grateful remembrance of Abraham Lincoln." The money was contributed by emancipated slaves. The first contribution of $5 was made by Charlotte Scott, a freedwoman of Virginia, it being her first earnings in freedom, and consecrated, at her suggestion and request on the day that she heard of President Lincoln's death, to build a monument to his grave. This money came in, no doubt, in nickels, dimes, and dollars through the outpouring of the freed, grateful, black men and women of America.

Hundreds of thousands of Union soldiers were killed, crippled, or broken in health. Billions of dollars were contributed by the Republican Party, but freedom and the Union required also the blood sacrifice of the Great Emancipator. Magnificent memorials and monuments throughout the Nation still stand, even after the speech of our colored Democratic colleague from Chicago. All men and women, whether white or black, who love freedom and justice, except our Democratic colleague from Chicago, have enshrined in their hearts the image of the Great Emancipator, and all of these standing at his tomb, except our colored Democratic colleague from Chicago, might well say of the Emancipator:

O death, where is thy sting?
O grave, where is they victory?

The sting of death was healed with the love and affection of the millions of black men, women, and children. The grave itself was robbed of its victory by his supreme triumph in death. [Applause.]

WHAT AND WHERE IS THE DEMOCRATIC PARTY?

Our colored colleague [Mr. MITCHELL] states in his speech that the Negroes have found out during the last 4 or 5 years that the "Democratic Party is a safe place to live and vote." Let us understand where the Democratic Party is and what it is.

A great majority of the Democrats from the North, East, and West come here because of division or dissension in the Republican Party. They come and go, but the Democrats of the South stay on forever. They have had control of the Democratic Party since the days of Thomas Jefferson. We have to but look around to see where the real Democratic Party is and the section that furnishes the leadership and power of the Democratic Party.

Our distinguished, able, and splendid Speaker comes from Tennessee. Our distinguished and capable Democratic leader, Mr. BANKHEAD, comes from Alabama. Distinguished and able Democrats are chairmen of all the powerful and influential committees of the House: Ways and Means, Mr. DOUGHTON, of North Carolina; Appropriations, Mr. BUCHANAN, of Texas; Agriculture, Mr. JONES, of Texas; Judiciary, Mr. SUMNERS of Texas; Interstate and Foreign Commerce, Mr. RAYBURN, of Texas; Rivers and Harbors, Mr. MANSFIELD, of Texas; Public Buildings and Grounds, Mr. LANHAM, of Texas; Military Affairs, Mr. MCSWAIN, of South Carolina; Naval Affairs, Mr. VINSON of Georgia; Foreign Affairs, Mr. MCREYNOLDS, of Tennessee; Banking and Currency, Mr. STEAGALL, of Alabama; World War Veterans, Mr. RANKIN, of Mississippi; Pensions, Mr. GASQUE, of South Carolina; Indian Affairs, Mr. ROGERS of Oklahoma; Merchant Marine, Mr. BLAND, of Virginia; Public Lands, Mr. DEROUEN, of Louisiana; Roads, Mr. CARTWRIGHT, of Oklahoma; Territories, Mr. GREEN, of Florida; Education, Mr. PALMISANO, of Maryland; Flood Control, Mr. WILSON of Louisiana; Civil Service, Mr. RAMSPECK, of Georgia; Accounts, Mr. WARREN, of North Carolina; Elections No. 1, Mr. DEAR, of Louisiana; Elections No. 3, Mr. KERR, of North Carolina; Printing, Mr. LAMBETH, of North Carolina.

Think of it—these 12 so-called solid year-in and year-out Democratic States with the Speaker and the Democratic leader, and control of these powerful committees! They give chairmanships of the so-called minor committees to border States like Maryland, Missouri, and West Virginia, and the Clerk of the House to Kentucky. [Applause.]

I point out this great number of powerful and outstanding Democratic leaders not in any sense of criticism but that we may show the power and preponderance of influence in this House from the so-called Democratic States. I must congratulate them upon their solidarity and their stick-to-it-iveness. I make bold to say that the group I have named could put through most any measure, not only that the President might desire but that they might desire.

It was the South that put the two-thirds rule on the Democratic Party and maintained it through all the years, and I think they will still maintain it, Mr. Farley to the contrary notwithstanding.

What I have said of the preponderance of leadership from the so-called 12 or 13 Democratic States in the House is matched in the Senate. The Vice President is from Texas, the Democratic leader is from Arkansas, the chairman of the great Finance Committee is from Mississippi.

THE LAW VERSUS ANARCHY

The taking of human life by the mob is anarchy. It is the overthrow of county and State governments and the courts where lynchings occur. It is substituting anarchy for the orderly processes of the law and the courts. Lynchings are universally condemned by all civilized peoples. It has received universal condemnation by the press, pulpit, platform, public officers, high and low, and citizens without regard to race, creed, or color in every walk of life, yet nothing effective is done about it where this monster crime is most prevalent. There are those who, in a roundabout way, assert that lynchings and mob violence are necessary to protect the womanhood of this country. None of us who favor antilynching legislation endorse crimes against women, murders, or any other crime for which men and women have been lynched. There is not a man in this House but who looks with horror upon the crime of rape. To me it is an unspeakable crime. Any man who is guilty of such a crime, whether white or black, should be put to death. This is the law in Kentucky. Any man who is half man desires more than anything else to see the womanhood of this country not only protected but respected. Let us bear in mind that all the chivalry and gallantry is not in the Democratic Party or in the Republican Party, or in any particular section of our Nation.

Our forefathers sacrificed their fortunes and their lives in order to establish a Constitution, laws, and courts. Our Fed-

eral and our State Constitutions provide that every person is entitled to the equal protection of the law and that every person charged with a crime is entitled to a fair and impartial trial, to be confronted by his accusers before an impartial tribunal. The mob in its wild spirit of frenzy and hate is the arresting officer, the accuser, the prosecutor, the jury, the court, and the executioner. This crime has been indicted by the enlightened public opinion of the civilized world, and the thing that causes many of us to blush with shame is the fact that your country and mine sins more grievously in this respect than any other civilized country in the world.

I am opposed to mob violence and lynching. I spoke and voted in favor of H. R. 13, the Dyer antilynching bill, in 1922, and I am now more convinced than I was then of the justice and necessity of this legislation.

The record shows that in 16 States there have been no lynchings since 1889. The South is the place where lynchings are most prevalent, and in about 95 percent of the cases the persons lynched are Negroes.

If a Negro is charged with crime, his case goes before a white grand jury. He is tried by a white jury before a white judge, and is confronted usually with white witnesses. Is there any doubt in any sane person's mind but what a Negro under such circumstances will get all that is coming to him? If the crime justifies the death penalty the juries in those States and under those circumstances do not hesitate to inflict it. Ought the law exact any higher penalty than the life of the accused? Or do we want to let the mob and the lynchers go unrestrained so that they may burn people at the stake and in many cases burn innocent people?

There are others in favor of this legislation besides the Republican Party. The legislatures of 12 great States, all of them Republican States, have urged Congress to act. Among those organizations that favor this legislation are the following, with their memberships:

ORGANIZATION	*Membership*
The Federal Council of Churches	26,000,000
American Federation of Labor	5,000,000
National Baptist Convention	3,196,623
Young Women's Christian Association	404,632
Young Men's Christian Association	857,241
National Association for the Advancement of Colored People	100,000
National Association of Colored Women	250,000
American Federation of Teachers	----------
National Council of Women	----------
National Council of Jewish Women	50,000
The Protestant Episcopal Church	2,000,000
Board of National Missions of the Presbyterian Church (United States of America)	1,969,788
Congregational and Christian Churches	1,000,000
Women's Missionary Council of the Methodist Episcopal Church, South	225,000
Synagogue Council of America	1,000,000
Christian Youth Council	10,000,000

I have given only a partial list. The membership of all the organizations, industrial, civil, religious, and political, exceeds 40,000,000. They recognize this blot upon our country and that lynching and mob violence is not only a crime against the individual but it is an outrage against our twentieth century civilization.

NECESSITY FOR ANTILYNCHING LEGISLATION—DEMOCRATS IN ABSOLUTE CONTROL

The Democrat Party came into absolute control of the executive and legislative branches of the Government on March 4, 1933, and, of course, have been in absolute control ever since. Soon after they secured control there was introduced in the Seventy-third Congress in the House and Senate a great many antilynching bills by Republicans and Democrats. Extensive hearings were held by the Judiciary Committee on these bills—the Wagner-Costigan bill, and others. There appeared before that committee many distinguished men and women, Republicans and Democrats, urging favorable action on this legislation. The Senate Judiciary Committee is about three to one Democratic and made up of many distinguished lawyers, and I understand it made a favorable report in the Seventy-third Congress. Of course, when the Seventy-third Congress ended, all these antilynching and other bills died.

Early in the Seventy-fourth Congress more than 30 antilynching bills were introduced in the House and Senate. The Judiciary Committee of the Senate on March 18, 1935, submitted a favorable report on the Wagner-Costigan bill, and in this report it used the following very significant language:

> The committee, during the Seventy-third Congress, and during the Seventy-fourth Congress, has given much consideration to this bill. Hearings were held by a subcommittee at which evidence was presented demonstrating to the committee's satisfaction the continuing and increasing need for Federal legislation of this character. When a measure similar to the pending reported bill was before Congress in 1934 and its enactment into law appeared to be more than a possibility, two lynchings occurred in January 1934, a month prior to the public hearings conducted by this committee. During the months from January 30 to June 8, 1934, when public opinion in favor of legislation to curb the practice of lynching was particularly articulate, no lynchings occurred. During the first week in June 1934, word was generally circulated that hope for the enactment of the propcsed measure had been abandoned. On June 8 there was a lynching in Mississippi, followed in rapid succession by two lynchings in Alabama, one in Texas, one in Tennessee, one in Louisiana, a third in Mississippi, a third in Alabama, one in Georgia, and one in Florida. * * * In the committee's opinion it is more than a coincidence that the practice of lynching is practically stopped when Federal legislation designed to curb this practice is pending in Congress. A continuation of the practice of lynching, coupled with a complete failure of the government of those States involved to apprehend and punish the participators of these crimes, supports the need for Federal legislation.
>
> In the Sixty-seventh Congress a bill (H. R. 13) having similar purposes to the pending measure was passed by the House of Representatives, but was not allowed to reach a vote in the Senate. At that time the constitutionality of this legislation was discussed in much detail. * * * Favorable reports of the Judiciary Committees of the House of Representatives and the Senate arrived at the conclusion that the legislation was clearly constitutional. * * *
>
> After giving earnest thought to the consideration of S. 24, the committee has reached the conclusion that as amended the bill is constitutional and should be passed. It is the opinion of the committee that the proposed legislation is "appropriate legislation" to discourage and prevent the evil of lynching wherever in the United States that evil exists or is or may be committed.

A BLACK RECORD

I have called the attention of the House to the report of the Senate committee in which it is said—

> A continuation of the practice of lynching, coupled with a complete failure of the government of those States involved to apprehend and punish the participators of these crimes, supports the need for Federal legislation.

Who is making this terrible indictment? It is the great Democratic Judiciary Committee of the United States Senate. In 1922, when we had up the Dyer bill, our Democratic friends complained that it was the Republican Party expressing its dislike to the South when similar charges were made. Where is the practice of lynching and in what States is there a complete failure to apprehend and punish those guilty of lynchings and mob violence? Upon what evidence did the Senate Judiciary Committee make its report?

They heard many witnesses and had before them many records. The testimony and records submitted showed for the period beginning in 1889 and extending to March 1935 there were 3,216 lynchings in 13 States, and were distributed as follows:

Georgia	458
Alabama	340
Kentucky	174
Mississippi	455
Florida	242
South Carolina	140
Texas	373
Arkansas	242
Oklahoma	107
Louisiana	249
Tennessee	209
Missouri	92
North Carolina	90

If we count from 1882 to date, there have been 582 lynchings in the State of Mississippi alone.

More than 100 of these were women, and according to the statement of Professor Chadbourn, law professor of the University of North Carolina, and others, less than one out of

every six lynched was even charged with rape or attempted rape. Hundreds and hundreds if guilty of any offense, they were trivial offenses. The records disclosed that 186 of these 3,216 lynched persons were innocent of any crime, and of these, 33 were in Louisiana, 32 in Georgia, 25 in Alabama, 17 in Kentucky, 15 in Mississippi, 18 in Texas, and 13 in Arkansas. These seven States provide 148 of the innocent people who were lynched, and the 13 Democratic States provide 3,216 lynched from 1889 to March 1935.

Only in about 12 cases were the lynchers apprehended and convicted, and they were given inconsequential sentences according to the evidence submitted. It is little wonder that the Judiciary Committee of the Senate in its report declared:

A continuation of the practice of lynching, coupled with a complete failure of the government of those States involved to apprehend and punish the participators of these crimes, supports the need for Federal legislation.

How can our colored colleague, with this record staring him in the face and with the report of the Judiciary Committee, sponsored by Democrats, say that his race has found in the last 4 or 5 years that the Democratic Party is a safe place to live?

DEMOCRATS INSINCERE AND ARE DECEIVING NEGROES

The Democrats have 322 of the 435 Members of the House. They have 70 of the 96 Senators. I am sure that at least 90 percent of the Republicans, Progressives, and Farmer-Laborites in the House and Senate favor antilynching legislation. The 6 Republicans on the Judiciary Committee of the House have been willing and are now willing to help the 18 Democrats on that committee bring the antilynching bill to the floor of the House, and I am sure the Republican leadership will help the 322 Democrats to bring the bill up in the House and to help them pass it.

Mr. MAVERICK. Why did not the gentleman have those bills enacted during the Republican administration? [Applause.]

Mr. ROBSION of Kentucky. I thank the gentleman from Texas for asking that very question.

Mr. MAVERICK. I want to know why that was not done.

Mr. ROBSION of Kentucky. We did pass the Dyer antilynching bill in 1922 over the active, vigorous opposition of the Democrats by a vote of 231 to 119. The Democrats at that time had 139 Members of the House, and every Democrat voted against the bill or was paired against it, except 6 Democrats in the North, East, and West voted for it and 1 was paired for it. Not a Democrat in the Democratic States raised his voice in support of the measure, but many of them made very vigorous speeches against it. [Applause.]

This report says the Dyer antilynching bill, while reported favorably by the Judiciary Committee to the Senate in 1922, "was not allowed to come to a vote." Who did not allow it to come to a vote? The Democrats of the Senate organized a filibuster, led by that distinguished Democratic leader, Senator Oscar Underwood, of Alabama, and he announced that no bills would be permitted to be considered in the Senate, however important they might be, until the antilynching bill was laid aside, and, in response to the Republicans, he stated: "The Democratic Party will assume full responsibility for the defeat of the Dyer bill." An organized minority in the Senate can accomplish things like this, and it was accomplished.

I am not surprised to see our two Democratic friends from Texas [Mr. MAVERICK and Mr. BLANTON] seeking to interrupt me. Our colored Democratic colleague from Chicago ought to go down in Texas and try to vote in the Democratic primary and try to attend a Democratic convention. The Democrats have put through a law in the State of Texas forbidding a Negro to participate in its Democratic primaries or in a Democratic convention. [Applause.]

Mr. BUCK. Will the gentleman yield?

Mr. ROBSION of Kentucky. I do not have the time. I cannot yield. If the Democrats do not pass this bill when the Republicans are offering to help them to do so, every colored man or woman must know and the country will know that they are doing nothing more or less than attempting to deceive the colored race of this Nation.

Now if this measure is not permitted to come up in the House and Senate with the big Democratic majorities and with the Republicans willing to assist, it will be because the Democratic Party is opposed to the antilynching bill and will not permit it to come up and be passed.

The Democrats of the North, East, and West are becoming alarmed over the failure of the Democratic Party to act on this important measure. They got up a petition urging the Democratic caucus leader to call a caucus of the Democratic Party in the House to consider whether or not the antilynching bill should be brought up. The caucus was called for Friday night, May 22, 1936, but no action was taken because they could not get a majority of the Democrats there. The Democrats let the antilynching bill die in the Seventy-third Congress and they are going to let all these thirty-odd antilynching bills die in the Seventy-fourth Congress.

These Democrats who come and go, from the North, East, and West, can talk around, but the real Democratic Party from the South will see to it that this bill is not passed. They have never intended to pass any antilynching bill and will not do so. In fact, our distinguished Democratic floor leader of the House, according to press reports, says it will not be passed.

The National Association for the Advancement of Colored People has something to say on this subject. Some uninformed people think that this association is made up wholly of Negroes. It is true that there are many outstanding colored men and women active in this great association, with its thousands of members, but it has among its officers and executive boards many of the outstanding white leaders of this country, Democrats and Republicans—for instance, Senator CAPPER, Republican, of Kansas; Governor Lehman, Democrat, Governor of New York; and Hon. Frank Murphy, Democrat, former mayor of Detroit and former Governor of the Philippine Islands.

On or about May 7, 1936, the officers of this great organization sent to President Roosevelt the following earnest message:

FORTY MILLION ENDORSEMENTS

At Colbert, Ga., on April 28 and at Lepanto, Ark., April 29, occurred the seventy-first and seventy-second authenticated lynchings since you took office on March 4, 1933. These killings by mobs have occurred at an average of 1 every 15½ days since you have been the Chief Executive of this Nation. * * * Since January 1934 the Government has had it within its power to pass a Federal antilynching law, but thus far the Costigan-Wagner bill has been sidetracked while unchecked mobs stage grisly parades every fortnight.

The National Association for the Advancement of Colored People, together with more than 40,000,000 persons who have endorsed this legislation, urgently request your administration to bring this legislation to the floor of both Houses so that it may be considered upon its merits.

The records show that about every 15 days since President Roosevelt and the Democrat Party have been in absolute control there has occurred a lynching, and in more than 95 percent of these cases these lynchings have occurerd in the real Democratic States.

Yet this administration fails and refuses to act. A quorum of the Democrats have failed to meet and even caucus on the question. A petition has been filed at the Clerk's desk to discharge the Judiciary Committee of the House and bring this bill out on the floor. This petition has been numerously signed by Republicans; 129 Members, including myself, have signed this petition. There are about 200 Democrats in the House now from the North, East, and West. If all the Democrats of the North, East, and West would join the Republicans who signed this petition, it would force the antilynching bill out on the floor of the House for consideration. There are 21 Democrats in the House from Illinois. There are five Republicans. These 5 Republicans have signed this antilynching bill petition, but I am informed that only 4 of the 21 Democrats from Illinois up until now have signed it.

Since the National Association for the Advancement of Colored People sent that message to President Roosevelt, there have been more lynchings. Within 10 days after our

Democratic colored colleague made his speech, there were three lynchings—two in Georgia and one in Arkansas. What has the President and the Democratic Party done in response to that appeal? There still have been no hearings on the thirty-odd antilynching bills in the House Judiciary Committee. No effort has been made to report out any bill. I predict there will be no hearing and there will be no report.

Our distinguished chairman, Judge SUMNERS of Texas, is opposed to this legislation. I have heard many able speeches from our Judiciary Committee chairman and other distinguished Members from these Democratic Southern States, and they say they are opposed to this legislation as it will increase mob violence and increase lynchings, and that it is unconstitutional, although the Judiciary Committees of the House and Senate in 1921 reported the Dyer bill favorably, stating that it was necessary legislation and that it was constitutional. Two Democratic Judiciary Committees of the Senate have declared this legislation essential, proper, and constitutional.

PEANUT, POTATO, COTTON, PIG, RICE, BUT NOT NEGRO

The President had no trouble in having our Democratic Congress rush through the "must" bills for peanuts, potatoes, rice, and to plow up cotton, corn, and wheat, and kill the pigs. Our Democratic friends had no qualms about offending against the Constitution then. They have no objection to a peanut, a potato, a bale of cotton, a sack of rice, or a pig coming between them and the Constitution, but the threatened black man, woman, and child, even though innocent, cannot and must not come between them and the Constitution. [Applause and laughter.]

The Democratic Party in the House and Senate are giving these antilynching bills a long, long "Rip Van Winkle" sleep. While, as said in this message of the National Association for the Advancement of the Colored People to the President:

> Since January 1934 the Government has had it within its power to pass a Federal antilynching bill, but thus far the Costigan-Wagner bill has been sidetracked while unchecked mobs stage grisly parades every fortnight.

How can the Democratic Party escape the charge of double-dealing and insincerity with the colored people of this country? I challenge the Democratic Party of the House to bring the antilynching bill to the floor of the House for consideration. I call upon President Roosevelt to make this a "must" bill and put behind it the power and influence of his administration.

They bury the antilynching bills, and then send out our colored Democratic colleague from Chicago to tell the colored people—in the States where the Negroes are allowed to vote—how deeply interested the Democratic Party is in the black race. He says, in effect, that they are going to give to "my President" and this administration, that has denied to them the equal protection of the law as is provided in the Federal Constitution, more votes than they gave to General Grant, to the gallant McKinley, and the reliable defender of the black people, Gen. Rutherford B. Hayes. Yes; they would send him forth to belittle Abraham Lincoln and denounce the Republican Party.

There is no real reason on earth why the colored people should turn on their real friend and back the party that has fought them through all the years and the party that now refuses to protect the lives and votes of the colored people.

The intelligent, fair-minded, appreciative black men and women of this race may have been deceived in 1932, but I predict that they will not be misled in 1936. They are sure to find out that the leopard has not changed its spots and neither has the tiger lost its stripes. It is the same Democratic Party that has fought every step of advancement of the Negro throughout all the years.

MITCHELL'S ANTILYNCHING BILL

Our colleague [Mr. MITCHELL] in his speech tells the House and the country that he, too, is deeply interested in antilynching legislation; that he, too, introduced a bill, and I wish to take your time to point out the wonderful protection afforded to the colored people by his bill if it should pass. In section 3 of his bill he uses this remarkable language:

> Any officer, agent, or employee of any State or governmental subdivision thereof, acting as such officer, agent, or employee under authority of law, having in his custody or control a prisoner, who shall conspire, combine, or confederate with any person to injure or put such prisoner to death, or who shall conspire, combine, or confederate with any person to suffer or permit any person to take such prisoner from his custody or control, to be injured or put to death, shall be guilty of a felony * * *. On conviction the parties participating therein shall be punished by imprisonment for not less than 2 years and not more than 10 years.

Is not that a wonderful protection to throw about the people of his race from mob violence? To fix the punishment of an officer who has a person in his care and who conspires with the mob to put his prisoner to death at from 2 to 10 years. Everyone knows that such an act would be willful murder. It would be murder in the first degree. The law in no State of this Union or in any civilized country, unless it is Russia, fixes the penalty for willful murder, or first-degree murder, at anything less than death or life imprisonment. Our colored colleague said nothing about the thousands of people of his race that were hanged, burned, and drowned in the States where they have a real Democratic Party all the time. He was very careful not to say that he appeared before our committee and urged our committee to report out his bill. He tells us about calling on "my great President", Mr. Roosevelt, and of his undying loyalty to the Democratic Party. Why does he not demand that "my great President" make the antilynching bill a "must" bill, and why does he not insist on his Democratic Party passing an antilynching bill? If "my President" could force through the peanut bill, the potato bill, the cotton bill, the pig bill, and other bills, why not do something for these millions and millions of loyal colored people Mr. MITCHELL says have been and are willing to vote for "my President"?

The SPEAKER. The time of the gentleman has expired. [Applause, Republicans rising.]

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

Mr. DEEN. Mr. Speaker, I ask unanimous consent that the gentleman be given 2 minutes, so that I may ask him a question.

The SPEAKER pro tempore (Mr. COOLEY). Is there objection to the request of the gentleman from Kentucky?

Mr. MITCHELL of Illinois. Mr. Speaker, I object. [Laughter and applause.] Mr. Speaker, I withdraw the objection.

Mr. BANKHEAD. Mr. Speaker, I understood the gentleman from Illinois desired an additional 5 minutes.

Mr. MITCHELL of Illinois. I withdrew my objection.

Mr. KNUTSON. No. The gentleman from Illinois has not withdrawn his objection.

Mr. ROBSION of Kentucky. There were some facts I wanted to submit which were considered by the Democratic Judiciary Committee and the action taken by the Democratic Judiciary Committee of the Senate, and I wish to discuss the action taken thereon and the discrimination shown therein in relief and in other matters in the States where the Democratic Party is in control.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky may have 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. O'CONNOR. Mr. Speaker, I object.

Mr. ROBSION of Kentucky. Mr. Speaker, ladies and gentlemen of the House, because of the expiration of my time I was unable to complete all that I desired to say, and under the unanimous consent given to me by the Speaker of the House I extend the remainder of my speech in the RECORD.

IS THE DEMOCRATIC PARTY A SAFE PLACE FOR NEGROES TO VOTE?

Our colored Democratic colleague from Chicago informs an awaiting world that the Negro race of this country found out that the Republican Party was its enemy and "had done the Negro more harm than it had done harm to this country, and had found out that the Democratic Party is a safe place for the Negro to live and vote." We have pointed out how

unsafe it was for the Negro to live in the States that are now and have been before and since the war controlled by the Democratic Party. The next question arises, Is the Democratic Party a safe place for the Negro to vote? Our colleague says that he and others "were able" to bring to the fold of the Democratic Party 60 percent of the Negro votes in the States where Negroes can vote. He also tells us that he is going to make a great campaign this year in the States where Negroes are permitted to vote. The Democratic Party is now flirting with the Negroes because the Negroes have one thing that the Democratic Party want, and they want and need it very much—that is their votes. Is not this a very, very strange situation? It was Abraham Lincoln and the Republican Party that gave the Negroes their freedom and their right to vote. It was the Republican Party that required the Democratic States to adopt constitutions and laws recognizing the freedom of the Negro and his right to vote.

The Republican States of the North, East, and West freely adopted such constitutions and laws, and these free Republican States have always maintained these constitutions and laws, and but for this action and this persistent defense and protection by the Republican Party through all the years, our colored colleague would not have the right to vote. He would not be in Congress; he would not be going over the Republican States "where Negroes vote" urging the Negroes to vote the Democratic ticket. Why does he not go where the Democratic Party really is, and where there are seven or eight million of his race and some three or four million of votes? Why not go there and make his appeal? For instance, in his native State of Alabama, and to Texas, South Carolina, Georgia, Louisiana, Florida, Arkansas, and North Carolina. It seems to me that those are fertile fields.

IS THE DEMOCRATIC PARTY SAFE PLACE FOR NEGROES TO VOTE?

Our colleague Mitchell, Booker T. Washington, or even the great Fred Douglass could have lived in those States for a hundred years and not one of them could have been elected as dog catcher. I am informed that in 15 counties of one of these States in recent elections not a single negro vote was cast, and in another of these States there was not a Negro vote cast in 5 counties. He can sit among his Democratic colleagues here on the floor of the House; but if he should campaign down in Alabama, Texas, South Carolina, Mississippi, or other real Democratic States, he would not be permitted to ride in the same railroad coach with his Democratic colleagues from those States. The laws of those States would permit the vilest criminal and the lowest-down white man to ride in the same railroad coach with them, but it would not permit their Democratic colored colleague from Chicago to do so.

We have pointed out how powerful and great the Democratic Party is in the State of Texas. Under the laws passed by a Democratic legislature in that State, our Democratic colleague would not be permitted to vote in a Democratic primary and he would not be permitted to attend a Democratic convention, and I am informed that the Democratic Legislature of Texas some months ago adopted a resolution calling upon the Democratic Party of the Nation to prevent Negro delegates from sitting in the Democratic national convention.

It would be easy for our colored colleague [Mr. MITCHELL] to vote the Democratic ticket in South Carolina. The Democrats have put on their statute books a law giving a Negro a right to vote in a Democratic primary—there is no real Republican Party in South Carolina—providing 10 good Democrats will make a sworn affidavit that they know the particular Negro and to their own personal knowledge he voted for Wade Hampton in 1876 and has been supporting the Democratic Party ever since. Wade Hampton was a candidate in 1876, 60 years ago. Our colored colleague from Chicago is less than 60 years of age. You can see how easy and safe it would be for him to vote in and for his new-found love, the Democratic Party in South Carolina.

It is interesting to study what effective efforts have been put forth in Mississippi to take away the right of the Negro to vote. He must first register. In order to register he must be able to satisfy the clerk of the court, before whom he registers, of his ability to read and interpret the Constitution of Mississippi and the Constitution of the United States. In order to make it easy for him to read the Constitution, the clerk presents him a copy, so I am informed by many of the leading educated reliable Negroes of that State, with some of the lines arranged perpendicularly and other lines horizontally on the page. If a Negro can figure out that puzzle, they proceed to ask him some real questions about "what is an ex-post-facto law, and what does it mean to suspend the writ of habeas corpus?" If the clerk refuses to permit the Negro to register there is no appeal from his decision. A recent census shows there are 1,009,781 Negroes living in Mississippi, more Negroes than whites. Only about six or eight thousand Negroes vote in that State.

In some of these Democratic States some years ago they adopted the so-called "grandfather clause", denying the right to vote to those Negroes whose parents or grandparents were slaves. So far as I have been able to learn, there is not a real Democratic State in the Union, or border State, that the Democrats have not adopted the grandfather clause, or something equally as effective, or has not attempted to do so. The Democrats made tremendous efforts to adopt the grandfather clause to the State Constitutions of Kentucky, Missouri, and Maryland. Who prevented these grandfather clauses from being adopted and the disfranchisement of the black people? It was accomplished through the leadership of the Republican Party in those States. What party has been busy trying to take away the right to vote of the colored people ever since they were granted the right to vote by Abraham Lincoln and the Republican Party? It has been the Democratic Party. The Democratic Party, where it controls—and the leaders off the record make no denial—are opposed to the Negroes participating in politics. They contend the Negroes are not qualified or fit to participate in government.

It is the Republican Party, through all the years, that has fought these efforts of the Democratic Party to disfranchise the Negro, and the Republican Party has never ceased in its efforts to preserve a free ballot for the Negro and all citizens alike without regard to race, creed, or color. Yet, in the face of this record and these admitted facts, our Democratic colored colleague from Chicago tells us and the country that the Negroes found out 4 or 5 years ago that Abraham Lincoln was a deceiver; that the Republican Party has been through all the years the enemy of the Negro race, and they have found that the Democratic Party is the safe place for them to live and to vote.

NEGROES ELECTED TO OFFICE

Our colored colleague [Mr. MITCHELL] says that he is the first Negro to be elected to Congress by the Democratic Party. I assume that is true. Under the free-election laws that the Republican Party, after the war, required these real Democratic States to adopt, at least two Negroes were elected to the United States Senate and many more Negroes to Congress. In the free States (where Negroes vote) the Republican Party has elected a hundred Negroes where the Democratic Party has elected one, but let us bear in mind that Mr. MITCHELL would never have been elected in his district if the Democrats could have elected a white Democrat. The colored race has about 70 percent of the population. In 1928 the Republicans elected De Priest, a colored man. From 1928 to 1932 the Democrats tried in every way possible to defeat De Priest with a white Democrat. In 1932 they nominated a Mr. Baker, a white man in that district, but he died before the election. There was some division among the colored Republicans. Certain Democrats of the Chicago ring thought it was a good time to further split the Republican Party in that district, and a small committee nominated our colored colleague [Mr. MITCHELL].

You will find that the Democrats never give their support to any Negro anywhere until after the Republican Party has

honored the Negroes and the Democrats cannot beat the Negro Republican with a white Democrat, but if the real Democratic Party really wants to send Negroes to the American Congress they should permit the Negroes in these Southern States to vote. They should not be content to send only one Negro to Congress, and he a renegade Republican. Why not send some real Negroes from the South? When De Priest, the colored Republican from this same colored district of Chicago, was elected to Congress some of our Democratic friends almost blew the lid off the Capitol. They claimed that it was an outrage and a disgrace for any district to send "a nigger to Congress", and our colleague [Mr. MITCHELL] can mark it down, if the Democrats in that district ever get in shape to send a white Democrat to Congress he will be out. I understand, however, that the Republicans are now united in that district. They have nominated De Priest, and he will return to Congress at the November election.

HOWARD UNIVERSITY—TUSKEGEE INSTITUTE

Our colored colleague speaks eloquently about the Tuskegee Institute and Booker T. Washington. Tuskegee Institute was founded through the generosity of northern Republicans and those who, like the Republican Party, have always been deeply concerned in promoting the welfare of the colored race.

The great Howard University is called the Harvard of the Negro race of this country. It is a great institution. Was it founded by the Democratic Party or the Democrats of this Nation? No. A few years after the war, through the generosity of outstanding Republican philanthropists and those sincerely interested in the progress and development of the colored race contributed the money out of their own pockets to found that great institution. It was named "Howard" out of respect to General Howard, one of the commanders of the Union forces and a great friend and admirer of Abraham Lincoln. It was a Republican Congress that initiated the policy of the Federal Government making appropriations to Howard University. For years and years every step taken in this direction was vigorously resisted by the Democratic Party in Congress.

It was the Republican Party that established the Freedmen's Bureau and the Freedmen's Hospital, and it was the Republicans that established scores and scores of other splendid educational and hospital institutions throughout the land for the benefit of the colored race.

DISCRIMINATION

Our Democratic colored colleague speaks of the dole that has been handed out to the colored people. According to reliable reports, even in this there is the worst sort of discrimination against his people. There have been great State meetings of colored people in various Democratic States. In one State a great gathering of colored people pointed out that while more than 50 percent of the population was colored, and the colored people need relief more than any other class, yet they had received only about 5 percent of the relief sent to that State. In a certain Democratic State it is reported that not one single colored contractor has received a contract under this relief work. The white-collared colored workers were even denied opportunities to help administer relief to their own race with only rare exceptions, and they were paid only about half what the white Democratic workers received for the same character of work.

The colored people have been discriminated against in these Democratic States in the distribution of the Federal funds for building schools, gymnasiums, playgrounds, and so forth.

In some of the Democratic States the per capita for the colored children is about one-fifth or one-sixth of what it is for the white children. School busses are supplied in abundance for the white children, but only in rare instances are busses provided for the black children in those States.

What chance have the toilers among the black people to organize and maintain labor unions and farm unions to promote the welfare of themselves and their families in the Democratic States?

One of the greatest discriminations against colored people, especially in the South, was the passage of the Bankhead Act and the A. A. A. This is made clear in the report of the Committee of Thirteen sent by the Administrator of the A. A. A. to visit the South and find out the effect of the Cotton Act and the A. A. A. measures, especially on the tenant farmers or croppers and laborers of the South. They were appointed by the New Deal. They were acting for the New Deal. They made their report last September. It was kept secret until recently, when the Republicans forced it from under cover.

That report disclosed how hard the colored tenant farmers and laborers were hit in the South. It was an easy matter for that great British corporation that held 50,000 acres of cotton and sugar land in Mississippi, and others, to secure a million dollars in these free checks, but it was a rare thing for a poor Negro to receive one of the checks of the A. A. A., and so forth. The effect of these measures, this report says, was to drive approximately a million tenant farmers and laborers from the farms and force them on relief. They number, with their wives and children, perhaps more than 4,000,000 people, and this is one of the reasons that the relief rolls have grown so rapidly under this New Deal administration.

The black people for the most part are wage earners. The high processing taxes hit them harder than any other group in this country. In many instances it doubled the cost of flour, meal, meat, and other necessities of life.

Yes, this New Deal administration took the means of making a livelihood from these millions of colored people and now they are using the dole to capitalize on the miseries of these needy people, to club them and force them to support the Democrat Party.

I am not ready to believe that the millions of honest, industrious black men and black women of this country are willing to exchange their liberties for a mess of Democratic pottage. I am unwilling to believe that they are not ready and anxious to have honest-to-God work with honest-to-God wages to support themselves and their families as honest-to-God American citizens. I know they think more of their liberties, lives, and their rights as freemen and free citizens than they do of this small dole.

The alien, yes, even the smuggled-in alien and the criminal alien, in the North and East under this New Deal secures a much larger portion of dole and higher wages under the work relief than do the black citizens of these Democratic States.

The Republican Party stands for adequate relief for its needy citizens. They have put forth every effort in Congress to help secure adequate relief and to have this relief administered without regard to politics, so that every needy person may receive just and fair treatment without regard to politics, race, creed, or color, and so that this relief may go to those who need relief and not be squandered on this great army of approximately 300,000 Democratic politicians who have been put on the backs of the black as well as the white taxpayers or our Nation.

The Republican Party stands four-square for relief to the needy, but it is opposed to this relief being consumed by white Democratic politicians and so-called overhead expenses. In some instances 90 cents of the dollar appropriated for relief goes to the Democratic politicians and for overhead, and only 10 cents of the dollar goes to the needy. The Republican Party is unalterably opposed to any such policy, and it is now and has been through all the years unalterably opposed to these discriminations against the black people.

CAN THE DEMOCRATIC PARTY DO SOMETHING FOR THE NEGRO?

The Democratic Party has absolute control. It can do many things for the black race. What is dearer to any man than life? What next does he hold as one of his inalienable rights and priceless possessions? The right to be free and vote. The Democrats can join with the Republicans and pass an antilynching bill which will, especially in those States now where they are denied equal protection of the law

according to the report of the Democratic Judiciary Committee of the Senate. It will save innocent men, women, and children from being hanged, burned, and drowned by the mobs. It has the control, and especially in the States where the political rights given to the black race by the Republican Party have been taken from it by the Democratic Party. It can restore these rights vouchsafed to them by the Constitution. It can provide a free ballot. It is said that the ballot will solve every question in this great Republic. Under the present general denial of the right to vote in these Democratic States, Democratic officers may permit mobs, and in some instances actually conspire with the mobs to murder and burn Negroes. The Negro has no way to correct conditions like that. In States where Negroes have the right to vote, they can protect with their votes their lives, and help to correct such conditions.

The Democratic Party can change its policy of discrimination against the black people in educational, industrial, and economic opportunities. A large percentage of the black population must depend upon their wages as workers for the support of themselves and their families. It has been charged on the floor of this House and in the Senate by Democrats that this administration has been trying to force through the Kerr-Coolidge immigration bill, and thereby break down the wholesome immigration laws passed by Republican Congresses and signed by Republican Presidents. This, of course, would increase the number of alien job holders and relief clients. A lot of us, Democrats and Republicans, have been trying to get through the Starnes-Reynolds anti-immigration bill. It would apply the quota to the Western Hemisphere and keep out millions of Mexicans and others who have been coming into our country and taking the jobs from our black as well as our white workers. We have a great army of criminal aliens in this country. We have millions of aliens who have come into this country unlawfully. Millions are on relief and have relief jobs. These should be deported. In the North, East, and West such aliens as I have enumerated receive better wages and larger portions of relief than do the loyal Negro citizens of the South.

This administration could have avoided and should not continue its unconstitutional program of scarcity in this country. It could have adopted a policy and program of plenty. Instead of forcing millions of black people from their farms and jobs, they could urge them to produce at least enough food and raw materials to supply our own country, and if there should be a surplus that might beat down the market a plan could be arranged to take care of that surplus, even out of the Treasury, and maintain fair prices. This administration could stop this tremendous flow of foreign farm products and foreign goods into our country that take away the jobs of black as well as white workers.

This administration took more than 40,000,000 acres of productive land out of production and forced the Negro and others to pay heavy processing taxes in order that the checks might be handed out by the million dollars each to the big landowners and plantation owners of this country. Yes; it turned out that one big wheat farmer was renting Indian lands at from 50 cents to $1.50 per acre, and the Government then handed him not less than $7.50 per acre not to produce wheat. Under this transaction, sanctioned by the A. A. A., more than $28,000 in easy money was handed to him. The black man and his family, who attempt to eat biscuits or white bread, was taxed more than 20 cents a sack on flour.

Yes; this administration handed a British corporation down in Mississippi nearly a million dollars not to produce cotton, and forced its Negro tenants and Negro workers from the lands and forced these black folks to pay a high processing tax on their shirts, overalls, and other clothing for themselves and their families.

This administration could protect our white farmers and the black farmers from the imports of foreign farm products. Its processing tax destroyed the export market for more than 4,000,000 bales of cotton. If we had a sane American policy it would require at least 40,000,000 acres or more of good land to replace these foreign products from foreign lands, and to produce these millions of bales of cotton. This administration could prevent discrimination against the black people of the South in the way of direct relief and work relief. This administration has created a deficit of at least $12,000,000,000, and before the end we will have a national debt of approximately $40,000,000,000. The black people, as well as the white, their children, and their childrens' children must help to pay these deficits and debts, and to meet this wild squandering and wasting of the taxpayers' money because taxes must come from those who consume, it matters not how poor or how black you are.

If you consume, you must pay taxes. No administration in all history has soaked the common people, black and white, with taxes as this administration has. This administration could adopt sane, sound, and economical policies, cut down the taxes, and increase opportunities. It could shut out the products that are coming into this country from Japan and every other country of the earth. These take away the jobs of white and black workers in the shops, mills, factories, and mines of our country. We must work out a plan where our people, black and white, may be gainfully employed and not depend upon the little dole handed out by the Democratic Party, and this great Nation must always be ready and willing to help those who cannot help themselves. Let this be a land of equal opportunity to all, with special privileges to none.

OUR COLORED DEMOCRATIC COLLEAGUE SHOULD TELL HIS BRETHREN

Our colored colleague should tell his brethren the whole truth. He gravely tells us that Abraham Lincoln is dead and that he has been dead for 70 years. The Savior of Man has been dead for 1,900 years, but His spirit still lives. The purpose for which the Man of Galilee died is yet a great living ideal in charting the lives and guiding the footsteps of men.

The Great Emancipator shed his blood that the father and mother of our colleague might be free and to save him from the curse of being born a slave. The spirit of Abraham Lincoln and his wonderful work as the chief exponent of the Republican Party and the great ideals that he and that party espoused at the time, still live and will live so long as the people of this Nation love freedom and the Union.

When our colored colleague goes out to campaign this year in the free Republican States to urge the colored people to support the Democratic ticket, may we urge him to tell the whole story and the true story about Abraham Lincoln and the Republican Party? Let him say to his audience, "Brethren, I would not be holding a high office and would not be here to address you and you would not be here to hear me as freemen with the right to vote, and my own father and mother would have continued to feel the sting of the lash and would have died with their chains on but for Abraham Lincoln and the Republican Party."

Let him tell them the whole sordid, terrible story of approximately 3,000 of their black brethren being hung, burned, and drowned by mobs between 1889 and 1935 in the 13 Democratic States of the Union. Tell them that more than 175 of these upon investigation were found to be innocent and guiltless of any crime. Tell them that approximately 100 of these were women and not more than one-sixth of these 3,000 black folks were charged with rape or even attempted rape.

Tell them about section 3 of his antilynching bill that fixes the punishment of an officer who conspires with a mob to lynch a black prisoner with punishment from 2 to 10 years in the penitentiary, and that only in 12 cases out of more than 3,000 has anyone been apprehended and convicted for these mob crimes and then given but little punishment.

Tell them that he has not appeared before the Judiciary Committee or urged his bill or any other antilynching bill to be reported.

Tell them that his great President pushed through the peanut, pig, cotton, and potato bills, and with an overwhelming majority in both the House and Senate, with an

offer of support of at least 90 percent of the Republicans, he has turned deaf ears to the black race of this country to save their people from the mobs, and all of the thirty-odd antilynching bills have been allowed to sleep for more than 3 years.

Tell his brethren that the Democratic Party has always fought any effort to put through antilynching bills, and that they will not put one through this time, although the Republican minority has urged them to do so.

Tell them that the real Democratic Party of the Nation has fought bitterly every step taken by the Republican Party and others for the advancement of this race.

Tell them that even the enemy aliens of this country in the North and East receive a larger portion of the dole and a larger wage for relief work than the honest, law-abiding colored citizens in these Democratic States.

Tell them that the Democratic Party, where it has control, has been busy through all the years to take away and nullify the franchise rights given to them by Abraham Lincoln and the Republican Party.

Tell them that approximately 200 Democrats in the North, East, and West could have long ago brought out the antilynching bill to the floor for action if these Democrats of the North, East, and West had signed the petition to bring out the antilynching bill. This petition has been numerously signed by Republicans.

Tell his brethren about the great Democratic leader taking him up on a high mountain between 1928 and 1932 and showing him "the kingdoms of the earth."

Tell them that during President Roosevelt's administration there has been a lynching approximately every 15 days, but still the President and his big majorities in the House and Senate take no steps, and "the mob rides on."

Tell them that, even after the speeches of himself, the magnificent monuments and memorials built to the immortal Lincoln and the Union soldiers and sailors still stand throughout this land and in every country and nation of the earth.

Tell them the Republican Party will still live on through the years to save our country and fight for the rights of the colored race.

The SPEAKER pro tempore (Mr. COOLEY). Under the special order of the House, the Chair recognizes the gentleman from Missouri [Mr. NELSON] for 15 minutes.

Mr. MITCHELL of Illinois. Mr. Speaker, I want to submit a unanimous-consent request.

The SPEAKER pro tempore. Does the gentleman from Missouri yield to the gentleman from Illinois?

Mr. NELSON. I yield.

Mr. MITCHELL of Illinois. Mr. Speaker, I ask unanimous consent that I be given 5 minutes to reply to the gentleman's talk.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. MICHENER. Mr. Speaker, reserving the right to object, when the gentleman from Chicago addressed the House the other day he refused to yield, and I think it is ill-becoming the gentleman to insist on interrupting the gentleman from Kentucky and then to ask for time.

Mr. SCHULTE. Regular order, Mr. Speaker.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MITCHELL of Illinois. Mr. Speaker, it was not my purpose when I entered this Chamber today to make a speech. My only excuse for asking the time of this House to address you at this time is to reply to some of the misstatements of fact made by the gentleman from Kentucky in his attack on me and my speech delivered on this floor April 22 last. Had the gentleman from Kentucky yielded as I so requested and permitted me to correct some of the most glaring misstatements of facts made by him during his tirade, I would not now ask this time to address you; but, Mr. Speaker, I wish to assure you that while it was not my purpose to speak, I am happy to have this opportunity to stand here once again for the purpose of affirming every word I said in my speech April 22 last, notwithstanding the gross misquotations that have been brought to you by the gentleman from Kentucky.

To begin with, I may say that when I stood here on the 22d of April I read Abraham Lincoln's own speech, and I read every word that he used discussing the question of the abolition of slavery and the paragraph which he took from the Republican platform of 1860, and I defy any man, living or dead, to show the contrary. I shall repeat or read the same later.

ROBSION'S SPEECH SAME OLD REPUBLICAN STORY

What have we done here this morning? We have listened to a typical Republican campaign speech. We have listened to the speech that has been made by Republicans to my people for 70 years, and all the while they have kept us in political slavery [applause], and now one of my colleagues from Kentucky [Mr. ROBSION] has the audacity to wish to continue that kind of political slavery.

What is the purpose of this speech? It has but one purpose, coming as it does from the distinguished gentleman from Kentucky. It has been made to order for no purpose except to continue to deceive the Negro voters of this country and to bind upon them the shackles of political slavery, in order to use them as tools for the Republican Party. I should like to remind the gentleman that the Negro of 1936 is not the Negro of 1870, 1880, and 1890, but a new Negro with political vision and ambition. He has struggled for political freedom, and it will do your cause no good to go back to 1860 and wave the red flag before our faces. We have too long tried you and your party, to our sorrow.

SEVENTY YEARS OF NEGRO LOYALTY TO REPUBLICAN PARTY

For 70 years we followed you blindly; for 70 years we perpetuated you in power; and for 70 long years you promised relief, and forgot your promises the minute you found yourself in office. You have had your day with the Negro vote.

Granting that all you contend is true—and I say it is not—has not the Negro paid you for what you did for him in 1861, 1863, and 1865? Is it your idea that because he was liberated during the administration of a Republican President he must still vote your ticket as a matter of gratitude, with his eyes closed toward his present and future needs? I deny that this should be the requirement of any party. Does not 70 years of unbroken loyalty to you and your party even up the debt, or is it your contention that this party loyalty you are claiming is to be an eternal thing? Can you not cease to talk about what your party did 70 years ago, and tell the aspiring youth of this country what your party proposes to do in 1936 and the years to follow? Do you think we are so blind and so dumb as to be led again to the political slaughter by Republicans seeking to hold office, whose record insofar as we are concerned is a chain of broken promises reaching across three-quarters of a century?

REPUBLICAN PARTY NO LONGER GENEROUS TO THE NEGRO

It has well been said by an outstanding Negro Republican:

> The generous attitude of the Republican Party toward the Negro ended with the administration of Theodore Roosevelt, 28 years ago. Since then the Grand Old Party has deviated from its ancient doctrine of human rights in quest of material prosperity. It has grown cold and indifferent toward its black ward and beneficiary, as if in the process of weaning him. In the meantime the Democratic Party has been gradually growing, not only less hostile but more friendly.

I repeat to you, my friends, what I said April 22 are the words of Abraham Lincoln. Lincoln said himself. He did not expect to interfere with slavery where it existed. I was making no particular attack on Abraham Lincoln. I take second place to no person from Kentucky or any other State in admiring that great statesman, but I deny that he is President now, and that his party has by its political conduct bound me or my people to follow their lead blindly.

LINCOLN—STATESMAN AND POLITICIAN

Abraham Lincoln has been dead 70 years. If the gentleman does not know it, there are people who know that when he lived he was a politician like all the rest of us. He worked to get into office. He served in this House. He served in the legislature of his State. He served in various offices. He even served in the Presidency of the United States, and he made no effort to free the Negro until 1863, almost 2 years after he came into the Presidency, and I am told, and those who have read the story know, the difficulty that Republicans and Democrats alike throughout this country, who believed in the abolition of human slavery, had in getting him to sign the emancipation proclamation, which was not signed until January 1, 1863. If he and his party were so bent on freeing the Negro, why did they have to wait all those 2 years to start about it? They started about it when we had conscription riots in New York City and German war vessels were standing off the coast of that State and helping to suppress the riots, and Abraham Lincoln had to free the Negroes in order to bring conscripts into the Army to save that situation.

LINCOLN'S ATTITUDE ON SLAVERY TAKEN FROM INAUGURAL ADDRESS (MARCH 4, 1861)

Apprehension seems to exist among the people of the Southern States that by the accession of a Republican administration their property and their peace and personal security are to be endangered. There has never been any reasonable cause for such apprehension. Indeed, the most ample evidence to the contrary has all the while existed and been open to their inspection. It is found in nearly all the published speeches of him who now addresses you. I do but quote from one of those speeches when I declare that "I have no purpose, directly or indirectly, to interfere with the institution of slavery in the States where it exists. I believe I have no lawful right to do so, and I have no inclination to do so." Those who nominated and elected me did so with full knowledge that I made this and many similar declarations and had never recanted them. And, more than this, they placed in the platform for my acceptance, and as a law to themselves and to me, the clear and emphatic resolution which I now read:

"*Resolved*, That the maintenance inviolate of the rights of the States, and especially the right of each State to order and control its own domestic institutions according to its own judgment exclusively, is essential to that balance of power on which the perfection and endurance of our political fabric depend, and we denounce the lawless invasion by armed force of the soil of any State or Territory, no matter under what pretext, as among the gravest of crimes."

I now reiterate these sentiments, and in doing so I only press upon the public attention the most conclusive evidence of which the case is susceptible, that the property, peace, and security of no section are to be in anywise endangered by the now incoming administration.

REPUBLICANS AND DEMOCRATS ALIKE FOUGHT TO SAVE THE UNION

These are the words of the sainted Abraham Lincoln, after he had been elected and was no longer seeking votes, he had adopted his party's platform, not in 1854 or 1856, but in 1860, when he was that party's candidate. Why does the gentleman come here and tell us about a whole lot of platforms that were written just for the same purpose you are writing them now? We have the story of the man's work, we have the story of the man's life, and we know that Democrats as well as Republicans joined the Union Army and fought to preserve this Union. [Applause.]

I want to say that I have to take a second look at any man who comes here and tells us that the Republican Party is the party that saved the Union and the Democratic Party had nothing to do with it.

[Here the gavel fell.]

Mr. BEAM. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois may proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MITCHELL of Illinois. I thank you.

REPUBLICAN PARTY NO LONGER ABLE TO DECEIVE THE NEGRO

Now, my friends, what is the matter with the gentlemen on this side? I sounded an alarm to you the other day, and whether you believe it or not, you are going to witness not only difficulty but an impossibility in putting the Negro vote in your vest pocket this year. You can no longer fool the Negroes as you have done for 70 years. [Applause.]

You have boasted that you carry us in your vest pocket. That boast, thank God, is no longer true. In 1928, over here in the Barr Building, when Hoover was running for President of the United States, his campaign manager was approached and asked to give some money to maintain a Negro headquarters in Chicago, and he said, "We will not give another dime; we have the Negro vote in our vest pocket, and we can win without spending another cent on them."

Now, the Negroes have learned you do not want them.

NEGRO VOTERS THINK FOR THEMSELVES

You have said here today that the Democratic Party does not want them. I am inclined to concede that neither party particularly wants us. You, the Republicans, had us for 70 years, and kicked us around like footballs, and showed you have no real respect for us.

It is not a question now of which party wants us; it is a question of which party offers us a better opportunity to rise in this country and live as citizens should live. In other words, the question is this, which party does the Negro want? And I say frankly that the Negro not only wants but he is going to work for that party that assures him of the largest opportunity to enjoy the blessings of freedom, justice, and an opportunity to develop into the fullest degree of manhood. We shall not take either party all together upon its past record; we shall deal with both parties as they show an interest in us and deal with us in 1936. For my part there is no question in my mind but that the Democratic Party, as constituted today, offers the Negro by far the best opportunity in this country, and I shall use all the influence and all the power that I possess to drive this truth home to the Negroes in this country.

Today the Negro refuses to stand by you simply on 60-year-old promises still unfulfilled. Until you make good the promises that you have made for the last 70 years, we shall try new political fields not marked "G. O. P." [Applause.]

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. MITCHELL of Illinois. I refuse to yield. The gentleman from Kentucky told you about conditions in Texas and what the Democratic Party would do to you. I come from Alabama and I would like to tell you what the Republican Party will do to you in Alabama.

REPUBLICAN PARTY DESERTED NEGRO IN THE SOUTH

I was a Republican and in a Republican convention in Alabama when the "lily white" Republican Party came into existence. I, with many others, was driven out of the Republican convention in City Hall just across from the big Hilman Hotel in Birmingham. The "lily whites" marched into the hotel. The Negroes were told to go out where they belonged, and no Negro could be admitted to the "lily white" party.

There were a few of us who met the educational qualifications, a few who met the property qualifications, and the Democrats registered us. After we were registered it was left to the Republican Party of Alabama to drive us out, although we were registered voters there. They said they were going to have a real white party. [Applause.] It is high time that you Republicans stopped playing the hypocrite. When the Democratic Party kicked us out they told us they did not want us. You told us that you wanted us and then kicked us out of the party. [Laughter and applause.]

The Republican Party has conjured with the name of Lincoln long enough. Lincoln has been dead for 70 years, and his party as the party of human rights died years ago. [Laughter and applause.]

Now, I am going to conclude with this story: There were two Irishmen—and I am making no reflections on the Irish; they are my friends—there were two Irishmen walking

through the cemetery and reading the inscriptions on the tombstones. They came to one and they read, "Not dead but sleeping." Mike said to Pat, "What does it say there?" Pat says, "Not dead but sleeping." Mike says, "Listen, if I was dead I would confess it and not tell a lie about it, would you?" [Laughter and applause.]

FEDERAL-AID HIGHWAY ACT—CONFERENCE REPORT

Mr. CARTWRIGHT, from the Committee on the Post Office and Post Roads, submitted a conference report and statement on the bill (H. R. 11687) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes, for printing under the rule.

ROOSEVELT THE HOME SAVER

The SPEAKER pro tempore (Mr. COOLEY). The Chair recognizes the gentleman from Missouri [Mr. NELSON] for 15 minutes.

(By unanimous consent, Mr. NELSON was granted leave to extend his remarks in the RECORD and to include official figures showing Federal aid extended to the Second Missouri Congressional District.)

Mr. NELSON. Mr. Speaker and Members of the House, "home" is the greatest of all words and Franklin D. Roosevelt the greatest of all home savers.

I like—

Says the President—

to think of our country as one home, in which the interests of each member are bound up with the happiness of all.

Under his guidance farm homes have been saved, town homes have been saved, old homes have been improved, and new homes have been built.

In this modern day, with its crowded cities, where so many are born in hospitals, live in apartment houses, and are buried from funeral homes, the anchor which in other days held fast in stress and storm had largely been lost. Happily, though, because we have in the White House a true home lover, a home saver, and a home helper, we are witnessing a new appreciation of the home and all that it means to America.

A little more than 3 years ago, when millions of homes—country homes and city homes—were about to be lost to their owners, a home-helping and home-saving program was proposed. It has worked wonderfully well. The story of how millions of home owners have been helped is one of the brightest in all our history. The benefits have included every State, every congressional district, and each of the more than 3,000 counties in the United States.

I shall refer especially to the 15 counties in Missouri's Second Congressional District, which I have the honor to represent. These counties are Benton, Boone, Camden, Carroll, Chariton, Cole, Cooper, Hickory, Howard, Lafayette, Miller, Moniteau, Morgan, Randolph, and Saline. In beauty of streams and lakes, in superiority of soil and citizenship and of homes and herds, this district is excelled by none.

Before referring in general to home saving, I want especially to speak of the farm home. I was born on a farm. My boyhood days, and, in fact, many years of my life, were lived on the old home place, which I still own and farm. My entire life thus far has been spent in the farm cause, so you will pardon me if I seem doubly interested in these homes out in the country, where those who till the soil and love the land live in close partnership with the Master of the Vineyard. I just cannot help feeling as I do, for down deep in my heart is a sympathy which comes only as a result of country living. I understand the farmer's battles. I know how great is his gamble; how he must contend with frost, flood, and drought, and unfavorable seasons in many forms. But he does not quit. If he did, famine would follow.

While home saving, under the leadership of our great President, has been confined to no class or group, the farmer has, I believe, received the greatest benefits, and justly so, because his needs were greatest, because he had held on just as long as he could.

On the Union Station here in Washington are the words, "The farm, best home of the family." It should be so. We must preserve this farm home. Having in the White House an understanding friend under whose leadership the American farmer was for the first time permitted to enjoy the benefits of a farm program which the farmer himself approved, a new prosperity and a new sense of security came to the country.

It is a sad day for the individual; yes, and a sadder day for America when, because of debt, the farm family is forced to leave the old home and pass for the last time from the house, which somehow seems almost to have a soul, and start out for, God only knows where.

I love old houses, with vines running over,
Set in a riot of roses and clover,
Set in a wonder of old, old trees,
Dreaming of far, dim memories.

It is important that the farmer-minded man be kept on the farm, just as it is that the farmer-minded Member be kept in Congress. With the farm problem the greatest of all, there is need in legislative halls of men who speak and understand the farm language; men who know the meaning of "gee" and "haw"; who know that the now frequently used term "earmarking", as applied to money, had its origin on the farm, where hogs' ears were marked with crops and slits and underbits; men who have heard the expression, "busted hame strings"; and who not only know the meaning of "time to take out" but who will never consent to "take out" until the fight for a square deal for the farmer has been won. So it behooves agricultural districts to be truly represented by those who have, during the darkest days, stood on the firing line for the farmer.

I have referred to the loss of farm homes. When a great tree falls it may not mean much but the loss is there, and when a million trees fall the loss in the forest is felt. When one farmer loses his home it may falsely be thought of as an individual matter. It is, though, a part of a national problem. The helpful, anchoring influence of one farm family, the members of which have for generations owned and lived upon the same land, may be greater than that of a thousand families crowded together, yet strangers, in an immense apartment house. The touch of the soil is a human touch. There is, too, the financial side. Every forced sale of a farm reduces the sale value of every other farm in the neighborhood.

There is justifiable pride in ownership. Only the man who has owned land can fully appreciate the meaning of the term "the home place." As he improves this place it becomes a part of himself. It has been said that nobody fights for a boarding house and, although some of the best farmers I have ever known are tenants, few fight for rented farms, unless they may look with hope to the day of ownership. Under the Roosevelt plan it is being made possible for many to buy farms, while others are enabled to hold on to what they have. The same applies to city homes.

A GLAD DAY AND A SAD DAY

In the home-saving, farm-betterment battle as it has been fought under the Roosevelt administration, 2 days—one glad, the other sad—stand out in my mind. One of these days was when, as a member of the Agricultural Committee, I, with others, stood on the south porch of the White House and looked into the faces of more than 5,000 farmers as they listened to an address by President Roosevelt. These men had come to Washington to express their appreciation of the A. A. A. program. The other day was that on which the United States Supreme Court, by a divided vote, declared the Farm Act unconstitutional. When decision was made known in the House there was cheering on the Republican side but none on the Democratic side. In justice let it be said that not all minority Members applauded. Some, like the Democrats from farm States, were sad and silent.

No wonder that farmers who had suffered heavy losses under the Hoover Farm Board, when farm prices fell to one-third of what they had been, were distressed when the Supreme Court put an end to the A. A. A., under which prices had more than doubled.

THE NEW FARM PROGRAM

When the A. A. A. was knocked out, friends of the farmer did not "take out." Following the Supreme Court decision, our House Agricultural Committee, carrying out the known wishes of the home saver in the White House, went to work to frame a bill to, insofar as possible, take the place of the Agricultural Adjustment Act. Using as a basis the Soil Erosion Act, which our committee had reported in the first session of the present Congress, a bill was soon agreed upon, reported out, and passed. It is under this law, "An act to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes", the act being approved February 29, 1936, that the new farm program, for which this Congress has appropriated $500,000,000, is being carried on. So, under President Roosevelt, home saver, all Federal aid for farmers who voluntarily cooperate, but without contracts, has not been lost. Rather is the farmer now put in a position where he can afford to do what he has long wanted to do, to build up and save the soil. In this work, so necessary if agriculture is to survive and if those who follow after us are to be fed, unless it be by foreigners, the entire Nation will share.

PAYING EVERY DOLLAR DUE

Not only was the new farm-help bill hurried through ahead of the 1936 planting season, but Congress, and especially those of us on the Agricultural Committee, saw to it that every dollar needed, $296,000,000, was provided to pay in full every farmer who had signed, or agreed to sign, a crop-production contract under the A. A. A. The last of thousands of these corn-hog checks, totaling $50,000 or more for each of many counties, are now being mailed out from Washington and are helping save more farm homes.

MORE THAN $6,000,000

The following table, showing rental and benefit payments received by farmers of our congressional district from May 12, 1933, to January 31, 1936, under the A. A. A., later payments not being included, speaks for itself. Without such payments, sometimes referred to as the farmer's tariff, thousands of farm owners would have been unable to meet interest and taxes.

Rental and benefit payments made to farmers of Second Congressional District in Missouri

County	Total	Wheat	Tobacco	Corn-hogs
Benton	$203,902.02	$10,458.20		$193,443.82
Boone	452,104.17	32,748.68	$6,764.31	412,591.18
Camden	68,558.85	1,068.21		67,490.64
Carroll	778,425.57	199,611.33	1,928.65	576,885.59
Chariton	697,515.16	136,504.33	6,476.84	554,533.99
Cole	189,363.64	55,096.83		134,266.81
Cooper	579,397.15	71,890.94	776.04	506,730.17
Hickory	93,619.15	8,477.77		85,141.38
Howard	476,704.31	72,659.38	6,578.14	397,466.79
Lafayette	853,023.08	168,934.58	924.89	683,163.61
Miller	136,643.72	15,068.31	80.50	121,504.91
Moniteau	267,753.44	36,943.00	346.63	230,463.81
Morgan	195,656.78	15,898.31		179,758.47
Randolph	274,400.73	8,734.98		265,665.75
Saline	911,118.53	125,518.49		785,600.04
Total	6,178,186.30	959,603.34	23,876.00	5,194,706.96

As showing some of the activities of the Roosevelt home-saving program, not including the Works Progress Administration, there follows a report showing Federal allotment totaling for our congressional district $2,686,933, with practically a million and a half dollars expended as of January 31, 1936.

County and town	Agency	Type	Allotment	Expenditures
Boone:				
Boone County	P. W. A. (non-Federal)	School addition	$69,000	$217,411
Columbia	do	Reservoir	15,300	47,656
Do	do	Jail	11,800	40,486
Do	do	Building improvement	662,727	116,127
Centralia	do	Gymnasium	16,109	
Camden:				
Camden County	do	Toll bridge	666,000	397,479
Stoutland	do	School	37,000	
Carroll: Bosworth	do	Auditorium	8,000	6,231
Chariton: Keytesville	do	Waterworks	86,364	46
Cole:				
Jefferson City	do	Capital annex	6,500	15,018
Do	do	Sanitary sewer	2,450	9,242
Do	do	City hall	10,500	29,562
Do	do	Fire department	13,500	65,563
Do	do	Sanitary sewer	18,945	4,170
Do	do	Building improvement	81,818	3,245
Do	do	Jail	29,454	
Jefferson	do	Office building	27,889	587
Jefferson City	War (Quartermaster)	Cemetery improvement	500	
Cooper:				
Pilot Grove	P. W. A. (non-Federal)	Waterworks	36,364	3,565
Prairie Home	do	School	11,758	
Boonville	P. W. A. (Federal)	Install beacon	295	295
Howard: Fayette	P. W. A. (non-Federal)	Highway	45,000	676
Lafayette: Higginsville	do	Park improvement	12,500	37,717
Miller:				
Miller County	do	High school	48,300	60,419
Do	do	School	700	2,192
Moniteau:				
Tipton	do	Disposal plant	41,494	33,383
Do	do	Waterworks	48,000	43,915
Fortuna	do	School	1,800	7,025
California	do	Electric plant	145,000	151,574
Tipton	do	School	22,500	
Morgan: Florence	do	do	3,000	9,723
Saline:				
Marshall	do	Jail	12,800	52,129
Do	do	Disposal plant	40,200	121,507
Saline County	do	Highways	67,900	2,167
Slater	do	do	81,818	762
Gilliam	do	do	68,727	2,010
Saline County	do	Highway	28,636	969
Saline	do	do	44,195	1,706
Fairville	do	do	33,545	
Marshall	do	Electric plant	158,545	
Total			2,686,933	1,484,272

WORKS PROGRESS ADMINISTRATION

The Works Progress Administration, affording employment as it does, has proved a real home saver, splendidly managed as it is in Missouri.

Second Congressional District in Missouri, Works Progress Administration; report of State accounts office as of Mar. 31, 1936

STATUS OF PROJECTS

County	Project limitation	Administrative allotment	Obligations incurred	Checks issued
Benton	$151,063.80	$53,798.00	$44,874.27	$32,579.95
Boone	418,639.60	102,752.00	93,245.75	74,538.11
Camden	281,166.60	75,269.00	58,472.88	48,534.91
Carroll	265,771.70	47,291.00	40,030.00	33,381.94
Chariton	398,363.00	52,102.00	46,567.88	38,825.42
Cole	1,317,190.40	353,463.00	132,761.30	91,865.25
Cooper	361,345.80	73,070.00	55,495.20	41,255.70
Hickory	137,282.20	39,720.00	34,019.65	29,256.70
Howard	306,694.30	54,095.00	45,435.99	35,342.93
Lafayette	347,628.90	87,407.00	73,199.10	49,903.04
Miller	367,196.30	69,135.00	60,358.97	48,548.79
Moniteau	138,874.60	51,834.00	43,656.52	33,624.15
Morgan	253,776.90	95,684.00	80,484.36	59,813.47
Randolph	552,899.90	87,474.00	79,254.50	66,014.11
Saline	986,376.30	131,570.12	97,192.01	71,921.40
Total	6,284,270.30	1,374,664.12	985,048.38	755,495.87

Thousands of homes in our congressional district have been saved to their owners by employment provided, and without which the ordinary family needs could not have been met. Here are figures as of May 7, 1936, showing Federal fund participation under the Federal Emergency Relief Administration, Civil Works Program, and the Works Progress Administration:

County	Obligations incurred from Federal funds, through December 1935, F. E. R. A.[1]	Expenditure of Federal funds, C. W. A., through April 1934	Approved cost in Federal funds for projects selected for operation, through Apr. 15, 1936, W. P. A.
Benton	$88,017	$32,345	$53,683
Boone	189,474	344,676	114,613
Camden	92,963	30,262	78,538
Carroll	86,133	56,925	50,191
Chariton	101,438	45,835	63,556
Cole	251,165	113,400	565,884
Cooper	99,106	48,054	77,241
Hickory	54,144	16,103	40,820
Howard	89,206	39,893	65,876
Lafayette	119,300	71,228	93,833
Miller	92,525	35,837	72,201
Moniteau	86,417	29,144	59,392
Morgan	133,556	35,335	112,646
Randolph	185,539	81,926	103,588
Saline	209,084	122,458	133,212
Total	1,878,067	1,103,421	1,705,274

[1] Prior to May 1934 State funds may be included in these figures.

LOANS AT LOW INTEREST RATES

Under the Roosevelt home-saving program the Farm Credit Administration made loans in Missouri, from May 1, 1933, through March 31, 1936, as follows: Farm mortgage loans—Federal land banks, 6,634, totaling $21,265,700; Land Bank Commissioner, 13,518, totaling $21,903,200. Short-term credit—Production credit associations, 9,484 loans totaling $4,510,033; emergency crop loans, 12,042, totaling $874,836; drought relief loans, 20,605, totaling $2,030,507.

A long-time loan at a low rate of interest is one of the greatest needs of the man deeply in debt. The object in making farm loans has been to provide a rate of interest that the borrower can afford to pay and to give him time in which to pay. Such loans have brought new hope to many farm families. Here is a report, by counties, in the Second Congressional District in Missouri:

Number and amount of Federal land bank and Land Bank Commissioner loans closed by counties in the Second Congressional District of Missouri for the period May 1, 1933, to Jan. 1, 1936

County	Federal land bank		Land Bank Commissioner		Total (bank and Commissioner)	
	Number	Amount	Number	Amount	Number	Amount
Benton	57	$158,000	114	$177,100	171	$335,100
Boone	43	147,900	98	198,800	141	346,700
Camden	7	17,800	39	56,400	46	74,200
Carroll	48	248,500	64	140,600	112	389,100
Chariton	104	364,300	156	300,100	260	664,400
Cole	20	52,900	41	83,400	61	136,300
Cooper	49	173,600	75	165,800	124	339,400
Hickory	24	56,200	82	112,400	106	168,600
Howard	51	190,900	105	233,800	156	424,700
Lafayette	112	536,000	113	237,100	225	773,100
Miller	60	123,700	119	161,700	179	285,400
Moniteau	38	109,400	67	127,700	105	237,100
Morgan	26	65,800	47	68,400	73	134,200
Randolph	45	124,200	108	157,100	153	281,300
Saline	89	513,300	121	280,200	210	793,500
Total		2,882,500		2,500,600		5,383,100

PRODUCTION CREDIT LOANS

As it has been found impossible to secure figures showing, separately, loans made to each county in the Second Missouri District under the Production Credit Administration, there is given figures for associations in the several divisions of the State, which include the following counties: Chariton, Carroll, and Randolph, 1,073 loans for $510,585; Lafayette, 332 loans for $228,579; Hickory, 1,284 loans for $492,872; Benton, Boone, Camden, Cole, Cooper, Howard, Miller, Moniteau, Morgan, and Saline, 559 loans for $234,162.

R. F. C. LOANS

The Reconstruction Finance Corporation had, up to February 29, 1936, made loans within counties shown as follows:

Loans by Reconstruction Finance Corporation, Second Congressional District of Missouri

County	Amount authorized	Amount disbursed
Benton	$80,000	$75,000.01
Boone	270,000	240,229.98
Camden	15,000	
Carroll	120,000	120,000.00
Chariton	144,000	115,399.94
Cole	798,000	785,775.00
Cooper	398,300	255,600.00
Hickory	20,000	20,000.00
Howard	13,000	13,000.00
Lafayette	83,000	60,500.00
Miller	60,000	43,792.80
Moniteau	34,000	34,000.00
Morgan	83,000	72,600.00
Randolph	205,070	170,760.42
Saline	109,500	108,900.00
Total	2,432,870	2,115,558.14

H. O. L. C. LOANS

As I have said, home-saving loans have been made, both in city and country. Second Congressional District loans, as reported by the Home Owners' Loan Corporation up to January 2, 1936, totaling $2,209,228, are as follows: Benton County, 5 loans, $4,050; Boone County, 189 loans, $544,929; Camden County, none; Carroll County, 25 loans, $48,765; Chariton County, 32 loans, $48,861; Cole County, 93 loans, $315,149; Cooper County, 21 loans, $68,416; Hickory County, 2 loans, $2,942; Howard County, 58 loans, $94,384; Lafayette County, 29 loans, $60,243; Miller County, 29 loans, $40,861; Moniteau County, 18 loans, $27,049; Morgan County, 12 loans, $14,389; Randolph County, 304 loans, $609,272; and Saline County, 174 loans, $329,918.

The almost total failure in Missouri of some crops in 1934 caused many farmers to seek emergency loans in order to carry on and save their homes.

Emergency loans—Number and amount of loans made in the Second Congressional District of Missouri, by counties, Jan. 1, 1933, through Sept. 30, 1935

County	Emergency crop and feed loans		Drought loans	
	Number	Amount	Number	Amount
Benton	72	$4,060	179	$20,057
Boone	90	5,150	208	18,538
Camden	76	4,365	135	20,859
Carroll	111	9,850	686	121,631
Chariton	193	15,720	282	25,869
Cole	18	1,155	62	5,037
Cooper	67	5,745	337	44,660
Hickory	16	600	61	4,166
Howard	175	13,200	80	10,255
Lafayette	90	6,655	168	17,884
Miller	70	3,645	147	14,180
Moniteau	45	2,475	120	8,993
Morgan	140	7,235	183	14,831
Randolph	122	8,065	253	21,418
Saline	111	8,525	455	60,928
Total	1,396	96,445	3,356	410,306

CASH INSTEAD OF CARRION

Bad as was the 1934 drought in our district, hardships were made less and losses reduced because of action taken by the Roosevelt administration. For instance, livestock was not "sold for a song" or allowed to die on the farms as in other droughts. Instead the Federal Government provided funds for the purchase at reasonable prices of drought cattle, sheep, and goats in our congressional district as follows, farmers in this way receiving almost three-quarters of a million dollars:

Drought purchases of livestock, Second Congressional District of Missouri

Counties	Cattle		Sheep		Goats	
	Number	Dollars	Number	Dollars	Number	Dollars
Benton	5,892	80,741	94	188		
Boone	2,527	39,124				
Camden	4,759	74,332			182	254.80
Carroll	3,451	48,108	202	404		
Chariton	3,193	49,378	113	226		
Cole	1,850	28,537				
Cooper	1,766	25,191				
Hickory	2,711	36,068				
Howard	2,809	45,309	314	628		
Lafayette	2,215	30,898	27	54		
Miller	3,445	53,332				
Moniteau	1,413	19,620				
Morgan	3,680	56,163				
Randolph	4,979	76,447	238	476		
Saline	3,613	56,073				

LOANS, GRANTS, AND ADJUSTMENTS

The beginning of the Roosevelt administration found farmers deep in debt, due largely to less than cost-of-production prices for which they had been forced to sell livestock and grain during the latter part of the preceding administration. These ruinous prices also applied to eggs and butter and everything else offered for sale by the thrifty farm woman. As a result of such markets and other contributing causes, President Roosevelt approved a rural-help program. The following figures show some of the work up to April 30, 1936, in the Second Congressional District in Missouri:

County	Number of farmers to whom loans have been made	Amount of approved loans
Benton	6	$3,534.50
Boone	39	13,904.08
Camden	46	13,241.77
Carroll	42	17,162.89
Chariton	18	6,361.83
Cole	31	15,804.43
Cooper	22	9,124.85
Hickory	11	4,228.16
Howard	33	16,485.24
Lafayette	27	7,541.61
Miller	58	19,310.83
Moniteau	35	12,302.40
Morgan	12	$6,726.13
Randolph	20	11,070.47
Saline	39	22,094.53
Total	459	178,943.72

County	Number of farmers to whom grants have been made	Amount of grants made
Benton	113	$5,521.24
Boone	153	10,636.25
Camden	107	4,800.50
Carroll	77	3,542.00
Chariton	81	2,528.00
Cole	137	7,453.00
Cooper	117	7,401.90
Hickory	83	4,001.65
Howard	92	5,995.00
Lafayette	50	2,064.00
Miller	114	4,151.60
Moniteau	95	5,072.97
Morgan	124	7,792.49
Randolph	51	3,647.00
Saline	55	3,060.00
Total	1,449	78,667.60

FARM-DEBT ADJUSTMENTS

An important help in the Roosevelt home-saving program has been in the scaling down of debts to a point where they could be refinanced, with justifiable hope of final payment. So agricultural advisory councils were formed, and in thousands of cases debt adjustments favorable to both parties concerned have been agreed upon. These advisory councils were set up in 2,752 counties, and it is estimated that the scale-downs amount to well above $2,000,000.

Total farm debt adjustment cases, Second District of Missouri

County	Total number cases	Cases adjusted	Original indebtedness	Debt reduction	Taxes paid	Number of acres affected[1]
Benton	10	1	$6,360	$2,360		
Boone	19	6	28,414	7,744		636
Camden	1					
Carroll	11	7	50,647	12,507		1,038
Chariton	12	4	18,100	5,800		260
Cole	11	3	4,383	1,763	$210	334
Cooper	12	5	47,182	19,009	236	650
Hickory	9	4	1,400	100		
Howard	9	1	6,000	96		
Lafayette	13	5	63,828	18,303	125	847
Miller	11	4	6,226	69	19	414
Moniteau	16	7	49,252	28,304	647	967
Morgan	8	1	275	245		126
Randolph	8	1	3,100	1,100		
Saline	5	2	1,908	214		213
Total	155	51	287,075	97,614	1,237	5,485

[1] No acreage figures stated on reports from September to December 1935.

BIG APPROPRIATIONS, BUT BETTER OFF

Money appropriated is not going in loans to foreign countries which will never repay. Every dollar stays at home, where it goes to save homes and help millions of needy men and women and boys and girls. True, billions of dollars have been spent—spent to save, not to destroy life. Of this money much has gone out in loans and will be repaid. And get this: The estimated gain in wealth of the United States since the beginning of the present administration on March 4, 1933, is double that of every dollar appropriated for relief under President Roosevelt, who has made a sincere effort to correct a condition not of his making. Best of all, the time seems in sight when emergency appropriations will no longer be necesary. We are digging out.

With the lowest interest rates the farmer has ever had—and as a member of the Agricultural Committee, I am glad to have voted to continue these rates, including 3½ percent

on land-bank loans—the debt burden is lighter. Then, with prices of hogs three times higher than under the Hoover low, where 1 pound of live hog formerly paid the interest on but 50 cents, it now pays interest on $2.

MORE THAN LOUISIANA PURCHASE PRICE

I am sorry that I do not have late figures showing total amounts received by our district from various Federal sources. While some of the figures which I use are almost a year old and are incomplete, they do show average payments of more than a million dollars per county, as follows: Benton, $655,454; Boone, $2,885,877; Camden, $449,254; Carroll, $1,518,959; Chariton, $1,249,160; Cole, $2,311,282; Cooper, $1,383,163; Hickory, $315,893; Howard, $1,090,191; Lafayette, $1,554,472; Miller, $582,178; Moniteau, $596,417; Morgan, $715,355; Randolph, $1,802,610; and Saline, $3,122,416.

In other words, under the Roosevelt home-saving administration, more Federal money has come to the Second Congressional District in Missouri than was paid for the entire Louisiana Purchase, which, under the leadership of Thomas Jefferson, was acquired for $15,000,000.

WORK OF THE C. C. C. CAMPS

Of all the emergency and relief work of the Roosevelt administration, none is more popular than that of the Civilian Conservation Corps. These C. C. C. camps make for home saving, boy saving, and soil saving.

When, a few weeks ago, word went out that more than 700 of these camps, including some in our district, were shortly to be discontinued, with others to follow later, I, with many of my colleagues who believed in this great cause, got busy. As one of an executive committee of eight, named to carry on the fight and empowered to act, I am glad to say that the camp-closing order was withdrawn and assurance given that all camps, where there is unfinished work and where the enrollment can be kept up to 163 men, will be continued. Only those of us who were in the thick of this fight to prevent the closing of the camps know how discouraging the outlook was for a while. As a part of the agreement reached, appropriations have been made to keep the camps going until the expiration of the law on April 1, 1936, at which time continuing legislation will, no doubt, be passed.

During the 3 years the Civilian Conservation Corps has been in operation, direct employment for varying periods of time has been afforded 44,666 Missouri men.

The estimated obligations for Emergency Conservation work in Missouri from April, 1933, through March 20, 1936, approximate $22,459,000. Of this sum, a total of $12,459,000 was obligated during the first 2 years of the program and the balance of $10,000,000, obtained from the Emergency Relief Appropriation Act of 1935, was obligated between April 1, 1935, and March 20, 1936.

It is estimated that from the beginning of the program through February 29, 1936, Missouri enrollees have allotted home to dependents approximately $6,590,000 of their earnings. The basic cash allowance of each enrolled man in the corps is $30 per month. All of the young men and many of the war veterans allot from $22 to $25 of their monthly cash allowances to needy dependents, and these allotments are mailed directly to the families of the boys by the War Department. In addition to receiving cash allowances which permit them to contribute substantially to the support of their families, C. C. C. enrollees are housed, fed, clothed, given medical care, and afforded adequate recreational and educational opportunities.

At the present time there are 52 C. C. C. camps within the 13 congressional districts comprising the State of Missouri, of which 5 are located in the Second Congressional District, as follows: D-2, Carroll County, Carrollton, Mo.; SCS-20, Chariton County, Salisbury, Mo.; SCS-21, Moniteau County, California, Mo.; SCS-26, Randolph County, Moberly, Mo.; and SP-20, Miller and Camden Counties, Kaiser, Mo.

MORE MONEY FOR FARM ROADS

Most important in the life of the Nation is not the superhighway, the peacock boulevard, but the farm-to-market or neighborhood road which leads to a home, however humble.

It is for money to build such roads that I have worked as for no other cause, and, under the leadership of President Roosevelt, home saver, a new day has come in the country. Happy the man whose home is on a byway, yet who can travel a highway. With many more millions of dollars appropriated by the present Congress for farm-to-market and neighborhood roads, added comfort is coming to thousands of farm families. First consideration is being given to roads, not primarily for the tourist, but for the homefolk. We need the long, broad highways, but in common justice means should be provided so that they can be reached by all.

The following figures, as of April 30, 1936, supplied by Thomas H. MacDonald, Chief of the Bureau of Public Roads, United States Department of Agriculture, relate to highway projects in the Second Congressional District, under the supervision of the Federal Bureau and the State Highway Department of Missouri, and which are financed by funds made available by Congress since March, 1933:

Funds programmed, plans approved but not yet under construction, projects under construction, and projects completed

County	Estimated total cost	Federal funds	Miles
Benton	$217,487	$168,374	21.5
Boone	192,300	178,125	25.7
Camden	391,029	228,125	23.3
Carroll	456,856	341,633	38.8
Chariton	294,803	289,085	30.0
Cole	200,177	179,951	8.7
Cooper	68,569	59,689	9.9
Hickory	37,135	37,135	15.4
Howard	89,953	89,711	14.2
Lafayette	305,511	305,067	28.9
Miller	60,942	56,663	15.7
Moniteau	37,631	37,631	6.8
Morgan	63,531	47,737	20.5
Randolph	283,542	256,662	49.1
Saline	654,610	496,011	46.0
Total	3,354,076	2,771,602	354.5

On April 1 of the present year 215 miles of the more than 354 miles of road for our district had been completed, at a cost of $1,788,582, of this amount $1,440,072 being Federal funds.

SAVE THE SMALL TOWN, TOO

To save the farm and the small town is to save America and her homes. No red flag ever floated from a farm. We owe much to the villages, to the tiny towns which never grew up, but which, like little children, are most lovable. Calamity would long ago have come to our country had all the Main Streets grown to be Wall Streets. Lovers of country life and intent upon home saving, both the Roosevelts—two great Presidents—have seen this. Undue concentration of wealth builds crowded cities, homes of millionaires, and many mendicants. The country, whence come the durable satisfactions of life, is the ever-normal granary of real citizenship, and under the present administration more country homes have been saved than ever before. Better is it to have a farm within a mile of a live town of 1,000 people than own one on rural route 9,999 of a city of 1,000,000 population.

A BELIEVER IN BETTER HOMES

President Roosevelt is not only a home saver but he is also a believer in better homes. Following is a report of the Federal Housing Administration business in the Second Congressional District in Missouri through March 31, 1936:

Modernization notes insured: Benton County, 12, for $2,531; Boone County, 119, for $40,347; Camden County, 28, for $13,120; Carroll County, 9, for $3,561; Chariton County, 12, for $3,327; Cole County, 224, for $61,558; Cooper County, 34, for $7,655; Hickory County, 2, for $384; Howard County, 23, for $6,780; Lafayette County, 36, for $7,378; Miller County, 20, for $13,391; Moniteau County, 2, for $817; Morgan County, 10, for $2,656; Randolph County, 79, for $26,404; and Saline County, 39, for $7,866. Total, 669 notes, insured for the sum of $197,775.

RESETTLEMENT AND LAND UTILIZATION

The land-utilization program directed by the present administration involves the purchase of approximately 9,300,000 acres of land comprising 206 approved projects throughout the country. Land-utilization activities in the

Second District in Missouri comprise the acquisition of land for the development of several land-use projects.

The University of Missouri Game Preservation involves the acquisition of approximately 2,253 acres in Boone County at an estimated cost of $29,073. The land-development plans for this acreage include forestation, reforestation, erosion, and flood control by tree planting and reseeding of barren areas, and so on. The authorized cost of the development work is $74,250.

The Swan Lake Migratory Waterfowl Refuge involves the acquisition of approximately 5,534 acres in Chariton County at an estimated cost of $162,124. The land purchased for this project by the Resettlement Administration is to be developed by the Bureau of Biological Survey of the Department of Agriculture as a migratory-bird refuge.

The Lake of the Ozarks project includes 14,782 acres in Camden and Miller Counties at an estimated cost of $257,282. The land-development plans for this acreage provide for the establishment of a public-park area with many facilities open to Boy Scouts, Camp Fire Girls, charity organizations, and the public in general. The present authorized cost of the development work is $208,450. On April 24 there were 689 men employed on the project.

Recently a rural resettlement project, which includes acreage in our district, has received final approval. This project, known as Osage Valley Farms, means the buying of approximately 10,500 acres of farming land in Cooper, Moniteau, Morgan, and Pettis Counties for the resettlement of 150 farm families on individual farms. The sum of $525,000 has been authorized for land purchase. The total estimated cost of the project is $1,641,500.

ASSISTANCE TO YOUTH

President Roosevelt, more than any other President, has given much sympathetic consideration to youth. For the first time millions of dollars have been set aside in a special fund for the boys and girls of America, the home owners and home builders of tomorrow.

The following shows National Youth Administration assistance given youth of the Second Congressional District in Missouri: Benton County: Monthly allotment of $264 to 44 high-school students at Cole Camp, Lincoln, and Warsaw. Boone County: Monthly allotment of $7,709 to 57 high-school students, 520 students at the University of Missouri, 27 students at Christian College and 9 students on projects. Camden County: Monthly allotment of $216 to 34 high-school students at Climax Springs, Linn Creek, Macks Creek, Montreal, and Stoutland. Carroll County: Monthly allotment of $236 to 31 high-school students at Bosworth, Carrollton, Norborne, and Tina. Chariton County: Monthly allotment of $198 to 37 high-school students at Bynumville, Dalton, Keytesville, Mendon, Rothville, Salisbury, Sumner, and Triplett. Cole County: Monthly allotment of $1,551 to 37 high-school students at Eugene and Jefferson City, 12 students at Jefferson City Junior College, 50 students at Lincoln University, and 33 on projects in Jefferson City. Cooper County: Monthly allotment of $162 to 28 high-school students at Blackwater, Boonville, Otterville, Pilot Grove, and Wooldridge. Hickory County: Monthly allotment of $849 to 4 high-school students at Glasgow and New Franklin, and 90 college students at Central College. Lafayette County: Monthly allotment of $270 to 30 high-school students at Alma, Concordia, Dover, Lexington, Mayview, and Odessa. College aid to six students at St. Paul's College. Miller County: Monthly allotment of $300 to 34 high-school students at Brumley, Eldon, Iberia, Olean, and School of the Osage. College aid to 15 students at Iberia Junior College. Moniteau County: Monthly allotment of $144 to 24 high-school students at Clarksburg, Fortuna, Jamestown, Latham, and Tipton. Morgan County: Monthly allotment of $534 to 47 high-school students in Gravois Mills, Oak Hill, Stover, Syracuse, and Versailles. Randolph County: Monthly allotment of $2,215 to 37 high-school students at Higbee, Huntsville, and Moberly; 17 college students at Moberly Junior College and 115 students on library project in the county. Saline County: Monthly allotment of $932 to 41 high-school students in Malta Bend, Marshall, Miami, Napton, Nelson, Slater, and Sweet Springs; college aid to 24 students at Missouri Valley College, and 20 students on library-extension project throughout the county.

RURAL ELECTRIFICATION

Ever mindful of the comforts of the farm family, and especially of the homemaker, President Roosevelt early advocated legislation which would make possible electric light and power on farms. With Congress enthusiastically supporting the plan, there has been provided millions of dollars for rural electrification, and in our district hundreds of farmers have organized to take advantage of the new law. Think what a blessing this will be to the average farm home and how electricity will lighten the work of the woman in the house.

BANKS SAFE AND HOMES SAVED

Of all the home-saving moves made by President Roosevelt, his handling of the banking situation, taken a few hours after he became President, deserves first rank. Where, under the Harding, Coolidge, and Hoover administrations, there were thousands of bank failures, today a bank failure is almost unknown. Owing to the passage of the Federal deposit insurance law, for which I voted, a bank depositor can know that his money is absolutely safe, and homes are no longer lost because of "busted banks." It is a new day and a new deal.

SAFETY AND SECURITY

After all, though, higher prices, better business, and more employment are not enough. There must be a sense of safety and security. So our President proposed and witnessed the passage of the first Social Security Act ever enacted by Congress. Glad, indeed, was I to vote for this measure, which will benefit aged men and women and many others. The average home, too, has been made safer—safer against disease—because of the enlarged field of the United States Bureau of the Public Health Service; safer against gangsters, kidnapers, and other criminals, due to the work of G-men and other law-enforcing agencies.

Labor, never before having had such a friend in the White House, can today, with President Roosevelt advocating justice and right and placing the man above the dollar, share in the blessings of a new day.

SOME MISTAKES MADE, OF COURSE

In President Roosevelt's humanity-helping, home-saving program some mistakes have, of course, been made. But think what a terrible mistake it would have been, a mistake tragic beyond description, had nothing been tried. Not only would millions of average homes, since saved, been lost but no multimillionaire, once the masses had been driven to desperation, would have been secure in his possession. There is a point, in the search for right, where reason rests and radicalism rules.

In conclusion, I would say that greatest of all, and most worthy to be remembered, stand the home saver and the homemaker. The pioneer mother was the greatest character America has ever known. She was a "homebody", making of her dwelling place, humble as it might have been, "a little bit of heaven here." Nor have her daughters and granddaughters fallen short of the standard which she set. The American home is the best in the world and most important to be saved.

So, truly do I believe that in the years to come the highest tribute that the historian can possibly pay to Franklin D. Roosevelt, our great President, is to record that he was America's foremost home saver.

So long as there are homes to which men turn at the close of day;
So long as there are homes where children are, where women stay;
If love and loyalty and faith be found across those sills,
A stricken nation can recover from its gravest ills.

So long as there are homes where fires burn, and there is bread,
So long as there are homes where lamps are lit and prayers are said;
Although a people falter through the dark, and nations grope,
With God Himself back of these little homes, we have sure hope.

[Applause.]

Mr. FULMER. Mr. Speaker, will the gentleman yield?

Mr. NELSON. I yield.

Mr. FULMER. I have enjoyed very much the splendid speech which the gentleman has made. I realize the gentleman is somewhat modest, and perhaps will not refer to himself, but in view of the fact that I have had the pleasure of serving with the gentleman for many years on the Committee on Agriculture, I would like for the people of his district to know and realize his deep interest in agriculture, and the type of service he has been rendering here for the people of his great State. I am delighted to put this much into the RECORD at this place. [Applause.]

Mr. NELSON. I thank my colleague, one of the veteran Members of the House and whose work is outstanding, very much.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. NELSON. I yield.

Mr. BLANTON. It should be mentioned also the splendid services which the gentleman from Missouri has given not only on agriculture but on every other subject that comes up in Congress. [Applause.]

Mr. NELSON. I thank the gentleman.

PERMISSION TO ADDRESS THE HOUSE

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent that on tomorrow after the special orders already on the calendar I may address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. KELLER. Reserving the right to object, Mr. Speaker, may I ask on what subject?

Mr. BANKHEAD. Reserving the right to object, Mr. Speaker, tomorrow is Private Calendar day.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, we not only have the Private Calendar but there are two special orders. We want to take up some rules also. For a week or two objection should have been made to all these speeches. If we are going to finish at any time in the near future, we must object to special orders.

At the close of the Congress every Member will be given at least 2 weeks within which he may insert in the RECORD any speech he cares to. There must be an end to these speeches. We had some political speeches today. We must consider these rules.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SNELL. Considering the fact that Members on the Democratic side have about an hour tomorrow, I do not think it would be unfair to give the gentleman from Massachusetts 25 minutes. I suggest that the gentleman object to further requests after that.

Mr. O'CONNOR. I do not know who has allowed all these special orders, but we are not going to get through at this rate.

The SPEAKER pro tempore. Objection is heard.

Mr. GIFFORD. Mr. Speaker, I renew my request with the modification that I may address the House for 15 minutes.

Mr. O'CONNOR. Mr. Speaker, if the gentleman will modify his request and make it 10 minutes I shall not object, but I am afraid we have got to object to a longer time.

Mr. SNELL. I did not object to the request of Members on the gentleman's side of the aisle.

The SPEAKER pro tempore. Objection is heard.

PRESENTATION TO MR. SNELL

Mr. TREADWAY. Mr. Speaker, a week from tomorrow the Republican National Convention assembles in the city of Cleveland. In all human probability one of our own Members will be the permanent chairman of that gathering. [Applause, the Members rising.] The hearty applause of the House is indicative of the feeling these Members have, irrespective of party, toward the skill and ability of the gentleman from New York [Mr. SNELL] properly to preside over that great gathering. [Applause.]

Mr. COX. And their great confidence and love.

Mr. TREADWAY. His Republican colleagues are very glad to present him at this time with the proper implements of his office. In behalf, therefore, of the Members of this side—and I know the Members on the other side feel the same toward him as we do—it is my privilege to present him with an excellent block and a very sturdy gavel to use in that convention. [Applause.] They are properly marked. I shall read the inscription:

Hon. BERTRAND H. SNELL, chairman, Republican National Convention, Cleveland, June 9–13, 1936, from his Republican congressional colleagues.

In addition to presenting him with a very firm and useful implement, which we want him to use at the convention, we want him to have a souvenir not so rugged but more appropriate to preserve and hand down to posterity as a souvenir of that great event; and on behalf of his Republican congressional colleagues I now present him with this second gavel.

In connection with securing these articles, I want particularly to thank the Clerk of the House, Mr. South Trimble, who has so kindly cooperated with us in securing the gavels and having them properly inscribed.

I am sure I voice the sentiment of the entire House when I say that the gentleman from New York will preside over that deliberative body with dignity, success, and honor to us as Members of Congress. [Applause.]

Mr. SNELL. Mr. Speaker, may I proceed for a minute and a half?

The SPEAKER. The gentleman from New York is recognized.

Mr. SNELL. Mr. Speaker, a few minutes ago my friend the gentleman from Massachusetts [Mr. TREADWAY] said, "I want you to stay and hear my speech." I wondered just why I had to listen to what the gentleman had to say today; but since I have listened and heard not only his speech but the generous response from the House, I thank him for what he said and for having requested me to remain to hear it.

To be designated chairman of a history-making Republican convention I considered was a great honor, and I appreciated it; but it is really a double honor to have that recognition approved by my Republican colleagues here in the House, and I want them to know I thank them from the bottom of my heart for what they have done in presenting me with this gavel. In the same breath I desire to thank the Speaker and my Democratic colleagues for the generous applause and cooperation in allowing this gavel to be presented on the floor of the House.

I assure my Republican colleagues these gavels will remain most sacred treasures and be carefully guarded. I hope I may hand at least one of them down to my young grandson, Bertrand Snell Cheel, who now is about a year and a half old. [Applause.] I think he is sturdy enough to handle one of these gavels and will make a good lumberjack like his grandfather.

In closing let me say that I trust, in presiding over this convention, I may use these gavels in such a way as to reflect nothing but respect, dignity, and honor to the House of Representatives. [Applause.] I thank you.

The SPEAKER. Under the special order the gentleman from Pennsylvania [Mr. DALY] is recognized for 3 minutes.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield that I may submit a unanimous-consent request?

Mr. DALY. I yield.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I want to say this in respect to the presentation of the gavel to the distinguished minority leader: I congratulate his party for again this year recognizing the House of Representatives to participate in its convention. Another great party which holds conventions almost invariably recognizes only Members of another body. As a matter of fact the platform is so crowded with

those Members that Members of the House of Representatives cannot find a place to sit.

If the great convention to be held in Cleveland ever gets past the preliminary stages and up to the point of electing a permanent chairman, we all feel sure the distinguished minority leader will preside with all the grace, and all the ability, and with the outstanding parliamentary skill which he has displayed as chairman of the Rules Committee and on the floor of this House.

Of course we should like to see an advance copy of the speech before the gentleman leaves for Ohio, because we know it is going to be a great historic document—from the standpoint of the Republican Party. [Applause.]

[Here the gavel fell.]

The SPEAKER. Under the special order for today the gentleman from Pennsylvania [Mr. DALY] is recognized for 3 minutes.

Mr. DALY. Mr. Speaker, I thought it would be interesting to call to the attention of the membership that 147 years ago today there was enacted into law the first bill that was ever passed by an American Congress. This occurred on the 1st of June 1789.

It might be interesting in connection therewith to note that the bill which became a law on the 1st of June 1789 has remained inviolate and unchanged to the present day. It was the law that prescribed the manner in which the oath of office should be administered to officials of the United States.

It might be interesting further to note that when the first session of the First Congress convened on the 4th of March 1789 the House had a membership of 66. There were only 13 Members present when it opened, and the House could transact no business by reason of a lack of quorum for 1 month and 2 days. It was April 6, 1789, before the House was able to secure a quorum in order to proceed to the transaction of business. As Texas was not a part of the Union at that time and had no representation in Congress, I am not prepared to say how many quorum calls were asked for during this month.

It is interesting to note also that the Speaker of the House at that time was a Democrat, and of the 13 Members that did attend the Congress, 6 of the 8 Pennsylvania Members attended and remained in attendance all the way through.

Possibly we do not get quorums today, and we do not transact business as rapidly as we should because of the precedent set by our forbears.

There were three sessions of the First Congress, the first extending from March 4, 1789, to August 8, 1789; the second from January 4, 1790, to August 12, 1790; and the third from December 6, 1790, to March 3, 1791. In all, the House of Representatives was in session for 591 days out of the 730 days comprising the 2 years. It was not until 1820 that the first Monday of December of each year was agreed upon as the time for the regular meeting of each session of Congress and that practice was continued until 1932.

Just a word apart from the historical fact just stated. Mention was made a moment ago of the first Republican convention in 1856. The gentleman from Kentucky did not state who the permanent chairman of that convention was. The Members on that side have just presented a gift to our distinguished minority leader [Mr. SNELL], who will be the permanent chairman of the last Republican convention that this country will ever know. If I might be so bold, I would ask that there be placed on the gavel just presented to Mr. SNELL an amended inscription calling attention to this fact.

[Here the gavel fell.]

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes, as he is about to pronounce a eulogy, and I think he should proceed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. COSTELLO. Mr. Speaker, reserving the right to object, are there any further special orders?

The SPEAKER. This is the last one.

Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DALY. Mr. Speaker, the gentleman from Kentucky propounded a query a few moments ago. He wanted to know where the Democratic Party was. He is even worse off than that patriot, and I presume he was one, who is now buried in that great cemetery referred to by my good friend from Illinois [Mr. MITCHELL]. I think he is blind. He has only to look at this House; he has only to go to the other end of the Capitol; he has only to go to the other end of Pennsylvania Avenue; he has only to go into every department of the National Government to find where the Democratic Party is and where the Democratic Party is going to stay.

May I say that he very graphically and eloquently spoke of the fact that the Republican Party struck from the black man the shackles and the chains that bound him, although I disagree with the gentleman. If that be true, and if it was done entirely by the Republican Party that he represents here today, may I ask him if it was done for the purpose of accomplishing that which they thereafter accomplished; that is, the reforging of new chains and new shackles to be placed upon the industrial workers of this country, white and black, at the behest of the monopolistic powers of the country? [Applause.]

There is no greater slavery existing in this country or any other country today, nor has there ever been, than that which was imposed upon the people of this Nation by the Republican Party with the bills they enacted and steadfastly tried to have enacted in the House of Representatives.

I want to say to my friend from Kentucky that when he returns from the last Republican convention to be held in the history of this Nation next week and comes back to this House next year—and I hope he does come back—he will know that the Democratic Party will have a larger membership in this House and a larger membership in the other body, which will devote itself toward the enactment of legislation that will improve the condition of every toiler in this country and strike from his wrist and his ankles the shackles placed upon him by Republican legislation.

Mr. KNUTSON. Will the gentleman yield?

Mr. DALY. I yield to the gentleman from Minnesota.

Mr. KNUTSON. I think the gentleman from Pennsylvania is unduly pessimistic. I realize the country is going to the dogs just as fast as it can. Of course, the gentleman from Pennsylvania is proceeding on the premise that the Democrats will win again this year and there will be no Republic in 1940.

Mr. DALY. There will be no Republican Party.

Mr. KNUTSON. There may not be either Republican or Democratic Party. I admit that the country is going to the dogs very fast, but I do not think as fast as the gentleman intimates.

Mr. DALY. I did not mean to imply that it was going to the dogs. The Nation, as a matter of fact, is on the road to recovery.

Mr. KNUTSON. There was only one inference I could draw, and that is that the country is going to the dogs.

The regular order was demanded.

Mr. DALY. I am not responsible for inferences drawn by an irresponsible party. [Laughter and applause.]

ONE HUNDRED AND FORTIETH ANNIVERSARY OF THE ADMISSION OF THE STATE OF TENNESSEE INTO THE UNION

Mr. CHANDLER. Mr. Speaker, inasmuch as this is the one hundred and fortieth anniversary of the admission of the State of Tennessee to the Union, the State from which comes our distinguished Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to address the House for 5 minutes on the occasion of the one hundred and fortieth anniversary of the admission into the Union of the State of Tennessee. Is there objection?

There was no objection.

THE ONE HUNDRED AND FORTIETH BIRTHDAY OF TENNESSEE

Mr. CHANDLER. Mr. Speaker, shortly after 5 o'clock in the afternoon of June 1, 1796, 140 years ago today, and in the last hour of the first session of the Fourth Congress of the United States, Samuel A. Otis, Secretary of the Senate, appeared at the bar of the House of Representatives and delivered this message:

Mr. Speaker, I am directed to inform this House that the President of the United States did this day approve and sign an act which originated in the Senate, entitled "An act for the admission of the State of Tennessee into the Union."

Thus Tennessee became the sixteenth State, preceded only by Vermont and Kentucky in annexation to the Original Thirteen States. Thus also came true the dreams of those restless pioneers who, oppressed by the despotism of colonial rulers, had penetrated the Great Smoky Mountains in search of freedom before the Declaration of Independence was even contemplated.

The struggle for statehood had been long and heartbreaking. Isolated from the seats of existing governments, the early settlers of the Tennessee country had to form their own institutions; and the first written constitution adopted by a community of American-born freemen was the "Articles of the Watauga Association" promulgated in 1772. These Watauga pioneers were "destined to play a most important part in the successful termination of the Revolutionary War and in the winning of the West." Indeed, the Battle of King's Mountain on October 7, 1780, has always figured in American history as the turning point in the War for Independence, and it has been said that that battle connected the history of Tennessee with Bunker Hill and the early annals of the United States.

When North Carolina, in 1784, offered to cede to the Confederation the territory west of the watershed of the mountains, the settlers therein immediately set about to form a separate State, resolving that if the Confederation would not admit the new government, the settlement would remain a sovereign Commonwealth, independent of the general Government. Accordingly the ill-fated State of Franklin was created; and, in May 1785, William Cocke went to New York, where the Continental Congress was in session, and presented the memorial of the Assembly of Franklin to accept the cession proffered by North Carolina and "admit Franklin into the sisterhood of sovereign States."

In the meantime, however, North Carolina had repealed the First Cession Act, and as a consequence the State of Franklin ceased to exist after about 4 years of independent government. During that period the Federal Convention had met and adopted the Constitution of the United States of America, and in 1790 North Carolina ceded to the Union all of her western territory, an area of 45,600 square miles, or 29,184,000 acres.

By the terms of the deed of cession and the Ordinance of 1787, the new Territory was entitled to become a State whenever the population amounted to 60,000. The census properly should have been taken under Federal supervision, but the legislature of the Territory, in ignorance or in disregard of that fact, passed an act in July 1795 for the enumeration of the people. The population was found to exceed 75,000, and a convention was called to meet in Knoxville in January 1796, when a constitution, which Thomas Jefferson said was "the least imperfect and the most republican" of the State constitutions, was adopted. The name Tennessee was given to the new government, and Joseph McMinn was appointed messenger to transmit to the Secretary of State of the United States in Philadelphia a copy of the census return and a copy of the State constitution. He arrived there on February 28, 1796, and these documents were transmitted by President Washington to the Senate on April 11, with a message submitting the matter to Congress. In the meantime, the territorial government had ceased, and on March 28, 1796, the State legislature convened, inaugurated John Sevier as Governor, and prematurely elected William Blount and William Cocke as United States Senators. Their credentials were presented to the Senate on May 9 and on May 23 they were invited to occupy seats in the Senate chamber as spectators.

The President's message was referred to a special committee, which filed an adverse report 25 days later to the effect that Congress, and not the people of the Territory, should lay out and form the Territory and make proof of the population. A storm of protest arose, largely because it was evident that party interest was the underlying motive for the unfavorable report. The Federalists opposed the admission of Tennessee, believing that its vote would be given to Jefferson in the approaching election. In this they were right, and their course in opposing admission had the effect of confirming the State's Democracy. The people were indignant, and for many years no public man in Tennessee dared to admit that he entertained Federalist principles. James Phelan, once a Member of Congress from Tennessee, tells us in his history of the State:

For a time the question assumed serious proportions and threatened to convulse the country. The balance of power, as a determinative principle in the admission of States, had not yet attained the full development of later years when slavery became a deeply rooted institution; but it was there, and derived an increased vitality, not only from local prejudices existing between North and South, but also from the fear on the part of the older States that their power might ultimately slip from them and fall to the share of those yet to be created.

However, after amendments and conferences and active championship by Senator Aaron Burr, the bill passed. Tennessee had volunteered herself into the Union; and ere long came to be known as the Volunteer State.

To look back today over the intervening 140 years is to fill the heart of every loyal Tennessean with pardonable pride and patriotic emotions. In Tennessee, within the limits of a century and a half, we have a picture of national life as complete as that of England through her thousand years. It is a story of stout hearts, intrepid souls, and high ambitions.

In the building of the Nation, Tennessee has furnished more than her quota of leaders in every phase of public service. Three Presidents, each illustrating distinctive traits of national character which stand out vividly in American life, have come from Tennessee. Andrew Jackson, seventh President and the State's first Representative in Congress, with his dauntless courage, his dominating will, and his loyalty to friends and hatred of enemies, represented the fireat new West and its Democracy. He was the idol of the mass of the people, and literally "took the West to Washington." He exemplified his belief that the "President should be the interpreter of the will of the people and must execute that will independently of and without interference from Congress or the Supreme Court."

James K. Polk, the second President from Tennessee, was an educated gentleman of Scotch-Irish descent. He had served 14 years in the House and was twice Speaker before he became President. Polk was an ardent expansionist, and one of the most constructive of American statesmen. During his term about 1,000,000 square miles of new and valuable territory were annexed to the United States. While few Presidents met such powerful opposition as did Polk, yet few Presidents placed upon the Federal statute books as many and such vital general laws.

The unlettered Andrew Johnson, who had come across the mountains from North Carolina at the age of 18, leading a blind pony hitched to a cart carrying his widowed mother and a few of the necessities of life, was called to the Presidency in one of the most difficult and trying periods in history. He strove to take Lincoln's place and to carry out Lincoln's plan of reconstruction. With unlimited trust in the people, an unswerving devotion to the letter and spirit of the Constitution, and with his back to the wall, Andrew Johnson kept the faith of Abraham Lincoln with tragic consequences to himself.

Many Tennesseeans have been appointed to the Cabinets of the Presidents. George W. Campbell was Secretary of the Treasury under President Madison; John H. Eaton,

Carey E. Harris, John Bell, Luke E. Wright, and Jacob M. Dickinson were Secretaries of War; Felix Grundy and James C. McReynolds, Attorneys General; Cave Johnson, Aaron V. Brown, David M. Key, and Horace Maynard became Postmasters General; and the present Secretary of State, Cordell Hull, long an outstanding Member of this House, is an honored Tennesseean. In addition to James K. Polk, John Bell, who later was the Constitutional Union candidate for the Presidency in 1860, was Speaker of the House; and Tennessee is proud to claim as a native son the distinguished and beloved Speaker who presides today.

Five Justices of the United States Supreme Court have been appointed from Tennessee: John Catron, Howell E. Jackson, Horace H. Lurton, James C. McReynolds, and Edward T. Sanford; and each of them served ably, honorably, and efficiently on this the greatest Court in the world.

It is of interest that Matthew Fontaine Maury, the "Pathfinder of the oceans", spent his early years in Tennessee and was appointed to the United States Navy by Representative Sam Houston.

On land and sea in all the country's wars, Tennesseeans have played conspicuous parts. The heroic deeds of John Sevier, Andrew Jackson, Sam Houston, David Crockett, Nathan Bedford Forrest, Sam Davis, David G. Farragut, and Alvin York are known far and wide. To the War of 1812 Tennessee sent 28,000 troops and had double the number of men from any other State in the decisive Battle of New Orleans. Incidentally, the vanquished British who survived that rout went back to Europe and aided in the defeat of Napoleon at Waterloo. The State furnished four of the commanders and nearly all the soldiers engaged in the several Indian wars which brought peace and security to the life and property of the people east of the Mississippi. At the outbreak of the Mexican War, when 2,800 volunteers were called for in Tennessee, more than 30,000 men responded for duty; and although Tennessee was the last Confederate State to secede from the Union and the first to return, she furnished more soldiers than any other Southern State, even sending 30,000 men to the Federal Army. Next to Virginia, more battles have been fought on Tennessee soil than on that of any other State in the Nation. In the World War, Tennesseans maintained the traditional valor and spirit of their forefathers, and distinguished themselves on the crimsoned fields of France and Belgium.

Today Tennessee is a prosperous State with almost 3,000,000 inhabitants. Theodore Roosevelt wrote in his "Winning of the West" that the purest strain of Anglo-Saxon blood extant in America would be found in Tennessee, and the descendants of those hardy pioneers who came into the Federal Union 140 years ago constitute more than 60 percent of the population now.

Tennessee is truly American in temperament and sentiment. Her people are deeply grateful for the glorious privilege of statehood in an indivisible nation of self-governing citizens, who have their internal contentions, and sometimes emulations, as to who can best govern and best achieve, but who, when a common enemy appears, join hands and hearts and work and serve and fight and die for America! [Applause.]

KEEP FAITH WITH PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a memorial of the Legislature of Puerto Rico and letters from the Banco of Ponce and the Chamber of Commerce of Puerto Rico.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, please give some attention to the facts which I shall explain below. Permit me also to express to you my sincere protest against the surprise action of Senator TYDINGS, chairman of the Senate Committee on Territories and Insular Affairs, by reporting out his resolution, Senate Joint Resolution 270, "To provide for the appointment of a committee to study the question of Puerto Rican independence", and also S. 5428, "To regulate the conduct of elections in Puerto Rico", without, at least, giving the proper and accredited representatives of the island an opportunity to express their opinions of so far-reaching legislation. I never thought that a Senate committee would have taken such action on legislation so vital to the rights, liberties, and social and political life of over 1,700,000 without the proper consultation and hearings.

ASKING FOR REPRESENTATION

It is my honest conviction that, if a true study of conditions in Puerto Rico is desired, that study should be unbiased and thorough, encompassing the economic, social, and political aspects, both present and future, without reference to, or mention of, independence, statehood, or complete self-government with a permanent union with the United States.

Any commission recommended to study conditions there should include representatives of agriculture, commerce, labor, and sugar-industry associations of the island.

The Commission should begin its work on November 20, after the general elections are held. The report of the findings of the Commission would be presented to the President on April 20, 1937, pursuant to which the President would send the report to Congress with his own recommendations.

Hearings should have been held on a resolution affecting more than 1,700,000 American citizens who for 38 years have maintained their loyalty to the United States, and who desire a permanent union with the people of the United States. They would have been happy, I am sure, to have made their position clearly known before the committee and to have demonstrated their faith in the noble and inspiring intention on the part of the people of the United States and the administration to do justice toward Puerto Rico's future.

SELF-GOVERNMENT OR STATEHOOD MEMORIAL

No political status should have been mentioned, having in consideration that there is in the Committee on Territories and Insular Affairs, of which Senator TYDINGS is chairman, an official memorial from the Legislature of Puerto Rico which asks for complete self-government and final statehood. The Senator mentions independence alone, when, it seems to me, some attention should have been paid to the memorial of the legislature of the island which was referred to his committee.

The memorial, in part, is as follows:

PETITIONS AND MEMORIALS

The Vice President laid before the Senate the following concurrent resolution of the Legislature of Puerto Rico, which was referred to the Committee on Territories and Insular Affairs:

"Whereas during that interregnum in which the people of Puerto Rico has lived, trusting in the justice of the people of the United States of America, the latter believing the former capable of living a life of equality, dignity, and honor in their relations with each other, granted to the Puerto Ricans, through Congress, American citizenship with all the prerogatives inherent therein;

"Whereas the people of Puerto Rico have always aspired and continue to aspire to the fulfillment of the words which, in the lexicon of liberty of the United States of America, involving the consecration of the principle that 'peoples have the right to determine their own destines': Now, therefore, be it

"Resolved by the Legislature of Puerto Rico—

"SECTION 1. That the people of Puerto Rico desire that Puerto Rico become a State and be admitted to the Union under the same conditions as the States which integrate the same.

"SEC. 2. To request from the Congress of the United States of America, as it is hereby requested, legislation authorizing the people of Puerto Rico to frame its own State constitution in order to submit it for the approval of the Congress of the United States of America after it is ratified by the electoral body of Puerto Rico, to which it shall be submitted through a plebiscite for such purpose, the result of which shall be certified by the executive secretary of Puerto Rico; and the Governor of Puerto Rico shall give notice thereof to the President of the United States for the proper purposes.

"Whereas with the enactment of measures of this kind, while the proceedings are being carried out and the obstacles in the way of enjoying the final status of statehood are being overcome, the people of Puerto Rico shall have full political and fiscal autonomy to solve its own problems, and may temporarily enjoy its internal independence and its internal sovereignty: Now, therefore, be it further

"Resolved by the Legislature of Puerto Rico—

"SEC. 3. That the people of Puerto Rico demand an immediate liberalizing reform, of a political and economic nature, of the autonomic regimen of government which it now enjoys, petitioning the Congress of the United States of America, as it is hereby peti-

tioned, to amend the Organic Act of Puerto Rico, in force, in accord with the following:

"1. Recognizing the right of the people of Puerto Rico to elect its own Governor.

"2. Granting powers to the Governor of Puerto Rico, so that he may, with the advice and consent of the insular senate, appoint all the heads of department of the insular government of Puerto Rico.

"3. Authorizing the Governor of Puerto Rico to fill the vacancies among senators and representatives without the need of holding partial elections, and on proposal of the directing body of the party to which the legislators whose post is vacant belonged.

"4. Granting power to the Legislature of Puerto Rico to revoke the veto of the executive by the vote of two-thirds of the total number of members of each legislative house.

"5. To request the Congress of the United States of America, as it is hereby requested, to authorize the Legislature of Puerto Rico to adopt legislation tending to solve the problem of absenteeism and, as a consequence thereof, the concentration of property of nonresidents.

"(Signed) MIGUEL A. GARCIA MENDEZ,
"Speaker, House of Representatives of Puerto Rico.
"RAFAEL MARTINEZ NADAL,
"President of the Senate of Puerto Rico."

REGULATING ELECTIONS

Regarding the bill of Senator TYDINGS (S. 4529) about the elections in Puerto Rico, and which tends to regulate voting at the general elections of 1936 and at subsequent elections, I desire to say that as regards the process of voting, the bill is substantially the same as the bill (S. R. 20) recently passed by the insular legislature, especially as regards the isolation of voters until a fixed hour on the day of elections, so that afterward these voters may vote during the rest of the day. But section 3 of the bill of Senator TYDINGS, which provides that the lists of registered voters shall be those of the persons appearing in the statistics of the Federal census of 1935–36, has to meet with the vigorous objection of all the political parties and of all the citizen voters of Puerto Rico. The measure is arbitrary and implies by itself an act of coercion and tyranny against the voters of Puerto Rico.

Against the measure seven strong objections occur to me at this moment: First, because it annuls with a single stroke of the pen the election registrations made in Puerto Rico by virtue of the laws in force, and it tends to deprive thousands and thousands of Puerto Ricans of the rights acquired by them when registering in Puerto Rico under the provisions of the insular laws.

Second. Because said measure is in open conflict with all the precedents in election matters, inasmuch as when the Federal census of 1935–36 was made no intervention was given to the political parties which represent the organized public opinion in Puerto Rico.

Third. Because, in accordance with said statistics of the said Federal census, thousands of lawful voters in Puerto Rico would be deprived of the right to vote, inasmuch as we know that there are numberless voters with ample rights recognized by our laws who do not appear enumerated in said census, and the approval of such measure by Congress would illegally deprive the thousands of citizens of their right to vote in Puerto Rico.

Fourth. Because the data for said Federal census were taken by employees politically partial in general, practically chosen by only one of the political sectors of Puerto Rico to the detriment of the other political sectors which have been fighting against the activities of the Federal agency, P. R. R. A., which furnished the personnel for said census.

Fifth. Because said Federal measure would double the cost of the election expenses to the treasury of Puerto Rico, inasmuch as the approval of said measure would ipso facto annul all the lists already prepared, which have cost thousands of dollars to the public treasury, and if said measure is approved the whole work will have to be started again, preparing the general lists of voters and the special lists for each and every one of the precincts and polling places for election day.

Sixth. Because the approval of said measure by Congress would make it necessary to hold new registrations for which we have neither the time nor the money, inasmuch as in the statistics of the census all the conditions required by the laws in force for voting are not shown.

Seventh. Because the approval of said measure would be the greatest encouragement for promoting and establishing the most scandalous fraud in Puerto Rico, inasmuch as by the mere declaration of persons when giving the data for the census, without any intervention whatsoever by the political parties and without any proceedings for verifying such data, the right to vote would be given to thousands and thousands of persons who are not legally qualified for suffrage, and with such a measure the parties and the voters would not be given a reasonable opportunity to purge the elections lists.

The idea that Congress should say by law who are the voters in Puerto Rico is a reactionary and tyrannic idea without precedent in all the electoral legislation for the States and Territories of the United States. If this principle be accepted, the doors would be open for Congress to establish at any moment in Puerto Rico an aristocratic form of government, inasmuch as Congress could at any moment say what persons are considered as registered and with the right to vote in Puerto Rico. I do not believe that there is a single Puerto Rican who, for political or personal convenience, can accept the indignity of having Congress adopt such a measure for our island.

CHAMBER OF COMMERCE OF PUERTO RICO

MAY 28, 1936.

Senator MILLIARD E. TYDINGS,
Chairman, Committee on Territories and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR SENATOR TYDINGS: The resolution introduced by your good self, and providing for a committee to study and investigate the economic consequences of a change in the political status of Puerto Rico, will be interpreted here, in America, and throughout the world as an indication that the administration has realized that it blundered when it decided to sponsor the bill providing for a plebiscite on the question of independence for the island, introduced by you in the Senate recently.

In my humble estimation, that bill was ill conceived and amounts to a negation of the spirit of fair play so highly prized by the American people. Furthermore, it was evidently based on an utter ignorance of the true feelings of the people of Puerto Rico, ignoring entirely the political aspirations of a large section of the community whose feelings were as much worthy and entitled to respect and consideration as those of any other group or sector of opinion.

But, undoubtedly, the biggest defect of the proposed legislation is its failure to recognize the responsibility of the United States in the present social and economical conditions of the Puerto Rican people. Allow me to say, in passing, that I do not share the view of our local extremists who would place all of the blame for the present conditions at the door of the United States. Yet I am fully convinced that in taking over Puerto Rico the American people assumed a responsibility before the world and civilization that no administration could ignore without damage to the prestige of the Nation and without betraying the feelings of its own people.

Perhaps the biggest evil caused by that bill has been the manner in which it has affected the spiritual and economical relations between the United States and Puerto Rico; it played into the hands of the irresponsible extremists and zealots, bringing about a number of incidents which all patriotic islanders deeply regret and disown, in the first place, because we consider them unworthy of a self-respecting community, and, in the second place, because they are liable to cause resentment and a distorted impression of our real feelings amongst our fellow citizens of the mainland. I am afraid that the damage thereby caused is irreparable and that it will take time to blot out its consequences.

The introduction of the plebiscite bill caused a bewildering conflict of policy on the part of the administration that could not but add confusion to the local political situation. It was impossible for us, impartial observers, to reconcile the manifest determination of the administration to correct the evils of the palpably defective economical system allowed to be established here, and then, when its efforts toward the realization of that aim had hardly been initiated, to turn around and, violently thrusting aside such high purpose, offer the Puerto Rican people a sort of independence which spells utter economical ruin. Such inconsistency could not possibly be justified in the light of true statesmanship or the exigencies of an inescapable moral responsibility. I sincerely believe that the above expresses the reaction caused in the mind of the average observer, both here and in the mainland.

Your resolution providing for the appointment of an investigating committee is bound, therefore, to have a salutary effect here and elsewhere. It will do away, to a large extent, with the justified indignation aroused by that proposed measure; it will renew our faith in the spirit of fair play of the American people, and it will go a long way to enable our people to make a sober and dispassionate analysis of the matter. In so doing the administration not only gives proof that it fully realizes the moral and human responsibility that the American people assumed when they undertook to guide the destinies of this island, but, furthermore,

clears it of the widespread suspicion that it was determined to coerce the people of Puerto Rico.

There is no self-respecting islander who is not sincerely convinced that the Government of the United States has made a great mistake by allowing the political status of the island to remain undetermined for such a long time. They are equally convinced that such an error has been a constant source of irritation, friction, confusion, and uncertainty which has adversely affected our normal development. I feel that I make no mistake in saying that there is not a single Puerto Rican who is not anxious to see the error corrected and have the political status of Puerto Rico definitely settled. Consequently, any plan that will bring about the realization of that purpose in a fair and generous manner will be heartily welcomed by everyone here and, I dare say, by everyone in continental United States who realizes the true import and significance of the community of interest which has been developed between the United States and Puerto Rico during the last 38 years.

As a nonpartisan organization we are not directly concerned in the political possibilities of your resolution. As self-respecting members of the community who have always striven to advance its best general interest, we do not wish to unduly influence the political sentiment of our people; but since the fundamental purpose of any form of civilized government is to seek the welfare and happiness of the people, we are naturally concerned over the economical consequences of any change in our political status, and are convinced that we owe it to our people and are in duty bound to assist them in appreciating the economical meaning and consequences of any change, so that, when the time comes to pass upon the matter, they may have a fair notion of it and may be able to vote in an enlightened and conscientious manner.

Your resolution will accomplish that very purpose, and we are naturally anxious to participate in the work to be performed through it. We note that the same provides for a committee of 17 and that it is silent as to the manner in which a portion of its membership will be appointed. Considering the purpose and scope of its mission, we think it is logical to assume that the intention of the legislator has been to give representation in the said body to other than purely political organizations. This has seemed to us all the more plausible since it will be the only means of securing an accurate cross section of the opinion of the island as a basis for an intelligent, authoritative, and unbiased report on the matter. Resting on that assumption, we believe that, as the oldest business organization of the island, we are entitled to have a voice in the said commission, and with that aim in view we telegraphed you on the 26th instant as follows:

"Respectfully request that provision be made to include in investigating committee to be appointed under Tydings resolution two members from Chamber of Commerce of Puerto Rico to represent Puerto Rican business interests. Considering fundamental purpose of investigation, strongly submit that business interests are fully entitled to be represented in said committee and that such representation will greatly assist in its work."

which we now beg to confirm.

I believe that it is generally admitted that there is no business organization in Puerto Rico more thoroughly representative of the business interests of the island, and, furthermore, that no other organization can point to a more impressive record of public-spirited service to the community. Consequently, by having two representatives from this body, the commission would thereby secure the benefit of expert, unbiased, and unselfish advices on all matters relating to trade and business activities.

In order to give an idea of the universality of the chamber, it will suffice to say that, in addition to being an insular organization, its membership includes the following organizations:

Tobacco Dealers of Puerto Rico.
Insular Chamber of Wholesellers.
Puerto Rico Needlework Association.
Bus Owners' Association of Puerto Rico.
Association of Wholesale Merchants.
Puerto Rico Institute of Accountants.
Liquor Distillers' Association of Puerto Rico.
College of Business Administration of the University of Puerto Rico;

and, for the purpose of the proposed investigation, it will also have the representation of the Contractors' Association of Puerto Rico and the Association of Sugar Cane Growers of Southern Puerto Rico.

Allow me to assure you, my dear Senator, that in asking for such representation the chamber seeks no selfish aim but is entirely prompted by a sincere desire to assist and cooperate in the highly important work to be performed by the investigating committee. We are confident that you will kindly submit this letter to the consideration of your committee and that it will favorably act upon the same.

Personally, I should be extremely grateful to you for a candid expression of your personal reaction to our petition.

Very sincerely yours,

FILIPO L. DE HOSTOS, *President.*

BANCO DE PONCE,
Ponce, P. R., May 22, 1936.

Senator MILLARD E. TYDINGS,
Washington, D. C.

MY DEAR SENATOR TYDINGS: The importance of the independence bill to the future welfare of our population and a sense of civic duty induce me to present for your consideration some aspects of the local situation. I am a 100-percent Puerto Rican who feels 100-percent American and who thinks that the two sentiments are not incompatible, just the same as you are a true Marylander and an excellent American.

Recurrent misundertandings in the relationship of the island and the mainland have been due mostly to the lack of knowledge of the island's affairs by Federal officials directly in charge, who have also failed to understand the psychology of a highly sensitive people. This has given a prevalent and wrong impression amongst our population that continental Americans collectively display a sense of racial superiority in their dealings with a people who are by nature and by right of their old civilization proud and touchy. As a result the best-intentioned and unselfish measures of the Federal Government have very often fallen short of their true objective by reason of the manner displayed in granting them. If a permanent, nonpolitical department were set up at Washington to administer insular affairs, the knowledge that competent officials would acquire by virtue of the permanency of their position would, in our opinion, redound to an intimate, mutual comprehension in our relationship and would surely eliminate present grounds of misunderstandings.

The immediate cause of unsatisfactory recent developments has been the change of the administration of insular affairs from the Bureau of Insular Affairs of the War Department to the Division of Territories of the Department of the Interior, a change from a nonpolitical department to a department which, at the present time, is the most active in national politics. With all its faults the Bureau of Insular Affairs of the War Department had acquired practice in the administration of Puerto Rican affairs, and, because of its nonpolitical set-up, it never mingled in local politics. The politically minded personnel of the Department of the Interior, their ignorance of Puerto Rican problems, excusable because of their lack of comprehension of their newly acquired responsibilities, have inaugurated a policy of active participation in local politics, with the result that it has driven local politicians to a state of desperation in defending their position against unfavorable odds represented by the millions involved in the rehabilitation program under the control of Washington officials. As a consequence the local political battle front has been moved from the island to Washington, where local political parties keep their representatives to curry the favor of those who stand close to Uncle Sam's purse strings. Those representatives apparently more friendly to the administration, irrespective of whether they represent the local government or the minority party, obtain the greatest benefit for their party.

As the island did not register a vote at the national polls, the injustice of officials in charge of Puerto Rican affairs is glaring when they meddle and show political partiality to any one party or its representative on the basis of friendship. It is obvious that the prestige of the Federal Government is not enhanced even in the estimation of those who are presently favored and whose sense of equanimity would be upset if the tide of partiality should turn. The exasperation of those presently not in favor, and who, to make their distress more poignant, happen to be the legally constituted local government majority, has driven them to extremes which have been detrimental to our welfare and has given the erroneous impression that we, as a people, are ungrateful for the Federal cooperation received. The cessation of meddling in our local politics would correct this condition, and the placing of our affairs at Washington in a nonpolitical department or bureau should be the logical solution.

The situation brought about by the lack of foresight of those directly in charge of our affairs has worried the administration to the point of desiring to ascertain if the island wishes independence through a referendum and the promise of its grant. Prior to the presentation of the bill there was a very small but compact group, and, like all closely knitted minorities, very noisy, aggressive, and chauvinistic, which clamored for independence, their number being estimated at about 5,000. The balance of the voting population militated in three parties, more or less evenly divided, and one of which has had on its platform the independence issue and used that issue very effectively as a vote-catching bait for election purposes.

Of this the Government has been or should have been fully aware. The majority of the members of that party gave passing importance to the independence feature of their plank, and with your knowledge of the actual value of a party platform its existence and the little importance attached to the issue should not be surprising. The present administration was voted into power on a plank which has been very seldom followed, if at all, as witness the fact that in the Democratic plank statehood for Puerto Rico was the basis suggested for the solution of our status.

After the presentation of the independence bill it would be difficult to estimate how prevalent the issue has become, as the fact that no other definite alternative is offered has offended and aroused local sentiment. As to the final outcome of a plebiscite, it is difficult to anticipate, even though it is unanimously felt that independence would be suicidal to our common welfare. What the intention of the administration-sponsored bill is no one seems to know; but impractical as independence appears to be for the island, I wish to express my conviction that independence can only be sustained in Puerto Rico on one and only one basis—communism. Our economic condition, the density of our increasing population, our limited resources and small territory, our heavy indebtedness, our statutory labor laws, and our relatively high standard of living in proportion to our wealth, could not possibly withstand the shock of a sudden pauperization, with all its at-

tendant consequences, without serious convulsions, and their only solution would be a partition of what little there might be amongst a population condemned to future starvation.

I have endeavored to explain what appears to be some of the underlying causes of our recurrent misunderstandings, the immediate causes of more unsatisfactory developments, the negligible separatist feeling prevalent prior to the presentation of the independence bill, and the probable results should the bill be brought to fruition and the island become independent. I would hesitate to have taken so much of your time without endeavoring to make a constructive suggestion.

Why should not a common meeting ground be found satisfactory to the 1,700,000 United States citizens? I think it would be rather simple if all efforts should be bent toward that end. But, rather than suggesting the form myself, I am going to put it in President Roosevelt's own words, as expressed when he was Governor of New York in defending State's rights:

"The preservation of this home rule by the States is not a cry of jealous commonwealths seeking their own aggrandizement at the expense of sister States. It is a fundamental necessity if we are to remain a truly united country. * * *

"Thus it will be seen that this home rule is a most important thing—the most vital thing—if we are to continue along the course on which we have so far progressed with such unprecedented success. * * *

"Let us remember that from the very beginning differences in climate, soil conditions, habits, and mode of living in States separated by thousands of miles rendered it necessary to give the fullest individual latitude to the individual States. Remembering that the mining States of the Rockies, the fertile savannas of the South, the prairies of the West, and the rocky soil of the New England States created many problems, introduced many factors in each locality which have no existence in others, it is obvious that almost every new or old problem of government must be solved, if it is to be solved to the satisfaction of the people of the whole country, by each State in its own way."

Sincerely yours,

P. J. ROSALY.

SOME FACTS ABOUT PUERTO RICO

The total annual budget of income of the Spanish autonomous regime reached the sum of $3,536,342.19. This total income of the insular treasury was spent, in a great part, for soldiers and marines, clergy, construction of and repair of churches, and pensions, up to the sum of $2,174,879.13. The other expenditures of the government, such as public education, public works, sanitation, and justice were assigned $1,361,963.06. The yearly budget of income under the American regime is over $12,000,000.

EDUCATION

In those days we spent on public education from the funds of the insular government $30,000, and the municipalities spent $99,255 on education through the Paulist Fathers, Jesuits, and Sisters of the Sacred Heart. There were only 22,265 children in the schools throughout the island. The benefit of superior studies was granted to only 55 students every year.

Under the first year of our American regime the construction of the first buildings for public schools was ordered. We have already organized a corps of 5,000 teachers who teach English and Spanish to 250,000 children of all classes, and we use at present more than 2,000 buildings constructed for common graded and high schools which are the property of the insular government. About $5,000,000 is expended every year on education for our girls and boys. The university costs the Puerto Rican Government over $1,000,000 a year.

When the old regime was changed for the American regime there were 275 kilometers of constructed roads. From June 30, 1900, to June 30, 1934, 1,859 kilometers of insular roads had been constructed, and also numerous bridges and buildings at a great cost. June 30, 1934, the bonded debt of the Puerto Rico Irrigation & Electric Service was $3,775,000. Of bond issues totaling $6,775,000, $3,000,000 were redeemed in 1932.

Sanitation was organized for the first time in the island during the present regime, and the installation of a modern system of public-health service was inaugurated.

OFFICEHOLDERS

The insular government is composed at present of the following employees in public service, including the Governor, the legislature, and the departments, who receive the following compensation: 6,011 Puerto Rican-American employees, $6,579,748, and 233 employees, continental Americans, $409,585.75. Of this total employees, over 5,000 are school teachers and 900 police.

COMMERCIAL BUSINESS

Puerto Rico stands today as the first best buyer of American goods in all Pan America. The fact that Puerto Rico has bought, and is continuing to buy, millions of dollars worth of goods from continental United States is vitally important to continental business interests. Specifically, the people of the island purchase yearly $8,000,000 worth of rice; $2,200,000 of wheat flour, corn, cereal goods, and so forth; $6,000,000 beans and potatoes; $2,000,000 fresh vegetables; automobiles and rubber manufactured goods, about $4,000,000; tobacco and cigarettes, $2,800,000; cotton manufactures, $9,800,000; cotton cloth, $7,000,000; and so on. In fact, Puerto Rico has had about $2,000,000,000 of commerce with the mainland in 36 years.

Speech delivered by Dr. Blas C. Herrero, member of the majority of the Legislature of Puerto Rico, through the radio station WOL, Washington, D. C., May 23, 1936, on Puerto Rico and Its Present Situation, is as follows:

When one reads news dispatches reporting riots, mass demonstrations, and other public manifestations in a particular country, for a particular cause, the natural conclusion is that most of the people in that country favor the cause in question. Frequently the activities of a noisy minority make news, not infrequently they make the headlines; and those who read the headlines know little or nothing of what's behind the news in a country that may be several thousand miles away.

Press dispatches recently reported riots and demonstrations for independence in Puerto Rico. To most people in this country, unfamiliar with the political situation on the island, these manifestations might indicate widespread, overwhelming sentiment for independence. Such is not the case. There is no deep-rooted, general sentiment for independence in Puerto Rico. The political organization with which I am affiliated—the Coalition Party—is the majority party of the island. My party, which constitutes a union of the conservative and labor groups, is not in favor of independence, but advocates rather statehood, or a territorial government with popular election of governor and cabinet—a political status, in other words, that will draw us even closer to the American people; one that will make us an integral part of this great Government; that will make us feel we are something more than a mere possession. The Coalition Party of Puerto Rico—the majority party of insular politics—represents elements that have been "pro-American" since the occupation, elements that are proud to serve under a flag that has brought such benefits to their native land.

These people feel that 36 years of unswerving loyalty to American institutions merits recognition, merits a reward, if you will, that should take the form of admission to a closer, more intimate participation in this Government; recognition that will make us feel we are not just "adopted" children of indulgent foster parents, but genuine blood beneficiaries of the greatest of all democracies. And we feel, too, that the American people are sympathetic with our aspirations, and, when they are acquainted with the desires of the majority, will not be unwilling to accede to our wishes.

The Nationalist Party is the radical independence faction of Puerto Rico. Its leader is a man of oratorical talent—a Harvard University graduate—and a man who harbors relentless antagonism toward the Government of the United States. About him he has gathered a following of university students and political adventurers, a following mostly of the young, the impressionable, and the gullible, but one, nevertheless, that is aggressive and unremitting in its efforts for independence.

The Nationalist Party polled less than 2 percent of the total vote cast in the last general election. This will indicate the voting strength of that organization. Standing alone, strictly on its own, it would be a political factor of no great consequence. But recently two events have transpired that have added to its potentiality, have made of it an organization that warrants serious consideration. The independence bill introduced in the United States Senate had the unfortunate effect of leading people to believe that this Government favors independence. It enabled the Nationalists to boast that their rioting and their demonstrations had borne fruit, had made this Government regard them as the strong, impelling force on the island. Some people—honest, sober-minded, serious people—began to wonder, began to entertain doubts whether this Government continued to be concerned over their welfare; whether, after all the years of cherishing American ideals, they were to be coldly cast adrift, left to shift for themselves, denied the goal they hope to achieve—that of statehood or Territorial government. And leaders of the Liberal Party, the minority political party of the island, made political capital of the situation and declared for independence. Now, the active forces for independence constitute an unofficial union of the Liberal Party, the party favored by Dr. Ernest Gruening, Director of the Division of Territories and Insular Possessions, and of the Nationalist Party, the party that preaches hatred for American institutions—violence and open rebellion.

What a curious combination! What strange bedfellows! The party favored by the American Government, and the party that is concentrating all of its efforts toward bringing about rebellion against the American Government. The minority party on the island—the Liberal Party—petted and pampered by Dr. Gruening, going along, hand in hand, with a party that makes a practice of

hauling down American flags, of inciting school children to public demonstrations, and other anti-American manifestations.

The Liberal Party—the party that has been entrusted with administration of millions of American dollars for rehabilitation—joining hands with the party that preaches eternal hatred of everything that is American.

But now a few words concerning a most amazing situation, a most astounding sequence of events, a drama of deception, double-dealing, and brazen betrayal that would make Judas Iscariot blush for shame.

Following decisive defeat in the last general elections, the Liberal Party was reduced to the status of a political organization of no consequence. Its forces were utterly demoralized, its leadership foundering, its finances at the vanishing point, and its political prestige completely ruined. But then, at the time of deepest despair—the period when hopes of the Liberals were at the lowest ebb—came manna from the political heavens, the prospect of money—money from the Government of the United States—money for relief, for rehabilitation of insular business, and agriculture.

Rehabilitation programs were drafted by both parties—by my party, the Coalition, and by some of the so-called "intellectuals", the "theorists", and "advanced thinkers" of the Liberal Party.

The plan of my party—the majority party—was prepared by the "economic committee of the legislature." It was the subject of extensive public hearings, at which were heard the best business, technical, and agricultural minds of the island. And when it went to Washington the plan had the unqualified approval and endorsement of representative business and agricultural groups—groups that knew, from years of experience, what was necessary for effective rehabilitation—people who had the welfare of the island at heart. It was not a plan hastily knocked together by a group of impractical visionaries and theorists, not an uncertain adventure in nebulous experimentation, but a common-sense, practical plan, grounded upon practical recommendations from practical business and agricultural experts.

But all of the planning—all of the hearings—all of the recommendations of experts—went for naught. The plan was rejected in Washington. Why? Only Dr. Gruening can answer that question. The plan submitted by the Liberal Party was accepted. And last February over $40,000,000—American dollars—were made available to the Liberal Party for the work of rehabilitation—American dollars, mind you, for the political party on the island that now is openly advocating independence. The president of that party, in a passionate plea for independence, delivered recently before 10,000 people in the city of Caguas, P. R., shouted, "We will go to the extreme of revolution if necessary." Revolution is an ugly word in any language and under any circumstances. But how does it sound coming from the leader of the party in Puerto Rico that controls the administration of forty million American dollars—$40,000,000 that came from the people against whom this party exhorts their followers to wage revolution if necessary?

The Puerto Rican Rehabilitation Administration, known on the island as the P. R. R. A., is directed by the reputed author of the plan, the chancellor of the University of Puerto Rico, and an outstanding leader of the Liberal Party. His attitude concerning independence may be taken from the fact that a short time before the assassination of Chief of Police Riggs he had as a speaker at the university Albizo Campos, the leader of the Nationalist group. Under his administration as chancellor the university, supported in part by funds from the Government of the United States, has become the "hotbed" of independence and of anti-American agitation.

Personnel of the P. R. R. A., now over the 20,000 mark, consists entirely of members of the Liberal Party. It is, in fact, impossible to secure an appointment in that organization without endorsement of Liberal Party leaders. Those who happen to be affiliated with my party—the Coalition, or majority, party—can obtain neither work nor workers from that organization, whose relief facilities theoretically are supposed to be available to all residents of the island, regardless of party or of political inclinations. It has been utilized not so much for the rehabilitation of Puerto Rico as for the rehabilitation of the Liberal Party of Puerto Rico—a scandalous diversion of public moneys to political channels—a flagrant case of "false pretenses" if ever there was one.

The Liberal Party of Puerto Rico has been playing a shameless game of double-dealing with the Government here in Washington—a game of accepting favors and money with one hand and spreading anti-American propaganda with the other. On their numerous missions to Washington, Liberal Party leaders are loud in their protestations of stout, loyal Americanism; in Puerto Rico, secretly before but openly now, they are anti-American. The best and most convincing proof of the latter is the liberal leader's recent speech at Caguas, P. R., in which he exhorted the people to revolution if necessary. Let him explain, if he dares or if he will, honestly, his convictions concerning American institutions, his attitude now and in the past with respect to the American regime. Let him explain his words in the Caguas speech, "We will go to the extreme of revolution if necessary."

The Nationalist Party is anti-American to the core; but, at least, it is honest about it. Unlike the Liberal Party, it makes no pretensions of being otherwise. Its leaders are not accepting American money and using that money to undermine American institutions. At least it is in the open fighting for independence, while the Liberal Party is giving lip service to Americanism and secretly sowing seeds of anti-Americanism.

The Coalition Party—the majority party of Puerto Rico—that which has been "pro-American" since the occupation—has been studiously and most thoroughly snubbed by Dr. Gruening, Director of the Division of Territories and Insular Possessions. All of its good offices, all of its constructive recommendations, all of its efforts to cooperate and participate in the work of rehabilitation, have been treated with studied contempt. And this in a democracy, where I have always been taught that the majority rules. But in spite of Dr. Gruening, in spite of the fact that we, the majority party, have been shunted aside, ignored, and treated with contempt, our faith in the fairness of the American people has not diminished. We feel that our day will come, that the present shocking situation cannot continue forever, and that our efforts in defense of American institutions will receive due recognition. We are proud of our association with the people of the United States; we are happy, indeed, to be a part of this great Nation; we are grateful for the good that has come to us from the American people; and it is our fervent hope that soon the bonds that now join us will be strengthened, will be drawn closer, in the form of statehood or Territorial government.

I thank you.

THE BITUMINOUS COAL ACT OF 1936

Mr. GREENWOOD, from the Committee on Rules, submitted the following privileged report (Rept. No. 2903), which was referred to the House Calendar and ordered to be printed:

House Resolution 535

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 12800, a bill to regulate interstate commerce in bituminous coal, and for other purposes. And all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that on Wednesday next, following the reading of the Journal and the disposition of business on the Speaker's table and the special order heretofore granted for that day, the gentleman from Massachusetts [Mr. GIFFORD] may be permitted to address the House for 15 minutes, and, following his address, I may be permitted to address the House for 15 minutes.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, as I have explained—I do not know whether the gentleman from Massachusetts was here or not—as I understand, on Wednesday the plan is to bring up the coal bill, known as the Vinson-Guffey coal bill.

At this stage of the session we have important legislation, and I think the gentleman considers this measure as important. It will take all day, and if we take one-half hour out of the day, we may have to run over until the next day, which will interfere with the schedule. I hope the gentleman will not press his request.

Mr. CONNERY. May I say to my friend from New York that I was going to make the request for Thursday myself, but the gentleman from Massachusetts [Mr. GIFFORD] has to leave Wednesday.

Mr. O'CONNOR. I do not recall, in seven Congresses, that speeches were made in the last 2 weeks of a session. There are at least 2 or 3 weeks when any number of speeches may be put in the RECORD by the Members. This has gone further this session than any other session to my knowledge.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. If necessary, Mr. Speaker, I shall have to object.

The SPEAKER. Objection is heard.

REFUNDS UNDER A. A. A.

Mr. O'CONNOR, from the Committee on Rules, submitted the following report (Rept. No. 2904), which was referred to the House Calendar and ordered printed:

House Resolution 536

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration

of H. R. 12793, a bill "to amend certain administrative provisions of the internal-revenue laws, and for other purposes." And all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

THE CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

PACIFIC OCEAN FISHERIES

The Clerk called the bill (H. R. 3013) to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries.

Mr. WOLCOTT, Mr. JENKINS, and Mr. McLEAN objected.

LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

The Clerk called the next bill, H. R. 8293, to amend the Longshoremen's and Harbor Workers' Compensation Act.

Mr. BLAND, Mr. SMITH of Virginia, Mr. CARMICHAEL, and Mr. CHANDLER objected.

SALE OF INTOXICATING LIQUOR IN ARMY POST EXCHANGES

The Clerk called the bill (H. R. 11300) to provide that the sale of or dealing in beer, wine, or intoxicating liquor in Army post exchanges and military establishments shall be subject to regulation by the Secretary of War.

The SPEAKER. Is there objection?

Mr. CHURCH, Mr. TARVER, Mr. JENKINS of Ohio, and Mr. UMSTEAD objected.

ADJUSTMENT OF IRRIGATION CHARGES

The Clerk called the next bill, S. 1318, to authorize the Secretary of the Interior to investigate and adjust irrigation charges on irrigation lands within projects on Indian reservations, and for other purposes.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection.

There was no objection.

COMMEMORATION OF THE BATTLE OF EUTAW SPRINGS, S. C.

The Clerk called the next bill, H. R. 255, to provide for the commemoration of the Battle of Eutaw Springs, in the State of South Carolina.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Reserving the right to object, may I ask the author of the bill how is this proposition going to be financed? I wondered what the purpose was in getting the approval of Congress.

Mr. FULMER. This is the regular bill endorsed by the Secretary of the Interior. It will not cost the Government any money. They donate a certain tract of a few acres so it will be included in this type of legislation that we have been passing from time to time. It is in my county, and one of the most important battlefields of the Revolutionary War.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I understand from the gentleman that this will not cost the Government anything?

Mr. FULMER. Absolutely not. That is made clear in the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of commemorating the battle which occurred at Eutaw Springs, in the State of South Carolina, during the Revolutionary War, the Secretary of War is authorized to accept title to approximately 2 acres of land on the site of said battlefield, free of cost to the United States, to fence said parcel of land or demarcate its limits, and to erect a monument thereon. He is further authorized to do all matters incident to procurement and erection provided for herein, by contract or otherwise, with or without advertising, including also the engagement by contract or otherwise, without regard to section 3709, Revised Statutes (U. S. C., title 41, sec. 5), and at such rates of compensation as he may determine, of the services of architects, sculptors, artists, and other technical and professional personnel as may be necessary, or of firms, partnerships, or corporations thereof.

SEC. 2. To enable the Secretary of War to carry out the provisions of this act, including the purchase of plans, drawings, and specifications, and the payment of mileage of officers of the Army and actual expenses of civilian employees traveling on duty in connection therewith, there is hereby authorized to be appropriated the sum of $25,000, or so much thereof as may be necessary, to be expended for the purposes of this act.

SEC. 3. The land acquired under this act shall be under the jurisdiction and control of the Secretary of War. He shall provide for the care and maintenance of said monument and its site, and for this purpose shall submit an estimate with his annual estimates to Congress.

With the following committee amendments:

On page 1, line 5, after the word "War", strike out all language and insert the following: "when title to such lands on the site of the Battle of Eutaw Springs as may be designated by the Secretary of the Interior, in the exercise of his discretion, as necessary or desirable for battlefield site purposes, shall be vested in the United States, said area shall be set apart as a battlefield site for the benefit and inspiration of the people and shall be called the Eutaw Springs Battlefield Site.

"SEC. 2. That the Secretary of the Interior be, and he is hereby authorized to accept donations of land, interests in land and/or buildings, structures, and other property within the boundaries of the said battle field site as determined and fixed hereunder, and donations of funds for the purchase and/or maintenance thereof, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire on behalf of the United States out of any donated funds, either by purchase at prices deemed by him reasonable, or by condemnation under the provisions of the act of August 1, 1888, such tracts of land on the said battlefield site as may be necessary for the completion thereof.

"SEC. 3. The administration, protection, and development of the aforesaid battlefield site shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled 'An act to establish a National Park Service, and for other purposes', as amended."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL DISTRICT JUDGE FOR OKLAHOMA

The Clerk called the next bill, S. 2137, to provide for the appointment of one additional district judge for the eastern, northern, and western districts of Oklahoma.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, inasmuch as I understand the Rules Committee has reported out a rule for the consideration of an omnibus bill for additional judges which includes this bill, I ask that this go over without prejudice.

Mr. O'CONNOR. Would it not be more expeditious to pass the bill today and save the time that will necessarily be taken up under the rule?

Mr. WOLCOTT. I have made a statement relative to these bills, and probably my objection is less meritorious to this than the others. I do not want to prejudice the bill. I made the statement when the bills first came up that there were so many I felt it was a matter that should have some discussion on the floor as to the policy of increasing the number of judges.

Mr. O'CONNOR. I may say that all the judges' bills on the Consent Calendar are not included in the rule to which the gentleman refers as an "omnibus bill." There was a careful discrimination made and only those bills that provided for additional judges which were approved by the judicial council of judges were included within the rule. Some judgeship bills did not have that approval and they were left out. The Rules Committee did not approve of them. But each judgeship bill included in the rule has been approved by the judicial council, of which the Chief Justice of the United States is a member.

Mr. WOLCOTT. I appreciate that some of the bills have not been included in the omnibus bill and we take the responsibility of determining which are meritorious.

Mr. O'CONNOR. I was simply trying to save time.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. SHORT. It seems to me that the statement made by the gentleman from New York [Mr. O'CONNOR] was a very

good argument why these bills should be considered in the omnibus bill before we take them up for consideration in the House.

Mr. WOLCOTT. I understand that under the rule the omnibus bill cannot be amended by including a new judgeship, although it may be amended by striking out.

Mr. O'CONNOR. It is not exactly an "omnibus bill", I might state, to clear up the situation. It is a bill to consider, I think, six or seven separate bills, each bill to be taken up separately, pertaining to one particular district. That bill cannot be amended by the inclusion of any other district. The bill must be voted up or down.

Mr. WOLCOTT. It could not be amended because the amendment would not be germane to that particular section.

Mr. O'CONNOR. There being only one item, another could not be added.

Mr. WOLCOTT. I think the chairman of the Committee on Rules has been fair about this, and that we should have some discussion. I renew my request that the bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

EMPLOYMENT OF ANGUS D. M'LEAN

The Clerk called the bill (S. 3781) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That nothing in sections 109 and 113 of the act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended, or in section 190 of the Revised Statutes of the United States, or in any other act of Congress forbidding officers or employees or former officers or employees of the United States from acting as counsel, attorney, or agent for another before any court, department, or branch of the Government, or from receiving or agreeing to receive compensation therefor, shall be deemed to apply to attorneys or counselors who have been or may be specially employed, retained, or appointed by the Attorney General or under authority of the Department of Justice to assist in the prosecution of the case pending in the Supreme Court of the United States entitled *The Sugar Institute, Inc., et al., appellants*, v. *The United States of America* (docket no. 268, October term, 1935), or the investigation and prosecution of any case pending either in the Federal or State courts, in the western district of North Carolina, involving lands owned or claimed by the Eastern Band of Cherokee Indians, or by the United States in their behalf, or other public lands owned or involved in litigation in such western district of North Carolina.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the employment of Angus D. MacLean as an attorney or counsellor especially employed, retained, or appointed by the Attorney General or under authority of the Department of Justice to assist in the prosecution of the case pending in the Supreme Court of the United States entitled *The Sugar Institute, Inc., et al., appellants*, v. *The United States of America* (docket no. 268, October term, 1935), or the investigation and prosecution of any case pending either in the Federal or State courts, in the western district of North Carolina, involving lands owned or claimed by the Eastern Band of Cherokee Indians, or by the United States in their behalf, or other public lands owned or involved in litigation in such western district of North Carolina shall not be construed to be employment within the meaning of sections 109 and 113 of the Criminal Code of the United States, as amended (U. S. C., title 18, secs. 198 and 203), or section 190 of the Revised Statutes of the United States (U. S. C., title 5, sec. 99)."

The committee amendment was agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ADDITIONAL JUDGE, EASTERN AND WESTERN DISTRICTS OF KENTUCKY

The Clerk called the bill (S. 3344) to appoint one additional judge of the District Court of the United States for the Eastern and Western Districts of Kentucky.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. In view of the discussion of a similar situation with respect to an Oklahoma judgeship, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. SPENCE. Mr. Speaker, will the gentleman reserve his objection in order to permit me to say to the gentleman from Michigan that this bill providing for an additional judge for Kentucky is not in the omnibus bill. I think it is a meritorious bill. The bar of the State want it, and I think the business demands it. It is not in the omnibus bill, because it has never been submitted to the judicial council.

Mr. WOLCOTT. I understand the judicial council never passed on this bill. My reason for asking that this go over without prejudice is to leave it in position where it may be discussed on the floor.

Mr. SPENCE. But if this goes over without prejudice, it means the end of the bill.

Mr. WOLCOTT. I am forced into a position where I must be consistent with respect to these judgeship bills. I regret they were put on this calendar at all and that we have to consider them in this way.

Mr. SPENCE. If it goes over without prejudice, it is the end of the bill, because it will not be considered in the omnibus bill.

Mr. WOLCOTT. I suggest, then, that the gentleman confer with the Speaker and obtain recognition to suspend the rules. That at least would give us some little time for discussion. If it is a meritorious bill, I should be very glad to go along with the gentleman.

Mr. SPENCE. I did not want the gentleman to be under the impression when he asks that the bill go over without prejudice that he is not destroying the bill, because that is what it does in its present status.

Mr. WOLCOTT. I think there is time to make such a request of the Speaker to suspend the rules, and in that way we may have some little time for the consideration of the bill on its merits. I renew my request, Mr. Speaker.

The SPEAKER. Is there objection that the bill go over without prejudice?

There was no objection.

ENLARGEMENT OF GOVERNORS ISLAND

The Clerk called the bill (H. R. 12009) to authorize the enlargement of Governors Island and consenting to the use of a portion thereof as a landing field for the city of New York and its environs.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LEHLBACH. Mr. Speaker, I reserve the right to object, and ask the attention of the sponsor of the bill. Will the gentleman accept an amendment to the bill to the following effect? After the first proviso in section 2 on page 2, line 22, insert the following:

Provided further, That the Secretary of Commerce shall first certify that the existence and use of such landing field shall not be a hindrance or menace to navigation.

Mr. PEYSER. Mr. Speaker, I should be very glad to accept that amendment.

Mr. FADDIS. Mr. Speaker, I reserve the right to object, and I have an amendment which I desire to offer.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to clear and make available that portion of Governors Island in New York Harbor situate and lying west and south of a line 200 feet west and south of and parallel to a line known as the James line as the same was fixed by act of Congress dated July 3, 1930 (46 Stat. 908), for use by the said city of New York as a public landing field for the loading and discharge of passengers, mail, and cargo from all airplanes and aircraft engaged in interstate commerce.

SEC. 2. The United States hereby consents to the filling in of so much land now under water adjacent to Governors Island, N. Y., in New York Harbor, as may be necessary to enlarge the area thereof by 70 acres, more or less, in such manner as may be necessary to accomplish the purpose of providing a landing field for the city of New York and environs, and such filling in to be in such direction and in such manner and according to such rules and regulations as may least interfere with water navigation in New York Harbor and all subject to such rules and regulations as the Secretary of War may prescribe: *Provided*, That the con-

sent hereby given shall be null and void unless the State of New York and any person that may be found to be the rightful owner of said land under water or any part thereof shall grant to the United States the title to said land and the permission to use the same as a landing field as herein stipulated and for defensive military operations in time of war or during a national emergency declared by the President of the United States to exist: *Provided further*, That the provisions of this act shall not become operative until the State of New York shall by appropriate legislation cede to the United States concurrent criminal and civil jurisdiction over and upon said land as the same now exists and as the same shall exist by the filling in operations herein provided for: *And provided further*, That all such filling in, improving, and developing operations, including the laying of runways, landing strips, and other construction necessary for a public landing field, shall be at the expense of the city of New York and without any expense whatsoever to the United States.

SEC. 3. That the Secretary of War is hereby authorized and directed to assign that portion of the existing area of Governors Island south and west of the line above mentioned for use by the city of New York for the operation of a public landing field, to be operated all the time for the landing and departure of all airplanes and for the discharge of and loading of passengers, mail, and other cargo under such rules and regulations as the said city of New York by its duly authorized agent or agents may promulgate and proclaim.

SEC. 4. That the city of New York by its duly authorized agent or agents is hereby authorized to fix and collect reasonable fees and to prescribe reasonable rules and regulations for the privileges and use of said landing field: *Provided*, That no charge shall be collected for any forced landing by any aircraft and no fee shall be charged for any aircraft operated by the United States Government or any department thereof.

SEC. 5. Notwithstanding any other provisions of law, all jurisdiction and control over said portion of said Governors Islands as is hereby authorized to be used by the city of New York as a landing field shall revert to the Secretary of War immediately upon any declaration of war by the Congress of the United States, or upon any proclamation by the President of the United States that a national emergency exists, rendering necessary or desirable the use of said area for military operations and in such case the jurisdiction and control over said area shall immediately vest in the Secretary of War, and no damages or claim for damages shall accrue by reason of such reversion of possession and control for the period of any war or any national military emergency.

With the following committee amendment:

Page 1, line 8, following the parentheses, insert "said line to extend only to the present limits and confines of Governors Island."

The committee amendment was agreed to.

Mr. FADDIS. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 2, line 3, strike out the period, insert a semicolon and the following: "*Provided*, That no portion of said Governors Island shall be made available by the Secretary of War that is needed for military purposes or for the use of the Army troops stationed on the island."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LEHLBACH. Mr. Speaker, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment by Mr. LEHLBACH: Page 2, line 22, after the word "exist", insert: "*Provided further*, That the Secretary of Commerce shall first certify that the existence and use of said landing field shall not be a hindrance or menace to navigation."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SPECIAL COUNSEL IN ASSOCIATED GAS & ELECTRIC CO. LITIGATION

The Clerk called the next bill, H. R. 11615, limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAMNECK. Mr. Speaker, reserving the right to object, is that not the same bill that was passed previously, the Senate bill?

Mr. McLEAN. No. That is a different bill.

Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CIVIL GOVERNMENT OF PUERTO RICO

The Clerk called the next bill, H. R. 10312, to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Reserving the right to object, Mr. Speaker, I promised a Member of the House that I would have that matter put over for further consideration this afternoon. He was compelled to go to the Supreme Court. I wonder if it would be out of order for me to ask that it be passed over temporarily? If it is in order, I make such a request.

The SPEAKER. There is no guaranty that it can be taken up later on.

Mr. JENKINS of Ohio. Well, I make that request, Mr. Speaker.

The SPEAKER. Is there objection to the bill being passed over temporarily?

There was no objection.

BICENTENARY OF BIRTH OF CHARLES CARROLL OF CARROLLTON

The Clerk called the next business, Senate Joint Resolution 151, making provision for a national celebration of the bicentenary of the birth of Charles Carroll of Carrollton, wealthiest signer of the Declaration of Independence.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. RICH. Mr. Speaker, I object.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman reserve his objection?

Mr. RICH. I will reserve it, but I am against the rich, past and present.

Mr. COLE of Maryland. I may say that I am somewhat in sympathy with the gentleman's criticisms of that word. I did not draft the resolution, but the obvious reason for the inclusion of the word is to dignify the position which Charles Carroll occupied at the time of the Declaration of Independence, being the wealthiest man in the Colonies. It required a brave and noble man to do what he did. This resolution, introduced by the senior Senator from my State, Senator TYDINGS, and which I sponsored before the House committee and handled at the request of Senator TYDINGS without introducing a resolution of my own, presents a matter of great public interest to the people of Maryland especially, as my colleague Congressman KENNEDY of Maryland, who sits at my side, well knows. The great manifestation of interest which I found amongst many Members of the House from other parts of the country was demonstrated by the fine support given this measure, the chairman of the committee, my colleague Mr. KELLER, my colleague Mr. O'CONNOR, of New York, and a number of others who could not be present today. The idea of a bicentenary celebration originated with the Maryland Historical Society, of which my good friend and one of the leading citizens of our State, Gen. Clinton L. Riggs, is now president. It has been a privilege to encourage the passage of this resolution through the various stages up to this point, and I hope the gentleman from Pennsylvania will not interpose an objection at this time.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. RICH. Since the chairman of the Rules Committee and these gentlemen want to honor this man, if they will eliminate that one word I will not object.

Mr. WOLCOTT. Well, Mr. Speaker, I object.

Mr. KELLER. Will the gentleman reserve his objection?

Mr. WOLCOTT. Yes; I will reserve it.

Mr. KELLER. There is a better reason for putting in that word than the one given. I do not believe even the gentleman from Pennsylvania [Mr. RICH] would object if he understood it.

Mr. WOLCOTT. I have no objection to that. My objection goes to the fact that we are spending $12,500 for a bicentenary celebration.

Mr. KELLER. The richest man in America offered to absolutely suffer the destruction of his fortune.

Mr. WOLCOTT. But we are spending entirely too much money for celebrations, and I object.

Mr. O'CONNOR. Will the gentleman reserve his objection?

Mr. WOLCOTT. Yes; I will.

Mr. O'CONNOR. Will the gentleman object if the amount is reduced to $7,500?

Mr. WOLCOTT. Yes.

Mr. COLE of Maryland. Do I understand that the gentleman from Michigan objects to the amount involved?

Mr. WOLCOTT. I have no objection to the amount.

Mr. MARTIN of Colorado. Mr. Speaker, reserving the right to object, would the gentleman from Illinois [Mr. KELLER] have any objection to inserting the words "last survivor"?

Mr. O'CONNOR. Simply that it is a Senate bill, and would require further consideration.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

There being no objection, the Clerk read as follows:

Whereas Charles Carroll of Carrollton during his lifetime of nearly a century rendered services of paramount importance to his country; and

Whereas on February 18, 1776, more than 4 months before the adoption of the Declaration of Independence, John Adams stated that "in the cause of American liberty, his zeal, fortitude, and perseverance have been so conspicuous that he is said to be marked out for a peculiar vengeance by the friends of administration; but he continues to hazard his all, his immense fortune, the largest in America, and his life"; and

Whereas in signing the Declaration of Independence Charles Carroll of Carrollton pledged his life, his sacred honor, and the largest fortune in America to the success of the Revolution; and

Whereas the services rendered by Charles Carroll of Carrollton to the United States during the War of Independence, and in the subsequent struggle to preserve the Republic from disintegrating, which resulted in the adoption of the present Constitution, received the warm praise of his contemporaries, including the Father of his Country; and

Whereas Charles Carroll of Carrollton, as United States Senator from Maryland, played a foremost part in the organization of the Federal Government, under the Presidency of George Washington; and

Whereas for a period of 56 years following the signing of the Declaration of Independence Charles Carroll of Carrollton watched the progress of American affairs with eager solicitude and labored unceasingly for the advancement of the Republic; and

Whereas Daniel Webster in an oration delivered at Faneuil Hall, Boston, on August 2, 1826, on the occasion of a civic tribute to Thomas Jefferson and John Adams, then recently deceased, paid eloquent homage to Charles Carroll of Carrollton, then the last of the signers, comparing him to a venerable oak "standing alone on the plain", hailing him as a "fortunate, distinguished patriot", and exhorting his hearers to "let him know that while we honor the dead we do not forget the living, and that there is not a heart here which does not fervently pray that Heaven may yet keep him back from the society of his companions"; and

Whereas in 1828, as a mark of national homage to Charles Carroll of Carrollton, Congress, by joint resolution, conferred upon him the franking privilege, Speaker Stevenson requesting him, in his official notification, to receive the honor "as a token of the distinguished respect and veneration which Congress entertains toward an early and devoted friend of liberty, and one who stood eminently forward in the purest and noblest band of patriots that the world has ever seen"; and

Whereas on November 15, 1832, the President of the United States, Andrew Jackson, voiced in feeling terms the tribute of the Republic to Charles Carroll of Carrollton, who had died on the preceding day, affirming that "no one estimated higher than I did his claims, whilst living, upon the gratitude and love of his country; none will cherish more sacredly his memory now that he is taken from us by the Great Disposer of the affairs of this world"; and

Whereas the bicentenary of the birth of Charles Carroll of Carrollton occurs on September 19, 1937; and

Whereas it is eminently proper and desirable that the United States should officially commemorate this event: Therefore be it

Resolved, etc., That the President of the United States be, and he is hereby, authorized to appoint a body of five persons, to be designated "The Charles Carroll of Carrollton Bicentenary Commission", this Commission to be charged by him with the work of making adequate preparations for a national celebration of the bicentenary of the birth of Charles Carroll of Carrollton. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this resolution.

With the following committee amendment:

On page 4, line 2, strike out the words "appropriated such sums as may be necessary" and insert "appropriated, out of any moneys in the Treasury not otherwise appropriated, a sum of not to exceed $12,500, or the necessary part thereof."

The committee amendment was agreed to.

The Senate joint resolution, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAN JUAN RIVER

The Clerk called the next bill, S. 3488, to provide for an examination and survey to determine the best utilization of the surplus waters of the San Juan River and to determine the feasibility and cost of storing such waters and of diverting them to the Rio Chama.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

MEMORIAL TO BETSY ROSS

The Clerk called the next business, House Joint Resolution 470, to authorize the selection of a site and the erection thereon of a suitable monument as a memorial to Betsy Ross.

The SPEAKER. Is there objection to the present consideration of the House joint resolution?

Mr. McLEAN and Mr. WOLCOTT objected.

Mr. McGROARTY. Will the gentlemen reserve their objection?

The SPEAKER. This joint resolution requires three objections.

Mr. LAMNECK. Mr. Speaker, I object.

Mr. WOLCOTT. I will reserve the objection for the purpose of allowing the gentleman from California to make a statement.

Mr. McGROARTY. Mr. Speaker, I do not think if the gentlemen would consider this for a moment, they would have any possible objection.

Mr. WOLCOTT. I have considered it, and considered it carefully, and I have put my objections in the RECORD. If the gentleman had read the record he would know that I had studied it thoroughly and my reasons for objecting to it.

Mr. McCORMACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. My parliamentary inquiry is whether or not three objections are required on this bill.

The SPEAKER. Three objections are required.

Mr. McCORMACK. Mr. Speaker, I ask for the regular order.

The SPEAKER. The regular order is, Is there objection to the consideration of the joint resolution?

Mr. LAMNECK, Mr. McLEAN, Mr. WOLCOTT, and Mr. EKWALL objected.

UTE INDIAN RESERVATION, UTAH

The Clerk called the next bill (H. R. 9156) to define the exterior boundary of the Ute Indian Reservation in the State of Utah, and for other purposes.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

INDIANS OF CALIFORNIA

The Clerk called the next bill, S. 1793, to amend the act entitled "An act authorizing the Attorney General of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. L. 602).

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a letter I received from the Secretary of the Interior on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The letter referred to follows:

THE SECRETARY OF THE INTERIOR,
Washington, May 1, 1936.

Hon. JOHN J. COCHRAN,
House of Representatives.

MY DEAR MR. COCHRAN: Upon your objection, along with that of three others, the California Indian jurisdictional bill (H. R. 5167), as reported by the House Indian Committee, was removed from the Consent Calendar.

A bill containing the same text (S. 1793) has now been placed upon the Consent Calendar of the House. Certain amendments to this bill, as I am advised, will be offered upon the floor in behalf of the House Indian Committee.

Analysis of the proposed amendments indicates that if enacted they would cause a delay of years in the settlement of the California Indian Jurisdictional Act now pending in the Court of Claims, with no compensating benefit either to the Indians or to the Government.

For your fuller information I am enclosing a copy of a letter which Commissioner Collier has sent to Chairman ROGERS, of the House Committee on Indian Affairs, and of the memorandum referred to in that letter.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, April 27, 1936.

Hon. WILL ROGERS,
Chairman, House Committee on Indian Affairs,
Washington, D. C.

DEAR MR. ROGERS: I suggest that serious attention needs to be given to the facts contained in the memorandum enclosed herewith.

The proposed amendment was not known to me nor to anybody in the Indian Office of the Department until it was presented at the committee's session on April 22. Therefore I was not able to do more than advise the committee that the amendment was not objectionable in that degree or in that way which had been true of the amendments that had been proposed at the earlier session.

I have now subjected the amendments to an analysis. I have gone back over the California rolls, and the documents that the rolls were built on, and have consulted with the Smithsonian Institution. The result is that which is put into the memorandum; that is, in sum:

(1) The amendment, if adopted, will constitute a leap into the dark. Neither its advocates nor Congress can know from existing records whether amendment will mean little or much gain or loss to the Indians or to the Government, as compared to the language of the unamended bill. But more important—

(2) The amendment, if adopted, would require the execution by the Department of the Interior and the Smithsonian Institution of a task wholly impossible. The California roll, which the amendment makes the basis for the determination of ratios, does not contain the information on which the two Departments would be required to base their determinations. Therefore if the amendment were adopted the bill thereafter would have to be again amended, and the inescapable research work in the field would delay the completion of the pending suit by many years while the Government set-offs continued to pile up.

The facts are given in the attached memorandum, and would be supported and elaborated should the committee desire to call before it the experts of the Smithsonian Institution.

In addition to the above, and wholly apart from it, I think it is proper to call your attention to an obscurity of language that reaches to the heart of the proposed amendment.

In an earlier letter dealing with the earlier proposed amendment I pointed out that the Court of Claims had consistently refused to award damages to Indians for the losses of lands which they claimed merely by virtue of aboriginal occupancy. Aboriginal occupancy, as construed by this unbroken opinion of the Court of Claims, did not create title.

Now the proposed amendment directs that the Court of Claims shall determine "the acreage of lands to which such tribes or bands of Indians * * * had title by reason of occupancy and use." The court is not directed to find what lands they had occupancy and use of; it is not directed to find that such occupancy and use constituted title; it is merely directed to find what lands, if any, these Indians had title to by reason of occupancy and use.

This language clearly fails to convey the result which the drafters of the amendment presumptively intended. The Court of Claims would be free to find that occupancy and use had created no title to a single acre. The precedent of the court would lead it to make exactly that determination. Hence the supposed purpose of the amendment, limited and indefinite as it is, would, or at least might, be defeated by the very language of the amendment.

The above considerations would seem to be conclusive to the effect that the amendment in its form as given would be (a) a leap into the dark; (b) the institution of a procedure altogether unfeasible in the light of what the rolls actually do contain; (c) a step seriously endangering the possibility of any recovery whatsoever by the Indians for the loss of the nontreaty areas.

Sincerely yours,

(Signed) JOHN COLLIER, *Commissioner.*

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, April 27, 1936.

MEMORANDUM EXPLAINING UNFEASIBILITY OF AMENDMENT OF CALIFORNIA INDIAN JURISDICTIONAL ACT AS PROPOSED BY HOUSE COMMITTEE ON INDIAN AFFAIRS

The amendment proposed on page 4, beginning line 1, of the House bill amendatory of the existing California Indian Jurisdictional Act would require the identification of each California Indian as being a descendant or not a descendant of a tribe or band which was a party to one of the "lost treaties." This identification would have to be based on the California Indian roll. Such is the requirement of the proposed amendment.

The language is loose, but the present tense is used. The wording used is: "That the net amount to be allowed on account of such nontreaty lands shall be limited to an amount which shall bear a relation to the amount allowed by reason of said treaties not greater than the number of nontreaty Indians *bears* to the number of treaty Indians." (Italics mine.)

Two issues, therefore, are raised.

First. What, on the basis of present information, can Congress presume as to the ratio between the descendants of treaty and nontreaty Indians?

This essential question simply cannot be answered at the present time. The data do not exist for answering it. No deduction can be made by working downward in time from the assumed ratios that may have existed in 1852. There has been much intermarriage between Indians presumptively descended from the treaty Indians and presumptively descended from the nontreaty group. The rate of decline of population has been in no sense uniform among the more than 300 California bands that existed in 1852.

The matter is further complicated by a reading of the signatures upon the "lost treaties." One hundred and forty tribes or bands appear as allegedly represented by at least one signatory. There were, as before stated, more than 300 tribes and bands. It is not clear, and in the absence of legislative definition it would become the duty of the court to determine whether bands not appearing among the signatories, but known as being linquistically or geographically or governmentally connected with the signatory bands, are or are not to be considered treaty Indians.

From the above it follows that no estimate as to the ratios would have any validity whatsoever, and from the point of view of the practical results that would flow from the proposed amendment Congress would be acting wholly in the dark.

Second. An even more baffling difficulty arises when an attempt is made to think out the operation of the amendment in terms of the processes leading toward an ultimate finding by the Court of Claims. The number of enrollees listed under the Jurisdictional Act is about 22,000. Examination of the rolls shows that the rolls do not yield the information even as to the alleged tribal or band origin of large numbers of Indians on the rolls. Going back of the rolls to the case records, it is found that the essential question 29, calling for statement of paternal and maternal California Indian ancestors back to 1852, is usually not answered at all.

In other words, from the existent record, the necessary evidence could not be gleaned—evidence which the court would absolutely have to have before it—for determining the essential question of ratios.

This would mean a new ethnogenealogical research, conducted on the ground, not by ordinary enrollment officers but by some ethnologist who has specialized upon California.

Be it noted that the act directs the Secretary of the Interior and the Smithsonian Institution to certify to the court from the census roll the requisite facts; and be it noted that the census roll does not contain the requisite facts.

An impossibility would be set up, necessitating amendatory legislation, with new appropriations for an original research that would require years of time to complete, and the passage of the case to final judgment would be delayed by at least that many years.

The above are practical facts which evidently were not known to or were not taken into account by those who formulated the proposed amendment.

It may be added that although the amendment has a certain appearance of superficial logic, there really is no logic to it.

(a) The ratio between nontreaty and treaty Indians as of 1852 might have equitable significance; their unknown and probably undeterminable ratio as of today has no equitable significance.

(b) The areas held in exclusive use by the divers tribes and bands were not measured by population, but were highly variable in size in relation to population. If the treaty groups made undue surrenders under the practically forced documents which they signed, is that any reason to retrospectively impose, after 80 years, a similar undue surrender upon the nontreaty groups?

(c) The treaties never were made effective; the Indians never moved into the areas delimited therein; those within the areas received no protection; the only practical significance of the treaties is that retrospective significance conveyed to them when Congress, through an act of grace, made them the measure of recovery for the California Indians as a body.

All the above procedural impossibility and confusion would be removed if, instead of adopting the amendment as proposed, the court simply were directed to award for aboriginal occupancy at an amount per acre to be named by Congress. If $1.25 per acre be deemed too large, then it would be simple enough for Congress to cut the per-acre award to 50 cents or 25 cents, or any figure which it wanted to adopt. Thereupon the case could proceed to judgment and not undergo delay of many years and be found unfeasible at the end of that time. The proposed amendment as it stands could only result in long delay and in unfeasibility.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this bill may go over without prejudice.

Mr. BURDICK. Mr. Speaker, will the gentleman withhold his request?

Mr. COSTELLO. Mr. Speaker, I withhold my request to permit the gentleman to make a statement.

Mr. BURDICK. This bill S. 1793 merely authorizes that attorneys representing the Indians in the California Indian matter now pending before the circuit court of appeals be selected by the Indians themselves. In other words, this bill is to permit the Indians to select counsel of their own choosing to represent them in the case, as well as the attorney general of the State of California.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. COCHRAN. If the gentleman will read the letters I am placing in the RECORD——

Mr. BURDICK. I have seen the letters. They were before the committee. The committee reported the bill unanimously.

Mr. COCHRAN. Why were they not placed in the report on the bill, then?

Mr. BURDICK. What is the use of having a Committee on Indian Affairs if we do not pay any attention to them?

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from California that the bill go over without prejudice?

There was no objection.

CIVIL GOVERNMENT FOR PUERTO RICO

The Clerk called the next bill, H. R. 12119, to amend sections 13 and 19 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes."

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, will some member of the committee inform me whether a supplementary report has been filed in conformity with the Ramseyer rule?

Mr. Speaker, I ask unanimous consent that this bill go over without prejudice. I have not had the benefit of any supplemental report or been able to study the bill, and there are many really important changes.

Mr. BLANTON. Regular order.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the bill may go over without prejudice. Is there objection?

There was no objection.

ADDITIONAL JUDGESHIP, DISTRICT OF KANSAS

The Clerk called the next bill, S. 3434, to provide for the appointment of one additional judge for the District of Kansas.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

INDIANS OF THE STATE OF OKLAHOMA

The Clerk called the next bill, S. 2047, to promote the general welfare of the Indians of the State of Oklahoma, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, I ask that this bill be passed over without prejudice.

Mr. ROGERS of Oklahoma. Mr. Speaker, reserving the right to object, has the gentleman given consideration to the bill except section 6 which is the authorization?

Mr. WOLCOTT. Mr. Speaker, I may say it is quite a radical departure from existing policy. Because of this I do not think it should be passed by unanimous consent. In addition, it involves about $2,000,000. I think it should be brought to the floor and considered as one of the very important Indian bills.

Mr. BLANTON. Mr. Speaker, I demand the regular order.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the bill be passed over without prejudice. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a letter I have received on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. BURDICK. Yes; I object. I object to the bill.

The SPEAKER. The bill has already been passed over without prejudice.

CHOCTAW INDIANS, MISSISSIPPI

The Clerk called the next bill, S. 2715, conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians in the State of Mississippi.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to place in the RECORD at this point a letter I have received on this bill.

Mr. BURDICK. From whom does the letter come?

Mr. COCHRAN. From the Comptroller General.

Mr. BURDICK. Mr. Speaker, I object.

Mr. COCHRAN. Mr. Speaker, I object to the bill.

CAPT. MOSES ROGERS

The Clerk called the next bill, H. R. 8998, to authorize the erection of a monument in memory of Capt. Moses Rogers.

Mr. WOLCOTT, Mr. YOUNG, and Mr. RICH objected.

DESIGNATION OF SEQUOIA TREE AS THE NATIONAL TREE OF THE UNITED STATES

The Clerk called the next bill, H. R. 10106, to designate the sequoia tree (Sequoia gigantea) as the national tree of the United States.

Mr. WOLCOTT, Mr. LEHLBACH, and Mr. McLEAN objected.

PROHIBITION OF INTERSTATE TRANSPORTATION OF STRIKE BREAKERS

The Clerk called the next bill, S. 2039, making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies.

Mr. MERRITT of Connecticut, Mr. RICH, and Mr. BLANTON objected.

IDENTIFICATION OF PRISON-MADE GOODS

The Clerk called the next bill, H. R. 11372, to amend Public Law No. 215, Seventy-fourth Congress, first session.

Mr. WOOD, Mr. SCHULTE, Mr. CURLEY, and Mr. CONNERY objected.

THE FEDERAL REGISTER

The Clerk called the next bill, H. R. 11337, to amend the Federal Register Act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LUDLOW. Mr. Speaker, reserving the right to object, may I ask my friend, the author of the bill, if he would be willing to accept an amendment which would add a new section providing that section 3 of such Federal Register Act is hereby amended by adding at the end thereof the following sentence? "The Federal Register shall be published not oftener than once a week."

Mr. CELLER. I may say to the gentleman from Indiana that I personally would have no objection. However, since speaking to the gentleman I read through the original bill and I find that section 5 of the bill provides for the publication of the various proclamations by the President and the various rules and regulations of the departments and they must be published within certain designated periods. If the

Register is published only once a week, we would have to also amend section 5 of the original act.

Mr. LUDLOW. May I say to the gentleman that I have read the original act very carefully and I cannot find in it anywhere a direction as to the number of times this publication shall be issued per week. I think it is very important in the interest of economy that a section be added which prescribes that the Register shall be issued but once a week.

Mr. BLANTON. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Texas.

Mr. BLANTON. How many Members out of the 435 does the gentleman from Indiana think even look at the Federal Register?

Mr. LUDLOW. I may say to the gentleman that I think it ought to be abolished entirely, but if we are going to keep it, I think it should be held down to one issue a week. There are now five issues every week, and it costs the taxpayers $263,000 a year, or over $1,000 every day it is issued. There are to date only 480 paid subscriptions, and the total revenue up to this moment is only $4,200. I submit that the Register ought to be abolished and this useless expense stopped.

Mr. BLANTON. Hundreds of them go into the waste-basket.

Mr. CELLER. The gentleman is in error. A great many Members read the Federal Register.

Mr. BLANTON. Has the gentleman read the last issue?

Mr. CELLER. I read the last one. This is not only for the edification of the Members of Congress. It is for the enlightenment of the entire country.

Mr. SCHULTE demanded the regular order.

Mr. LUDLOW. If the gentleman will not accept the amendment, I shall be compelled to object. I regret to object, because I know how deeply and sincerely the gentleman from New York is interested in this publication, but my sense of duty compels me to do so. If the gentleman will agree to my amendment, I shall not object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAMNECK, Mr. BLANTON, Mr. SCHULTE, and Mr. LUDLOW objected.

WHY LIMIT WAR PROFITS?

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a good speech I made over the radio last week.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, some time ago I was invited by the National Council for Prevention of War to broadcast over WOL and associated stations on the subject "Why Limit War Profits?" Because of my recent investigation concerning this subject matter, I was glad to accept their invitation and on Thursday evening, May 28, delivered the following address:

I first desire to thank WOL for their courtesy in the use of their facilities this evening. I wish I had ample time in which to cover the subject assigned to me, "Why Limit War Profits?"

It is a very interesting subject and has many interesting phases, and it would take some time to cover the different angles. The whole question of open competition, limitation of profits, or, in the alternative, Government ownership of factories making war supplies, is wrapped up in the question of our system of procurement of all war supplies since the beginning of our entry into the World War and our experience in trying to secure competition in all of our war-supply purchases since the war down to date.

MUNITIONS LOBBY

Because of the different war munitions lobbyists operating in Washington, they have been able to secure legislation appropriating many millions of dollars. The records show how a few concerns in truth and in fact have secured the lion's share of these millions expended. For example, we find the naval expenditures the last 25 years total $10,670,778,419, and Army expenditures $24,295,519,301.

COST PLUS 10 PERCENT WAR CONTRACTS

During the World War practically all war-munitions contracts were let on what was known as a cost-plus 10-percent profits basis. Different investigations since the war have shown how flagrant were the violations of these contracts and the different methods used by the war profiteers to run up unconscionable profits. Because of the disclosures thus made over the cost-plus 10-percent contracts this system of procurement was discontinued soon thereafter.

ORIGINALLY COMPTROLLER'S OFFICE HAD SAY

Under the general law the legality of all Government procurement contracts and the provisions of the law requiring open competition in such procurement has been under the direction and supervision of the Comptroller General's office. This office has rendered splendid service as far as within its power in requiring the strict compliance with the law and requiring open competition in the letting of such contracts.

The war profiteers making all kinds of materials, such as ships, aircraft, ordnance, etc., have had their well-organized lobbies to turn the heat on Congress to amend the procurement laws so as to take away from the Comptroller's office the final say as to whether or not the requirements of the law as to competition in the purchase of all such equipment has been complied with.

THE AIRCRAFT ACT OF 1926

For example, the aircraft and scientific-instrument concerns were instrumental in the enactment of the Aircraft Act of 1926, which took away from the Comptroller's office the final right to say whether or not open competition had been met in all aircraft procurement. This act set up a system of purchasing all aircraft supplies and accessories under the exclusive control of the War and Navy Departments, and the Secretaries of War and the Navy had the final say as to whether or not competition was had in such purchases.

MILITARY AND NAVAL AFFAIRS INVESTIGATIONS

Investigating committees were appointed by the House Military and Naval Affairs Committees in 1934 to check up on all purchases of aircraft and accessories for the War and Navy Departments. While a majority of the Naval Affairs Investigating Committee found all naval aircraft purchases from 1926 to date were in keeping with the law, I filed a minority report pointing out that the Comptroller's records show that 92 percent of all the naval aircraft equipment and 91.3 percent of all the Army aircraft equipment purchased under said act of 1926 down to date of filing said report in 1934 had been purchased in violation of said law, and that the Judge Advocate General's Departments of both the War and Navy had continuously so held that such equipment had been bought without open competition, as required by such law.

The House Military Affairs Investigating Committee later filed a similar report, showing that the Army had not followed the Aircraft Act in requiring open competition in their aircraft procurement. In my report at the time I pointed out, as shown by the records, the enormous profits that were being made by these different aircraft concerns and showed from the Comptroller's records that about one-half dozen aircraft companies and two aircraft engine manufacturing companies practically controlled all aircraft business with the Army and the Navy Departments.

MY MINORITY REPORT

I also pointed out that from July 1926 through December 1933 the Army had bought 4,245 engines and 1,857 airplanes and the Navy 3,158 engines and 1,076 airplanes; of the 4,245 engines purchased by the Army 2,492 were bought from Pratt & Whitney, and 1,740 from the Wright Aeronautical Co., and only 13 engines were bought from all other engine concerns in the United States. Of the 3,158 engines purchased by the Navy 2,149 were purchased from Pratt & Whitney, 973 from the Wright Aeronautical, and 36 from all others.

I placed in the CONGRESSIONAL RECORD my minority report, which contained carefully checked charts which showed the latest known performance of every warplane and engine in the world at that time, and this chart clearly showed that while the United States was spending far more money than any other nation for aircraft equipment, we stood practically at the foot of the list in each of the categories as compared to the latest known performance of the different warplanes and engines of the other great powers.

SYSTEM OF PROCUREMENT

Under the Aircraft Act of 1926, whenever different or experimental equipment is desired other than that in use in the service, the law provides, under section 10K of said act, that all such experimental equipment shall be purchased through negotiated contracts at Government expense under proper Government supervision; and more than $20,000,000 the last 10 years has been appropriated and expended by the Navy Department and more than twice that sum by the War Department for such experimental aircraft supposedly to be purchased through negotiated contracts. On all quantity purchases under the act open competition is provided. According to the Comptroller's records and their construction of these contracts, as above shown, 92 percent of these purchases have been made in violation of the law.

TEN PERCENT FOR THE NAVY

Mr. TOBEY, of New Hampshire, offered the 10-percent profits-limitation amendment to the Vinson-Trammell Act on the floor of Congress on March 6, 1934, limiting the profits on all ship and aircraft construction of the Navy. This amendment was agreed to by the chairman and finally worked out and approved in free conference and became a law March 27, 1934.

TEN PERCENT FOR THE ARMY

I offered a 10-percent profits-limitation amendment to the War Department appropriations bill on February 14 this year, limiting

the profits on all aircraft and ordnance supplies, which amendment was unanimously approved by the House.

GENERAL CRAIG AND MR. WOODRING TESTIFY

When this appropriations bill went to the Senate, General Craig and Assistant Secretary of War Woodring went before the Senate subcommittee on appropriations and bitterly opposed this 10-percent amendment.

General Craig testified before the Senate committee that the naval 10-percent profits-limitation amendment "was the outgrowth of careful hearing in committee, amendment, debate, conference, and rejected agreement and further conference. It was sufficient to constitute a problem in itself. The War Department is quite in accord with the implied intention of this proposed section to limit profit on contracts to reasonable figures. However, it is strongly opposed to any wording of such an important law being inserted in the appropriation act without careful investigation of its reactions on its system of proposals."

When, as shown by the CONGRESSIONAL RECORD, the naval amendment was inserted on the floor of the House and retained in the conference committee report, Mr. Woodring in his testimony before the Senate committee frankly admitted the aircraft law had not been complied with when he testified:

"In looking up the law some 2 years ago I found that we were not carrying out the law, the Defense Aircraft Act of 1926, in the method in which we were procuring our aircraft, and as you know—you have heard a lot about it—we changed from a negotiated contract to a competitive-bidding basis, which I think conscientious opinion holds is according to law."

Under the Aircraft Act of 1926 all experimental aircraft in small quantities is supposed to be purchased through negotiated contracts by the War and Navy Department and after the kind and character of equipment is determined under said act when purchases of aircraft are to be made in quantity lots, the law requires advertising to the public and open competitive bidding so that all may compete.

Under the system, Mr. Woodring has worked out, according to his testimony to the Senate committee, he states:

"The bidder is required to submit with his bid a completed airplane on the line for test, as he submits his bid, and these airplanes are thoroughly tested and contracts awarded to the manufacturer who has produced the finest-performing airplane, after we have evaluated all the planes in competition.

"To insure the reasonableness of the cost a careful financial audit is made of the cost figures of the manufacturer, after we make an award."

Thus you will note that their present system of aircraft procurement has no open competition as required by law, and no bidder has any assurance that regardless of the superiority of his products, will he have any right to expect to secure the contract.

HOW MR. WOODRING'S SYSTEM WORKS

For example, in August 1934 the War Department decided to buy 20 airplanes for a quantity purchase, but they disregarded advertising as the law requires, and the planes were not purchased as experimental contract as the law requires. There were, it seems, four bidders for this contract: Douglass, Curtiss-Wright Airplane Co., Fairchild Aircraft Corporation, and Bellanca Aircraft Corporation. Douglass bid $49,500 for the skeleton plane, Curtiss-Wright $29,500, the Fairchild Aircraft Corporation $29,150, and Ballanca Aircraft Corporation $17,424. The War Department gave the contract to the Douglass Co., whose bid was more than $20,000 per skeleton plane higher than each of the other bidders, all of whose planes met more than the minimum requirements as set out in the specifications.

I spoke on the policy of aircraft procurement and covered this subject fully in my remarks in the RECORD of February 18 and March 23, pointing out the Comptroller General's reasons why he recommended the rejection of the contract to the Douglass Co.

In debate on the conference report May 6, the records show one of the members indicated the reason for the purchase of the Douglass planes in spite of the high bid was that: "The savings of gasoline alone has been about $12,000 aside from the increased efficiency and safety."

I immediately wired the Bellanca Aircraft Corporation for the facts regarding purchase of said planes, to which they replied:

"Retel on order for 20 Bellancas, Government would have saved $250,000 on planes and additional $375,000 in gasoline, making a total saving of $1,223,000. Had Air Corps expended same amount for Bellancas as for 20 Douglasses would have secured 40 Bellanca cargo planes, flying 6,000,000 more miles and carrying 51,700,000 more pounds over 300-mile trips. Bellanca transport cargo airplanes safest in world; not a single fatality in millions miles operations. Fourteen Bellanca cargo ships were used by Air Corps in carrying air mail in January 1934, with best results. Detailed letter follows special delivery. Bellanca Aircraft Corporation."

Thus we see how the War Department, regardless of the merits of the planes offered for any reason known to themselves, real or imaginary, they purchase whatever plane they desire, regardless of its merit or cost to the Government.

According to Fairchild and Bellanca, on these 20 planes alone the Government stands to lose more than $1,000,000, to say nothing of inferior equipment.

We are now in the midst of purchasing hundreds of airplanes for both the War and Navy Departments, which, under the system now in force, gives little or no protection to opening competition to the industry or to protect the taxpayers.

Yet my 10-percent profits-limitation amendment was taken out of the War Department's appropriation bill, and the 10-percent profits-limitation amendment placed in the Vinson-Trammell Naval Act in 1934 will be practically nullified if H. R. 5730, now pending on the calendar of the Senate, is enacted, but we urge you to ask your Senator to vote against this bill.

Every national war veterans' organization has urged Congress to take the profits out of war. If we cannot have honest competition in all war-munitions procurement or limit their profits, the only other alternative is Government ownership, to protect the taxpayer and to stop the war profiteers from continually lobbying through Congress large appropriations for their own private gain.

Every taxpayer should read the Senate Munitions Committee's investigations report, with which I am in hearty accord. Good night.

CONSENT CALENDAR

PRESCRIBING A CONDITION PRECEDENT TO THE AWARD OF CERTAIN CONTRACTS BY FEDERAL AGENCIES

The Clerk called the next bill, H. R. 12260, prescribing a condition precedent to the award of certain contracts by Federal agencies.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Federal agencies (as defined in sec. 3 of this act) shall require bids for the construction, alteration, or repair of any public building or public work to be accomplished by bid security. No bid for any such work which is not accompanied by the stipulated security shall be accepted.

SEC. 2. Such bid security shall be a bid bond executed by a guaranty company as surety or a certified check or obligations of the United States (including obligations which are guaranteed by the United States as to the payment of principal and interest). The amount of such security shall be stipulated in the invitation to bid, which amount shall be expressed either as a percentage of the amount of the bid or as a lump sum as may be deemed advisable by the contracting Federal agency.

SEC. 3. The term "Federal agency", as used in this act, means any executive department, independent establishment, commission, board, bureau, division, office in the executive branch, or corporation whose stock is wholly owned by the United States.

With the following committee amendment:

Page 1, line 5, strike out "accomplished" and insert "accompanied."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAVAL AIR BASE AT TONGUE POINT, OREG.

The Clerk called the next bill, H. R. 10129, authorizing an appropriation for the development of a naval air base at Tongue Point, Oreg.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. UMSTEAD. Mr. Speaker, I object.

Mr. MOTT. Will the gentleman withhold his objection?

Mr. UMSTEAD. I shall be glad to withhold the objection.

Mr. MOTT. I may say to the gentleman that he and possibly one other Member are the only Members of the House, so far as I can ascertain, who have any objection to this bill. It is my understanding that it is impossible, under the circumstances, to secure a rule upon this bill at the present session of Congress so that a vote may be had upon this matter. This is very likely the last Consent Calendar day of the session. The gentleman has had several weeks to make a careful investigation, and I do not believe he really has a fundamental objection to the bill.

Under the circumstances I am simply asking if the gentleman cannot see his way clear to let this authorization go through at this session?

Mr. UMSTEAD. I regret I cannot, Mr. Speaker. I object.

CONSTRUCTION OF AUXILIARY VESSELS FOR THE NAVY

The Clerk called the next bill, H. R. 11369, to authorize the construction of certain auxiliary vessels for the Navy.

Mr. VINSON of Georgia. Mr. Speaker, in view of the fact that a rule has been granted by the Rules Committee for the consideration of this measure, I ask unanimous consent that the bill be stricken from the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

CLAIMS OF THE ASSINIBOINE INDIANS

The Clerk called the next bill, H. R. 9144, conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. COCHRAN. Mr. Speaker, I have a letter from the Comptroller General of the United States with respect to this bill, and I ask unanimous consent to place the letter in the RECORD at this point.

Mr. BURDICK. I object, Mr. Speaker.

Mr. COCHRAN. I object to the consideration of the bill, Mr. Speaker.

LIMITATION OF SHIPOWNERS' LIABILITY

The Clerk called the next bill, H. R. 9969, relative to limitation of shipowners' liability.

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, I see the author of the bill here, and I wonder if he would not make a brief statement about the measure.

Mr. BLAND. Mr. Speaker, the bill clarifies the bill that was passed in the closing days of the last session of the Congress with reference to limitation of liability. This is one feature of the bill.

Another feature of the measure is that it was found that on the back of a number of passenger tickets that were being issued, there were provisions that practically did away with the liability that had been passed by this House and that we had made the law of the land. We have put provisions in this bill that will make them null and void. This is really a clarifying measure, and I may say that the advisory committee in the interest of safety-at-sea legislation recommends that the bill be passed.

Mr. DIRKSEN. Mr. Speaker, I withdraw my reservation of objection.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. COSTELLO. On page 6, of the bill, I notice the amendment strikes the word "actual" from the original draft. It would seem to me in order to make it possible for the master of a seagoing vessel to be held liable he should only be responsible, in the event of loss of life, in a case where there was actual privity or knowledge on the part of the master, and it sems to me that anybody seeking to bring suit should be obligated to prove actual knowledge.

Mr. BLAND. Well, there was considerable difficulty about that. The matter was considered very carefully, and that was one of the bones of contention, and the word "actual" was contemplated to mean personal, as used there, and it was felt that to require actual knowledge on the part of the master was going too far; that if there were circumstances and conditions that imposed upon the master the duty to know these things, then he ought to know them.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4655), an identical bill, which this day passed the Senate, and consider the same in lieu of the House bill.

There being no objection, the Clerk read the Senate bill as follows:

An act relative to limitation of shipowners' liability

Be it enacted, etc., That section 4283 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 183; Supp. I, title 46, sec. 183), is hereby amended to read as follows:

"SEC. 4283. (a) The liability of the owner of any vessel, whether American or foreign, for any embezzlement, loss, or destruction by any person of any property, goods, or merchandise shipped or put on board of such vessel, or for any loss, damage, or injury by collision, or for any act, matter, or thing, loss, damage, or forfeiture, done, occasioned, or incurred, without the privity or knowledge of such owner or owners, shall not, except in the cases provided for in subsection (b) of this section, exceed the amount or value of the interest of such owner in such vessel, and her freight then pending.

"(b) In the case of any seagoing vessel, if the amount of the owner's liability as limited under subsection (a) is insufficient to pay all losses in full, and the portion of such amount applicable to the payment of losses in respect of loss of life or bodily injury is less than $60 per ton of such vessel's tonnage, such portion shall be increased to an amount equal to $60 per ton, to be available only for the payment of losses in respect of loss of life or bodily injury. If such portion so increased is insufficient to pay such losses in full, they shall be paid therefrom in proportion to their respective amounts.

"(c) For the purposes of this section the tonnage of a seagoing steam or motor vessel shall be her gross tonnage without deduction on account of engine room, and the tonnage of a seagoing sailing vessel shall be her registered tonnage: *Provided*, That there shall not be included in such tonnage any space occupied by seamen or apprentices and appropriated to their use.

"(d) The owner of any such seagoing vessel shall be liable in respect of loss of life or bodily injury arising on distinct occasions to the same extent as if no other loss of life or bodily injury had arisen.

"(e) In respect of loss of life or bodily injury the privity or knowledge of the master of a seagoing vessel or of the superintendent or managing agent of the owner thereof, at or prior to the commencement of each voyage, shall be deemed conclusively the privity or knowledge of the owner of such vessel.

"(f) As used in subsections (b), (c), (d), and (e) of this section, and in section 4283A, the term 'seagoing vessel' shall not include pleasure yachts, tugs, towboats, towing vessels, tank vessels, fishing vessels or their tenders, self-propelled lighters, nondescript self-propelled vessels, canal boats, scows, car floats, barges, lighters, or nondescript non-self-propelled vessels, even though the same may be seagoing vessels within the meaning of such term as used in section 4289 of this chapter, as amended."

SEC. 2. Chapter 6 of title 48 of the Revised Statutes, as amended, is hereby amended by inserting after section 4283A the following new section:

"SEC. 4283B. Stipulations limiting liability for negligence invalid: It shall be unlawful for the manager, agent, master, or owner of any vessel transporting passengers between ports of the United States or between any such port and a foreign port to insert in any rule, regulation, contract, or agreement any provision or limitation (1) purporting, in the event of loss of life or bodily injury arising from the negligence or fault of such owner or his servants, to relieve such owner, master, or agent from liability, or from liability beyond any stipulated amount, for such loss or injury, or (2) purporting in such event to lessen, weaken, or avoid the right of any claimant to a trial by court of competent jurisdiction on the question of liability for such loss or injury or the measure of damages therefor. All such provisions or limitations contained in any such rule, regulation, contract, or agreement are hereby declared to be against public policy and shall be null and void and of no effect."

SEC. 3. Section 4285 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 185) is hereby amended to read as follows:

"SEC. 4285. The vessel owner, within 6 months after a claimant shall have given to or filed with such owner written notice of claim, may petition a district court of the United States of competent jurisdiction for limitation of liability within the provisions of this chapter, as amended, and the owner (a) shall deposit with the court, for the benefit of claimants, a sum equal to the amount or value of the interest of such owner in the vessel and freight, or approved security therefor, and in addition such sums, or approved security therefor, as the court may from time to time fix as necessary to carry out the provisions of section 4283, as amended, or (b) at his option shall transfer, for the benefit of claimants, to a trustee to be appointed by the court, his interest in the vessel and freight, together with such sums, or approved security therefor, as the court may from time to time fix as necessary to carry out the provisions of section 4283, as amended. Upon compliance with the requirements of this section all claims and proceedings against the owner with respect to the matter in question shall cease."

SEC. 4. Section 4289 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 188), is hereby amended to read as follows:

"SEC. 4289. Except as otherwise specifically provided therein, the provisions of the nine preceding sections and of section 18 of the act entitled 'An act to remove certain burdens on the American merchant marine and encourage the American foreign carrying trade, and for other purposes', approved June 26, 1884 (23 Stat. 57; U. S. C., 1934 ed., title 46, sec. 189), shall apply to all seagoing vessels, and also to all vessels used on lakes or rivers or in inland navigation, including canal boats, barges, and lighters."

SEC. 5. Section 2 of the act entitled "An act relative to limitation of shipowners' liability", approved August 29, 1935 (U. S. C., 1934 ed., Supp. I, sec. 183a), is hereby repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The similar House bill was laid on the table.

INTERSTATE REFERENCE BUREAU

The Clerk called House Joint Resolution 481, to make available to Congress the services and data of the Interstate Reference Bureau.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That upon the acceptance of the provisions of this joint resolution by the Council of State Governments it shall be its duty and the duty of the Interstate Reference Bureau, jointly conducted by said council and by the American Legislators Association, the National Association of Attorneys General, and the National Association of Secretaries of State, upon request therefor, to make their services and their indices, digests, compilations, bulletins, and other data available to either House of Congress, its committees and Members, and to the Legislative Reference Service of the Library of Congress, and to act as a clearing house in making so available the similar data of the legislative reference bureaus of the several States and the similar data of other research agencies. For carrying out the purpose of this joint resolution there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, and for each fiscal year thereafter, the sum of $40,000 to be expended by the Council of State Governments for the maintenance of said Interstate Reference Bureau. The Council of State Governments and its executive and administrative agency, the Interstate Reference Bureau, are hereby recognized as agencies capable of rendering valuable assistance and information in connection with legislative problems and other governmental problems, as well as useful instrumentalities in connection with efforts to coordinate the legislation and governmental activities of the several States and of the Federal Government, and as quasi-governmental agencies, which are maintained in part by appropriation of various States. The appropriations made pursuant to this joint resolution shall be disbursed by the Clerk of the House of Representatives of the United States.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAVAL AIR STATION, ALAMEDA, CALIF.

The Clerk called the bill (S. 4020) to authorize the acquisition of lands in the city of Alameda, county of Alameda, State of California, as a site for a naval air station and to authorize the construction and installation of a naval air station thereon.

The SPEAKER. Is there objection?

Mr. DELANEY. Mr. Speaker, inasmuch as the Rules Committee has reported a rule on this bill, I ask that it be stricken from the calendar.

The SPEAKER. Without objection, it is so ordered.

ADDITIONAL DISTRICT JUDGE FOR NORTHERN AND SOUTHERN DISTRICTS OF WEST VIRGINIA

The Clerk called the next bill, S. 2456, an act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

LIBRARY OF CONGRESS TRUST FUND BOARD

The Clerk called the next bill, H. R. 12353, to amend an act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925, is amended by striking out the first seven words of the last paragraph of section 2 thereof, to wit, the words "Should any gift or bequest so provide" and substituting therefor the words "In the absence of any specification to the contrary."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF SIX MILE CREEK, LOGAN COUNTY, ARK.

The Clerk called the bill (H. R. 12202) to provide for a preliminary examination of Six Mile Creek in Logan County, Ark., with a view to flood control, and to determine the cost of such improvement.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, we have a very comprehensive flood-control bill pending, and I should like to some explanation of this bill.

Mr. MILLER. I can tell the gentleman what it does. It is to survey this stream under direction of the War Department, as it has surveyed thousands of other streams.

Mr. RICH. This bill is only to give a preliminary survey by the War Department.

Mr. JENKINS of Ohio. I withdraw my reservation of objection.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Six Mile Creek (also known in its lower reach as Short Mountain Creek) in Logan County, Ark., to determine the feasibility of flood-control work on said creek and the cost of such improvement, in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of floods of the Mississippi River and the Sacramento River, Calif., and for other purposes", approved March 1, 1917, and the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROMOTION OF SPECIAL-DELIVERY MESSENGERS

The Clerk called the next bill, H. R. 11822, to permit certain special-delivery messengers to acquire a classified status through noncompetitive examination.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Reserving the right to object, this bill putting the special-delivery carriers under civil service in its political aspect is comparable to a bill before us sometime ago putting the first-, second-, and third-class postmasters under civil service. It will result in placing these carriers under civil service without a competitive examination, and for that reason I object.

Mr. HAINES. Let me say that this bill was introduced by the request of several special messengers appointed years ago who had no opportunity to get a civil-service status. It does not apply to any except those who have been in the service 5 years.

Mr. WOLCOTT. All of the special-delivery carriers in my district have been replaced within the last 2 or 3 years. If this administration is reelected, they will have had 5 years' service.

This act provides that they will carry on the duties of a special carrier until they are called into the regular service, which authorizes the perpetuation in office of every politically appointed special-delivery carrier in the event that this administration is returned to office. For that reason I object.

Mr. HAINES. Mr. Speaker, I do not know anything about the political status the gentleman refers to. This bill did not come from the Department.

Mr. WOLCOTT. I never would object to a bill brought in here which provided to put these men under the civil service after a competitive examination; and if the gentleman will bring in a bill of that kind, it will be passed.

Mr. HAINES. This bill was brought to us by some employees, not by the Department.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I object.

POSTAL RATES ON THIRD-CLASS MATTER

The Clerk called the bill (H. R. 11954) to amend the act of February 28, 1925 (43 Stat. 1053), relative to postal rates on third-class mail matter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 206 (a) of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes", approved February 28, 1925, as amended (43 Stat. 1053; U. S. C., 1934 edition, title 39, sec. 235), is hereby amended by inserting before the period at the end of such section a comma and the following: "but bills or statements of account produced by any photographic or mechanical process shall not be accepted as mail matter of the third class unless presented in quantities of 20 or more identical copies. When such bills or statements are not identical or are

presented in quantities of less than 20 identical copies, they shall be subject to postage at the first-class rate".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MEMORIAL IN HONOR OF UNKNOWN SOLDIERS BURIED IN PHILADELPHIA

The Clerk called the bill (H. R. 9040) to provide for the erection of a memorial in the National Cemetery of Philadelphia, Pa., in honor of the 40 unknown soldiers of America's wars who lie buried there.

The SPEAKER. Is there objection?

Mr. COSTELLO. Mr. Speaker, I object.

MEMORIAL FOR CHIEF JUSTICE JOHN JAY

The Clerk called the bill (H. R. 10716) securing memorial for John Jay, first Chief Justice of the Supreme Court of the United States.

The SPEAKER. Is there objection?

Mr. CLARK of Idaho. Mr. Speaker, I reserve the right to object.

Mr. RICH. Mr. Speaker, I reserve the right to object. Has this bill been approved by the Park Commission?

Mr. KELLER. It does not have to be.

Mr. MILLARD. The bill has been approved by the Committee on the Library and by Chief Justice Hughes and the other Justices of the Supreme Court. It is merely for the erection of a tablet in memory of John Jay, to be selected by the Chief Justice.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the United States Supreme Court Building Commission be, and is hereby, authorized and directed to secure and place in the new Supreme Court Building in the city of Washington, D. C., a suitable memorial to John Jay, the first Chief Justice of the Supreme Court of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MEMORIAL TO HAYM SALOMON

The Clerk called House Joint Resolution 467, authorizing the erection of a memorial to the late Haym Salomon.

The SPEAKER. Is there objection?

Mr. COSTELLO. Mr. Speaker, I reserve the right to object.

Mr. GILLETTE. Mr. Speaker, I hope the gentleman will not object to this. This is an instance of perhaps the gravest national ingratitude there is on record. There is no expense to the Government involved in this resolution.

Mr. COSTELLO. There will be no cost at all to the Federal Government other than providing the site?

Mr. GILLETTE. No.

Mr. COSTELLO. The Government will not be called upon to erect the statute?

Mr. GILLETTE. No; all this provides for is just the site.

Mr. COSTELLO. Mr. Speaker, under the circumstances I have no objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the joint resolution as follows:

Resolved, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to grant permission for the erection on public grounds of the United States in the city of Washington, other than those of the Capitol, the Library of Congress, and the White House, of a memorial of proper and artistic form to the late Haym Salomon, by his friends in America, in recognition of the patriotic and meritorious services rendered by him to the United States Government during the most trying period of the American Revolution: *Provided*, That the site chosen and the design of the memorial shall have the approval of the National Commission of Fine Arts, and that the United States shall be put to no expense in or by the erection of the said memorial.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JEFFERSON DAVIS NATIONAL HIGHWAY

The Clerk called the bill (S. 2737) authorizing the erection in the District of Columbia of a suitable terminal marker for the Jefferson Davis National Highway.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I object.

SEVENTY-FIFTH ANNIVERSARY, BATTLE OF GETTYSBURG

The Clerk called House Joint Resolution 532, for the establishment of a commission in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg in 1938.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg, the President of the United States is authorized to appoint a commission of five persons to cooperate with the commission appointed by the Governor of the State of Pennsylvania. The commission shall serve without compensation and shall select a chairman from among their number.

SEC. 2. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to be expended by the commission in accordance with the provisions of this resolution.

SEC. 3. That it shall be the duty of the commission to aid in planning for the commemoration of the seventy-fifth anniversary of the Battle of Gettysburg, and to give due and proper consideration to any plan or plans which may be submitted to them.

SEC. 4. That the commissioners shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties out of the money appropriated.

SEC. 5. The commission is authorized to approve the style and form of medals which can be offered for sale upon such terms and plans agreed upon.

SEC. 6. That the term of the commission hereby created shall expire within 1 year after the commemoration of the seventy-fifth anniversary of the Battle of Gettysburg.

SEC. 7. This joint resolution shall take effect immediately.

With the following committee amendments:

Page 2, strike out lines 1 to 4, inclusive, and page 2, strike out lines 10 to 13, inclusive, and on page 2, correct the section numbers.

The amendments were agreed to; and the joint resolution, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

BLUE RIDGE PARKWAY

The Clerk called the next bill, H. R. 12455, to provide for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, in the conference report which will be submitted to the House in a few days on the Highway Act, amendment no. 5 authorizes this parkway. I objected to the amendment in conference, and I expect a contest on that amendment which will cover the subject matter of this bill. This parkway is 477 miles long and 800 feet wide. It is not within the realm of the ability of the human mind to contemplate any such park. For that reason I object.

Mr. DOUGHTON. Mr. Speaker, will the gentleman reserve his objection?

Mr. WOLCOTT. I will withhold the objection.

Mr. DOUGHTON. Of course, if the gentleman wants to object, that is his privilege, but this does not provide for the appropriation of any money. The parkway is already under construction, and, so far as the right-of-way of 800 feet is concerned, that only provides for an easement, over which the Park Service may have control, to see that no improper signs should be erected, and so forth.

Mr. WOLCOTT. The gentleman should have in mind that the construction of this parkway was authorized by Executive order only. They have spent something like $1,000,000 on it already. It is eventually going to cost $25,000,000.

Mr. DOUGHTON. But there have been $6,000,000 already allocated, and there are 100 miles already under construction.

Mr. WOLCOTT. It is the President's responsibility for doing it without the consent of Congress. Two wrongs do not make one right. For that reason, Mr. Speaker, I object.

CONSTRUCTION OF PUBLIC BUILDINGS IN WASHINGTON, D. C.

The Clerk called the next bill, H. R. 11959, to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926 (44 Stat. 630), as amended.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Reserving the right to object, does the gentleman from Indiana wish to make a statement?

Mr. CROWE. I should like to say that this bill is to further carry out the Federal building program in Washington, D. C., which was started in 1926, amended in 1928, and again in 1930. It contemplates the purchase of lots 81, 104, 122, 58, 59, 44, and 33, as well as some other parcels of ground, for the War and Navy Building and for a complete plan of further construction of Federal buildings. We pay more than $2,000,000 rent which might be saved by completing the Federal program of building in Washington, D. C.

Mr. WOLCOTT. I think I am in accord with the gentleman's proposition. I know what he is trying to accomplish, but this involves some millions of dollars, and I think it is too important to be considered by unanimous consent. I might say to the gentleman that I may go along with him and vote for the bill after a discussion of the bill, but I do not think, under the conditions under which we are living now, that this House should adopt such bills as this, virtually authorizing the Government to commit the Treasury to spend millions of dollars without more consideration than is given under unanimous consent.

If the gentleman prefers, I will ask unanimous consent that the bill go over without prejudice, so that the bill will be in no way prejudiced if the gentleman wishes to ask to suspend the rules, or to get a rule for consideration of the bill.

Mr. CROWE. I will appreciate it very much if the gentleman will do that.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

ATTENDANCE OF MARINE BAND AT TEXAS CENTENNIAL CELEBRATION, ARKANSAS CENTENNIAL CELEBRATION, AND NATIONAL CONFEDERATE REUNION

The Clerk called the next bill, H. R. 11970, to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration, at Little Rock, Ark., on June 2, 3, 4, and 5, 1936; the Texas Centennial, at Dallas, Tex., on June 6, 7, and 8, 1936; and the Forty-sixth National Confederate Reunion, at Shreveport, La., on June 9, 10, 11, and 12, 1936.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. FULLER. Mr. Speaker, will the gentleman reserve his objection?

Mr. WOLCOTT. I will reserve it; yes.

Mr. FULLER. The Senate has just passed a bill reducing the amount of money appropriated. This is for the purpose of sending the Marine Band to the Confederate Reunion at Shreveport, La., and also to Dallas, Tex., and Little Rock, Ark., for the opening of their centennials. The President of the United States is going to make a trip down there to open those celebrations and they want the band at Little Rock on the 10th of June. The main expense is to attend the Confederate Reunion at Shreveport. Since I have been a Member of this House I have never heard of anyone objecting to the Marine Band going to the Confederate or G. A. R. reunions at any point in the United States. I trust the gentleman will withdraw his objection to this measure.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. O'CONNOR. It is quite the common practice that the Marine Band is sent to these celebrations. It has been done time and again.

Mr. WOLCOTT. I am very sorry, but under the circumstances I must object.

Mr. TERRY. The amount has been reduced to $11,500.

Mr. FULLER. I think it is a courtesy which we owe to the President of our Nation when he is going to make a trip like this, in addition to the fact that it is to enable them to attend the Confederate reunion.

Mr. WOLCOTT. I regret exceedingly that I am compelled to do it, but I am constrained to object.

The SPEAKER. Objection is heard.

HIGH COMMISSIONER TO THE PHILIPPINE ISLANDS

The Clerk called the next bill, H. R. 12061, to authorize the President to designate an Acting High Commissioner to the Philippine Islands.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, I do not think we should pass these bills without studying the motive behind the bill.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. O'CONNOR. Request for a rule has been made of the Rules Committee, but at this stage of the session we are anxious to avoid rules. The Secretary has communicated with me and is anxious to have this bill passed. The present Commissioner is in this country and when he is not in the Philippines an acting commissioner is necessary.

Mr. WOLCOTT. I think I understand the situation; but again I say we should not pass bills of this kind without clearly understanding what we are doing. The purpose of this bill without any question of doubt in anybody's mind is to allow the present Commissioner General of the Philippine Islands to return to the United States and, under orders of the Postmaster General or the chairman of the Democratic National Committee, either one or the other, to run for Governor of the State of Michigan. I was very pleased, indeed, the other day when Mr. Murphy announced that he would not run for Governor; and I may say that I am pleased that he is not going to run because I admire him personally and I would regret exceedingly that a man of his capabilities were to suffer his first defeat at the hands of a State which is so overwhelmingly Republican that neither Jim Farley nor anyone else can Tammanyize it. I am afraid I shall have to object to the bill.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill (S. 4340) to authorize the President to designate an acting High Commissioner to the Philippine Islands.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the President is hereby authorized, in his discretion, to designate a member of the staff of the United States High Commissioner to the Philippine Islands or an officer of the Army or Navy of the United States, to act as the High Commissioner in the event of a vacancy in said office, or the temporary disability or absence of the High Commissioner, and the official so designated shall have all the powers and perform all the duties of the High Commissioner during such vacancy, disability, or absence.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a House bill (H. R. 12061) were laid on the table.

KENNEBEC RIVER, MAINE

The Clerk called the next bill, H. R. 12006, to authorize a preliminary examination of the Kennebec River, Maine, and its tributaries, with a view to the control of their floods.

Mr. COSTELLO. Mr. Speaker, will the author of the bill tell us the situation in the State of Maine on this river with regard to the necessity for this examination?

Mr. MORAN. The Kennebec River is one of three rivers in my congressional district that suffered in the recent flood. It affected our capital city, Augusta, and the nearby cities of Waterville, Hallowell, and Gardiner; and down near the

mouth of the river at Brunswick there was also real serious damage. There are no official figures, but our Governor estimates the damage at $25,000,000. We now have over 2,000 people working on W. P. A. flood-control projects in Maine, evidence that the flood situation was very bad in the State. This bill is an authorization to make a preliminary survey to determine what may be done to prevent future floods, and is therefore constructive legislation of real benefit to the people of Maine.

Mr. COSTELLO. Is this bill similar to the next two bills which follow on the calendar?

Mr. MORAN. Yes; the three bills are of exactly the same type. I prepared bills covering the three rivers in my congressional district that were most seriously affected by the floods.

Mr. COSTELLO. The reason I reserved the right to object is to say that the Army Board of Engineers at the present time is besieged with requests of this kind, and unless there is real flood menace that requires attention at the present time I personally feel that these preliminary examinations should not be ordered because of the crowded condition of the engineers' office. I understand there is pending with them at the present time requests for 250 preliminary surveys.

Mr. MORAN. I assure the gentleman from California that the flood situation in Maine was very bad and the damage, as I say, is estimated at $25,000,000. A constructive effort to prevent recurrence of such damage in future is urgently needed.

Mr. COSTELLO. Has any previous examination of this river ever been made?

Mr. MORAN. Yes; there was an examination in 1930, but nothing was done at that time.

Mr. COSTELLO. Was any recommendation made at that time?

Mr. MORAN. The examination made in 1930 was not with principal reference to flood control but was principally from the standpoint of power and navigation. It was made on the same river, however.

Mr. COSTELLO. Was it made by the Army engineers?

Mr. MORAN. Yes.

Mr. COSTELLO. They should be able to use a good deal of the information they then secured, should they not?

Mr. MORAN. Their examination at that time was made with a principal view to the development of power and navigation.

Mr. COSTELLO. The information they gathered at that time should aid them in making this examination, should it not?

Mr. MORAN. Yes; it should be very helpful.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. BREWSTER. I may say that the situation with respect to the Penobscot River is the same as that with respect to the Kennebec. There was an examination by the Board of Engineers. They reported that there was no danger of a flood, yet the floods came, and the city of Bangor, in my district, was threatened with inundation by 8 feet of water, and would have been inundated had not an icebreaker been able to break the ice jam in the river at a time when the river was rising at the rate of 2 or 3 feet an hour. So there really is a very serious situation on the Penobscot River.

Mr. COSTELLO. Of course, the information these gentlemen have given me as to the present situation was not contained in the committee report and so was not available to me.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Kennebec River and its tributaries in the State of Maine, with a view to the control of their floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF PENOBSCOT RIVER, MAINE

The Clerk called the next bill, H. R. 12007, to authorize a preliminary examination of the Penobscot River, Maine, and its tributaries, with a view to the control of their floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Penobscot River and its tributaries in the State of Maine, with a view to the control of their floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF THE ANDROSCOGGIN RIVER IN MAINE AND NEW HAMPSHIRE

The Clerk called the next bill, H. R. 12008, to authorize a preliminary examination of the Androscoggin River, in Maine and New Hampshire, and its tributaries, with a view to the control of their floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Androscoggin River and its tributaries in the States of Maine and New Hampshire, with a view to the control of their floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF TRIBUTARIES, SOURCES, AND HEADWATERS OF THE ALLEGHENY AND SUSQUEHANNA RIVERS, PA.

The Clerk called the next bill, H. R. 12240, to authorize a preliminary examination and survey of the tributaries, sources, and headwaters of the Allegheny and Susquehanna Rivers in the State of Pennsylvania where no examination and survey has heretofore been made, with a view to the adoption of a comprehensive and systematic plan for regulating the flow of water, conserving the soil and water for beneficial uses, and controlling and preventing floods, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause to be made a preliminary examination and survey of the tributaries, sources, and headwaters of the Allegheny River in the State of Pennsylvania, where no examination and survey has heretofore been made, including the Clarion River, Redbank Creek, Mahoning Creek, Pine Creek, Kiskiminetas River, Loyalhanna Creek, Conemaugh River, Blacklick Creek, and Stoney Creek; and to cause to be made a similar examination and survey of the tributaries, sources, and headwaters of the Susquehanna River, where no examination or survey has heretofore been made, including Clearfield Creek and Chest Creek; with a view to the adoption of a comprehensive and systematic plan for regulating the flow of water, conserving the soil and the waters for beneficial uses, for controlling and preventing floods, and for other purposes, in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1912, and in accordance with the provisions of any other act of Congress governing the control of floods, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

With the following committee amendment:

Page 1, strike out all of lines 3 to 5, inclusive; and on page 2, strike out lines 1 to 21, inclusive, and insert the following:

"That the Secretary of War be, and he is hereby, authorized and directed to cause to be made a preliminary examination of the tributaries, sources, and headwaters of the Allegheny River in the State of Pennsylvania, where no examination and survey has heretofore

been made, including the Clarion River, Redbank Creek, Mahoning Creek, Pine Creek, Kiskiminetas River, Loyalhanna Creek, Conemaugh River, Blacklick Creek, and Stoney Creek; and to cause to be made a similar examination of the tributaries, sources, and headwaters of the Susquehanna River, where no examination or survey has heretofore been made, including Clearfield Creek and Chest Creek; with a view to the control of their floods and the regulation and conservation of their waters, in accordance with the provisions of section 3 of the act entitled 'An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes', approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill to authorize a preliminary examination of the tributaries, sources, and headwaters of the Allegheny and Susquehanna Rivers in the State of Pennsylvania, where no examination and survey has heretofore been made, with a view to the control of their floods and the regulation and conservation of their waters."

FLOOD-CONTROL WORK ALONG THE LACKAWANNA RIVER

The Clerk called the next bill, H. R. 12002, to authorize funds for the prosecution of works for flood control against flood disasters along the Lackawanna River.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That a project for flood control and protection against floods on the Lackawanna River from its mouth where it empties into the Susquehanna River through Luzerne and Lackawanna Counties, Pa., is hereby authorized, and the work is hereby directed to be prosecuted as herein provided; that the Secretary of War be, and he is hereby, authorized and directed to cause such dredging and other work to be done on the said river, at places selected by the Army engineers, as will eliminate the flood hazard along the said river. Such work is to be done so as to fit into the general and active scheme and plan of the Federal Government for flood control. The sum expended is not to exceed $250,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Lackawanna River, in the State of Pennsylvania, with a view to the control of its flood in accordance with the provisions of an act entitled 'An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes', approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill to authorize a preliminary examination of the Lackawanna River with a view to the control of its flood."

PRELIMINARY EXAMINATION OF THE VENTURA RIVER (CALIF.)

The Clerk called the next bill, H. R. 12174, to provide a preliminary examination of the Ventura River, in Ventura County, State of California, with a view to the control of its floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Ventura River, in Ventura County, State of California, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAIMS OF DELAWARE INDIANS TO COURT OF CLAIMS

The Clerk called the next bill, H. R. 11739, to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925.

The SPEAKER. Is there objection to the immediate consideration of the bill?

There was no objection.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to substitute the bill S. 4184, which is identical with the bill H. R. 11739. This bill was passed by the Senate on April 24, 1936.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925, is amended by striking out the following: "and in no event to be more than $25,000 in any one claim".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

ALLOCATION OF RADIO FACILITIES

The Clerk called the next bill, S. 2243, relating to the allocation of radio facilities.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 302 of the Communications Act of 1934 is hereby repealed.

SEC. 2. Subsection (b) of section 307 of such act is amended to read as follows:

"(b) In considering applications for licenses, and modifications and renewals thereof, when and insofar as there is demand for the same, the Commission shall make such distribution of licenses, frequencies, hours of operation, and of power among the several States and communities as to provide a fair, efficient, and equitable distribution of radio service to each of the same."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FISH-CULTURAL PROGRAM FOR PUERTO RICO

The Clerk called the next bill, H. R. 1391, to authorize and direct the United States Commissioner of Fisheries to undertake fish-cultural and related activities in Puerto Rico, making appropriations therefor, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Commissioner of Fisheries is authorized and hereby directed to conduct fish-cultural operations and all incidental activities in Puerto Rico, construct fish hatcheries on lands owned by the United States or government of Puerto Rico, acquire property and equipment, and employ such personnel as he shall from time to time determine until the end of the fiscal year 1939, and shall thereupon transfer all such activities and all structures, buildings, property, and equipment of every kind held or operated in connection therewith to the government of Puerto Rico.

SEC. 2. Upon the request of the Commissioner of Fisheries the Governor of Puerto Rico shall from time to time make and promulgate general or special rules and regulations not inconsistent with law covering utilization and protection of the fishery resources of Puerto Rico and prescribe appropriate penalties for violations thereof.

SEC. 3. The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1935, for the organization, support, and maintenance of all activities in connection with the propagation of food fishes, their distribution and planting, and the regulation of the fishery in Puerto Rico, namely: For construction, maintenance, repair, alteration, improvement, equipment, and operation of fish-cultural stations, technical surveys, and investigations and patrol, travel expenses, and subsistence of employees and technical advisers, general propagation of food fishes and their distribution, including shipment of eggs and brood fishes from the continental United States, purchase and movement, maintenance, and repair of trucks and passenger-carrying vehicles, purchase of equipment

(including rubber boots and oilskins) and apparatus, contingent expenses, pay of permanent employees not to exceed $11,300, temporary labor, in all $29,700.

SEC. 4. For the continued maintenance of fish propagation and fishery regulation in Puerto Rico and for the continuation of the activities mentioned in the preceding section of this act, there is authorized to be appropriated in each of the fiscal years 1936, 1937, 1938, and 1939 the sum of $16,600.

With the following committee amendments:

Page 1, line 9, strike out "1939" and insert "1941."

Page 2, line 10, strike out "appropriated out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1935", and insert: "authorized to be appropriated for the fiscal year ending June 30, 1937."

Page 3, line 7, strike out "in each of the fiscal years 1936, 1937, 1938, and 1939" and insert "for each of the fiscal years 1938, 1939, 1940, and 1941."

Page 3, after line 10, insert the following:

"SEC. 5. Any amount appropriated pursuant to the provisions of sections 3 and 4 for any fiscal year shall not be available for expenditure until the government of Puerto Rico has appropriated, for expenditure during the same year, an equal amount to be used for the same purposes."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read as follows: "A bill to authorize and direct the United States Commissioner of Fisheries to undertake fish-cultural and related activities in Puerto Rico, authorizing appropriations therefor, and for other purposes."

A motion to reconsider was laid on the table.

STATUS OF SPECIAL-DELIVERY MESSENGERS

Mr. HAINES. Mr. Speaker, I ask unanimous consent to return to the bill (H. R. 11822) to permit certain special-delivery messengers to acquire a classified status through noncompetitive examination, No. 797 on the Consent Calendar. I understand the objection which has been made to the consideration of this bill previously will be withdrawn.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. COSTELLO. Mr. Speaker, I object to returning to the consideration of any previous bills on the Consent Calendar. I should personally object to the consideration of this bill at the present time if we did go back to it.

AMENDMENT OF SHIPPING ACT OF 1916

The Clerk called the next bill, S. 3467, amending the Shipping Act of 1916, as amended.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Shipping Act, 1916, as amended, is hereby amended by inserting after section 16 a new section to read as follows:

"FALSE BILLING

"SEC. 16A. Any shipper, consignor, consignee, forwarder, broker, or other person, or any officer, agent, or employee thereof, who shall knowingly and willfully, directly or indirectly, by false billing, false claim, false representation, or any other device or means, whether with or without the consent or connivance of the carrier, its officer, agent, or employee, obtain or attempt to obtain transportation for property by any common carrier subject to the provisions of the act at less than the regular rates or charges then in force by such common carrier; or who shall knowingly and willfully, directly or indirectly, by false claim, false representation, or other device or means, obtain, or attempt to obtain, any allowance, refund, or payment in connection with or growing out of the transportation of such property, whether with or without the consent or connivance of the carrier, its officer, agent, or employee, whereby the compensation of such carrier shall be less than or different from the regular rates or charges in force by such common carrier at the time of such transportation, shall be deemed guilty of a misdemeanor, and shall, upon conviction thereof in any court of the United Sttaes of competent jurisdiction, be subject for each offense to a fine of not less than $1,000 nor more than $3,000."

With the following committee amendment:

Page 1, strike out lines 3 to 8, inclusive, and on page 2, strike out lines 1 to 21, inclusive, and insert:

That section 16 of the Shipping Act, 1916, as amended (U. S. C., 1934 ed., title 46, sec. 815), is hereby amended to read as follows:

"SEC. 16. That it shall be unlawful for any shipper, consignor, consignee, forwarder, broker, or other person, or any officer, agent, or employee thereof, knowingly and willfully, directly or indirectly, by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means to obtain or attempt to obtain transportation by water for property at less than the rates or charges which would otherwise be applicable.

"That it shall be unlawful for any common carrier by water, or other person subject to this act, either alone or in conjunction with any other person, directly or indirectly—

"First. To make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic in any respect whatsoever, or to subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

"Second. To allow any person to obtain transportation for property at less than the regular rates or charges then established and enforced on the line of such carrier by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means.

"Third. To induce, persuade, or otherwise influence any marine insurance company or underwriter, or agent thereof, not to give a competing carrier by water as favorable a rate of insurance on vessel or cargo, having due regard to the class of vessel or cargo, as is granted to such carrier or other person subject to this act.

"Whoever violates any provision of this section shall be guilty of a misdemeanor punishable by a fine of not more than $5,000 for each offense."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RENEWALS OF OATHS OF OFFICE BY CIVILIAN EMPLOYEES OF EXECUTIVE DEPARTMENTS AND INDEPENDENT ESTABLISHMENTS

The Clerk called the next bill, H. R. 12219, to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. MILLER. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Let the bill go over.

Mr. MILLER. No; I want to make a statement on the bill.

Mr. BLANTON. I object to the bill, Mr. Speaker.

INVESTIGATION OF TRAFFIC CONDITIONS BY THE SECRETARY OF AGRICULTURE

The Clerk called the next bill, H. R. 10591, to authorize the Secretary of Agriculture to investigate and report on traffic conditions, with recommendations for corrective legislation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized and directed to use during the fiscal years ending June 30, 1936, and June 30, 1937, such part as may be necessary of the administrative fund of the Bureau of Public Roads, but not to exceed a total of $150,000, for study and research of traffic conditions and measures for their improvement, and to cooperate with Federal, State, District of Columbia, and municipal authorities, and other agencies, in connection with such study and research: *Provided*, That not to exceed $7,500 of the said sum may be used for printing necessary for the purposes of the work authorized and directed by this paragraph.

SEC. 2. The Secretary of Agriculture is hereby authorized and directed to make a preliminary report to Congress within the next 9 months of the results of the above study and research, and of the status of uniform motor-vehicle traffic laws throughout the country, and not later than June 30, 1937, to make a complete report with his recommendations, including suggestions for legislation, which will promote the necessary uniformity in such laws.

With the following committee amendments:

Page 1, line 7, strike out "$150,000" and insert "$75,000."

Page 2, line 2, strike out "$7,500" and insert "$5,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF DISTRESS AND SOCIAL WELFARE OF INDIANS

The Clerk called the next bill, S. 3452, to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of April 16, 1934 (48 Stat. 596), entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", be, and the same hereby is, amended to read as follows:

"That the Secretary of the Interior be, and hereby is, authorized, in his discretion, to enter into a contract or contracts with any State or Territory, or political subdivision thereof, or with any State university, college, or school, or with any appropriate State or private corporation, agency, or institution, for the education, medical attention, agricultural assistance, and social welfare, including relief of distress, of Indians in such State or Territory, through the agencies of the State or Territory or of the corporations and organizations hereinbefore named, and to expend under such contract or contracts moneys appropriated by Congess for the education, medical attention, agricultural assistance, and social welfare, including relief of distress, of Indians in such State or Territory.

"SEC. 2. That the Secretary of the Interior, in making any contract herein authorized, may permit such contracting party to utilize, for the purposes of this act, existing school buildings, hospitals, and other facilities, and all equipment therein or appertaining thereto, including livestock and other personal property owned by the Government, under such terms and conditions as may be agreed upon for their use and maintenance.

"SEC. 3. That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations, including minimum standards of service, as may be necessary and proper for the purpose of carrying the provisions of this act into effect: *Provided*, That such minimum standards of service are not less than the highest maintained by the States or Territories within which said contract or contracts, as herein provided, are to be effective.

"SEC. 4. That the Secretary of the Interior shall report annually to the Congress any contract or contracts made under the provisions of this act, and the moneys expended thereunder."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT OF CERTAIN NON-INDIAN CLAIMANTS

The Clerk called the next bill, S. 4298, to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum to compensate white settlers or non-Indian claimants whose claims have been extinguished under the act of June 7, 1924 (43 Stat. L. 636), but who have been found by the Secretary of the Interior, in conformity with the proviso to section 3 of the act of May 31, 1933 (48 Stat. L. 108, 109), to be entitled to increased compensation by reason of errors in the amount of award previously allowed or entitled to original awards by reason of errors in the omission of legitimate claimants. The non-Indian claimants, or their successors, as found and reported by the Secretary of the Interior, to be compensated out of said appropriation to be disbursed under the direction of the Secretary of the Interior in the amounts found to be due them, as follows: Within the Pueblo of Nambe, $456.40; within the Pueblo of San Ildefonso, $141.88; within the Pueblo of Cochiti, $936.55; within the Pueblo of Sandia, $1,292.21; within the Pueblo of San Juan, $244.20; in all, $3,071.24.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JURISDICTION OF THE JUDGE FOR THE NORTHERN AND MIDDLE DISTRICTS OF ALABAMA

The Clerk called the next bill, S. 3477, relating to the jurisdiction of the judge of the northern and middle districts of Alabama.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That from and after the date of enactment of this act, except as hereinafter provided, the jurisdiction of the present district judge for the northern and middle districts of Alabama, and his successors, shall be confined to the middle district of such State.

SEC. 2. (a) If the trial of any case has been entered upon in the northern district of Alabama before said district judge for the northern and middle districts of Alabama and has not been concluded on or before the date of enactment of this act, the jurisdiction in such northern district of said judge shall be deemed to be extended as to such trial until it has been concluded.

(b) The said judge shall have power, notwithstanding his absence from such northern district, to decide all matters which have been submitted to him within such district, to decide motions for new trials, settle bills of exceptions, certify or authenticate narratives of testimony, or perform any other act required by law or the rules to be performed in order to prepare any case so tried by him for review in an appellate court; and his action thereon in writing filed with the clerk of the court where the trial or hearing was had shall be as valid as if such action had been taken by him within such district and prior to the date of enactment of this act.

SEC. 3. Nothing in this act shall be construed to alter or amend any provision of law relating to the designation and assignment of a district judge to hold court in a district other than his own.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRAVELING AND SUBSISTENCE EXPENSES OF CIRCUIT AND DISTRICT JUDGES

The Clerk called the next bill, H. R. 12329, to reenact section 259 of the Judicial Code, relating to the traveling and subsistence expenses of circuit and district judges.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 259 of the Judicial Code (U. S. C., 1934 edition, title 28, sec. 374) is hereby reenacted as follows:

"SEC. 259. The circuit justices, the circuit and district judges of the United States, and the judges of the district courts of the United States in Alaska, Hawaii, and Puerto Rico, shall each be allowed and paid his necessary expenses of travel, and his reasonable expenses (not to exceed $10 per day) actually incurred for maintenance, consequent upon his attending court or transacting other official business in pursuance of law at any place other than his official place of residence, said expenses to be paid by the marshal of the district in which such court is held or official business transacted, upon the written certificate of the justice or judge. The official place of residence of each circuit and district judge, and of each judge of the district courts of the United States in Alaska, Hawaii, and Puerto Rico, shall be at that place nearest his actual residence at which either a circuit court of appeals or a district court is regularly held. Every such judge shall, upon his appointment, and from time to time thereafter whenever he may change his official residence, in writing notify the Department of Justice of his official place of residence."

SEC. 2. This act shall take effect July 1, 1936.

Mr. DUFFY of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DUFFY of New York: Page 2, line 14, after the word "residence", insert a new section 2, to read as follows:

"The judges of the United States Customs Court shall each be allowed and paid his necessary expenses of travel and his reasonable expenses, not to exceed $10 per day, actually incurred for maintenance while absent from New York on official business."

Strike out, on page 2, line 15, the number "2" and insert in lieu thereof the number "3."

Mr. DUFFY of New York. Mr. Speaker, this amendment is approved by the Judiciary Committee and makes this bill conform to the Senate bill, which has just been passed.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF STATE OF MAINE

The Clerk called the bill (S. 3043) for the relief of the State of Maine.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the Chief Disbursing Officer of the Treasury Department is authorized and directed to issue, without the requirement of an indemnity bond, a duplicate of original check no. 66562 and a duplicate of original check no. 66563, drawn February 12, 1935, under his symbol 79088, in favor of "Treasurer, State of Maine (trust fund)" for $7,075 and $11,275, respectively, and lost, stolen, or miscarried in the mails.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

COMPILATION OF LAWS RELATING TO VETERANS

The Clerk called House Joint Resolution 583, authorizing the Veterans' Administration to prepare and publish a compilation of all Federal laws relating to veterans of wars of the United States.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Administrator of Veterans' Affairs is authorized to compile and publish all Federal laws relating to veterans' relief, including such laws as are administered by the Veterans' Administration as well as by other agencies of the Government, in such form as he may, in his discretion, deem advisable for the purpose of making currently available for the use of the Veterans' Administration and full-time representatives of the several service organizations an annotated, indexed, and cross-referenced statement of the laws providing veterans' relief in convenient form, and the Administrator is further authorized to maintain such compilation on a current basis either by the publication, from time to time, of supplementary documents or by complete revision of the compilation: *Provided*, That funds from the printing and binding appropriation for the Veterans' Administration may be used for this purpose and the distribution of the compilation to the representatives of the several service organizations shall be determined by the Administrator of Veterans' Affairs.

SEC. 2. Distribution of the supply remaining in the Veterans' Administration of Senate Document No. 131, Federal Laws Relating to Veterans of Wars of the United States, shall be made in the discretion of the Administrator of Veterans' Affairs, notwithstanding the provisions of Senate Concurrent Resolution No. 29, Seventy-second Congress, first session.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PRINTING AND DISTRIBUTION OF CERTAIN GOVERNMENT PUBLICATIONS

The Clerk called the bill (S. 3440) to amend certain acts relating to public printing and binding and the distribution of public documents, and acts amendatory thereof.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. This bill is quite a complicated bill. It does a great many things. I dislike to object to it, but I also dislike to have it passed by unanimous consent without a lot of explanation. To start out, just what does it do with respect to the number of copies of the CONGRESSIONAL RECORD that we have to distribute?

Mr. LAMBETH. Mr. Speaker, under the present policy each Member of Congress gets 60 copies of the RECORD and each Member of the Senate 88 copies, but under this law those Members who do not use their full quota of the daily RECORDS get the difference in the bound RECORDS at the end of the sessions, which means that they cannot go to print on the bound RECORD until the end of the session. The cost of the bound RECORD is about $10 greater than the daily RECORD, and it has led to great waste and the piling up of surplus documents in the folding room. This resolution does not change the allotment of the daily RECORD, but gives each Member a fixed allotment of the bound RECORD, each Member of the House three and each Member of the Senate five.

Mr. WOLCOTT. It provides that one copy of the daily RECORD would be held out for that purpose?

Mr. LAMBETH. No; none are to be held out. You get the same copies of the daily RECORD and three additional copies of the bound RECORD. It will result in the saving of $44,000.

Mr. WOLCOTT. How many bound volumes do we get?

Mr. LAMBETH. Under this bill three. We get a definite quota. We will get them at least 30 days earlier and it will save $44,000. The committees of the House and the Senate have worked over this bill for 18 months. It will result in economy and the elimination of waste. I hope the gentleman will not object. If he has any other question, I would like to answer it.

Mr. WOLCOTT. What is the present procedure with reference to the bound volume in excess of the demands of Members? For example, if a Member has been sending out 40 daily RECORDS, including his own, he would be credited with 20 sets of the bound volume.

Mr. LAMBETH. Yes; and most of them would lie in the folding room. That is the main purpose of the resolution. There are minor amendments to the printing law, which has not been revised for some time.

Mr. WOLCOTT. Under the present law, if he had used up his full quota of 59, he would have none.

Mr. LAMBETH. That is correct.

Mr. WOLCOTT. This guarantees him three sets.

Mr. LAMBETH. Yes.

Mr. WOLCOTT. Will the gentleman explain changes in respect to the allotment of memorial addresses—or perhaps I can ask a question which will clear that up. Under the present law the Members of Congress from States other than that of the deceased Member will get no copies?

Mr. LAMBETH. Yes; they will get one copy.

Mr. WOLCOTT. And the copies that now go to them under existing law would go to the Members of Congress from the State of the deceased Member?

Mr. LAMBETH. Yes. It will get them into circulation.

Mr. WOLCOTT. That will save the Members the bother and necessity of getting transfers from Members outside of their own State.

Mr. LAMBETH. Yes; that is correct.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. LAMBETH. Yes.

Mr. WHITE. A Member is entitled to mail out so many RECORDS. In the event that he does not use that number, he will get the bound RECORD.

Mr. LAMBETH. That is correct. He will get a definite number of the bound RECORD.

Mr. WHITE. Suppose he does not use up 14 of his allotment; he gets that many of the bound?

Mr. LAMBETH. No; this bill will fix a definite quota of the bound RECORD. That is one of the major purposes of the bill. Under the present procedure they do not know how many bound RECORDS to print until the end of the session.

The SPEAKER pro tempore. Let the Chair ask the gentleman from North Carolina whether there is anything in this bill that has reference to the House folding room?

Mr. LAMBETH. No.

Mr. BOILEAU. Do I understand that a Member will not be able to get more than three bound volumes?

Mr. LAMBETH. No; except by exchange with other Members. He will get them 30 days earlier.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That certain acts relating to the public printing and binding and the distribution of public documents and acts amendatory thereof, be amended as follows:

TITLE I

MEMORIAL ADDRESSES

That so much of chapter 23, section 73 (28 Stat. 616), of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 151), as relates to the publication of eulogies of deceased Members of Congress, be, and is hereby, amended to read as follows:

151. Memorial addresses; preparation; distribution: There shall be compiled, prepared, printed with illustrations, and bound in cloth in one volume, in such style, form, and manner as may be directed by the Joint Committee on Printing, without extra compensation to any employee therefor, the legislative proceedings of Congress and the exercises at the general memorial services held in the House of Representatives during each session relative to the death of any Member of Congress, together with all memorial addresses and eulogies published in the CONGRESSIONAL RECORD during the same session of Congress in connection therewith, and such other matter as the committee may consider relevant thereto; and there shall be printed as many copies as may be required to supply the total quantity hereinafter provided, of which number 50 copies, bound in full morocco, with gilt edges, suitably lettered as may be requested, shall be delivered to the family of the deceased, and the remaining copies shall be distributed as follows:

Of all eulogies on deceased Members of Congress there shall be delivered, through the Postmaster of each House, to each Senator, Representative, Delegate, and Resident Commissioner, one copy.

Of the eulogies on deceased Senators there shall be furnished 250 copies for each Senator of the State represented by the deceased and 20 copies for each Representative therefrom.

Of the eulogies on deceased Representatives, Delegates, and Resident Commissioners there shall be furnished 250 copies for the successor in office of the deceased Member; 20 copies for each of the other Representatives, Delegates, or Resident Commissioners of the State, Territory, or insular possession represented by the deceased, and 20 copies for each Senator therefrom.

TITLE II

CONGRESSIONAL RECORD

That chapter 23, section 14 (28 Stat. 603), of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 182), be, and is hereby, amended to read as follows:

182. CONGRESSIONAL RECORD; indexes: The Joint Committee on Printing shall designate to the Public Printer competent persons to prepare the semimonthly and the session index to the CONGRESSIONAL RECORD and shall fix and regulate the compensation to be paid by the Public Printer for the said work and direct the form and manner of its publication and distribution.

182a. Same; daily and permanent forms: That the public proceedings of each House of Congress, as reported by the Official Reporters thereof, shall be printed in the CONGRESSIONAL RECORD, which shall be issued in daily form during each session and shall be revised, printed, and bound promptly, as may be directed by the Joint Committee on Printing, in permanent form, for distribution during and after the close of each session of Congress. The daily and the permanent RECORD shall bear the same date, which shall be that of the actual day's proceedings reported therein. The "usual number" of the CONGRESSIONAL RECORD shall not be printed.

182b. Same; illustrations; maps; diagrams: No maps, diagrams, or illustrations may be inserted in the RECORD without the approval of the Joint Committee on Printing. All requests for such approval should be submitted to the Joint Committee on Printing, through the Chairman of the Committee on Printing of the respective House in which the speech desired to be illustrated may be delivered. Illustrations shall not exceed in size a page of the RECORD and shall be line cuts only.

That chapter 23, section 73 (28 Stat. 617), of the Printing Act, approved January 12, 1895, as amended (U. S. C., title 44, sec. 183), be, and is hereby, amended to read as follows:

183. Same; gratuitous copies; subscriptions: The Public Printer shall furnish the CONGRESSIONAL RECORD as follows and shall furnish gratuitously no others in addition thereto:

Of the bound edition to the folding room of the Senate 5 copies for the Vice President and each Senator; to the Secretary and Sergeant at Arms of the Senate, each, 2 copies; and to the Joint Committee on Printing not to exceed 100 copies; to the folding room of the House of Representatives 3 copies for each Representative, Delegate, and Resident Commissioner; and to the Clerk, Sergeant at Arms, and Doorkeeper of the House of Representatives, each, 2 copies.

Of the daily edition to the Vice President and each Senator, 105 copies; to the Secretary and Sergeant at Arms of the Senate, each, 25 copies; to the Secretary, for official use, not to exceed 35 copies; and to the Sergeant at Arms for use on the floor of the Senate, not to exceed 50 copies.

To each Representative, Delegate, and Resident Commissioner in Congress, 75 copies; to the Clerk, Sergeant at Arms, and Doorkeeper of the House of Representatives, each, 25 copies; to the Clerk, for official use, not to exceed 50 copies; and to the Doorkeeper for use on the floor of the House of Representatives, not to exceed 75 copies.

To the Vice President and each Senator, Representative, Delegate, and Resident Commissioner in Congress there shall also be furnished (and shall not be transferable) three copies of the daily RECORD, of which one shall be delivered at his residence, one at his office, and one at the Capitol.

In addition to the foregoing the CONGRESSIONAL RECORD shall also be furnished as follows:

There shall be printed and held in reserve by the Public Printer, in unstitched form, as many copies of the daily RECORD as may be required to supply a semimonthly edition, which shall be bound in paper cover together with each semimonthly index when the same is issued and shall then be delivered promptly and without delay as hereinafter provided.

To each committee and commission of Congress, one daily and one semimonthly copy.

To each Senator, Representative, Delegate, and Resident Commissioner in Congress, one semimonthly copy.

To the President of the United States, for the use of the Executive Office, 10 copies of the daily, 2 semimonthly copies, and 1 bound copy.

To the Chief Justice of the United States and each of the Associate Justices of the Supreme Court of the United States, one copy of the daily.

To the offices of the Marshal and Clerk of the Supreme Court of the United States, each, two copies of the daily and one semimonthly copy.

To the offices of the Vice President and the Speaker of the House of Representatives, each, six copies of the daily and one semimonthly copy.

To the Sergeant at Arms, the Chaplain, the Postmaster, the superintendent and the foreman of the folding room of the Senate and House of Represenatives, respectively; to the secretaries of the majority and the minority of the Senate, and to the Doorkeeper of the House of Representatives, each, one copy of the daily.

To the offices of the Official Reporters of Debates of the Senate and House of Representatives, respectively, each, 15 copies of the daily, 1 semimonthly copy, and 3 bound copies.

To the office of the stenographers to committees of the House of Representatives, four copies of the daily and one semimonthly copy.

To the office of the Congressional Record Index, 10 copies of the daily and 2 semimonthly copies.

To the offices of the superintendents of the Senate and House document rooms, each, three copies of the daily, one semimonthly copy, and one bound copy.

To the offices of the superintendents of the Senate and House press galleries, each, two copies of the daily, one semimonthly copy, and one bound copy.

To the offices of the legislative counsel of the Senate and House of Representatives, respectively, and the Architect of the Capitol, each, three copies of the daily, one semimonthly copy, and one bound copy.

To the Library of Congress for international exchange and for official use in Washington, D. C., not to exceed 145 copies of the daily, 5 semimonthly copies, and 150 bound copies.

To the library of the Senate and House of Representatives, respectively, each, 3 copies of the daily, 2 semimonthly copies, and not to exceed 15 bound copies.

To the library of the Supreme Court of the United States, two copies of the daily, two semimonthly copies, and not to exceed five bound copies.

To the Public Printer for official use, not to exceed 75 copies of the daily, 10 semimonthly copies, and 2 bound copies.

To the Director of the Botanic Garden, two copies of the daily.

To The National Archives, five copies of the daily, two semimonthly copies, and two bound copies.

To the library of each executive department, independent office, and establishment of the Government now in Washington, D. C., or which may be created, except those designated as depository libraries, and to the libraries of the municipal government of the District of Columbia, the Naval Observatory, and the Smithsonian Institution, each, two copies of the daily, one semimonthly copy, and one bound copy.

To the Government of the Philippine Islands at Manila, 10 copies in both daily and bound form.

To the offices of the Governors of Alaska, Hawaii, Puerto Rico, and the Virgin Islands, each, five copies in both daily and bound form.

To the office of the Governor of the Panama Canal, five copies in both daily and bound form.

To each ex-President and ex-Vice President of the United States, one copy of the daily.

To the Governor of each State, one copy in both daily and bound form.

To the United States Soldiers' Home and to each of the National Homes for Disabled Volunteer Soldiers, and to each of the State soldiers' homes now established or which hereafter may be created for either Federal or Confederate soldiers, one copy of the daily.

To the Superintendent of Documents, as many bound copies as may be required for distribution to depository libraries.

To the Department of State, not to exceed 150 copies of the daily, for distribution to each of our embassies and legations abroad, and to the principal consular offices in the discretion of the Secretary of State.

To each foreign legation in Washington whose government extends a like courtesy to our embassies and legations abroad, one copy of the daily, to be furnished upon requisition of and sent through the Secretary of State.

To each newspaper correspondent whose name appears in the Congressional Directory, and who makes application therefor, for his personal use and that of the paper or papers he represents, one copy of the daily and one copy of the bound, the same to be sent to the office address of each member of the press or elsewhere as he may direct: *Provided, however,* That not to exceed four copies in all shall be furnished to members of the same press bureau.

All copies of the daily edition shall, unless otherwise directed by the Joint Committee on Printing, be supplied and delivered promptly on the day after the actual day's proceedings as originally published. Each order for the daily RECORD shall begin with the current issue thereof, if previous issues of the same session are not available. The apportionment herein specified for daily copies shall not be transferable for the bound form, and any allotment of daily copies not used by any Member during a session shall lapse when the session ends.

The Public Printer is authorized to furnish to subcribers the daily RECORD at $1.50 per month, payable in advance.

That chapter 23, section 24 (28 Stat. 604), of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 184), and Public Resolution No. 25 (35 Stat. 1169), approved March 4, 1909 (U. S. C., title 44, sec. 186), be, and are hereby repealed.

TITLE III

DECISIONS OF THE SUPREME COURT

334. (Judicial Code, sec. 227, amended.) Printing, binding, and distribution of reports and digests: That so much of section 683 of the Revised Statutes, as amended (U. S. C., title 28, sec. 334), as relates to the distribution of reports and digests of the decisions of the Supreme Court of the United States to the law library of the Supreme Court, be, and is hereby, amended by striking out the words "to the law library of the Supreme Court, 25 copies" and inserting in lieu thereof the following:

"To the Library of Congress for the use of the law library and for international exchange, not to exceed 150 copies each of the bound and advance editions."

TITLE IV

PUBLICATIONS TO THE LIBRARY OF CONGRESS

139. International Exchange of Government Publications: That, for the purpose of more fully carrying into effect the provisions of the convention concluded at Brussels on March 15, 1886, and proclaimed by the President of the United States on January 15, 1889, there shall hereafter be supplied to the Library of Congress not to exceed 125 copies each of all Government publications, for distribution, through the Smithsonian Institution, to such foreign governments as may agree to send to the United States similar publications of their governments for delivery to the Library of Congress.

139a. Distribution of Government publications to the Library of Congress: That there shall be printed and furnished to the Library of Congress for official use in Washington, D. C., and for international exchange as provided in section 139 of this title, not to exceed 150 copies of the publications described in this section, to wit: House documents and reports, bound; Senate documents and reports, bound; Senate and House Journals, bound; public bills and resolutions; the United States Code and supplements, bound; the Official Register of the United States, bound; and all other publications and maps which are printed, or otherwise reproduced, under authority of law, upon the requisition of any Congressional committee, executive department, bureau, independent office, establishment, commission, or officer of the Government: *Provided*, That confidential matter, blank forms, and circular letters not of a public character shall be excepted.

In addition to the foregoing, there shall be delivered as printed to the Library of Congress 10 copies of each House document and report, unbound; 10 copies of each Senate document and report, unbound; and 10 copies of each private bill and resolution, and 50 copies of the laws in slip form.

That Public Resolution No. 16 (31 Stat. 1464), to regulate the distribution of public documents to the Library of Congress for its own use and for international exchange, approved March 2, 1901 (U. S. C., title 44, sec. 139), and Public Resolution No. 25 (35 Stat. 1169), approved March 4, 1909 (U. S. C., title 44, sec. 186), and section 7 of the act (43 Stat. 1106) approved March 3, 1925 (U. S. C., title 44, sec. 139a), be, and are hereby, repealed.

TITLE V

MANUSCRIPT OF ANNUAL REPORTS

That chapter 209, section 3 (39 Stat. 336), of the Sundry Civil Appropriation Act for the fiscal year ending June 30, 1917, approved July 1, 1916 (U. S. C., title 5, sec. 108), be, and is hereby, amended to read as follows:

108. Manuscript of annual reports and accompanying documents: The appropriations made for printing and binding shall not be used for any annual report or the accompanying documents unless the manuscript and proof therefor is furnished to the Public Printer in the following manner: Manuscript of the documents accompanying such annual reports on or before the 15th day of November of each year; manuscript of the annual reports on or before the 10th day of December of each year; complete revised proofs of the accompanying documents and the annual reports on the 5th and 10th days of December of each year, respectively; and all of said annual reports and accompanying documents shall be printed, made public, and available for distribution not later than within the first 5 days after the assembling of each regular session of Congress. The provisions of this section shall not apply to the annual reports of the Smithsonian Institution, the Commissioner of Patents, the Comptroller of the Currency, or the Secretary of the Treasury.

TITLE VI

STATUTES AT LARGE

That so much of chapter 23, section 73 (28 Stat. 615), of the Printing Act, approved January 12, 1895, as amended, as relates to the publication and distribution of the Statutes at Large (U. S. C., title 1, sec. 30, and title 44, sec. 196), be, and is hereby, amended to read as follows:

196. Statutes at Large; contents; admissibility in evidence: The Secretary of State shall cause to be compiled, edited, and indexed the United States Statutes at Large, which shall contain all the laws and concurrent resolutions enacted during each session of Congress, and also all conventions, treaties, and international agreements to which the United States is a party and which have come into force since the date of the adjournment of the session of Congress next preceding, including all proclamations issued since that date.

196a. Same; distribution: The Public Printer shall print, and after the final adjournment of each session of Congress, bind and deliver to the Superintendent of Documents as many copies of the Statutes at Large as may be required for distribution as follows:

To the President of the United States, four copies, one of which shall be for the library of the Executive Mansion;

To the Vice President of the United States, two copies;

To each Senator, Representative, Delegate, and Resident Commissioner in Congress, one copy;

To the Chief Justice of the United States and to each of the Associate Justices of the Supreme Court of the United States, 1 copy;

To the offices of the legislative counsel of the Senate and House of Representatives, each 1 copy;

To the Senate Library, not to exceed 25 copies;

To the House Library, not to exceed 50 copies;

To the Library of Congress for international exchange and for official use in Washington, D. C., not to exceed 150 copies;

To the Library of the Supreme Court of the United States, 2 copies;

To the Architect of the Capitol, 1 copy;

To the Public Printer, 2 copies;

To The National Archives, not to exceed 5 copies;

To the Department of State, including those for the use of embassies, legations, and consulates, not to exceed 600 copies;

To the Treasury Department, including those for the use of officers of customs, not to exceed 300 copies;

To the War Department, not to exceed 200 copies;

To the Navy Department, not to exceed 100 copies;

To the Department of the Interior, including those for the use of the United States supervisors of surveys and registers and receivers of public-land offices, not to exceed 300 copies;

To the Post Office Department, not to exceed 50 copies;

To the Department of Justice, including those for the judges and the officers of the United States and Territorial courts, not to exceed 800 copies;

To the Department of Agriculture, not to exceed 100 copies;

To the Department of Commerce, not to exceed 100 copies;

To the Department of Labor, including those for the officers of the Immigration and Naturalization Service, not to exceed 175 copies;

To the Government of the Philippine Islands at Manila, 10 copies;

To the offices of the Governors of Alaska, Hawaii, Puerto Rico, and the Virgin Islands, each 2 copies;

To the office of the Governor of the Panama Canal, 3 copies;

To the library of the court of last resort of each State, Territory, and insular possession, and of the District of Columbia, each 1 copy;

To each designated depository library in each State, Territory, and insular possession, 1 copy;

To each independent office and establishment of the Government now in Washington, D. C., or which hereafter may be created, not to exceed 6 copies; and

To the library of the municipal government of the District of Columbia, the Naval Observatory, and the Smithsonian Institution, each 1 copy.

In addition to the foregoing the Public Printer shall print 1,200 copies of the Statutes at Large, of which 300 copies shall be for the use of the Senate and 900 copies for the use of the House of Representatives. The "usual number" shall not be printed.

That so much of chapter 23, section 73 (28 Stat. 614), of the Printing Act, approved January 12, 1895, as relates to the publication and distribution of pamphlet copies of the statutes of each session of Congress (U. S. C., title 44, sec. 195), be, and is hereby, repealed.

TITLE VII

OWNERSHIP OF GOVERNMENT PUBLICATIONS

GOVERNMENT PUBLICATIONS SHALL REMAIN PUBLIC PROPERTY.—All Government publications furnished by authority of law to officers of the United States Government, for their official use, shall be stamped "Property of the United States Government", and shall be preserved by such officers and by them delivered to their successors in office as a part of the property appertaining to the office. Government publications furnished depository libraries shall be made available for the free use of the general public and must not be disposed of except as the Superintendent of Documents may direct.

That section 1777 of the Revised Statutes of the United States (U. S. C., title 5, sec. 89) and so much of chapter 433, section 1 (22 Stat. 336), of the Sundry Civil Appropriation Act, for 1883, approved August 7, 1882, relating to statutes furnished judges to remain public property (U. S. C., title 5, sec. 90), and section 506 of the Revised Statutes of the United States (U. S. C., title 44, sec. 90), and chapter 23, section 74 (28 Stat. 620) of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 92), relating to ownership of publications furnished officers for official use, be, and are hereby, repealed.

That all acts or parts of acts inconsistent with this act are hereby repealed.

With the following committee amendments, which were agreed to:

On page 2, line 3, insert "SEC. 1."

On page 2, line 9, strike out "There" and insert "After the final adjournment of each session of Congress, there."

On page 3, line 5, insert "the Vice President and."

On page 3, line 6, insert "in Congress."

On page 3, after line 17, insert "The 'usual number' of memorial addresses shall not be printed."

On page 3, line 22, insert "SEC. 2."

On page 4, line 23, strike out "All requests for such approval should be submitted to the Joint Committee on Printing, through the chairman of the Committee on Printing of the respective House in which the speech desired to be illustrated may be delivered. Illustrations shall not exceed in size a page of the RECORD, and shall be linecuts only."

On page 5, line 5, insert "SEC. 3. That so much of."

On page 5, line 7, insert "as relates to the gratuitous distribution of the CONGRESSIONAL RECORD."

On page 5, line 20, insert "in Congress."

On page 5, line 24, strike out "105" and insert "88."

On page 6, line 2, strike out "copies;" and insert "copies,".
On page 6, line 5, strike out "75" and insert "60."
On page 6, line 24, strike out "and without delay."
On page 7, after line 2, insert "To each joint committee and joint commission in Congress, as may be designated by the Joint Committee on Printing, three copies of the daily, one semimonthly copy, and one bound copy."
On page 8, after line 2, insert "To the office of the Parliamentarian of the House of Representatives, six copies of the daily, one semimonthly copy, and two bound copies."
On page 9, lines 1 and 2, strike out "for international exchange and" and insert "and for international exchange, as provided in title IV of this act."
On page 9, lines 7 and 8, strike out "and House of Representatives, respectively, each."
On page 9, after line 9, insert "To the library of the House of Representatives, 5 copies of the daily, 2 semimonthly copies, and not to exceed 28 bound copies, of which 8 copies may be bound in such style and manner as may be approved by the Joint Committee on Printing."
On page 9, line 22, insert "and one semimonthly copy."
On page 10, line 3, insert "hereafter."
On page 12, line 8, insert "SEC. 4."
On page 12, lines 10 to 12, strike out "and Public Resolution No. 25 (35 Stat. 1169), approved March 4, 1909 (U. S. C., title 44, sec. 186)" and insert "relative to reserving unbound copies of the daily CONGRESSIONAL RECORD for Members of Congress and the committees thereof."
On page 12, line 14, strike out "are" and insert "is."
On page 12, line 17, insert "SEC. 5."
On page 12, lines 17 to 19, strike out "334. (Judicial Code, sec. 227, amended.) Printing, binding, and distribution of reports and digests."
On page 12, lines 19 and 20, strike out "683 of the Revised Statutes" and insert "227 of the Judicial Code."
On page 13, after line 2, insert "To the library of the Supreme Court, 10 copies."
On page 13, line 5, insert "as provided in title IV of this act."
On page 13, after line 9, insert "SEC. 6. That Public Resolution No. 16 (31 Stat. 1465), approved March 2, 1901 (U. S. C., title 44, secs. 139 and 228), relating to the distribution of public documents to the Library of Congress for its own use and for international exchange, and section 7 of the act (43 Stat. 1106) approved March 3, 1925 (U. S. C., title 44, sec. 139a), relative to increasing the number of copies of Government publications for international exchange, be, and are hereby, amended to read as follows."
On page 14, line 1, insert "including the daily and bound copies of the CONGRESSIONAL RECORD."
On page 15, line 5, insert "SEC. 7."
On page 15, lines 5 to 9, strike out "Public Resolution No. 16 (31 Stat. 1464), to regulate the distribution of public documents to the Library of Congress for its own use and for international exchange, approved March 2, 1901 (U. S. C., title 44, sec. 139), and."
On page 15, line 11, insert "relating to the distribution of Government publications in exchange for parliamentary records."
On page 15, lines 12 to 14, strike out "and section 7 of the act (43 Stat. 1106) approved March 3, 1925 (U. S. C., title 44, sec. 139a)."
On page 15, line 14, strike out "are" and insert "is."
On page 15, line 17, insert "SEC. 8."
On page 16, line 3, strike out "15th" and insert "1st."
On page 16, line 4, strike out "10th day of December" and insert "15th day of November."
On page 16, line 6, insert "on the 1st day of December of each year."
On page 16, line 7, insert "of."
On page 16, lines 7 and 8, strike out "5th and 10th days" and insert "10th day."
On page 16, line 8, strike out "year, respectively;" and insert "year;".
On page 16, line 19, insert "SEC. 9."
On page 16, line 25, strike out "The" and insert "That, beginning with the Seventy-fifth Congress and thereafter, the."
On page 17, line 9, insert "The United States Statutes at Large shall be legal evidence of the laws, treaties, and conventions therein contained in all the courts of the United States, its Territories, and insular possessions, and of the several States therein."
On page 18, lines 1 to 3, strike out "To the Chief Justice of the United States and to each of the Associate Justices of the Supreme Court of the United States, one copy."
On page 18, line 13, strike out "two copies;" and insert "for distribution to the Chief Justice and Associate Justices, the officers of the Court, and for use in the library, not to exceed 20 copies;".
On page 20, line 19, insert "SEC. 10."
On page 21, after line 2, insert:
"SEC. 11. That chapter 23, section 74 (28 Stat. 620), of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 92), relating to the ownership of publications furnished Government officers for official use, be, and is hereby, amended to read as follows."
On page 21, line 8, insert "92."
On page 21, line 10, insert "(except Members of Congress."
On page 21, line 20, insert "SEC. 12."
On page 21, line 21, insert "relating to preservation of Statutes at Large."
On page 22, line 2, insert "(U. S. C., title 5, sec. 90)."
On page 22, line 3, strike out "(U. S. C., title 5, sec. 90)."
On page 22, lines 5 to 9, strike out "and chapter 23, section 74 (28 Stat. 620) of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 92), relating to ownership of publications furnished officers for official use" and insert "relating to books and documents not to be removed from depositories."
On page 22, after line 10, insert two new titles (see p. 26 of this report for titles VIII and IX).
On page 23, line 13, insert "SEC. 15."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE NATIONAL DEFENSE ACT

The Clerk called the next bill, S. 4132, to amend section 4 (b) of the National Defense Act, as amended, relating to certain enlisted men of the Army.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Reserving the right to object, this is a very important bill. May I ask the gentleman who now establishes the number of enlisted personnel of the Army? It is Congress, is it not?

Mr. FADDIS. Yes. Under the act of 1920.

Mr. WOLCOTT. Under this bill the President by Executive order determines the number of enlisted personnel.

Mr. FADDIS. Let me say to the gentleman that this will allow the Army the same as the Navy may now do. It provides a more flexible system than is now in effect for the assignment of various grades within the Army. It merely gives the Army the same opportunity that the Navy has at the present time.

Mr. WOLCOTT. Does the President have authority to determine the enlisted personnel of the Navy?

What does the bill provide? That the President shall hereafter be authorized to determine the total number of enlisted personnel in the Army?

Mr. FADDIS. I cannot tell the gentleman that for sure. I did not report the bill, and had nothing to do with it, but I had an interest in it from the fact that the Army ought to have the same opportunity basis as the Navy. I know they are very desirous of it.

Mr. WOLCOTT. I think there should be a definite understanding about the matter. I think the RECORD should show that the Congress interprets this act as granting delegation of power to the President to determine the number and rating of the grades of enlisted personnel, but not the total number of enlisted personnel. I refer to line 10, page 1, of the bill, where it says:

> The numbers in grades and/or ratings of enlisted men shall be such as are authorized from time to time by the President by Executive order.

I think the RECORD should show that the understanding is that that means the number of grades, and has no reference to the total number of enlisted personnel.

The SPEAKER pro tempore. Is there objection.

Mr. SCHNEIDER of Wisconsin. I object.

AGRICULTURAL DEVELOPMENT IN PENNSYLVANIA

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SNYDER of Pennsylvania. Mr. Speaker, cash receipts from the sale of principal farm products in Pennsylvania for 1935 increased to approximately 76 percent of their 1929 level. This compares favorably with the 1935 cash receipts in the cotton and tobacco States of the South Atlantic group which for 1935 were also 76 percent of their 1929 level.

In 1929 cash receipts of Pennsylvania farmers aggregated $280,285,000. From the low point of $151,590,000 in 1932 they rose to $211,736,000 in 1935, including $1,663,000 in rental and benefit payments. This is an increase of 40 percent.

By 1932 cash receipts in Pennsylvania and in the North Atlantic States had fallen to about 54 percent of their 1929 level. But in the Tobacco, Cotton, Corn-hog, and Wheat Belts of the South Atlantic and Central States, they had tobogganed to approximately 39 percent of that level. By

1935, while for the country as a whole, they rose to about 66 percent of their 1929 level; for the North Atlantic States they rose to 72 percent and for Pennsylvania to 76 percent of that level.

Price changes on certain selected commodities, which brought about a considerable share of the increased cash receipts indicated above, are:

Annual average prices received by Pennsylvania farmers, 1932 and 1935 (in cents)

Commodity	Unit	1932	1935 [1]
Wheat	Bushel	57	80
Corn	Bushel	49	70
Oats	Bushel	29	42
Barley	Bushel	42	56
Rye	Bushel	45	58
Buckwheat	Bushel	43	52
Potatoes	Bushel	48	60
Hay, all (loose)	Ton	[2] 949	[2] 1,009
Apples	Bushel	62	73
Hogs	Hundredweight	475	910
Beef cattle	Hundredweight	485	710
Veal calves	Hundredweight	610	840
Chickens	Pound	15.5	17.5
Butter, farm	Pound	23	29
Eggs	Dozen	18.2	26.4

[1] Preliminary. [2] Dec. 1 price.

For the United States as a whole, the yearly average price of all groups of farm products increased from 65 percent to 108 percent of the pre-war level during the period 1932–35, an increase of 66 percent. In 1935, farm prices averaged 74 percent of their 1929 level. The low point occurred in March 1933, when prices were only 55 percent of pre-war, whereas in December 1935, they averaged 110 percent of that level. These figures do not include rental and benefit payments. The gain in exchange value of farm products per unit was somewhat less than the gain in farm prices, since prices farmers pay for commodities used in living and production also advanced about 17 percent during the period. The exchange value, per unit of farm products, increased from 61 percent of the pre-war level in 1932 to 86 percent in 1935, a gain of about 41 percent.

FARM REAL ESTATE ON THE UPTURN

A new appreciation of farm real estate in Pennsylvania has been one result of increased farm income. The number of forced farm sales declined from 24 per thousand for the year ending March 15, 1933, to 20.5 per thousand for the year ending March 15, 1935. The decline in value of farm real estate per acre halted in the year ending March 1, 1933, when it stood at a low of 78, the State average value from 1912 to 1914 being 100. From this low of 78 in 1933 and 1934, the estimated value per acre rose to 79 for the year ending March 1, 1935. Further improvements in these respects are indicated for the current year.

IMPROVEMENT EXTENDED TO FARM-LABOR CONDITIONS

On January 1, 1933, the demand for farm labor in Pennsylvania was 34 percent below the standard regarded as normal, and the supply 32 percent above. At this time the farm wage rate per person with board was $19 per month. Three years later, on January 1, 1936, the farm-labor supply was 6 percent below the standard accepted as normal. Demand was only 21 percent below normal. The farm wage rate per person with board stood at $21.50 per month, having advanced 13 percent above the 1933 level.

DAIRY CATTLE DISEASE ERADICATION

Milk has been perhaps the most important single source of farm income in Pennsylvania for several years. Milk producers are, consequently, interested in measures for the health of their herds.

Approximately $50,000,000 of Agricultural Adjustment Administration funds have been made available for use in the United States in eradicating cattle disease, primarily bovine tuberculosis, Bang's disease, and mastitis. Some 1,071,962 cattle in Pennsylvania had been given the tuberculin test and approximately 199,500 the agglutination test for Bang's disease. Of the $50,000 allocated for the eradication of bovine tuberculosis in this State, $40,598.78 had been expended in operating expenses and indemnities as of December 31, 1935. Pennsylvania was allocated $737,000 for the eradication of Bang's disease, and of this amount, indemnities and operating expenses as of December 31, last, totaled $499,744.

EXTENT OF FARMER PARTICIPATION IN PROGRAMS

From the inauguration of the adjustment programs in 1933 until their conclusion under the Hoosac Mills decision of the Supreme Court, a total of 28,557 contracts signed by cooperating Pennsylvania farmers had been accepted by the Agricultural Adjustment Administration, according to latest official reports. Of this number of contracts, 5,214 were corn-hog, 9,799 were wheat, and 13,544 were cigar tobacco.

Pennsylvania farmers evidenced their cooperation in the adjustment programs by their votes in the different program referenda in this State.

Cooperating Pennsylvania cigar-tobacco growers voted 91.2 percent strong for continuation of the program. A nation-wide wheat referendum was conducted on May 25, 1935, in which producers were asked: "Are you in favor of a wheat-production adjustment program to follow the present one which expires with the 1935 crop year?" In Pennsylvania, 2,809 votes were cast for a program, while 1,085 opposed. In the referendum for corn-hog producers who were asked on October 26, 1935, whether they favored a program for 1936, official returns indicate that 1,807 producers wanted a program, and that 417 opposed.

FARMERS NOW BETTER CUSTOMERS

The extent to which increased farm income during the past 3 years has enabled Pennsylvania farmers to increase their purchases of city-made goods needed to operate their farms as businesses and as homes, is reflected in several ways.

New car registrations in Pennsylvania were 111,000 in 1932, 141,000 in 1933, 177,000 in 1934, and 234,000 in 1935.

This represents an increase of about 111 percent from 1932 to 1935.

According to Automobile Facts and Figures, a publication of the Automobile Manufacturers' Association, the 1934 retail automobile sales gain in Pennsylvania was greatest in small towns and on farms. From 1933 to 1934 new passenger-car registrations on farms and in towns under 10,000 population increased 24 percent, whereas in towns over 10,000 population the increase was only 20 percent.

Mr. Speaker, this increased purchase of new cars by citizens of Pennsylvania brings a similar increase in gasoline consumption. In 1932 the total consumption figure for the State stood at 1,041,061,000 gallons. By 1933 it had increased to 1,048,463,000 gallons, by 1934 to 1,136,344,000, and by 1935 to 1,171,438,000. The increase from 1932 to 1935 amounted to 13 percent.

Increased sales of new ordinary life insurance in Pennsylvania have been another indication of bettered conditions. The value of sales for 1935 aggregated $572,249,000, an increase of 11 percent over the 1933 figure of $517,488,000.

A recent study of railroad-freight waybills on carlot shipments of industrial products over four railroads from Pennsylvania to 10 agricultural States of the Southeast shows that shipments in the year ending June 30, 1934, were greater by 122,456,748 pounds, or 55.2 percent, than in the preceding 12 months.

In a similar study of the freight waybills on five railroads of carlot shipments of industrial products from Pennsylvania, shipments increased from 197,110,698 pounds to 375,605,989 pounds, a gain of 90.6 percent.

Improved banking conditions are further indications of increased business. Individual bank deposits—time, savings, and commercial—in Pennsylvania aggregated $3,816,967,000 for the year closing June 29, 1935, an advance of $540,058,000, or 16 percent, over deposits in the year ending June 30, 1933, according to reports received by the American Bankers' Association.

The number of commercial failures in the State showed a large decrease from 1932 to 1935. From a total of 2,152 failures in 1932, the figure dropped to 831 in 1935, a decrease of 61 percent.

Definite improvement is evident in the building industry in Pennsylvania. For 1933 the value of building permits in 24 important cities of the State stood at $20,718,000. By 1935 the value rose to $26,165,000, an increase of 26 percent.

In the manufacturing establishments of Pennsylvania, employment increased 16 percent from 1933 to 1935, while pay rolls advanced 43 percent. These indices are unweighted and are based on monthly percentage changes computed from reports supplied to the Bureau of Labor Statistics by identical establishments in the current and preceding month.

CONSENT CALENDAR

CLAIMS FOR EXCESS COST OF NAVIGATION DAMS AND LOCKS ON MISSISSIPPI RIVER

The Clerk called the next bill, H. R. 10846, to confer jurisdiction on the Court of Claims to hear, determine, and enter judgment upon the claims of contractors for excess costs incurred while constructing navigation dams and locks on the Mississippi River and its tributaries.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. FULLER). Is there objection?

There was no objection.

CLAIMS FOR DAMAGES RESULTING FROM OPERATION OF VESSELS OF COAST GUARD AND PUBLIC HEALTH SERVICE

The Clerk called the next bill, S. 3818, authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to consider, ascertain, adjust, and determine the amounts due on all claims for damages occasioned after the date of the enactment of this act, where the amount of the claim does not exceed the sum of $3,000, occasioned by collisions or damage incident to the operation of vessels for which collisions or other damage vessels of the Coast Guard or the Public Health Service, or vessels in the service of the Coast Guard or the Public Health Service, shall be found to be responsible, and report the amounts so ascertained and determined to be due the claimants to the Congress for payment as legal claims out of appropriations that may be made by Congress therefor.

With the following committee amendment:

On page 1, strike out all after the enacting clause, down to and including line 7, on page 2, and insert:

"That the Secretary of the Treasury may consider, ascertain, adjust, and determine any claim accruing after the approval of this act, on account of damages occasioned by collisions or incident to the operation of vessels of the United States Coast Guard or of the United States Public Health Service, and for which damage the said vessels shall be found to be responsible, and such amount as may be ascertained and determined to be due any claimant, not exceeding $3,000 in any one case, shall be certified to Congress as a legal claim for payment out of appropriations that may be made by Congress therefor, together with a brief statement of the character of each claim, the amount claimed, and the amount allowed: *Provided*, That no claim shall be considered under this act unless presented to the Secretary of the Treasury within 1 year from the date of the accrual of said claim: *Provided further*, That acceptance by any claimant of the amount determined to be due under the provisions of this act shall be deemed to be in full and final settlement of such claim against the Government of the United States."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "An act to provide for the adjustment and settlement of certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service."

AMENDING PROVISIONS OF ACT OF MARCH 7, 1928

The Clerk called the next bill, H. R. 11643, to amend certain provisions of the act of March 7, 1928 (45 Stat. L. 210–212).

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the act of Congress approved March 7, 1928 (45 Stat. L. 210–212), and acts amendatory thereof or supplementary thereto are hereby amended so as to provide that the net revenues from the sale of surplus power developed at the Coolidge Dam and other generating plants of the San Carlos project and transmitted over existing transmission lines shall be devoted, first, to reimbursing the United States for the cost of developing such electrical power; second, to reimbursing the United States for the cost of the San Carlos irrigation project; third, to payment of operation and maintenance charges and the making of repairs and improvements on said project: *Provided, however*, That all net power revenues from the sale of power transmitted over such additional transmission lines as may hereafter be constructed by the San Carlos Irrigation and Drainage District for the benefit of the San Carlos project shall first be devoted to the repayment of the construction costs of such additional transmission lines: *Provided further*, That the United States and the San Carlos Irrigation District shall enter into an appropriate contract in accordance with the terms of this act to be approved by the Secretary of the Interior, which contract shall provide that the additional transmission lines hereafter constructed by the district shall, upon completion of construction, be conveyed to the United States: *Provided further*, That after reimbursement to the district from such net power revenues of the cost of constructing additional transmission lines the net power revenues received from the sales of power transmitted over additional transmission lines hereafter constructed by the district shall be applied as herein provided for the application of net power revenues from the sale of power transmitted over existing transmission lines.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIVIL GOVERNMENT OF VIRGIN ISLANDS OF UNITED STATES

The Clerk called the next bill, S. 4524, to provide a civil government for the Virgin Islands of the United States.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the provisions of this act, and the name "the Virgin Islands" as used in this act, shall apply to and include the territorial domain, lands, and waters acquired by the United States through cession of the Danish West Indian Islands by the convention between the United States of America and His Majesty the King of Denmark entered into August 4, 1916, and ratified by the Senate on September 7, 1916 (39 Stat. L. 1706).

SEC. 2. The insular possession which is the Virgin Islands shall be divided into two municipalities, namely, (1) the municipality of St. Croix and (2) the municipality of St. Thomas and St. John. The boundaries of said municipalities shall be the same as at present established in accordance with laws in force on the date of enactment of this act, and the capital and seat of the central government shall be St. Thomas. In this act the phrase "the Government of the Virgin Islands" shall include, in addition to the governing authority of the insular possession, the governing authority of the two municipalities, unless the context shall indicate a different intention.

SEC. 3. The inhabitants of the municipality of St. Croix and of the municipality of St. Thomas and St. John are hereby constituted into bodies politic and juridic, under the present name of each such municipality, and as such bodies they shall have perpetual succession and power (a) to adopt and use an official seal; (b) to sue and in cases arising out of contract to be sued; (c) to demand the fulfillment of obligations under the law and to defend and prosecute all actions at law; (d) to acquire property by purchase, exchange, donation or bequest, by virtue of proceedings for the collection of taxes, by eminent-domain proceedings, or by any other means provided by law, and to possess, administer, and govern such property; and (e) to alienate or encumber any of their property, subject to the provisions of this act.

SEC. 4. All property which may have been acquired by the United States from Denmark in the Virgin Islands under the convention entered into August 4, 1916, not heretofore or within 1 year hereafter reserved by the United States for public purposes, is hereby placed under the control of the Government of the Virgin Islands: *Provided*, That, except as otherwise expressly provided, all laws of the United States for the protection and improvement of the navigable waters of the United States and the preservation of the interest of navigation and commerce shall apply to the Virgin Islands: *Provided further*, That nothing in this act shall be construed to affect or impair in any manner the terms and conditions of any authorizations, permits, or other powers heretofore lawfully granted or exercised in or in respect of the Virgin Islands by any authorized officer or agent of the United States: *Provided, further*, That the Secretary of the Interior shall be authorized to lease or to sell upon such terms as he may deem advantageous to the Government of the United States any property of the United States under his administrative supervision in the Virgin Islands not needed for public purposes.

LEGISLATIVE BRANCH

SEC. 5. All local legislative powers in the municipality of St. Croix, except as herein otherwise provided, shall be vested in a local legislative assemby, which shall be designated the Municipal Council of St. Croix. Said council shall consist of nine members elected by the qualified electors of the municipality for a term of 2 years beginning the 1st day of January next succeeding the date of election. The members shall be elected in four representative districts, two of which shall be the town of Christiansted and the country district thereof, and two of which shall be the town of Frederiksted and the country district thereof, as defined

by law in force on the date of enactment of this Act: *Provided*, That two members shall be elected for each of said districts and one member at large.

SEC. 6. All local legislative powers in the municipality of St. Thomas and St. John, except as herein otherwise provided, shall be vested in a local legislative assembly which shall be designated the Municipal Council of St. Thomas and St. John. Said council shall consist of seven members elected by the qualified electors of the municipality for a term of 2 years beginning the 1st day of January next succeeding the date of election. The members shall be elected in three representative districts, one of which shall be the town district and one the country district of St. Thomas, and one the district of St. John, as defined by law in force on the date of enactment of this act: *Provided*, That two members shall be elected for each of the districts of St. Thomas, one member for the district of St. John, and two members at large.

SEC. 7. After January 1, 1937, joint sessions of said municipal councils shall constitute and shall be designated the Legislative Assembly of the Virgin Islands. The legislative assembly shall convene in St. Thomas upon call by the Governor, and also whenever both municipal councils shall determine by resolutions passed by each of them: *Provided*, That the Governor shall call the legislative assembly at least once during each calendar year. The legislative assembly shall have power to enact legislation applicable to the Virgin Islands as a whole, but no legislation shall be considered other than that specified in the message by the Governor calling such a session, or in both of said resolutions: *Provided further*, That so long as the membership of the legislative assembly does not exceed 16 members, a quorum of the legislative assembly shall consist of not less than 10 members, and no bill shall be enacted until it shall be passed by a two-thirds majority vote of the members present. The municipal councils shall not enact laws or ordinances in conflict with the enactments of the legislative assembly.

SEC. 8. The present colonial councils shall continue to function until January 1, 1937. The next general election in the Virgin Islands shall be held on November 3, 1936. At such election there shall be chosen the entire membership of each municipal council as herein provided. Thereafter the elections shall be held on the first Tuesday after the first Monday in November, beginning with the year 1938, and every 2 years thereafter. The terms of office of members of the respective colonial councils of the municipalities of St. Thomas and St. John and of St. Croix, whose terms of office under existing law would expire prior to January 1, 1937, are hereby extended to that date.

SEC. 9. No person shall be eligible to be a member of either municipal council unless he is a citizen of the United States, over 25 years of age, is a qualified voter of the municipality in which elected, has resided in the Virgin Islands for a period of not less than 3 years next preceding the date of election, and has not been convicted of a felony or of a crime involving moral turpitude. Each municipal council may exclude from membership therein persons receiving compensation from the Government of the United States or from either of the municipal governments of the Virgin Islands.

SEC. 10. The members of each municipal council shall receive allowance for actual travel expenses and such reasonable subsistence as may be prescribed by the council.

SEC. 11. The respective municipal councils shall be the sole judges of the elections, returns, and qualifications of their members, shall be vested with the authority and attributes inherent in legislative bodies, and shall jointly or separately have the power to institute and conduct investigations, issue subpenas to witnesses and other parties concerned, and administer oaths. Existing rules of the colonial councils shall continue in force and effect, except as inconsistent with this act, until altered, amended, or repealed by the respective municipal councils. No member shall be held to answer before any tribunal other than the respective municipal councils themselves for any speech or debate in the municipal councils and the members shall in all cases, except treason, felony, or breach of the peace, be privileged from arrest during their attendance at the sessions of the municipal councils and in going to and returning from the same.

SEC. 12. Each municipal council shall annually appoint from among its members, for a term of 1 year, three members to serve as a standing committee, which, under the name of the "Municipal Committee", shall advise the Governor concerning the management of the fiscal affairs of the municipality, and concerning matters relating to the municipality. The procedure of the Municipal Committee shall be in accordance with the bylaws adopted by the municipal council and approved by the Governor. The Municipal Committee shall have power when granted by local law to recommend to the Governor transfers between items in the annual budgets, and loans from municipal funds, but no such transfers or loans shall be made by the Governor except upon the recommendation of the Municipal Committee.

SEC. 13. Each municipal council shall assemble for ordinary meetings on a certain day of every second month, which day shall be previously fixed by the Governor for the whole year, and for extraordinary meetings at the call of the Governor or the chairman of the council. The Governor may postpone the meetings of the municipal councils, but not for a longer period than 14 days. The Municipal Council of St. Thomas and St. John shall convene at St. Thomas, and the Municipal Council of St. Croix shall convene at Christiansted.

SEC. 14. The Governor may introduce bills in the respective municipal councils. The Governor shall submit to the respective municipal councils, at least 90 days before the close of each fiscal year, a budget of estimated receipts and expenditures for the respective municipalities, which shall be the basis for the annual local appropriation bills for such municipalities. He shall from time to time submit to the respective municipal councils such reports concerning the fiscal affairs of the municipalities as may be requested by resolution of either municipal council.

SEC. 15. The quorum of each municipal council shall consist of an absolute majority of all its members. No bill shall become a law until it shall be passed by a majority (yea-and-nay) vote of the members present and voting of the municipal council having jurisdiction, entered upon the journal, and approved by the Governor, except as otherwise herein provided. Each municipal council shall keep a journal of its proceedings and publish the same during the year, and the yeas and nays of the members voting on any question shall be entered on the journal.

SEC. 16. New legislation, and repeals, alterations, and amendments of local laws of the Virgin Islands by the municipal council having jurisdiction, and by the legislative assembly, shall be effective and enforced when, and to the extent, such new legislation, repeals, alterations, and amendments are approved by the Governor, and the Governor shall state specifically in each case whether his approval or disapproval is in whole or in part, and if in part only, what part is approved and what part not approved. The Governor may veto any specific item or items in any bill which appropriates money for specific purposes, but shall veto other bills, if at all, only as a whole. If any bill passed by the municipal council having jurisdiction or by the legislative assembly be disapproved in whole or in part by the Governor, the Governor shall within 30 calendar days return such bill to the said municipal council or to the legislative assembly, whether in actual session or not, setting forth his objections. If after reconsideration by the legislative body having jurisdiction two-thirds of all the members of the said body pass such bill or part thereof, it shall be sent to the Governor who, in case he shall not then approve it, shall transmit the same to the President. If the President approves such bill or part of bill, he shall sign it and it shall become law; if he does not approve such bill or part of bill, he shall return it to the Governor, so stating, and it shall not become law. If any bill shall not be returned by the Governor as herein provided within 30 calendar days after it shall have been presented to him the same shall become a law in like manner as if he had signed it. The President shall approve or disapprove an act submitted to him under the provisions of this section within 3 months from and after its presentation for his approval; and if not acted upon within such time, shall become a law the same as if it had been specifically approved. All laws enacted by the Municipal Council of St. Croix, by the Municipal Council of St. Thomas and St. John, or by the legislative assembly, shall be reported by the Governor to the Secretary of the Interior, and by him to the Congress, which hereby reserves the power and the authority to annul the same. The laws not annulled shall be published annually as a public document. If at the termination of any fiscal year the appropriation necessary for the support of the municipal government for the ensuing fiscal year shall not have been made, then the several sums appropriated in the last appropriation bills for the objects and purposes therein specified, so far as the same may be applicable, shall be deemed to be reappropriated, item by item; and until the municipal council of the municipality having jurisdiction shall act in such behalf, the Governor may make the payments and collections necessary for the purpose aforesaid.

SEC. 17. Beginning on January 1, 1938, or on such earlier date subsequent to January 1, 1937, as may be fixed by local law or ordinance for either municipality, and thereafter, the franchise shall be vested in residents of the Virgin Islands who are citizens of the United States, 21 years of age or over, and able to read and write the English language. Additional qualifications may be prescribed by the legislative assembly: *Provided, however*, That no property or income qualification shall ever be imposed upon or required of any voter, nor shall any discrimination in qualification be made or based upon difference in race, color, sex, or religious belief.

SEC. 18. The laws of the United States applicable to the Virgin Islands on the date of enactment of this act, and all local laws and ordinances in force on such date in the Virgin Islands, not inconsistent with this act, shall continue in force and effect: *Provided*, That the Municipal Council of St. Croix and the Municipal Council of St. Thomas and St. John, and the legislative assembly, shall have power, when not inconsistent with this act and within their respective jurisdictions, to amend, alter, modify, or repeal any law of the United States of local application only, or any ordinance, public or private, civil or criminal, continued in force and effect by this act, except as herein otherwise provided, and to enact new laws and ordinances not inconsistent with this act and not inconsistent with the laws of the United States hereafter made applicable to the Virgin Islands or any part thereof, subject to the power of the Congress to annul the same. The laws of the United States relating to patents, trade marks, and copyrights, and to the enforcement of rights arising thereunder, shall have the same force and effect in the Virgin Islands as in the continental United States, and the District Court of the Virgin Islands shall have the same jurisdiction in causes arising under such laws as is exercised by United States district courts.

SEC. 19. The legislative power of the Virgin Islands shall extend to all subjects of local application not inconsistent with this act or the laws of the United States made applicable to said islands,

but no law shall be enacted which would impair rights existing or arising by virtue of any treaty entered into by the United States, nor shall the lands or other property of nonresidents be taxed higher than the lands or other property of residents.

EXECUTIVE BRANCH

SEC. 20. The executive power of the Virgin Islands and of the municipalities thereof shall be vested in an executive officer whose title shall be "the Governor of the Virgin Islands" and shall be exercised under supervision of the Secretary of the Interior. The Governor shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold office at the pleasure of the President and until his successor is chosen and qualified. The Governor shall reside in the Virgin Islands during his official incumbency. He shall have general supervision and control of all executive and administrative departments, bureaus, and offices of the Government of the Virgin Islands. He shall faithfully execute the laws of the United States applicable to the Virgin Islands, and the laws and ordinances of the Virgin Islands. He may grant pardons and reprieves and remit fines and forfeitures for offenses against the local laws, and may grant respites for all offenses against the applicable laws of the United States until the decision of the President can be ascertained. He may veto any legislation as provided in this act. He shall commission all officers that he may be authorized to appoint. He may call upon the commanders of the military and naval forces of the United States in the islands, or summon the posse comitatus, or call out the militia, to prevent or suppress violence, invasion, insurrection, or rebellion; and he may, in case of rebellion or invasion, or imminent danger thereof, when the public safety requires it, suspend the privilege of the writ of habeas corpus, or place the islands, or any part thereof, under martial law, until communication can be had with the President and the President's decision thereon made known. He shall annually, and at such other times as the President or the Congress may require, make official report of the transactions of the Government of the Virgin Islands to the Secretary of the Interior, and his said annual report shall be transmitted to the Congress. He shall perform such additional duties and functions as may, in pursuance of law, be delegated to him by the President, or by the Secretary of the Interior. He shall have the power to issue executive regulations not in conflict with any applicable law or ordinance. He shall attend or may depute another person to represent him at the meetings of the legislative authorities herein established, and may give expression to his views on any matter before such bodies.

SEC. 21. The President shall appoint a Government Secretary for the Virgin Islands, who shall have all the powers of the Governor in the case of a vacancy or temporary removal, resignation, or disability of the Governor, or in case of his temporary absence. He shall have custody of the seal of the Virgin Islands and shall countersign and affix such seal to all executive proclamations and all other executive documents. He shall, when practicable, attend all meetings of the Municipal Council of St. Thomas and St. John, before which body he shall give expression to the advice of the Governor. He shall record and preserve the laws enacted by the legislative authorities herein established. He shall promulgate all proclamations and orders of the Governor and all laws enacted by said legislative authorities. He shall have all such executive powers and perform such other duties as may be prescribed by law or assigned to him by the Governor.

SEC. 22. The Secretary of the Interior shall appoint an Administrator for St. Croix, who shall act for the Governor in the administration of the affairs of the municipality of St. Croix. He shall, when practicable, attend all meetings of the Municipal Council of St. Croix, before which body he shall give expression to the advice of the Governor. He shall exercise supervision over all the administrative departments in the municipality of St. Croix, subject to the direction of the Governor.

SEC. 23. The Secretary of the Interior shall appoint such other executive and administrative officers as may, in his discretion, be required. Such officers shall have such powers and duties as may be conferred or imposed upon them by law or ordinance, or by order of the Secretary of the Interior or executive regulation of the Governor not inconsistent with any such law or ordinance. The salary of all executive officers and employees appointed by the President or by the Secretary of the Interior shall be paid from funds appropriated for the Government of the Virgin Islands by the Congress in annual appropriation bills, or as may be otherwise provided by law. The officers appointed by the Secretary of the Interior shall hold office during his pleasure, and in making such appointments the Secretary shall give due consideration to natives of the Virgin Islands.

SEC. 24. The Governor shall appoint, by and with the advice and consent of the municipal council having jurisdiction, all salaried officers and employees of the municipal governments whose salaries are provided for in the budgets of the municipal governments. In the event of a vacancy in any appointive office under the Government of the Virgin Islands, or the absence, illness, or temporary disqualification of any appointive officer, the Governor shall designate an officer or employee of the Goverment of the Virgin Islands to discharge the functions of such officer during such vacancy, absence, illness, or temporary disqualification.

JUDICIAL BRANCH

SEC. 25. The judicial power of the Virgin Islands shall be vested in a court to be designated "the District Court of the Virgin Islands" and in such court or courts of inferior jurisdiction as may have been or may hereafter be established by local law: *Provided*, That the legislative assembly may provide for the organization and conduct of a Superior Court of the Virgin Islands and may transfer from the district court to such superior court jurisdiction over any or all causes other than those arising under the laws of the United States. Appeals from the superior court shall be as provided by law in the case of appeals from the district court.

SEC. 26. The President shall, by and with the advice and consent of the Senate, appoint a judge and a district attorney for the district court of the Virgin Islands who shall hold office for the term of 4 years and until their successors are chosen and qualified unless sooner removed by the President for cause.

The Attorney General shall appoint and fix the compensation of all other officers necessary for the transaction of the business of the district court, and the compensation of the judge of the district court, and of the district attorney, and the administrative expenses of such court shall be paid from appropriations made for the Department of Justice. The duties of such officers shall be prescribed by law or ordinance and by order of the Attorney General not inconsistent therewith: *Provided*, That the Governor may call upon the district attorney to advise him upon any legal questions concerning the administration of the government of the Virgin Islands.

SEC. 27. The District Court of the Virgin Islands shall consist of two divisions, one constituted by the municipality of St. Croix and one constituted by the municipality of St. Thomas and St. John, as defined by local law in force on the date of enactment of this act. The judge of the district court shall hold court in each division at such time as he may designate by order, at least once in 2 months in each division. The rules of practice and procedure in such district court shall be prescribed by law or ordinance or by rules and regulations of the district judge not inconsistent with law or ordinance. The process of the district court shall run throughout the Virgin Islands.

SEC. 28. The district court shall have jurisdiction of—

(1) All criminal cases under the laws of the respective municipalities or under the laws of the United States applicable to the Virgin Islands;

(2) All cases in equity;

(3) All cases in admiralty;

(4) All cases of divorce and annulment of marriage;

(5) All cases at law involving principal sums exceeding $200;

(6) All cases involving title to real estate;

(7) All appeals from judgments rendered in the inferior courts;

(8) All matters and proceedings not otherwise hereinabove provided for which, on the date of enactment of this act, were within the jurisdiction of the District Court of the Virgin Islands, or of the judge thereof, or which may hereafter be placed within the jurisdiction of the District Court of the Virgin Islands, or of the judge thereof, by local law.

The district court shall also have concurrent jurisdiction with the inferior courts as provided in section 32.

SEC. 29. The district court shall also have jurisdiction of offenses under the criminal laws of the United States when such offenses are committed on the high seas beyond the territorial limits of the Virgin Islands on vessels belonging in whole or in part to the United States, to any citizen thereof, or to any corporation created by or under the laws of the United States or of any State or Territory thereof, and the offenders are found in the Virgin Islands or are brought into the Virgin Islands after the commission of the offense.

SEC. 30. Appeals from the District Court of the Virgin Islands shall be as provided by law in force on the date of enactment of this act: *Provided*, That no appeal shall be predicated upon the existence of a right of appeal under the law of Denmark.

SEC. 31. In any case, civil or criminal, originating in said district court, no person shall be denied the right to trial by jury on the demand of either party: *Provided*, That if no jury is demanded the case shall be tried by the court without a jury: *Provided further*, That the judge of the district court may, on his own motion, order a jury for the trial of any criminal action: *Provided further*, That the respective municipal councils of St. Croix and of St. Thomas and St. John, may provide for trial in misdemeanor cases by a jury of six qualified persons.

SEC. 32. The inferior courts shall have jurisdiction concurrent with the district court in all civil cases in which the principal sum claimed does not exceed $200, and of all criminal cases wherein the punishment that may be imposed shall not exceed a fine of $100 or imprisonment not exceeding 6 months, all violations of police regulations and executive regulations, and any cause or offense wherein jurisdiction hereafter shall have been conferred by local law. Such inferior courts shall hold preliminary investigations in charges of felony and charges of misdemeanor in which the punishment that may be imposed is beyond the jurisdiction granted to the inferior courts by this section, and shall commit offenders to the district court and grant bail in bailable cases. The rules governing said courts and prescribing the duties of inferior judges and inferior court officers, oaths, and bonds, the times and places of holding such courts, the disposition of fines, costs, forfeitures, enforcements of judgments, providing for appeals therefrom to the district court, and the disposition and treatment of prisoners shall be as established by law or ordinance in force on the date of enactment of this act or as may hereafter be established by law or ordinance by the municipal council having jurisdiction.

SEC. 33. Appeals in civil and criminal cases from the judgments and rulings of the inferior courts shall be to the district court and shall be taken in accordance with the laws and ordinances of the respective municipalities: *Provided*, That the right of appeal in

all cases, civil and criminal, shall be as established by law or ordinance in force on the date of enactment of this act, or as may hereafter be established by law or ordinance by the municipal council having jurisdiction.

MISCELLANEOUS PROVISIONS

SEC. 34. No law shall be enacted in the Virgin Islands which shall deprive any person of life, liberty, or property without due process of law or deny to any person therein equal protection of the laws.

In all criminal prosecutions the accused shall enjoy the right to be represented by counsel for his defense, to be informed of the nature and cause of the accusation, to have a copy thereof, to have a speedy and public trial, to be confronted with the witnesses against him, and to have compulsory process for obtaining witnesses in his favor.

No person shall be held to answer for a criminal offense without due process of law, and no person for the same offense shall be twice put in jeopardy of punishment, nor shall be compelled in any criminal cause to give evidence against himself; nor shall any person sit as judge or magistrate in any case in which he has been engaged as attorney or prosecutor.

All persons shall be bailable by sufficient sureties in the case of criminal offenses, except for first-degree murder or any capital offense when the proof is evident or the presumption great.

No law impairing the obligation of contracts shall be enacted.

No person shall be imprisoned or shall suffer forced labor for debt.

All persons shall have the privilege of the writ of habeas corpus and the same shall not be suspended except as herein expressly provided.

No ex-post-facto law or bill of attainder shall be enacted.

Private property shall not be taken for public use except upon payment of just compensation ascertained in the manner provided by law.

Nothing contained in this act shall be construed to limit the power of the municipal councils herein provided to enact laws for the protection of life, the public health, or the public safety.

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted.

The right to be secure against unreasonable searches and seizures shall not be violated.

No warrant for arrest or search shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

Slavery shall not exist in the Virgin Islands.

Involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall not exist in the Virgin Islands.

No law shall be passed abridging the freedom of speech or of the press or the right of the people peaceably to assemble and petition the Government for the redress of grievances.

No law shall be made respecting an establishment of religion or prohibiting the free exercise thereof, and the free exercise and enjoyment of religious profession and worship without discrimination or preference shall forever be allowed, and no political or religious test other than an oath to support the Constitution and the laws of the United States applicable to the Virgin Islands, and the laws of the Virgin Islands, shall be required as a qualification to any office or public trust under the Government of the Virgin Islands.

The contracting of polygamous or plural marriages is prohibited.

No money shall be paid out of the treasury except in accordance with an act of Congress or money bill of the local legislative authority having jurisdiction and on warrant drawn by the proper officer.

The employment of children under the age of 14 years in any occupation injurious to health or morals or hazardous to life or limb is hereby prohibited.

SEC. 35. All taxes, duties, fees, and public revenues collected in the municipality of St. Croix shall be covered into the treasury of the Virgin Islands and held in account for said municipality and all taxes, duties, fees, and public revenues collected in the municipality of St. Thomas and St. John shall be covered into said treasury of the Virgin Islands and held in account for said municipality: *Provided*, That the proceeds of customs duties, less the cost of collection, and the proceeds of the United States income tax, and the proceeds of any taxes levied by the Congress on the inhabitants of the Virgin Islands, and all quarantine, passport, immigration, and naturalization fees collected in the Virgin Islands shall be covered into the treasury of the Virgin Islands and held in account for the respective municipalities, and shall be expended for the benefit and government of said municipalities in accordance with the annual municipal budgets. The Municipal Council of St. Croix may make appropriations for the purposes of said municipality from, and to be paid out of, the funds credited to its account in the treasury of the Virgin Islands; and the Municipal Council of St. Thomas and St. John may make appropriations for the purposes of said municipality from, and to be paid out of, the funds credited to its account in said treasury.

SEC. 36. Taxes and assessments on property and incomes, internal-revenue taxes, license fees, and service fees may be imposed and collected, and royalties for franchises, privileges, and concessions granted may be collected for the purposes of the Government of the Virgin Islands as may be provided and defined by the municipal councils herein established: *Provided*, That all money hereafter derived from any tax levied or assessed for a special purpose shall be treated as a special fund in the treasury of the Virgin Islands and paid out for such purpose only, except when otherwise authorized by the legislative authority having jurisdiction after the purpose for which such fund was created has been accomplished. Until Congress shall otherwise provide, all laws concerning import duties and customs in the municipality of St. Thomas and St. John now in effect shall be in force and effect in and for the Virgin Islands: *Provided further*, That the President may, by Executive order, establish or alter rules and regulations for the administration of customs laws. The export duties in effect on the date of enactment of this act may be from time to time reduced, repealed, or restored by ordinance of the municipal council having jurisdiction: *Provided further*, That no new export duties shall be levied in the Virgin Islands except by the Congress.

SEC. 37. All judicial process shall run in the name of "United States of America, scilicet, the President of the United States", and all penal or criminal prosecutions in the local courts shall be conducted in the name of and by authority of "the People of the Virgin Islands of the United States."

SEC. 38. All officials of the Government of the Virgin Islands shall be citizens of the United States, and before entering upon the duties of their respective offices shall take an oath to support the Constitution and the laws of the United States applicable to the Virgin Islands and the laws of the Virgin Islands.

SEC. 39. All reports required by law to be made by the Governor to any official of the United States shall hereafter be made to the Secretary of the Interior, and the President is hereby authorized to place all matters pertaining to the government of the Virgin Islands under the jurisdiction of the Secretary of the Interior.

SEC. 40. This act shall take effect upon its enactment, but until its provisions shall severally become operative as herein provided, the corresponding legislative, executive, and judicial functions of the existing government shall continue to be exercised as now provided by law or ordinance, and the present incumbents of all offices under the government of the Virgin Islands shall continue in office until their successors are appointed and have qualified, unless sooner removed by competent authority.

SEC. 41. This act may be cited as the Organic Act of the Virgin Islands of the United States.

Mr. DEMPSEY. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DEMPSEY: Section 31, page 20, line 12, strike out the words "case, civil or criminal", and insert in lieu thereof the words "criminal case."

The amendment was agreed to.

Mr. DEMPSEY. Mr. Speaker, I offer a further committee amendment.

The Clerk read as follows:

Section 36, page 26, line 15, strike out the words between the colon on that line and the period on line 17 and insert in lieu thereof the following: "*Provided*, That the Secretary of the Treasury shall designate the several ports and subports of entry in the Virgin Islands of the United States, and shall make such rules and regulations, and appoint such officers and employees as he may deem necessary for the administration of the customs laws in the Virgin Islands of the United States, and he shall fix the compensations of all such officers and employees and provide for the payment of such compensations and other expenses of the collection of duties, fees, and taxes imposed under the customs laws from the receipts thereof."

Section 39, page 27, line 16, strike out the period and insert in lieu thereof a comma, and add the words "except matters relating to the judicial branch of said government which shall be as hereinbefore provided under the supervision of the Attorney General."

The amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RATIO OF SUBSTITUTES TO REGULAR EMPLOYEES IN POST OFFICES AND RAILWAY MAIL SERVICE

The Clerk called the next bill, H. R. 12608, to fix the ratio of substitutes to regular employees in post offices and in the Railway Mail Service.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HIGGINS of Massachusetts. Mr. Speaker, in lieu of consideration of this bill, I ask unanimous consent to take from the Speaker's table the bill, H. R. 7688, with a Senate amendment, and agree to the said amendment. The language of the two bills, H. R. 7688 and H. R. 12608, is exactly the same.

This bill, that in effect establishes a new ratio between substitutes and regular employees in the Postal Service, will, I am confident, provide more adequate and efficient service

because the Post Office Department has been compelled to resort to practice of employing temporary employees without these men, under the present ratio, ever being afforded the protection of civil service. I speak for this class—temporary employees—throughout the Service and more particularly of and for the group of temporary employees in the Boston postal district, who are in many cases married or have dependents, who have given 8 years of faithful service to our Government as temporary employees, without the hope of protection of civil service unless this bill meets with the approval of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the ratio of classified substitute railway postal clerks, classified substitute post-office clerks, classified substitute city letter carriers, classified substitute village letter carriers, classified substitute laborers, watchmen, and messengers, and classified substitutes in the Motor Vehicle Service, to regular railway postal clerks, post-office clerks, city letter carriers, village letter carriers, laborers, watchmen, and messengers, and employees in the Motor Vehicle Service, shall be not more than one classified substitute to six regular employees, or fraction thereof, respectively, except that in offices having fewer than six regular employees there may be one substitute clerk and one substitute carrier, and one substitute in the Motor Vehicle Service: *Provided*, That where the ratio of substitutes is now in excess of these ratios, no additional classified substitutes shall be appointed until these ratios are established: *Provided further*, That the provisions of this act shall not operate to furlough or dismiss (1) any classified substitute railway postal clerks, post-office clerks, city letter carriers, village letter carriers, or laborers, watchmen, or messengers; or (2) any classified substitutes in the Motor Vehicle Service."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

EXEMPTION OF PUBLICLY OWNED INTERSTATE HIGHWAY BRIDGES FROM TAXATION

The Clerk called the next bill, S. 3107, to exempt publicly owned interstate highway bridges from State, municipal, and local taxation.

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

TRANSPORTATION AND SALE OF NATURAL GAS IN INTERSTATE COMMERCE

The Clerk called the next bill, H. R. 12680, to regulate the transportation and sale of natural gas in interstate commerce, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. FADDIS. Mr. Speaker, reserving the right to object, this is a bill of 28 pages, and it is a bill that affects an industry widely scattered throughout the United States, serving a great many communities. I do not believe it is the kind of a bill that should be on this calendar. I therefore object.

BRIDGES ACROSS THE TENNESSEE, TOMBIGBEE, WARRIOR, ALABAMA, AND COOSA RIVERS

The Clerk called the next bill, H. R. 12657, to amend section 2 of the act entitled "An act granting the consent of Congress to the Alabama State Bridge Corporation to construct, maintain, and operate bridges across the Tennessee, Tombigbee, Warrior, Alabama, and Coosa Rivers, within the State of Alabama", approved May 26, 1928.

The SPEAKER pro tempore. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, will the sponsor of the bill advise the House as to whether this bill has been passed on by any committee, and if so, by what committee?

Mr. CHAPMAN. I may say to the gentleman from Pennsylvania that it was passed on by the Committee on Interstate and Foreign Commerce. This bill extends the amortization period on this bridge from 18 to 28 years. The bridge has heretofore been authorized.

Mr. RICH. Was it a unanimous report by the committee?

Mr. CHAPMAN. Yes; it was.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act granting the consent of Congress to the Alabama State Bridge Corporation to construct, maintain, and operate bridges across the Tennessee, Tombigbee, Warrior, Alabama, and Coosa Rivers, within the State of Alabama", approved May 26, 1928, is amended by striking out, where they appear therein, the words "18 years" and inserting in lieu thereof the words "28 years."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGES ACROSS THE TENNESSEE, TOMBIGBEE, WARRIOR, ALABAMA,

The Clerk called the next bill, S. 3885, to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River, at or near Garrison, N. Dak., authorized to be built by the State of North Dakota by an act of Congress approved February 10, 1932, heretofore extended by acts of Congress approved February 14, 1933, June 12, 1934, and May 24, 1935, are hereby further extended 1 and 3 years, respectively, from June 12, 1936.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGES ACROSS RED RIVER, MOORHEAD, MINN., TO FARGO, N. DAK.

The Clerk called the next bill, S. 3945, to extend the times for commencing and completing the construction of certain free highway bridges across the Red River, from Moorhead, Minn., to Fargo, N. Dak.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of two free highway bridges across the Red River, between Moorhead, Minn., and Fargo, N. Dak., authorized to be built by the State Highway Departments of the States of Minnesota and North Dakota by an act of Congress approved June 4, 1934, heretofore extended by an act of Congress approved August 5, 1935, are hereby further extended 1 and 3 years, respectively, from June 4, 1936.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WOLCOTT. Is it in order during the consideration of the Consent Calendar to submit a unanimous consent request that a certain number of bills on the Consent Calendar be considered en bloc?

The SPEAKER pro tempore. It is a rather unusual request. It is the opinion of the Chair that in order to keep the record straight the bills should be considered separately.

How many of these bridge bills are there?

Mr. JENKINS of Ohio. There are nine bridge bills in rotation.

BRIDGE ACROSS MISSOURI RIVER, MIAMI, MO.

The Clerk called the next bill, H. R. 11820, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River, at or near Miami, authorized to be built by Saline County, Mo., by an Act of Congress approved January 16, 1936, are hereby extended 1 and 3 years, respectively, from January 16, 1937.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS MISSOURI RIVER, ARROW ROCK, MO.

The Clerk called the next bill, H. R. 11819, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River, at or near Arrow Rock, Mo., authorized to be built by J. L. Jones, Tyre W. Burton, and H. R. Turley, trustees for Howard County, Mo., by an act of Congress approved August 30, 1935, are hereby extended 1 and 3 years, respectively, from August 30, 1936.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSOURI RIVER, RULO, NEBR.

The Clerk called the next bill, H. R. 11960, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River, at or near Rulo, Nebr., authorized to be built by John C. Mullen, John H. Hutchings, William Shepherd, their heirs, legal representatives, and assigns, by an act of Congress approved March 4, 1933, heretofore extended by an act of Congress approved August 23, 1935, are hereby extended 1 and 3 years, respectively, from March 4, 1936.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 1, line 10, strike out "March 4, 1936," and insert in lieu thereof "the date of approval hereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS SAVANNAH RIVER, BURTONS FERRY, SYLVANIA, GA.

The Clerk called the next bill, H. R. 12461, to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga., authorized to be built by the South Carolina and Georgia State Highway Departments by an act of Congress approved May 26, 1928, heretofore revived and reenacted by an act of Congress approved April 22, 1932, and heretofore extended by acts of Congress approved May 27, 1933, June 12, 1934, and August 30, 1935, are hereby further extended 1 and 3 years, respectively, from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 2, line 2, strike out "the date of approval hereof" and insert in lieu thereof "August 30, 1936."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS CHESAPEAKE BAY

The Clerk called the next bill, H. R. 12514, authorizing the Chesapeake Bay Authority to construct, maintain, and operate a toll bridge across the Chesapeake Bay, from a point in Baltimore County, Md., over Hart Island and Miller's Island to a point near Tolchester, Kent County, Md.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the Chesapeake Bay Authority, a public body created under the laws of the State of Maryland, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Chesapeake Bay at a point suitable to the interests of navigation, from a point in Baltimore County, Md., over Hart Island and Miller's Island to a point near Tolchester, Kent County, Md., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The said Chesapeake Bay Authority is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 3. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 40 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Strike all after the enacting clause and insert in lieu thereof the following:

"That the consent of Congress is hereby granted to the Chesapeake Bay Authority to construct, maintain, and operate a bridge and approaches thereto across the Chesapeake Bay, at a point suitable to the interests of navigation, from a point in Baltimore County, Md., over Hart Island and Millers Island to a point near Tolchester, Kent County, Md., in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the conditions and limitations contained in this act.

"SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 40 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

"SEC. 3. The right to alter, amend, or repeal this Act is hereby expressly reserved."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS SAVANNAH RIVER, AUGUSTA, GA.

The Clerk called the next bill, H. R. 12473, authorizing the State Highway Board of the State of Georgia to construct, maintain, and operate a free highway bridge across the Savannah River at or near Augusta, Ga.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent to substitute for the House bill a similar Senate bill

(S. 4549), an act authorizing the State Highway Board of the State of Georgia to replace, reconstruct, or repair the free highway bridge across the Savannah River at or near the city of Augusta, Ga.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the State Highway Board of the State of Georgia is hereby authorized to replace, reconstruct, or repair the free highway bridge and approaches thereto across the Savannah River, known as the North Augusta Bridge, at or near the city of Augusta, Ga., and to maintain and operate such bridge as a free highway bridge, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. There is hereby conferred upon the State Highway Board of the State of Georgia all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, replacement, reconstruction, repair, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The authority granted by this act shall cease and be null and void unless the replacement, reconstruction, or repair authorized herein is actually commenced within 2 years and completed within 4 years from the date of the enactment of this act.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a House bill (H. R. 12473) were laid on the table.

BRIDGE ACROSS THE CONNECTICUT RIVER AT NORTHAMPTON, MASS.

The Clerk called the next bill, S. 4326, granting the consent of Congress to the Department of Public Works of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Department of Public Works, Commonwealth of Massachusetts, to construct, maintain, and operate a free highway bridge and approaches thereto across the Connecticut River, at a point suitable to the interests of navigation, at or near the city of Northampton, Mass., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE WACCAMAW RIVER AT RED BLUFF, S. C.

The Clerk called the next bill, H. R. 12685, granting the consent of Congress to the county of Horry, S. C., to construct, maintain, and operate a free highway bridge across the Waccamaw River, at or near Red Bluff, S. C.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Horry, S. C., to construct, maintain, and operate a free highway bridge across the Waccamaw River at a point suitable to the interests of navigation, at or near Red Bluff, S. C., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO BANKRUPTCY ACT

The Clerk called the next bill, S. 2303, to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That clause (6½) of subsection (a) of section 63 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, is amended by inserting immediately after the words "whether voluntary or involuntarily" a colon and the following: *"Provided*, That the provisions of this clause (6½) shall apply to estates that were pending on June 7, 1934, and are in process of settlement."

SEC. 2. Notwithstanding the provisions of subsection (n) of section 57 of such act of July 1, 1898, as amended and supplemented, claims covered by the amendatory proviso of section 1 of this act may be proved against the estate of the bankrupt at any time within 60 days after the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGRICULTURAL INCOME

The Clerk called the joint resolution (H. J. Res. 444) to amend the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally", approved August 27, 1935.

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That section 1 of the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally", approved August 27, 1935 (Public Res. No. 61, 74th Cong.), be, and the same is hereby, amended so as to read as follows:

"That the Federal Trade Commission is hereby authorized and directed to investigate and report, at the next session of Congress—

"First. (1) The extent of the decline in agricultural income in recent years, including the amount and percentage of such decline;

"(2) The extent of the increases or decreases in recent years in the income of the principal corporations engaged in the sale, manufacturing, warehousing, and/or processing of the principal farm products, and of table and juice grapes, fresh fruits and vegetables, and of the other principal sellers, manufacturers, warehousemen, and/or processors of the principal farm products, and of table and juice grapes, fresh fruits and vegetables, as compared with the decline in agricultural income, including the amount and percentage of such changes; and

"(3) The proportion of total consumer cost of representative products manufactured or processed from the principal farm products, and of table and juice grapes, fresh fruits and vegetables, which is represented by the proceeds received by (a) the farmer; (b) the manufacturers, processors, and warehousemen; and (c) the distributors and such principal farm products, and of table and juice grapes, fresh fruits and vegetables, and such representative products manufactured therefrom.

"Second. The financial position of the principal corporations engaged in the manufacturing, processing, warehousing, distribution, and marketing of the representative major products manufactured from such farm products, including—

"(1) The capitalization and assets of such corporations and the means and sources of the growth of such capitalization and assets;

"(2) The investment, costs, profits, and rates of return of such corporations;

"(3) The salaries of the officers of such companies; and

"(4) The extent to which said corporations avoid income taxes, if at all, and the extent to which officers receiving such salaries paid income taxes thereon.

"Third. The extent of concentration of control and of monopoly in the manufacturing, processing, warehousing, distribution, and marketing of representative major farm products, and of table and juice grapes, fresh fruits and vegetables, which is maintained or has been obtained by any corporation or other organization, including—

"(1) Methods and devices used by such corporations for obtaining and maintaining their control or monopoly of the manufacturing, marketing, processing, warehousing, and distribution of such commodities, and the proportion of any such major farm commodity, and of table and juice grapes, fresh fruits and vegetables, handled by each of the large units involved; and

"(2) The extent to which fraudulent, dishonest, unfair, intimidating, and injurious methods are employed in the grading, warehousing, and transportation of such farm products, and of table and juice grapes, fresh fruits and vegetables, including combinations, monopolies, price fixing, and manipulation of prices on the commodity exchanges, and by racketeering and so-called auction markets.

"Fourth. The extent to which the cooperative agencies have entered into the processing, warehousing, and marketing of repre-

sentative major farm products, and of table and juice grapes, fresh fruits and vegetables, and the general effects of such cooperative agencies upon the producer and consumer."

SEC. 2. That section 5 of the said joint resolution be, and the same is hereby, amended by striking out the figures "150,000" and inserting the figures "300,000."

SEC. 3. That section 6 of the said joint resolution be, and the same is hereby, amended by striking out all thereof and by substituting in lieu of said section the following:

"SEC. 6. The Federal Trade Commission is directed to present a report to the Congress in respect to such principal farm products and such representative products manufactured therefrom, together with recommendations for legislation not later than July 1, 1936, and an interim report to the Congress in respect to table and juice grapes, fresh fruits and vegetables on July 1, 1936, and a final report in respect to said last-mentioned farm products, together with recommendations for legislation not later than January 31, 1937."

With the following committee amendment: Page 4, strike out lines 20 to 24, inclusive, and on page 5, strike out lines 1 to 8, inclusive, and insert the following:

SEC. 3. That section 6 of the said joint resolution be, and the same is hereby, amended by striking out all thereof and by substituting in lieu of the said section the following:

"SEC. 6. The Federal Trade Commission is directed to present a final report to the Congress in respect to such principal farm products and such representative products manufactured therefrom, together with recommendations for legislation not later than October 1, 1936, and a further report to the Congress in respect to table and juice grapes, fresh fruits, and vegetables, together with recommendations for legislation on or before January 31, 1937, and a final report in respect to the said last-mentioned products, together with any further recommendations, not later than May 31, 1937.

"It is hereby further provided that any unexpended balance of the appropriation of $150,000 made in the Independent Offices Appropriation Act for the fiscal year 1936 in accordance with the authority contained in Public Resolution No. 61, Seventy-fourth Congress, first session, is hereby made available for like purpose to and including October 1, 1936."

The committee amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 12027. An act to authorize the execution of plans for a permanent memorial to Thomas Jefferson.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 4354. An act to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration, at Little Rock, Ark.; the Texas Centennial, at Dallas, Tex.; and the National Confederate Reunion, at Shreveport, La., between the dates from June 6 to June 16, 1936, inclusive; and

S. 4655. An act relative to limitation of shipowners' liability.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8442. An act to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes."

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House thereon, and appoints Mr. LOGAN, Mr. VAN NUYS, Mr. MCGILL, Mr. BORAH, and Mr. AUSTIN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 4654. An act to amend an act entitled "An act to distribute the commissioned line and engineer officers of the Coast Guard in grades, and for other purposes", approved January 12, 1923; and

S. J. Res. 268. Joint resolution to amend the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally", approved August 27, 1935.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7688. An act to provide for the appointment and promotion of substitute postal employees, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1362) entitled "An act for the relief of Ramey Bros., of El Paso, Tex."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3952) entitled "An act for the relief of Mr. and Mrs. Bruce Lee."

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 26, 1936:

H. R. 2982. An act for the relief of Sarah Shelton;

H. R. 3340. An act for the relief of Jesse S. Post;

H. R. 8262. An act for the relief of Tom Rogers, and the heirs of W. A. Bell, Israel Walker, Henry Shaw, Thomas Bailey, and Joseph Watson;

H. R. 8287. An act to establish an assessed valuation real-property tax in the Virgin Islands of the United States;

H. R. 8431. An act to provide for the establishment of the Fort Frederica National Monument, at St. Simon Island, Ga., and for other purposes;

H. R. 8784. An act to authorize withholding compensation due Government personnel;

H. R. 10267. An act to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond to the rates established by the Classification Act of 1923, as amended; and

H. R. 10934. An act to authorize the transfer of the customhouse at Salem, Mass., from the jurisdiction of the Treasury Department to the Department of the Interior.

On May 27, 1936:

H. R. 8599. An act to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat-inspection laws, and for other purposes; and

H. R. 11747. An act extending the time for making the report of the commission to study the subject of Hernando De Soto's Expedition.

On May 28, 1936:

H. R. 8069. An act for the relief of Mr. and Mrs. A. S. Mull;

H. R. 8766. An act to authorize municipal corporations in the Territory of Alaska to incur bonded indebtedness, and for other purposes;

H. R. 9995. An act to grant a renewal of patent no. 59560 relating to the emblem of the Disabled American Veterans of the World War;

H. R. 10194. An act granting a renewal of patent no. 40029 relating to the badge of The Holy Name Society;

H. R. 11108. An act to advance a program of national safety and accident prevention;

H. R. 11454. An act to incorporate the Veterans of Foreign Wars of the United States; and

H. J. Res. 439. Joint resolution authorizing the erection in the Department of Labor Building of a memorial to the

officers of the Immigration and Naturalization Service and Immigration Border Patrol who, while on active duty, lost their lives under heroic or tragic circumstances.

CONSENT CALENDAR

ESTABLISHMENT AND OPERATION OF GRAZING DISTRICTS IN THE STATE OF NEVADA

The Clerk called the next bill, H. R. 12698, relating to the establishment and operation of grazing districts in the State of Nevada.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to establish and administer additional grazing districts in the State of Nevada pursuant to the provisions and subject to the restrictions of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry, dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269), without regard to the 80,000,000 acres limitation contained in section 1 thereof.

SEC. 2. Nothing in this act shall be construed as in any way altering or restricting the right to hunt or fish within a grazing district in accordance with the laws of the United States or of any State, or as vesting in any permittee any right whatsoever to interfere with hunting or fishing within a grazing district, except that hereafter the control of hunting and fishing within the Boulder Canyon Project Reservation, as now or as hereafter may be defined, shall be exercised by the Interior Department, subject to the provisions of the act of August 25, 1916 (39 Stat. 535), as amended and supplemented.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SERVICE CHARGES ON PUBLIC WORKS ADMINISTRATION HOUSING PROJECTS

The Clerk called the next bill, S. 3247, to amend title II of the National Industrial Recovery Act as amended by the Emergency Appropriation Act, fiscal year 1935, and as extended by the Emergency Relief Appropriation Act of 1935.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to have someone explain the bill. This bill has reference to the dead N. R. A., and we would like to know what they are going to do with it.

Mr. RAMSPECK. If the gentleman will yield, I can tell him in a very few words to what this bill refers. It deals with the lower-cost housing projects.

In the first place, some of the cities in which these projects are located have declined to extend school facilities and police and fire protection to these projects unless the cities are compensated in lieu of taxes. This bill enables the Administrator of Public Works to enter into an agreement with the city for a lump-sum payment in lieu of taxes, which may be either 5 percent of the gross rental of the houses when completed or the tax collected from the property prior to the acquisition of same by the Government, whichever is the lesser sum.

Mr. RICH. How did these projects get started? Are these the projects under the Tugwell administration, which were declared unconstitutional by the Supreme Court last week?

Mr. RAMSPECK. This has no relationship, as I understand it, to that. This deals with projects under the Public Works Administration.

Mr. RICH. Mr. Speaker, I do not believe that this bill should be considered by unanimous consent; therefore I object.

PROVISION FOR CARE AND TREATMENT OF MEMBERS OF NATIONAL GUARD, ETC.

The Clerk called the next bill, S. 3334, to make provision for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps who are injured or contract disease while engaged in military training, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That officers, warrant officers, and enlisted men of the National Guard who suffer personal injury or contract disease in line of duty while en route to or from or during their attendance at encampments, maneuvers, or other exercises, or at service schools, under the provisions of sections 94, 97, and 99 of the National Defense Act of June 3, 1916, as amended; members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army and members of the National Guard of the United States who suffer injury or contract disease in line of duty while on active duty under proper orders; and persons hereinbefore described who may now be undergoing hospital treatment at Government expense for injuries so sustained; shall, under such regulations as the President may prescribe, be entitled, at Government expense, to such hospitalization, rehospitalization, medical and surgical care, in hospital and at their homes, as is necessary for the appropriate treatment of such injury or disease, until the disability resulting from such injury or disease cannot be materially improved by further hospitalization or treatment, and during the period of such hospitalization or rehospitalization, but not for more than an aggregate of 6 months after the termination of the prescribed tour of active duty or training in any case to the pay and allowances, whether in money or in kind, that they were entitled to receive at the time such injury was suffered or disease contracted, and to the necessary transportation incident to such hospitalization and rehospitalization and return to their homes when discharged from hospital; and for any period of hospitalization or rehospitalization when they are not entitled to pay and allowances under the preceding provision, they shall be entitled to subsistence at Government expense. Officers, warrant officers, and enlisted men of the National Guard who suffer personal injury (as distinguished from disease) in line of duty when participating in aerial flights prescribed under the provisions of section 92 of said National Defense Act as amended shall, under regulations prescribed as aforesaid, be entitled to the same hospitalization, rehospitalization, medical and surgical care, pay and allowances, and transporation, as if such injury had been suffered while in line of duty during their attendance at encampments, maneuvers, or other exercises, or service schools, under the aforementioned sections 94, 97, or 99 of the National Defense Act of June 3, 1916, as amended; and members of the Officers' Reserve Corps and Enlisted Reserve Corps of the Army who suffer personal injury (as distinguished from disease) in line of duty while voluntarily participating, when not on active duty, in aerial flights in Government-owned aircraft by proper authority as an incident to their military training, shall, under regulations prescribed as aforesaid, be entitled to the same hospitalization, rehospitalization, medical and surgical care, pay and allowances, and transporation as if such injury had been suffered while on active duty under proper orders. Members of the Reserve Officers' Training Corps and members of the citizens' military training camps who suffer personal injury or contract disease in line of duty while en route to or from and during their attendance at camps of instruction, under the provisions of section 47a or 47d of said National Defense Act, as amended, shall, under regulations prescribed as aforesaid, be entitled to hospitalization, rehospitalization, medical and surgical care, in hospital and at their homes, pay and allowances, transportation, and subsistence as in the case of persons hereinbefore described. If the death of any person mentioned herein occurs while he is on active duty, or undergoing training or hospital treatment contemplated by this section, the United States shall, under regulations prescribed as aforesaid, pay the necessary expenses for recovery of the body, its preparation for burial, including the use of such of the uniform and articles of clothing issued to him as may be required, interment (or cremation if requested by his relatives), and transportation of his remains, including round-trip transportation and subsistence of an escort, to his home or the place where he received orders for the period of training upon which engaged at the time of his death, or to such other place as his relatives may designate, provided the distance to such other place be not greater than the distance to his home: *Provided*, That when the expenses of the recovery, preparation, and disposition of remains herein authorized, or any part thereof, are paid by individuals, such individuals may be reimbursed therefor at an amount not exceeding that allowed by the Government for such services. The determination of the fact whether an injury was suffered or disease contracted by the person concerned in line of duty, and of all other facts and conditions necessary to entitle a person to the benefits of this act, shall be made by the Secretary of War, or by such agencies or shall be designated, under such regulations as the President may prescribe, and such determination shall be final and conclusive for all purposes of this act. Section 6 of the act of March 4, 1923, as amended by the act of April 26, 1928 (45 Stat. 461), is hereby repealed: *Provided further*, That any person who, on the date of the approval of this act, is receiving or entitled to receive the benefits provided by said section 6 of the act of March 4, 1923, as amended, shall be entitled to the benefits of this act in lieu thereof, and existing appropriations for carrying out the provisions of section 6 of said act of March 4, 1923, as amended, shall be available for expenditures authorized by this act.

With the following committee amendments: Page 2, line 4, after the word "orders", insert "in time of peace"; page 5, line 1, after the word "services", strike out the remainder of line 1 and all of lines 2 to 7, inclusive, down to the word "Act" in line 8.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF LAND FROM THE WAR DEPARTMENT TO THE TERRITORY OF HAWAII

The Clerk called the next bill, H. R. 10712, to authorize the transfer of land from the War Department to the Territory of Hawaii.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to transfer to the Territory of Hawaii all right, title, and interest of the United States in such portion of the land at the base of the east breakwater at Kahului, county of Maui, Territory of Hawaii, as is not required for the maintenance of said breakwater, on such terms and conditions as the Secretary of War may determine: *Provided*, That the conveyance shall be upon the express condition and with a reservation reserving the right to resume and occupy said tract of land whenever, in the judgment of the President, an emergency exists that requires the use and appropriation of the same for public defense, and also with the further reservation as to that portion of said tract of land other than known as pier no. 1 and the land immediately adjacent thereto that it shall be used for park purposes, and that in case it is not so used it shall revert to the United States.

With the following committee amendment:

Page 1, line 9, after the word "determine", insert a colon and the following: "*Provided*, That the conveyance shall be upon the express condition and with a reservation reserving the right to resume and occupy said tract of land whenever in the judgment of the President an emergency exists that requires the use and appropriation of the same for public defense, and also with the further reservation as to that portion of said tract of land other than known as pier no. 1 and the land immediately adjacent thereto that it shall be used for park purposes, and that in case it is not so used it shall revert to the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SELECTION OF SITE FOR ERECTION OF PEDESTAL FOR ALBERT GALLATIN STATUE IN WASHINGTON, D. C.

The Clerk called the next resolution, Senate Joint Resolution 215, authorizing the selection of a site and the erection of a pedestal for the Albert Gallatin statue in Washington, D. C.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object——

Mr. KELLER. Mr. Speaker, will the gentleman withhold his objection?

Mr. WOLCOTT. I withhold it.

Mr. KELLER. I simply want to call attention to the fact that there is no appropriation here except for a pedestal. The monument itself is provided by the society.

Mr. WOLCOTT. I think the gentleman had better read his bill. I think he means the north entrance of the Treasury Building instead of the west entrance.

The regular order was demanded.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OF THE ENABLING ACT FOR THE STATE OF ARIZONA

The clerk called the next bill, S. 4230, to amend section 28 of the Enabling Act for the State of Arizona, approved June 20, 1910.

There being no objection, the clerk read the bill as follows:

Be it enacted, etc., That section 28 of the act entitled "An act to enable the people of New Mexico to form a constitution and state government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and state government and be admitted into the Union on an equal footing with the original States", approved June 20, 1910, is amended (1) by striking out the proviso in the third paragraph thereof and inserting in lieu thereof the following: "*Provided*, That nothing herein contained shall prevent said State of Arizona from leasing in a manner as the State legislature may direct, any of said lands referred to in this section for grazing and agricultural purposes for a term of 10 years or less, or from leasing any of said lands for mineral purposes (including leases for exploration of oil and gas and extraction thereof) for a term of 20 years or less"; (2) by striking out in the fourth paragraph thereof "nor in any case less than the minimum price hereinafter fixed,"; (3) by striking out in the fifth paragraph thereof "$3 per acre" and inserting in lieu thereof "their appraised value"; and (4) by inserting between the fifth and sixth paragraphs thereof the following new paragraph:

"The State of Arizona is authorized to exchange any lands owned by it for other lands, public or private, under such regulations as the legislature thereof may prescribe: *Provided*, That such exchanges involving public lands may be made only as authorized by acts of Congress and regulations thereunder."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERSTATE TRANSPORTATION OF PRISON-MADE PRODUCTS

Mr. MILLER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 11372) to amend Public Law No. 215, Seventy-fourth Congress, first session.

The Clerk read the bill, as follows:

Be it enacted, etc., That Public Law No. 215, Seventy-fourth Congress, first session, approved July 24, 1935, entitled "An act to prohibit the interstate transportation of prison-made products in certain cases", be, and the same is hereby, amended by adding after section 2 thereof a new section to be known as section 2A and to read as follows:

"SEC. 2A. No person shall deliver for shipment any such package, as described in the foregoing section, unless each article therein contained shall be plainly and indelibly marked with the words 'prison-made', together with the name and location of the penal or reformatory institution wherein produced."

The SPEAKER. Is a second demanded?

Mr. WOOD. Mr. Speaker, I demand a second.

Mr. MILLER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLER. Mr. Speaker, at the last session of the Congress a bill was enacted which made it unlawful for prison-made goods to be transported in interstate commerce into those States where the sale of such goods are prohibited by State law. The practical operation of the act developed the fact that under the law that we passed at the last session, all that was required to be done was to mark on the outside of the package containing the goods "Prison made." So, when the goods reached their destination and the wrapper was removed from the package, they passed into the commerce of the State, and there was no way of identifying these goods from any others.

This bill proposes to add a section to that particular statute requiring the marking of the individual goods by stamping them indelibly as prison-made goods.

The Department of Justice states that unless such a statute is passed it is impossible to enforce the present statute; and the question, as I see it, is this, and I am going to be perfectly frank with you: It does not operate in my State in the least, so far as I know, and I have no personal feeling about the bill or personal interest in it. If we are going to prevent the mingling of prison-made goods with goods made by free labor in commerce, there does not seem to be any way to do it except by requiring the individual articles themselves to be stamped.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MILLER. Yes.

Mr. BLANTON. Is it not a fact that this very contention is one that Mr. Samuel Gompers, who was president of the American Federation of Labor for a long time, sought to have Congress provide for, so that prison-made goods could be recognized wherever they were found?

Mr. MILLER. I am not familiar with that.

Mr. BLANTON. And this is in strict accord with the former demands of organized labor, as I understand it.

Mr. MILLER. I am not informed about that.

Mr. COOPER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MILLER. I yield.

Mr. COOPER of Ohio. I believe the gentleman stated the Department of Justice is in favor of this bill?

Mr. MILLER. That is my understanding.

Mr. COOPER of Ohio. I have a letter here dated May 26, 1936.

Mr. MILLER. That is quite recent.

Mr. COOPER of Ohio. This letter is addressed to the chairman of the gentleman's committee, the gentleman from Texas [Mr. SUMNERS], and the last paragraph of the letter reads as follows:

> Whether the proposed amendment should be enacted is primarily a question of legislative policy. I desire to point out, however, that, if enacted, the law would be extremely difficult of enforcement.
>
> Sincerely,
>
> HOMER S. CUMMINGS.

Mr. MILLER. And I understand that we had another letter saying they could not enforce the present law, and the question is whether or not you want to permit prison-made goods to go into commerce without being marked and thus compete with goods manufactured by free labor. If you do, the bill ought to be defeated. If not, the bill ought to be enacted into law.

I reserve the remainder of my time, Mr. Speaker.

Mr. WOOD. Mr. Speaker, ladies and gentlemen of the House, this bill before us brings up a very difficult question. We have been battling many years in heroic attempts to abolish the sale of contract prison-made goods.

One of my objections to this amendment which requires that each garment or article be stamped or indelibly imprinted as prison made is that I do not think it very good policy for us to recognize that prison-made garments stamped prison made are marketable.

Do not think that you are going to segregate prison-made goods made by prison labor by simply stamping them prison made.

Another objection is that we only have 22 States that have enacted laws for the purpose of restricting in one manner or another the manufacture and sale of prison-made goods by prison contractors.

Some States have the State-use system.

These States—Ohio, New York, Pennsylvania, and several other States that have the State-use system—have abolished the very inhuman contract-leasing system.

Then there are 15 or 18 States that have no system. We have now seven States that require the labeling of their products as made in the penitentiary.

There are a number of States that buy a great amount of clothing from the Missouri penitentiary. We have 1,500 or 1,800 making clothing of all kinds, types, and description, and there are thousands of institutions throughout the States where the State governments are caring for unfortunate children. There is no State in the Union that has not several institutions to care for orphans. I do not want any of my relatives who have little children that must go to one of these State institutions to be compelled to wear clothing day after day marked "prison made." I say to you that it is not a fair policy; it is not a good policy to get those children accustomed to looking at brands of prison-made goods.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. WOOD. Yes.

Mr. DINGELL. Is it not a fact that the very stamping of these prison-made goods will be recognition that they are legitimately produced.

Mr. WOOD. Yes; that is a very serious objection, that they are recognized as legitimate marketable goods. There are people who are compelled to buy such commodities. There are many good citizens who have children, two or three or four, who have very little money, and it is necessary to clothe those children. The father or mother will look on one counter, with the goods marked prison-made there, and another counter without them, or perhaps look on a counter where both are intermingled. Side by side, one stack is marked prison-made goods, the mark probably being on the collarband or somewhere not very visible, but the mark will be shown by the clerk. There will be a pair of small trousers, perhaps, or some article of clothing in that stack, tagged at 75 cents a garment, and in the next stack beside it goods of the same quality and the tag will be $1.25.

The father or mother hates to buy the prison-made goods; they dread to do it; they see under the collar this mark of prison-made, but they want the children clothed. Their great desire is to keep their children from want and misery; their desire is to keep them from shivering and suffering, and they will buy the prison garment. It is no reflection upon their character when they do that. They are confronted with a situation; and I say to you that the enactment of the Hawes-Cooper and the Ashurst-Sumners laws has started us on a rapid upward trend toward the abolition of this abominable system of the sale of convict-made goods in the open market, and especially the sale of contract-made goods.

Mr. COOPER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. WOOD. Yes.

Mr. COOPER of Ohio. A number of years ago I was the coauthor of what is known as the Hawes-Cooper prison-made goods law.

Mr. WOOD. And I complimented the gentleman upon being the author of that law.

Mr. COOPER of Ohio. For 50 years the American Federation of Labor worked in season and out of season to have that act become a law. This bill would not apply to the States that have no laws governing the sale of prison-made goods. It applies only to those States that have State laws governing the sale of prison-made goods.

Mr. WOOD. Yes.

Mr. COOPER of Ohio. Can the gentleman tell me who is back of this bill? I understand the American Federation of Labor is not in favor of it.

Mr. WOOD. I have not been informed that the American Federation of Labor is back of it. Neither am I informed that the Clothing Manufacturers Association is back of it. They have been prime movers in the abolition of the sale of convict-made goods in the open market. I know of no one who had interceded in behalf of the bill.

Mr. COOPER of Ohio. The representatives of the American Federation of Labor informed me this afternoon that they are opposed to the bill. I would like to know who is for it.

Mr. WOOD. I am sorry to say that I cannot tell. The representatives of the American Federation of Labor also informed me a few hours ago that they are opposed to this bill, as did several clothing manufacturers and other people who have cooperated in the great effort to abolish the open sale of these convict-made goods.

Mr. WELCH. Mr. Speaker, the representatives of the American Federation of Labor have informed me that they are unalterably opposed to this legislation.

Mr. WOOD. I think there is no question about that. This is a matter of legislative policy. No Member of Congress is to be condemned for his position on this matter. It is a matter of policy, and it has been a very involved question, as you all know, for many years. I just cannot go along with the idea of legalizing and putting the stamp of approval upon prison-made garments sold in the open market. I fear if we enact this bill that that is what we will do. For years past I know that various State federations and various manufacturers' associations, as well as the American Federation of Labor, have groped around in the dark for all kinds of remedies, and in years gone we have advocated the stamping of prison-made garments when there was no State-use system, but we are now drifting rapidly toward the right solution, and that is for the State to manufacture these products for the use of State institutions and keep them out of competition, as far as possible, with free labor. I do not know what we are going to do with our prison population. Our prison population in Missouri is increasing by leaps and bounds. We built a new reformatory in the past 5 or 6 years.

They are filled to overflowing. I do not know what the remedy is, but I do know that something must be done to take care of them. I fear, if we pass this amendment to the

Ashurst-Sumners law, we will find ourselves in the position where we will have a great influx of prison-made goods marked and stamped. As I said before, I fear there are a great many people who, through stress of circumstances—and, of course, we have millions of them now—may augment the sale of prison-made garments and do just the reverse of what we are attempting to do here.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. MOTT. As I understand it, this bill simply provides that the articles be indelibly marked. What would prevent a person buying a suit of clothing so indelibly marked and removing the mark after he buys it? That does not mean that it has to be marked on with indelible ink.

Mr. WOOD. Yes; but they can take it off.

Mr. MOTT. What is to prevent a person, after he buys a coat, from removing that label?

Mr. WOOD. Nothing at all.

Mr. MOTT. All right, then. What is the matter with the bill? If a person buys a child's garment he can take the indelible mark off, but if this amendment were adopted it would prevent a fraud being perpetrated upon the purchaser who did not know the difference between prison-made goods and other goods.

Mr. WOOD. The words "indelibly marked" I fear mean that it is marked so that it cannot be removed. That is what I think the courts will interpret. I am not a lawyer, but I think that is the purpose and intent and meaning of the language of that amendment, and it will be so indelibly marked that it cannot be removed.

Mr. MOTT. Does the gentleman think it will have to be printed with indelible ink upon the cloth? In other words, does the gentleman say that that marking on my coat, for instance, is not an indelible mark?

Mr. WOOD. No; it is not. I do not think it is, because it could be easily removed, and what the courts may construe as "indelibly marked" seems to me to be that they would construe that that garment shall be so marked that it cannot be removed.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. BIERMANN. At the present time prison-made goods may be shipped in interstate commerce; is that not true?

Mr. WOOD. Yes.

Mr. BIERMANN. If a man buys prison-made goods now, he does not know whether it is prison made or whether it is made by free labor, but if this bill is passed he will be put on notice as to what he is buying?

Mr. WOOD. No. I hope we will never see the day when we will teach them to buy prison-made garments. I am mighty glad that the men who buy them do not know they are prison made.

Mr. BIERMANN. Does the gentleman think this bill would encourage the buying of prison-made goods?

Mr. WOOD. In many circumstances, it would. Under the stress of circumstances, it certainly would.

Mr. BIERMANN. Then the gentleman is against the bill?

Mr. WOOD. I am against this amendment; yes. I do not think it is a proper amendment.

Mr. PEARSON. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. PEARSON. Is it not true that the American Federation of Labor actively sponsored Public Law No. 215, which we enacted during the first session of this Congress?

Mr. WOOD. Yes; they actively sponsored the Ashurst-Sumners law.

Mr. PEARSON. Is it not also true that this amendment is offered for the purpose of making that particular law effective and so as to make it effective?

Mr. WOOD. I disagree with the gentleman. As I said before, it is a matter of policy that is not in accord with the opinion of the Attorney General, as was read by the gentleman from Ohio [Mr. COOPER]. The Attorney General, in the last paragraph of his letter to Judge SUMNERS, chairman of the committee, stated:

> Whether the proposed amendment should be enacted is primarily a question of legislative policy. I desire to point out, however, that if enacted, the law will be extremely difficult of enforcement.

Of course, there are divers views about the difficulty of its enforcement and as to its strengthening or weakening the present law.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. SIROVICH. During the last 10 years I have heard debates on this subject of prison-made goods and I understand they can be classified under the following groupings: A prisoner must have something to do while in prison. Therefore they have given him an opportunity to do work. Many States have recognized the humanity of taking prison-made goods to supply State institutions so that those prisoners might have work.

Mr. WOOD. Yes.

Mr. SIROVICH. Now, if this legislation is enacted, it will enable prison-made goods to compete with free labor and encourage that competition by underselling the work of free labor?

Mr. WOOD. I am very glad for the gentleman's contribution. I agree with him thoroughly.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. RICH. The gentleman expressed great concern about the fact that we are filling up our prisons so fast.

If he will read the report of the Attorney General and the Superintendent of Prisons, he will find that since doing away with the eighteenth amendment we have increased our prison population 400 percent.

Mr. WOOD. I will say to the gentleman that we built our two institutions under the Republican administration and during prohibition.

Mr. RICH. Yes; but the reports of the Attorney General for the past 2 years and the report for the year 1935 show that they have increased 400 percent.

Mr. WOOD. Our prison institutions were filled before this administration came in.

Mr. RICH. Evidently the gentleman has not read the report of the Attorney General for this year.

Mr. WOOD. We know the situation in Missouri and, although I am ashamed to admit it, we have a good many prisoners in the institutions. We know those prisons were filled immediately after they were built.

[Here the gavel fell.]

Mr. MILLER. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I regret to take issue with my distinguished colleague from Missouri [Mr. WOOD] and my distinguished colleague from Ohio [Mr. COOPER]. They are two of the high class, high-standing Members of the House, both as good friends to organized labor as it ever had. The bill that this bill now seeks to amend was an organized-labor bill—the Ashurst bill—passed by Congress, which merely provides that prison-made goods to be shipped in interstate commerce can only go to those States which permit it, which have no laws against it; and when they do go there the outside box or package, the big crate or carton, whatever it is, must be marked "Prison-made goods." The inside goods themselves are not marked at all.

Under that law these great big crates of goods can go into a State which permits it, be opened and the unmarked goods inside placed on counters alongside free-labor goods and no one can distinguish them. That would be against organized labor and against the contention I heard the distinguished late lamented Samuel Gompers make before my committee at one time when he was insisting that just such a law as this now before the House be passed. Prison-made goods should be marked so the people can distinguish them from goods made by free labor.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. In just a minute, when I have completed this statement.

Mr. Speaker, I contend that it is a protection to free labor to mark prison-made goods so people can tell them from goods made by free labor. I have in my home some sample shoes that were made in a Federal penitentiary by convicts, a pair of fine calfskin shoes that the prison can make for $3.35 and give the convict some pay for it which he can send home to his wife and little children. Some of these shoes are sold to officers in the Army and Navy for $3.35, whereas like shoes made by free labor would cost $12 in any retail store in the land.

Mr. WOOD. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Certainly; to my friend from Missouri.

Mr. WOOD. Would the gentleman favor marking shoes that come in from Czechoslovakia?

Mr. BLANTON. Yes; I would.

Mr. WOOD. Mark them indelibly "Made in Czechoslovakia"; for, does the gentleman know they can compete even with prison-made goods?

Mr. BLANTON. I would like to see every single piece of foreign merchandise, every single foreign product that comes into our ports marked so we can tell it. Then we could protect the goods of our own country against foreign goods. I would like to see every article received from Japan marked so we can tell it; then we could do something for the protection of the labor of the United States against the cheap labor of Japan.

Mr. SIROVICH. My distinguished colleague has just concluded his statement. Will he yield?

Mr. BLANTON. Certainly.

Mr. SIROVICH, Does he think it is right to take the product of forced convict labor under prison circumstances and under prison conditions and ship it in interstate commerce to compete with goods made by free American labor?

Mr. BLANTON. Answering the great humanitarian of the House, the man whose every heart pulsation is supposed to beat for suffering humanity, I may say there would be no convict-made products, there would be no prison-made goods, if there were not before Congress the problem of what to do with the convicts of the country after we put them in prisons. The prisoners are there and they cannot be permitted to remain idle. Idleness is the devil's workshop.

[Here the gavel fell.]

Mr. MILLER. Mr. Speaker, I yield 1 additional minute to the gentleman from Texas.

Mr. BLANTON. Without work there would be mutinies. We are not merely punishing men while they are in penitentiaries, we are hoping to reclaim some of them. We must give them an opportunity to work, we must give them an opportunity to make a little something to help support their children by diligent endeavor.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield further?

Mr. BLANTON. Would the gentleman from New York not have them work?

Mr. SIROVICH. That is not it at all.

Mr. BLANTON. When they work, they produce something. What would the gentleman do with the product?

Mr. SIROVICH. Do as they do in my State of New York; require that it be used in State institutions.

Mr. BLANTON. Most of the Federal prison output is used by the Government, especially in the Army and Navy. Our Government institutions use practically all the output of Atlanta, and all the output of Leavenworth every year.

[Here the gavel fell.]

Mr. MILLER. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, I introduced H. R. 11372, which requires prison-made goods shipped from one State to another to have printed on each article "prison made" and the name of the prison and place in which the goods were manufactured or processed.

The chief purpose of my bill is to make effective the enforcement of the Hawes-Cooper Act, enacted some years ago by a Republican Congress, and the amendment to that act, known as the Ashurst-Sumners amendment to Public Law No. 215, which became a law on July 24, 1935. The Hawes-Cooper Act prohibits the shipment of prison-made goods from one State to another in violation of that act. The Supreme Court has held that act to be constitutional. The Ashurst-Sumners amendment to the Hawes-Cooper Act of date July 24, 1935, amended the Hawes-Cooper Act and provided means for its enforcement in that the Ashurst-Sumners amendment requires the containers of goods shipped from one State to another State to have printed on the containers the words "prison-made" and the place and name of the prison where made or processed. This amendment was recently held constitutional by the United States Circuit Court of Appeals. The Ashurst-Sumners amendment, however, falls short of the requirements to make effective the enforcement of the Hawes-Cooper Act, because after the merchant or other person has received the goods and removed the goods from the container and places the overalls, furniture, stoves, and so forth on the floor or shelves, there is no way to know whether or not the goods are prison-made.

The bill that is before us, H. R. 11372, introduced by me in the House, is an amendment to the Ashurst-Sumners Act, and it requires the articles within the containers to be plainly and indelibly marked with the words "prison-made", together with the name of the penal or reformatory institution wherein they are produced. Without this provision, a container could be shipped from one State to another with a thousand or 2,000 pairs of overalls, another with that number or more of shirts, another with 5,000 pairs of shoes, or containers with furniture, stoves, and so forth. The buyer of these articles would, of course, remove the container, and there would be nothing left to inform the retail purchaser that the goods or articles were prison-made.

If the House and Senate adopt this amendment before us, each pair of overalls, shirts, pants, shoes, and each article of furniture, stoves, and so forth, will be marked on the articles themselves "prison made."

The purpose of this measure is to protect free labor from the low wages paid to prison contract labor. While the cheap clothing, furniture, shoes, and so forth, made in prison are not so considerable in amount, yet there is enough of them to break down the price of those produced on the outside by free labor. It takes away the employment of free labor and creates undue preference to merchants who handle prison-made goods over the merchants whose goods are manufactured and processed by free labor.

This measure, after mature consideration, was favorably reported by the Judiciary Committee, without a dissenting vote. It had the unanimous support of our Judiciary Committee, of which I have the honor to be a member. The American Federation of Labor of my home State as well as other States has strongly urged the passage of this bill. The United Mine Workers are likewise strongly in favor of this measure. The manufacturers of clothing, shoes, furniture, stoves, and so forth, which employ free labor at fair prices, and the merchants generally of this country have commended and urged the enactment of this bill. The only active opposition I have heard of to this measure is the prison contractors, many of whom have been exploiting prison labor and also many of whom through political pull and influence have obtained unconscionable contracts with very little pay to the prisoners themselves or to the State and with inordinate profits going to the prison contractors.

I am opposed to free labor being forced into competition with prison labor, and I am opposed to manufacturers and merchants who process and handle the products of free labor being handicapped with unfair competition of prison-made goods. [Applause.]

Mr. WOOD. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to the gentleman from Missouri.

Mr. WOOD. If the labeling of prison-made goods will stop their sale upon the open market, I would like to have the gentleman explain to me why the labeling of German cutlery, which people used to buy when I was a boy, has not stopped its sale? The people in those days felt they

would get a knife with better metal in it and at a cheaper price if that knife was made in Germany. It has not stopped the sale of foreign products.

Mr. ROBSION of Kentucky. There has been a great change in the public opinion in our country since the time spoken of by my friends from Missouri. Congress has passed an act urging "Buy American." Our governmental agencies are and should insist that American goods and products be used in and on Government contracts. I am urging an amendment to a bill in the Judiciary Committee providing that no wages or salaries for services on any Government contract shall be paid to anyone who is not an American citizen.

The gentleman from Texas [Mr. BLANTON] stated that he should like to see a bill passed requiring foreign goods and products labeled, showing the country and place from which they come. I have introduced a bill providing that it shall be an unfair business practice for any foreign country to ship any of its goods or products into this country without their being labeled, showing the country in which they were produced and from which they come. Under this administration's reciprocal-trade agreements, there is little hope of getting through any such measure.

Japan is flooding this country with her products of crockery, silks, and textiles. They come here and study the patterns of our crockeryware, and so forth, and find out what pleases the American people; then they go back to Japan and duplicate these articles; and with wages ranging from one-tenth to one-thirtieth of what is paid in this country, they are putting our factories and shops and workers out of business.

This amendment before us is very necessary, indeed, in order to secure the effective enforcement of the Hawes-Cooper and Ashurst-Sumners Acts, and I trust that it will be adopted. [Applause.]

Mr. MILLER. Mr. Speaker, I shall not take more than 2 or 3 minutes. It is quite correct to say that we must have some means of keeping our prison population busy, but that does not mean that we ought to put those men to work manufacturing overalls, shoes, and what not, and then selling these articles to outside merchants at reduced prices, thereby putting those goods into commerce without any identification mark being put on them, and thus making it possible to foist these goods upon the public without the public knowing the origin of the merchandise. If the public purchases prison-made goods it should know they were manufactured in prisons and not by free labor.

Mr. Speaker, a lot has been said about labor being opposed to this bill. I, personally, pay very little attention to what group may be opposed to any particular legislation. I do know common sense when I meet it. A man named Roberts has been contacting various Members. I do not know who he is and I care less. I do know that some of the State federations of labor have been very much interested in this bill. I know, further, if we take the thousands of convicts in this country and let them make articles and put those articles into the commerce of this country without some mark of identification being inscribed upon them, we will beat down the price of labor.

Mr. TERRY. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Arkansas.

Mr. TERRY. I hold a letter in my hand which I received from the secretary-treasurer of the Arkansas State Federation of Labor, reading as follows:

> May I earnestly request your support and active interest in behalf of H. R. 11372, now pending in Congress? And which provides that each article made in prison be indelibly labeled "prison made", together with the name and location of the institution.
>
> The passage of this bill will go a long way in solving the question of making State and Federal laws enforcible, and will materially assist private enterprise in their attempt to compete with cheap prison labor.
>
> Thanking you in advance for your support, I remain,
>
> Yours very truly,
>
> H. M. THACKREY.

Mr. MILLER. Mr. Speaker, I want to say this to the individual Members who are doing what they think is best for labor. You better not misconstrue this letter which has been received from the Arkansas State Federation of Labor, because it is the attitude of labor generally.

Mr. MORITZ. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Pennsylvania.

Mr. MORITZ. The gentleman from Missouri [Mr. WOOD] is president of the Missouri State Federation of Labor, and he is against this bill.

Mr. MILLER. Yes; but may I ask what instructions has he had? I am looking at the matter from a common-sense standpoint.

Here is a factory on the outside manufacturing overalls, which institution pays its laborers a fair daily wage. There is a factory on the inside of the prison walls making overalls, which they can sell on the outside market for 50 cents. The factory on the outside, if it retains its wage scale, must sell their overalls for 65 or 75 cents. You cannot convince me that the man on the outside would be in favor of letting the product of that prison factory manned by convicts to come on the market without some label being put on it.

Mr. WOOD. Does the gentleman think there would be any advantage in marking the goods? There is now being made in the prisons more clothing and shoes than anything else. If the clothing and shoes were marked in some infinitesimal corner, would that have much effect?

Mr. MILLER. I think so.

Mr. WOOD. Does the gentleman think it would have any effect?

Mr. MILLER. I think so.

Mr. Speaker, many manufacturers, wholesalers, and merchants have written us letters. The question is asked, Who is behind the bill? As I said, I do not care who is behind the bill just so its provisions are in accordance with ordinary common sense. It so happens, however, that many reputable wholesalers and dealers are asking that the bill be passed.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I have received telegrams and letters from the American Federation of Labor, from Kentucky and various other States, urging the passage of this bill. The United Mine Workers strongly urge its passage. The only opposition I have heard of comes from the prison contractors.

Mr. MILLER. That is the only opposition there is to the bill. We do have some men operating factories on the outside of prisons who buy goods from the prison and mingle those goods in interstate commerce, and they are the ones who are opposed to the bill because they buy these cheap prison-made goods and sell them to an unsuspecting public who has no way of knowing the origin of the goods.

Mr. Speaker, I ask for a vote on the motion.

The SPEAKER. The question is on the motion of the gentleman from Arkansas to suspend the rules and pass the bill, as amended.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 58, noes 28.

So, two-thirds having voted in favor thereof, the rules were suspended and the bill was passed, and a motion to reconsider was laid on the table.

PUBLIC WORKS ADMINISTRATION SLUM-CLEARANCE AND LOW-COST HOUSING PROJECTS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 3247.

Mr. RICH. Mr. Speaker, I object.

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3247) to waive any exclusive jurisdiction over premises of Public Works Administration slum-clearance and low-cost housing projects, to authorize payments to State and political subdivisions in lieu of taxes on such premises, and for other purposes, as amended.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Mr. Speaker, this bill was on the Consent Calendar, being No. 859 on that calendar. It was objected to

in the House. Is it possible that they can now come in and bring up this bill without unanimous consent? I shall demand a second, Mr. Speaker.

The SPEAKER. The gentleman from Michigan moves to suspend the rules and pass the bill S. 3247, as amended. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the acquisition by the United States of any real property heretofore or hereafter acquired in connection with any low-cost housing or slum-clearance project heretofore or hereafter constructed with funds allotted to the Federal Emergency Administration of Public Works pursuant to title II of the National Industry Recovery Act, the Emergency Relief Appropriation Act of 1935, or any other law, shall not be held to deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or to impair the civil rights under the local law of the tenants or inhabitants on such property; and insofar as any such jurisdiction has been taken away from any such State or subdivision, or any such rights have been impaired, jurisdiction over any such property is hereby ceded back to such State or subdivision.

SEC. 2. Upon the request of any State or political subdivision in which any such project has been or will be constructed, the Federal Emergency Administrator of Public Works is authorized to enter into an agreement, and to consent to the renewal or alteration thereof, with such State or subdivision for the payment by the United States of sums in lieu of taxes. Such sums shall be fixed in such agreement and shall be based upon the cost of the public or municipal services to be supplied for the benefit of such project or the persons residing on or occupying such premises, but taking into consideration the benefits to be derived by such States or subdivision from such project. The aggregate of sums payable under such agreements in any year in respect of any project shall not exceed whichever of the following amounts is the greater:

(a) Five percent of the gross rentals of the project for such year; or

(b) The total amount of real-property taxes levied by such State and its subdivisions upon the site (including improvements) of the project for the last tax year which expired prior to the acquisition of such site by the United States.

SEC. 3. Such payments in lieu of taxes, and any other expenditures for operation and maintenance (including insurance) of any low-cost housing or slum-clearance project described in section 1, shall be made out of the receipts derived from the operation of such projects. To provide for such payments and expenditures the Federal Emergency Administrator of Public Works is authorized from time to time to retain out of such receipts such sums as he may estimate to be necessary for such purposes.

SEC. 4. In the operation of any slum-clearance of low-cost housing project described in section 1, the Federal Emergency Administrator of Public Works is authorized to fix the rents at such rates as he shall determine to be necessary in order to make such project available to those families in the community who are unable to pay enough rent to induce private enterprise to supply adequate, safe, and sanitary housing, notwithstanding that the rental rates so fixed may not provide for repayment in full of the funds expended in connection with the project.

SEC. 5. In connection with any low-cost housing or slum-clearance project described in section 1, the Federal Emergency Administrator of Public Works, with the approval of the President, is authorized to dedicate streets, alleys, and parks for public use, and to grant easements.

Amend the title so as to read: "An act to waive any exclusive jurisdiction over premises of Public Works Administration slum-clearance and low-cost housing projects, to authorize payments to States and political subdivisions in lieu of taxes on such premises, and for other purposes."

Mr. McCORMACK (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. BLANTON. Mr. Speaker, reserving the right to object, that should never be done on a motion to suspend the rules. Under a motion to suspend the rules, the bill ought to be read, as the House ought to know what it is doing; and I object.

The Clerk concluded the reading of the bill.

The SPEAKER. Is a second demanded?

Mr. RICH. Mr. Speaker, I demand a second.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RICH. Mr. Speaker, I think the Members of the House ought to hear what we have to say about this bill; and I therefore make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 114]

Andrew, Mass.	Dear	Hartley	Parks
Andrews, N. Y.	Dietrich	Hennings	Peterson, Fla.
Barden	Disney	Higgins, Conn.	Plumley
Berlin	Ditter	Hill, Samuel B.	Quinn
Binderup	Dorsey	Hobbs	Rayburn
Bolton	Doutrich	Hoeppel	Reed, N. Y.
Brennan	Duffey, Ohio	Hook	Richardson
Brooks	Duncan	Houston	Robinson, Utah
Brown, Mich.	Dunn, Miss.	Huddleston	Rogers, N. H.
Buckley, N. Y.	Dunn, Pa.	Jenckes, Ind.	Sabath
Bulwinkle	Eagle	Kee	Sadowski
Burdick	Eaton	Kerr	Sanders, La.
Caldwell	Englebright	Lanham	Sandlin
Cannon, Wis.	Evans	Lee, Okla.	Schaefer
Carmichael	Fenerty	Lundeen	Sears
Carpenter	Fernandez	McGroarty	Secrest
Carter	Fitzpatrick	McSwain	Sisson
Cary	Gasque	Marcantonio	Stack
Chapman	Goldsborough	Merritt, N. Y.	Sweeney
Claiborne	Green	Michener	Taber
Clark, Idaho	Greenway	Monaghan	Tobey
Clark, N. C.	Gregory	Montague	Turpin
Cross, Tex.	Gwynne	Montet	Werner
Crowe	Halleck	Moran	Wigglesworth
Culkin	Hamlin	Oliver	Wilcox
Cummings	Hancock, N. C.	O'Malley	Zioncheck

The SPEAKER. Three hundred and twenty-one Members have answered to their names, a quorum.

On motion of Mr. VINSON of Georgia, further proceedings under the call were dispensed with.

The SPEAKER. The gentleman from Michigan is recognized for 20 minutes.

Mr. DINGELL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, several Members who are interested in solving this problem of the Federal Government paying at least a reasonable amount of the rentals derived from low-cost housing projects, presented bills which were considered by the Ways and Means Committee. A similar bill introduced in the Senate by Senator GEORGE was presented to the committee and the committee merged the three bills before us with such amendments as would give the municipalities a certain amount of the revenue derived from such low-cost housing projects without at the same time destroying the original intent and purpose of this administration.

Perhaps the most important part of the bill is to be found on page 4, beginning in line 21, which states:

The aggregate of sums payable under such agreements in any year in respect of any project shall not exceed whichever of the following amounts is the greater:

(a) Five percent of the gross rentals of the project for such year; or

(b) The total amount of real-property taxes levied by such State and its subdivisions upon the site (including improvements) of the project for the last tax year which expired prior to the acquisition of such site by the United States.

The committee feels it is only just and proper that the municipality should receive a reasonable amount of compensation for rendering sanitary services, public lighting, sewer service, giving police and fire protection, and for various other municipal services, and this is about the entire matter involved.

Mr. McLEAN. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. McLEAN. Do I understand it is the object and the purpose of the Federal Government to run all of these low-cost-housing propositions at a loss?

Mr. DINGELL. I would not say at a loss; but, certainly, it is not intended that the amount charged for rentals should be so high as to wreck the entire plan and deprive those for whom the plan was devised of low-rental housing.

Mr. McLEAN. If the gentleman will yield further, as I understand the report——

Mr. DINGELL. If the gentleman will read the last three or four paragraphs on page 4 of the report, he will find that that explains the entire matter, and he can forget the entire report.

Mr. McLEAN. I am reading from the report——

Mr. DINGELL. The gentleman has 20 minutes on his side, and I would prefer that he use it for that purpose.

I want to point out that in addition to the question referred to there is also the question of civil jurisdiction and criminal jurisdiction of the municipality. There are some of us who had some doubts on this point. We believed that, perhaps, unless the Congress by law ceded back such rights there would be the question in the minds of the municipal and State authorities that this is in fact a reservation of the Federal Government and that the municipality or State does not have any criminal or civil jurisdiction.

There are various other features of the bill that will be explained by those who are to follow me.

Mr. ANDRESEN. Will the gentleman yield?

Mr. DINGELL. I cannot yield.

Mr. RICH. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. McLEAN].

Mr. McLEAN. Mr. Speaker and Members of the House, this is the first time that this act has come to my attention, and I have not had much time to study the situation. As I read the report of the committee, it is perfecly apparent from page 3 that the object of this bill is to confer power on the Administrator of the Housing Authority to rent these low-cost houses at a low price and to give him the power to rent these houses at a less amount than would cover the cost of maintenance and have the Government make up the balance.

That is another illustration of where you vest power in individuals to experiment with idealistic dreams, allow them to make their own rules and regulations, create their own statutory law, and to proceed just as they please to spend unlimited amounts of money without any direction from Congress.

It now develops just as we have seen in a number of instances, as we have seen in the case of organizations created under the laws of the State of Delaware, as we now see in these housing operations, as we have seen in the Tennessee Valley, that Congress cannot estimate and does not know what the cost of all these things to the Government is going to be in the years to come.

If we say to the Federal Housing Authority, "Go ahead and rent these houses for whatever you can get and we will make up the deficit", we will have an annually recurring liability until this whole business is unscrambled.

Mr. RAMSPECK. Will the gentleman yield?

Mr. McLEAN. I yield.

Mr. RAMSPECK. How does the gentleman reach the conclusion that we will have to appropriate money to pay these taxes?

Mr. McLEAN. Well, the majority report says:

> The Comptroller General of the United States in an opinion dated January 17, 1936 (15 Ops. Comp. Gen. 619), held that the Administrator has no authority to fix rents on such projects at rates which would not be high enough to produce a fair return on costs of the project. Such a legal inhibition on the Administrator in the operation of such projects will tend to defeat the very objectives of the low-cost housing program and increase opposition on the part of private capital engaged in housing construction. For that reason the bill provides that the Administrator may fix rents at such rates as may be necessary in order to make the projects available to those families in the community who are unable to pay enough rent to induce private enterprise to supply adequate, safe, and sanitary housing. This will remove the danger that such housing operations are only in lieu of operations by private enterprise and will enable the main objective of the housing program under the Public Works Administration to be attained.

The idea of this housing, as I understand it, just as the idea of many of these operations, is to provide a yardstick in respect to rental, in order to compel landlords to rent properties at reasonable rates. How can you have a yardstick if you are merely renting the property for what you can get and the Federal Government is chipping in with the balance, whatever may be necessary?

The SPEAKER pro tempore. The time of the gentleman from New Jersey has expired.

Mr. RICH. Mr. Speaker, will the gentleman from Michigan yield some time now?

Mr. DINGELL. I have not anybody at present who desires to speak on the bill.

Mr. RICH. Mr. Speaker, I yield myself 5 minutes and ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RICH. The gentleman from Michigan says that he has nobody that wants time on this bill.

Mr. DINGELL. Oh, that is not what I said.

Mr. RICH. If I were on his side of the House, I would not want to use any time either in talking for this bill, it is so bad. I do not see how anybody can talk for this bill, when you take into consideration that it is merely now trying to plug up some of the holes that you made when you passed the bill creating the N. I. R. A., which the Supreme Court kicked out of the window. We want now to turn over what is left of the things that happened during the life of the N. I. R. A. to the Federal Emergency Administrator of Public Works. You all know how many of the great cities came to the Administration and asked it to clear their slums and build cheap housing quarters. That sounds good, and it might be a mighty fine thing to build houses in some sections of the country where they have dreadful conditions, but the cities came to the Federal Administration and said, "We want great, large buildings constructed here; we want to take all of this property to build these great institutions on, so that we can improve conditions in our own communities building expensive apartments." The Federal Government under Executive order saw fit to go ahead in these communities and build these properties.

What is the result? These same people came to the Federal Government and said, "We want you to pay a sum to our municipality for the property you have taken over; we want you to pay in one of two ways, either 5 percent of the gross revenue that is taken in on the property or an amount equal to the taxes previously paid before we constructed the building. You have given the Administrator the power to his agent to construct buildings as he deemed fit and proper. You have had no say as to what kind of buildings he was going to construct. You said nothing with reference to where these buildings should be placed, and they are coming here now and asking you to pay the cities for helping them by building fine buildings. Are you going back to Iowa, are you going back to Kansas, are you going back to Pennsylvania, to Connecticut, or any rural farming district and say to your people, "We want to tax you more to pay for the things we did in New York City in constructing these buildings; I want to tax you for the buildings we constructed in Atlanta, Ga., for the buildings we built in Boston"? That is what you are coming in here for now. That is the idea of trying to help out these cities that requested the Federal Government to spend this money for the purpose of housing, with which you have had nothing to do in the kind of building or the location—a great blunder by the administration.

Now they see their plight and want Congress again to come to their rescue by again spending more of the taxpayers' money.

Oh, but the taxpayers will call you to account in November.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. DINGELL. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. RUSSELL].

Mr. RUSSELL. Mr. Speaker, of necessity I must be brief in discussing this Federal housing bill. I shall take up only two of the most important aspects of the bill.

One part of the bill provides for the release of Federal jurisdiction over the property, so as to put the burden and responsibility of policing and fire protection, and that sort of thing, on the local cities in which these housing projects have been built.

The other aspect of the bill I want to discuss is a provision for service charges to be paid to cities in which housing projects are located by the Federal Government in lieu of taxes that will be lost on this property unless such provision is enacted into law.

I am particularly familiar with the local situation in the city of Cambridge, Mass., where there is a low-cost housing

project, because for 6 years I was mayor of that city. We have a population of about 120,000 people. We have taxable property to the extent of $180,000,000. We have nontaxable property in that city to the extent of $245,000,000. In other words, with $180,000,000 of taxable property we have to raise the money with which to protect $425,000,000 of property and furnish all the other city services required. I believe the chief objection raised to these housing projects will be removed if the communities are compensated to this very small extent for the loss of taxable property that would otherwise occur. The gentleman from Pennsylvania [Mr. RICH], I think, would like to be corrected. He was in error when he said the bill provided for the payment to cities of 5 percent of the gross rental payments or the taxes levied on the property the year prior to Government acquisition—no more, no less. That is not true.

It provides that the service charges shall not exceed whichever one of these amounts is the greater, and is to be based on what the actual cost of the services to the community are.

Mr. RICH. I took my figures from the report.

Mr. RUSSELL. If the gentleman will read the bill, he will see he is in error in that statement. The actual language of the bill is to the effect that—

> The aggregate of sums payable under such agreements in any year in respect of any project shall not exceed whichever of the following amounts is the greater: (a) Five percent of the gross rentals of the project for such year; or (b) the total amount of real property taxes levied by such State and its subdivisions upon the site of the project for the last tax year, which expired prior to the acquisition of such site by the United States.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RUSSELL. I yield.

Mr. McCORMACK. And prior to that it says:

> Such sums shall be fixed in such agreement and shall be based upon the cost of the public or municipal services to be supplied for the benefit of such project or the persons residing on or occupying such premises, but taking into consideration the benefits to be derived by such State or subdivision from such project.

Mr. RUSSELL. I may say in closing that if this bill is enacted into law, it will remove to a large extent the objection frequently heard that the Government is competing unfairly with private property through the construction of these low-cost housing projects.

[Here the gavel fell.]

Mr. RICH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I believe there is considerable interest on the part of the membership of the House in the provisions of this bill. I want to say at the outset that I was not in sympathy with the Federal Government going into the housing business, this so-called slum-clearance business. It seemed to me that logically it was a State matter, that the States were abundantly able to take care of it; but the Federal Government has gone into it, and there are some 39 of these housing projects in various parts of the country. They are very widely distributed. One hundred and twenty-eight million dollars has been set aside to carry on the housing or slum-clearance program. As I say, they extend from one end of this country to the other. You will find them in Schenectady, Buffalo, Boston, Cambridge, Atlanta, Ga., Dallas, Tex., Oklahoma, or wherever cities have made application for the removal of these slum areas, under the procedure laid down by the Public Works Administration.

A large number of applications have been made by cities and if they are all carried out it will cost the Government something like $200,000,000. After these slum-clearance projects are accepted by the Federal Government it takes property out of the taxable area of the locality. The cities feel that to deprive them of the tax revenue is unfair. They have to furnish all the services that a municipality would ordinarily furnish to residents of a locality, and they are asking from the Federal Government something in lieu of the taxes of which they have been and will be deprived. I cannot help but feel that there is some fairness in the application for relief. It puts a tremendous load on some of the communities, although they are guilty of appealing to the Government to take over the property. They came here and asked the Federal Government to clear slums and erect buildings, but now they find it places a very heavy tax burden upon them, because it means the opening up of alleys, the putting in of sewage systems, the taking care of the garbage, the lighting systems, and various other municipal services.

The question is whether we are going to go on and take the next step and reimburse them for the loss suffered as a result of removing large areas from the local tax roll.

When this bill was under consideration by the Ways and Means Committee I had my doubts as to the wisdom of establishing such a precedent, as my questions all the way through the printed hearings will indicate. I tried to point out that the first thing that would happen would be that when we started to pay something in lieu of taxes to these communities where the housing program was in operation, we soon would have other groups where there was Government-owned property in their locality making the same request. I pointed out in connection with some of these buildings, that if the Government decided to build playgrounds and swimming pools and take more property out of taxation the cities would be here asking for something in lieu of taxes.

Some advocates of this bill took issue with me on that point before the committee. They said, "Oh, no; the cities will not be here making any such request"; but this very day there was to be a hearing on a bill which has been introduced, asking that the Government pay something in lieu of taxes wherever resettlement projects are located. I must confess that that jarred my interest in this bill very much, yet I want to be fair and I want to be just to those cities which have slum-clearance projects. While there are none of these developments in my district, there are some communities not very far from it where these Government houses are under construction. If we vote against this bill we will simply punish those communities. I think, in view of the justice of the thing, I probably shall go along on this bill, but I do warn the Members that this other bill is coming right along on the heels of this one. Where it is going to end I am not sure. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. REED] has expired.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, there are plenty of precedents for what this bill does. I can discuss in 2 minutes very little, but in the Tennessee Valley Act we gave 5 percent of the gross receipts to Alabama and Tennessee. This is revenue-producing property, and therefore the Government ought to pay something in lieu of taxes.

With reference to the question of fixing the rents:

We all know that the Government has loaned money to cities and to nondividend corporations for housing projects under this program where they made a grant of 45 percent. The purpose of this legislation is to offset part of the cost just like we would make a grant to a city or to a nonprofit corporation for low-cost housing projects so that the rents may be brought down to a point such as will serve the purpose for which the buildings were erected. In my own city, where one of these projects exists, if this is not done the rents will be so high that the property must be rented to people who are able to rent anything they want anyway, and it will not serve the purpose intended.

It is of no use for us here to discuss whether we ought to be in this business or not; we are in it and we have to meet these problems. If we do not pay something in lieu of taxes, the cities will not furnish police and fire protection and school facilities to these projects; so we have to meet it. I think we might just as well face the music and take this bill, which has been carefully worked out by the Committee on Ways and Means. It safeguards the interest of the Government.

[Here the gavel fell.]

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Speaker, it seems to me we are making a mountain out of a molehill in this discussion. The committee had brought to their attention the project in Atlanta and another project in Cambridge where legislation of this sort is desirable. I am not in favor of the housing proposition generally. I think it is an unusual thing to establish a Government reservation right in the middle of a municipality. I am not in favor of that at all, but we are in that business now; that water has gone over the dam and this bill is for the protection of municipalities that are involved in these projects at this time. They are entitled to some return for services they render to these projects, and they ought not to be compelled to lose the taxes while at the same time they are forced to supply the services.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. CROWTHER. I have only 2 minutes; I cannot yield.

Mr. Speaker, I do not see any objection to the bill. As I say, we are not discussing the merits of the housing proposition, slum clearance, or anything of the sort. If we are going to be fair to the municipalities involved, we must pass a bill along these lines. This bill gives the Federal Government the alternative of paying either 5 percent of the gross rentals of the project for a year, or the total amount of real property taxes levied by such State and its subdivisions upon the site, including improvements, of the project for the last tax year which expired prior to the acquisition of such site by the United States. This sum is in lieu of taxes. It seems to me, therefore, this bill is absolutely fair to the municipalities.

[Here the gavel fell.]

Mr. RICH. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, it is asserted that it is of no use to discuss this matter; that we are in it and hence it is too late to argue about it. But is it? The very first words of this bill state:

That the acquisition by the United States of any real property heretofore or hereafter acquired shall come under this provision.

This is a monumental example of governmental blundering in social planning. Certainly anybody ought to have foreseen what would happen. I wish that the gentleman from Cambridge could take half an hour and explain to you from the beginning the slum clearance or the low-cost housing project as it went along in its early days in the city of Cambridge, Mass. Low-cost hausing projects. Has there ever been any really low-cost project? The prices paid for lands and the cost to the Government of erecting these houses have proven anything but a low-cost proposition. Have you read of any that have not cost altogether more than private industry could have done the same thing for? Did you not know in the beginning that you were to be renting in competition with private industry? Is it not even against the Constitution that you should do this for selected privileged communities? The language of such an act should be general; that all communities which comply with the specifications should be entitled to equal consideration.

I spoke on the floor one day of a certain little city where there were no slums, but which, nevertheless, was granted a large amount of money for a low-cost housing project. Political influence. Governmental interference. And we all know it. But we are in it, you say. I agree that it is fair to try to get out of it in those places where it already has been permitted to exist. But the bill contains the word "hereafter", and there is no chance to amend it under the suspension of the rules.

I shall not cast my vote in the way of approval of this, even to correct this monstrous error. In the bill you permit rentals at any price in order to compete with private industry. Think what can be done with this free rein permitted for rental charges.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes, if the gentleman can help me.

Mr. COX. Gentlemen discussing this bill have said the adoption of the proposal is necessary in order to do justice to the city.

Mr. GIFFORD. One of those who have discussed this matter said they should have police protection, they should have schools, they should have fire protection, and all that. Do the cities have to give them this service if they do not wish to do so?

Mr. COX. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Georgia.

Mr. COX. Will the gentleman permit me to complete my question, because I am agreeing with him in opposing this bill? They speak of the injustice that would result to municipalities wherein these activities are being maintained. Did not the Government come in and make these improvements upon the urge of these various communities and with knowledge on their part of the fact that this property would not be subject to taxation?

Mr. GIFFORD. The present Government has done many futile things, and I presume that I am regarded as a part of the Government. If there is anything I can possibly do to make it desist from doing more of these things, my vote will be cast that way. I would rather have them remain as they are, a monument to the stupidity of their sponsors, than vote a continuance. There is a real principle involved here.

Mr. COX. What is the difference between taxing this type of Government property and taxing a post office, for instance?

Mr. GIFFORD. They apparently cannot tax this property under the Constitution, and this is merely an effort to circumvent the Constitution. They must need receive the municipal benefits in order to get tenants. They find now they cannot get tenants. It is impossible to believe that those behind these Government projects could not have known that these complications would necessarily follow and have planned for them in advance. It was the uppermost in stupidity to have gone so far before it dawned upon them that this condition would prevail. However, it is like many other things that the Executive has embarked upon and is now demanding of the Congress that we rescue it from the various messes into which it has gotten, by following the advice of these social planners. [Applause.]

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Speaker, in the brief time allotted me I shall discuss only two of the principal features of this bill.

I shall first consider the authorization for the payment of service charges in lieu of taxation. I do not believe that many Members of the House feel we ought to impose upon the cities already overburdened the necessity of furnishing schools, police and fire protection, and the other necessary services to the people who will occupy these developments without some compensatory return from the owner of the premises.

The project in Cambridge, Mass., will occupy an area in that city of some 7 acres. That is a large area in a city as congested as Cambridge, which already suffers from the fact that about a third of its entire area is occupied by educational and eleemosynary institutions, which are, of course, tax-exempt.

While, in my opinion, these slum-clearance projects will confer many benefits upon the cities in which they are located, nevertheless, the fact remains that they are taking out of taxation considerable areas. The cities merely desire a fair return for the services which they must of necessity render to the occupants of these premises in common with all other inhabitants.

I shall next discuss the provision that will permit the administrator to fix rents at such rates as may be necessary in order to make the projects available to those families in the community who are unable to pay enough rent to induce

private enterprise to supply adequate, safe, and sanitary housing.

The opinion of the Comptroller General holds that the rentals must be fixed at rates which will yield a fair return on the costs of the project. Referring to the project located at Atlanta, which is now completed and ready to rent, I am reliably informed there will be required a rental charge of approximately $9 per room under this ruling of the Comptroller General.

Mr. Speaker, I ask the Members to consider this seriously. We started out to benefit the people who resided in the slum areas. A family consisting of a man, his wife, and five children would necessarily require a five-room apartment because the regulations require that only two persons may occupy each sleeping room. Of course, two of the rooms must be used for other than sleeping quarters, such as a living room and kitchen. This would necessitate a rental of between $45 and $50 per month to accommodate such a family.

A person, in order to occupy such an apartment, would have to have an annual income of $2,000 or more. It is manifest that under such circumstances the low-cost housing program would fail to accomplish its fundamental objective.

Practically all European countries have for many years past subsidized projects of a similar nature. By our partial subsidizing of these projects we are coping with the proven needs of a modern social problem.

[Here the gavel fell.]

Mr. DINGELL. Mr. Speaker, I yield the balance of the time to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the gentleman from New York, my good friend [Mr. CROWTHER], very properly stated the present situation. He stated that so far as we are concerned today that the opposition is making a mountain out of a molehill. He has frankly stated that so far as the original proposition is concerned, that is water over the dam. I take issue with no man today, and so far as this bill is concerned, who opposed the original appropriation, or who will oppose appropriations in the future for these purposes. But this bill has no relationship to that matter.

This bill is a simple proposition. First, it provides that in the thirty-odd cities where these projects are located, and two of them are located in the city represented by the distinguished Speaker of this House, the Federal Government shall pay a small amount of money in lieu of taxes. My friend, the gentleman from Georgia [Mr. COX], asked certain questions. We have a precedent for this. The Tennessee Valley Authority pays a certain percentage in lieu of taxes to certain States of the Union in which that activity is located. So we have a precedent.

Mr. Speaker, this is not the case of purchasing property to be used strictly for public purposes. No one has the idea of getting the Federal Government to pay taxes in lieu of service charges to cities and municipalities on property used strictly for a public use. I agree with anyone who says this is not a project dedicated to a public use. However, I favor such legislation. It grows out of the emergency, and whether one agrees with it or not it is a condition and not a theory. It is entirely different from the Federal Government carrying out the express purposes conferred upon it by the Constitution.

There is one other aspect. When these projects were started, it was intended that rent should be charged upon the basis of a 45-percent grant.

The purpose of this bill is to let rents be charged upon the theory that a 45-percent grant has been made. Comptroller General McCarl has properly ruled in accordance with the existing law that the rental charged must be upon the complete money outlaid, while this bill will permit the 45-percent grant to be taken into consideration in the establishment of the rental.

These two propositions, I respectfully submit, look at the conditions as they exist today. It is a reasonable and fair bill to meet those conditions.

[Here the gavel fell.]

The SPEAKER. The question is on the motion of the gentleman from Michigan to suspend the rules and pass the bill as amended.

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 119, noes 32.

So two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES—NAVAL AIR STATION, MIAMI, FLA. (H. DOC. NO. 500)

The SPEAKER laid before the House the following veto message of the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 8372, entitled "An act to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon."

Section 1 of this bill would authorize the Secretary of the Navy to accept, on behalf of the United States, free from encumbrances and without cost to the United States, the title in fee simple to approximately 650 acres of land on North Biscayne Bay in the vicinity of Miami, Fla., as a site for a naval air station, subject to the provision that if such lands are accepted but not used for such purpose within 10 years they shall be returned to the grantor. Section 2 would authorize the construction and development necessary to establish a complete air station on the site, and section 3 would authorize the appropriation of the amounts necessary to carry out the purpose of the bill, estimated to aggregate $5,000,000, exclusive of annual expenditures for maintenance and operation.

The record of the hearings on this bill before the Naval Affairs Committee of the House of Representatives shows that it is the opinion of the Navy Department that it has no need for this land in time of peace, although it might be needed in time of war. The hearings further show that in the event of an emergency an air station at this place would probably be used more as an auxiliary pilot-training center than for strategic purposes. It is indicated that the city of Miami proposes to sell its bonds to secure funds with which to purchase the lands in reference, at a cost in excess of $300,000, in order that the lands may be donated to the United States. Should the United States accept such lands under these conditions, the local tax burden would be increased, due to the exemption of such lands from taxation. In addition, the local tax rate would have to be increased in order to meet the amortization and interest on the bonds. The citizens and officials of this city can expect no benefits to compensate them for the financial burden to be undertaken in this case, unless the Federal Government, in accepting these lands as a gift also accepts the moral obligation of developing the site as an air station and assigning thereto the necessary administrative and training personnel to place it in active operation. If the Government does not need these lands for use as a naval air station now, or in time of peace, it should not accept such lands and hold them without development for the period of 10 years, as would be permitted under the bill. On the other hand, the Government should not use the tax money of all the people of the United States for the development of a plant not needed at this time just because the citizens of Miami are willing to donate the site.

In view of the foregoing, and especially the opinion of the Navy Department that it has no need for this land in time of peace, I do not feel that I would be justified in giving my approval to this legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 1, 1936.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. VINSON of Georgia. Mr. Speaker, I move that the message and the bill be referred to the Committee on Naval Affairs and ordered printed.

The motion was agreed to.

VESSEL FOR PACIFIC OCEAN FISHERIES RESEARCH WORK

Mr. BLAND. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3989) to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries.

The Clerk read the bill, as follows:

Be it enacted, etc., That when funds are made available as authorized by section 2 of this act, the Secretary of Commerce is authorized and directed (1) to cause plans and specifications to be prepared for the construction and equipment of a vessel for use in such research work with respect to Pacific Ocean fisheries as the Secretary finds will be useful to persons engaged in the fishing industry; and (2) to contract for the construction and equipment of such vessel. Such vessel shall be maintained and operated under the supervision of the Secretary of Commerce.

SEC. 2. There is authorized to be appropriated $500,000, or so much thereof as may be necessary, to carry out the purposes of the first sentence of section 1 of this act.

The SPEAKER. Is a second demanded?

Mr. MAPES. Mr. Speaker, if there is no one else seeking recognition, I demand a second.

Mr. BLAND. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Speaker, I desire to take as little time as possible. I shall try to explain the bill and reserve the balance of my time for gentlemen from the Pacific coast.

The purpose of the bill is to authorize the construction of a fishery research vessel on the Pacific coast. There was such a bill passed for the Atlantic coast a few years ago. The vessel has not been provided, but the situation is such that we believe there should be a vessel that can be used for the purpose of making a scientific research of the fisheries in the Pacific Ocean. Serious question has arisen from time to time with respect to the salmon industry, the pilchard industry, and also the tuna as to their depletion.

The only way in which the Bureau of Fisheries can collect the information is by a scientific study of the migration of the fish and the effect of the fishing operations.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. MAPES. I asked for a second, because at the moment I did not see any minority of the Committee on the Merchant Marine and Fisheries on the floor. Is this a unanimous report by the Committee?

Mr. BLAND. Yes; it is.

The Commissioner of Fisheries states:

The salmon fisheries of the Pacific coast and Alaska are the greatest in the world, producing in 1932, 528,626,000 pounds, for which the fishermen received $8,160,000, ranking first in quantity and first in value among the Nation's fisheries. Second in national rank in quantity of production is the pilchard fishery, yielding 312,171,000 pounds, for which the fishermen received $825,000. Next in rank on the Pacific coast and sixth in rank for the entire country is the tuna fishery, producing 63,431,000 pounds, for which the fishermen received $2,406,000.

I call attention also to the fact that other nations of the world have found it necessary to have these research vessels in order to know the habits and the movements of the fish. Great Britain has five research vessels, Scotland three, Ireland one, Egypt one, South Africa one, Norway two, Sweden one, Denmark three, Persia three, Germany two, Belgium one, France three, Portugal one, and Japan one.

The salmon, the tuna, and the pilchard fisheries are so important that it is necessary that there should be a scientific research to know whether depletion is going on or not, in addition to studying the habits and movements of these fish.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. RICH. What is it going to cost the Federal Government to construct this vessel and make this research?

Mr. BLAND. The authorization for the construction of the vessel is $500,000, and it is stated that the vessel can be constructed within the authorization. The annual cost will be about $70,400 per year.

Mr. RICH. I may say to the gentleman from Virginia that the Democratic administration is running true to form in every bill that comes up. If it is not spending billions, it is spending hundreds of thousands of dollars, each minute going further and further into debt to have your children pay the bill. You are wrecking their future and that of the Nation.

I want to say to you men on that side of the House, and I have said it to you time and time again, and I ask you now, where are you going to get the money? [Laughter and applause.] The people in your district this fall will mete out to you what you rightfully deserve.

Mr. BLAND. Mr. Speaker, I reserve the balance of my time.

Mr. MAPES. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, this bill was reported unanimously by the House Committee on Merchant Marine and Fisheries. As the chairman of the committee [Mr. BLAND] has stated, this country has but one of these vessels. It is the only large maritime country that depends a good deal on its God-given food supply which has not provided ample conservation for its fish industry.

This bill will provide for another ship to operate on the Pacific coast, where our entire fisheries have become endangered. It will also assist in rehabilitating our entire fish supply, and I sincerely hope there will be no objection to its passage. [Applause.]

Mr. BLAND. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. COLDEN].

Mr. COLDEN. Mr. Speaker and Members of the House, this bill pertains to the stabilization of a staple food of the United States. The fishing industry on the Pacific coast amounts to something like $50,000,000 a year in the production of a valuable food.

A serious controversy has arisen on the Pacific coast as to whether or not we are depleting the salmon, pilchard, or sardines, and tuna fish. We have spent millions of dollars to protect the livestock industry in this country, we have spent millions of dollars for the protection of corn, wheat, cotton, and other products. We have spent millions of dollars to protect and develop industry, and fishing is one of the important industries in this country.

Forty-six percent of the fish production in this country is located on the Pacific coast.

This bill has been passed by the Senate, reported unanimously by the Merchant Marine and Fisheries Committee, and it has also the endorsement of the Bureau of Fisheries. I ask your support for the bill. [Applause.]

The SPEAKER. The question is on the motion of the gentleman from Virginia to suspend the rules and pass the Senate bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

FLORIDA HURRICANE RELIEF, WORLD WAR VETERANS, ETC.

Mr. RANKIN. Mr. Speaker, I move to suspend the rules and pass the bill H. R. 12869, to liberalize the provisions of Public Law No. 484, Seventy-third Congress, to effect uniform provisions in laws administered by the Veterans' Administration, to extend the Employees' Compensation Act with limitations to certain World War veterans and other persons, and for other purposes, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc.,

TITLE I—WORLD WAR WIDOWS AND CHILDREN

SECTION 1. That notwithstanding the provisions of Public Law No. 484, Seventy-third Congress (U. S. C., 1934 ed., title 38, secs. 503–507), in no event shall the widow, child, or children otherwise entitled to compensation under the provisions of that act be denied such compensation if the veteran's death resulted from a disease or disability not service connected, and at the time of the veteran's death he was receiving or entitled to receive compensation, pension, or retirement pay for 30-percent disability or

more presumptively or directly incurred in or aggravated by service in the World War: *Provided*, That compensation as provided by this section shall not be payable effective prior to the receipt of application therefor in the Veterans' Administration in such form as the Administrator of Veterans' Affairs may prescribe and in no event prior to the date of enactment of this act.

TITLE II—AGENTS AND ATTORNEYS

SEC. 200. The Administrator of Veterans' Affairs is hereby authorized to recognize representatives of the American National Red Cross, the American Legion, the Disabled American Veterans of the World War, the Grand Army of the Republic, the United Spanish War Veterans, Veterans of Foreign Wars, and such other organizations as he shall approve, in the presentation of claims under statutes administered by the Veterans' Administration. However, no such representative shall be recognized until a certificate has been filed in the Veterans' Administration, under such rules as the Administrator of Veterans' Affairs may prescribe, certifying that no fee or compensation of whatsoever nature shall be charged veterans or the dependents of veterans for service rendered. The rules prescribed by the Administrator of Veterans' Affairs shall contain a provision requiring in each claim the filing of a power of attorney in such manner and form as the Administrator of Veterans' Affairs may prescribe. The Administrator of Veterans' Affairs is further authorized in his discretion, under such regulations as he may prescribe, to recognize any person for the purpose of a particular claim under the conditions and limitations of this section.

SEC. 201. The Administrator of Veterans' Affairs is hereby authorized, under such rules and regulations as he may prescribe, to recognize agents and attorneys in the preparation, presentation, and prosecution of claims under statutes administered by the Veterans' Administration. The rules and regulations prescribed by the Administrator of Veterans' Affairs may require of such agents and attorneys, before being recognized as representatives of claimants, that they shall show that they are of good moral character and in good repute, possessed of the necessary qualifications to enable them to render such claimants valuable service, and otherwise competent to advise and assist such claimants in the presentation of claims; and the Administrator of Veterans' Affairs may, after notice and opportunity for a hearing, suspend or exclude from further practice before the Veterans' Administration any such agent or attorney shown to be, or to have been, engaged in unlawful, unprofessional, or dishonest practice, or guilty of disreputable conduct or who is incompetent, or who has violated or refused to comply with the laws administered by the Veterans' Administration, or with the laws, regulations, or instructions governing practice before the Veterans' Administration, or who shall in any manner deceive, mislead, or threaten any claimant or prospective claimant by word, circular, letter, or advertisement. The Administrator of Veterans' Affairs is further authorized to determine and pay fees in allowed claims for monetary benefits under statutes administered by the Veterans' Administration to agents and attorneys recognized as provided in this title and to prescribe rules and regulations governing entitlement to and the amount and mode of payment of such fees: *Provided*, That payment of such fees shall not exceed $10 in any one claim, and in all cases fees shall be deducted from the amount of monetary benefits allowed.

SEC. 202. Any person who shall, directly or indirectly, solicit, contract for, charge, or receive, or who shall attempt to solicit, contract for, charge, or receive any fee or compensation except as provided in section 201, or who shall wrongfully withhold from a beneficiary or claimant the whole or any part of the benefit or claim allowed and due a beneficiary or claimant shall be deemed guilty of a misdemeanor and upon conviction thereof shall for every offense be fined not exceeding $500 or imprisoned at hard labor not exceeding 2 years, or both, in the discretion of the court.

SEC. 203. This title shall not affect that part of section 500, World War Veterans' Act, 1924, as amended (43 Stat. 628; 43 Stat. 1311; U. S. C., 1934 ed., title 38, sec. 551), insofar as it pertains to fees and penalties for receipt of illegal fees or compensation for services in insurance suits, section 309, World War Adjusted Compensation Act, 1924, as amended (43 Stat. 125; 44 Stat. 828; U. S. C., 1934 ed., title 38, sec. 619), pertaining to unlawful fees, which section is hereby made applicable to claims for benefits under Public Law No. 425, Seventy-fourth Congress, enacted January 27, 1936; that part of the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1892, and for other purposes", approved March 3, 1891 (26 Stat. 979; U. S. C., 1934 ed., title 38, sec. 244), prohibiting payment of a fee in case of commutation in lieu of an artificial limb; that part of the act entitled "An act making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1909, and for other purposes", approved May 28, 1908 (35 Stat. 419; U. S. C., 1934 ed., title 38, sec. 113), prohibiting compensation for procuring pension legislation, or any acts or parts of acts prohibiting the payment of fees in claims for benefits administered by the Veterans' Administration. Except as herein provided, all acts or veterans' regulations, or parts thereof, pertaining to recognition of organizations or recognition of or payment of fees to agents, attorneys, or other persons, for the preparation, presentation, or prosecution of claims for benefits administered by the Veterans' Administration are hereby repealed.

TITLE III—AUTHORITY TO ISSUE SUBPENA, MAKE INVESTIGATIONS, AND ADMINISTER OATHS

SEC. 300. For the purposes of the laws administered by the Veterans' Administration, the Administrator of Veterans' Affairs, and those employees to whom the Administrator may delegate such authority, to the extent of the authority so delegated, shall have the power to issue subpenas for and compel the attendance of witnesses within a radius of 100 miles from the place of hearing, to require the production of books, papers, documents, and other evidence, to take affidavits, to administer oaths and affirmations, to aid claimants in the preparation and presentation of claims, and to make investigations and examine witnesses upon any matter within the jurisdiction of the Administration. Any person required by such subpena to attend as a witness shall be allowed and paid the same fees and mileage as are paid witnesses in the district courts of the United States.

SEC. 301. Any such oath, affirmation, affidavit, or examination, when certified under the hand of any such employee by whom it was administered or taken and authenticated by the seal of the Veterans' Administration, may be offered or used in any court of the United States and without further proof of the identity or authority of such employee shall have like force and effect as if administered or taken before a clerk of such court.

SEC. 302. In case of disobedience to any such subpena, the aid of any district court of the United States or the Supreme Court of the District of Columbia may be invoked in requiring the attendance and testimony of witnesses and the production of documentary evidence, and such court within the jurisdiction of which the inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any officer, agent, or employee of any corporation or to any other person, issue an order requiring such corporation or other person to appear or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

SEC. 303. Section 8 of the World War Veterans' Act, 1924, as amended (43 Stat. 609; U. S. C., 1934 ed., title 38, secs. 431 and 432); paragraph XX of Veterans' Regulation No. 10 (U. S. C., 1934 ed., title 38, ch. 12, appendix); section 474 of the Revised Statutes (U. S. C., 1934 ed., title 38, sec. 121); section 4744 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 38, sec. 121); section 3 of the act entitled "An act making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1883, and for other purposes", approved July 25, 1882 (22 Stat. 175; U. S. C., 1934 ed., title 38, sec. 124), and section 3 of the act entitled "An act making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1892, and for other purposes", approved March 3, 1891 (26 Stat. 1085; U. S. C., 1934 ed., title 38, sec. 122), are hereby repealed; and any other acts or Veterans' Regulations, or parts of acts or Veterans' Regulations, in conflict or inconsistent with the provisions of this title, are hereby repealed to the extent of such conflict or inconsistency.

TITLE IV—MISCELLANEOUS

SEC. 400. Notwithstanding the provisions of sections 201 and 202 of the World War Veterans' Act, 1924, as amended (U. S. C., 1934 ed., title 38, secs. 472, 475), the Administrator of Veterans' Affairs is authorized to discontinue the annual determination of dependency, but nothing herein contained shall prevent the Administrator from requiring submission of such proof of dependency as he, in his discretion, may at any time deem necessary.

SEC. 401. Notwithstanding the provisions of paragraph II, Veterans' Regulations No. 9 (a), as amended (U. S. C., 1934 ed., title 38, ch. 12, appendix), burial and funeral expenses and transportation of the body (including preparation of the body) to the place of burial shall not be denied by reason of the veteran's net assets at the time of death.

SEC. 402. Effective March 31, 1933, paragraph IV, Veterans' Regulation No. 9 (a), as amended, is amended to read as follows:

"IV. Claims for reimbursement must be filed within 1 year subsequent to the date of burial of the veteran. In the event the claimant's application is not complete at the time of original submission, the Veterans' Administration will notify the claimant of the evidence necessary to complete the application and if such evidence is not received within 1 year from the date of the request therefor no allowance may be paid."

SEC. 403. In determining "annual income" under the provisions of paragraph II (a), part III, Veterans' Regulation No. 1 (a), as amended (U. S. C., 1934 ed., title 38, ch. 12, appendix), payments of war-risk term insurance, United States Government life (converted) insurance, and payments under the World War Adjusted Compensation Act, as amended (U. S. C., 1934 ed., title 38, ch. 11), and the Adjusted Compensation Payment Act, 1936 (Public Law No. 425, 74th Cong., enacted Jan. 7, 1936), shall not be considered.

SEC. 404. The Administrator of Veterans' Affairs is hereby authorized to purchase uniforms and to furnish them to such nonprofessional personnel employed at field stations of the Veterans' Administration under such conditions as he may deem necessary and proper.

SEC. 405. Payment may be made for official telephone service installed in the quarters provided for employees of the Veterans' Administration on Government reservations when authorized under regulations prescribed by the Administrator.

TITLE V—FLORIDA HURRICANE RELIEF FOR WORLD WAR VETERANS AND OTHER PERSONS

SEC. 500. That the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., 1934, ed., title 5, ch. 15), are hereby made applicable to any veteran of the World War or other person attached to camps known as Veterans' Camps Nos. 1, 3, and 5, who was injured, died, or shall die as the direct result of the hurricane at Windlys Island and Matecumbe Keys, Fla., September 2, 1935, and to their dependents, to the same extent and under the same conditions as are provided for employees and the dependents of employees of the Federal Civil Works Administration in the act entitled "An act making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933 for the continuation of the Civil Works program, and for other purposes", approved February 15, 1934 (U. S. C., 1934 ed., title 5, sec. 796), and the special fund established in the Treasury of the United States for administrative expenses and for the payment of compensation awarded to employees of the Civil Works Administration shall be available for the payment of the benefits authorized by this section.

TITLE VI—EFFECTIVE DATE AND REPEAL

SEC. 600. The repeal of laws and veterans' regulations as provided by this act shall not affect any act done or right or liability accrued, but all such rights and liabilities under said laws or veterans' regulations shall continue and may be enforced in the same manner as if said repeal had not been made, and all offenses committed and all penalties incurred under such repealed laws or veterans' regulations may be prosecuted and punished in the same manner and with the same effect as if said repeal had not been made.

SEC. 601. Except where otherwise provided, this act shall take effect from the date of its enactment.

The SPEAKER. Is a second demanded?

Mrs. ROGERS of Massachusetts. Mr. Speaker, I demand a second.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Mississippi is entitled to 20 minutes and the lady from Massachusetts to 20 minutes.

Mr. RANKIN. Mr. Speaker, this bill takes care of widows and orphans of those presumptive cases who died from some other cause than the ones for which compensated, and they are put on a parity with the widows and orphans included in the bill we passed last year, known as 484. Also, it provides for dispensing with the so-called misconduct clause, so far as it affects these widows and orphans.

Personally, I have always thought that was a very cruel and inhuman provision of the veterans' law to visit upon these widows and orphans the alleged sins of another.

Another thing it does is to take care of the widows and orphans of those veterans who died in the flood of the hurricane under the employment compensation law. As is known, these veterans who were gathered here in Washington seeking employment were given employment by the Florida Emergency Relief Administration and were sent down to the Florida Keys. They were given employment, I believe, at a dollar a day and furnished food, lodging, medical treatment, and I believe the common laborers were furnished with clothing. Last September a hurricane, accompanied by a tidal wave, occurred on the Florida Keys which drowned a large number of these veterans as well as a large number of civilians—men, women, and children, people who lived on the Keys.

I first introduced a bill to compensate those men under the Veterans' Compensation Act. We went into it thoroughly, summoned witnesses, put them under oath, and took their testimony, and that testimony is before you now in this volume of hearings, which can be obtained at the Veterans' Committee at any time. We came to the conclusion that if these men had been in a C. C. C. camp they would have been taken care of under the Emergency Compensation Act. We also came to the conclusion that to put these men or their widows and orphans on the pension rolls under the circumstances would be tantamount to adopting a general pension for World War veterans. Besides some of those men were peacetime veterans, and probably some not veterans at all, and so after going into it thoroughly we adopted this title V, providing that these men be taken care of by being given exactly the same compensation and treated exactly like they would have been had they been in a C. C. C. camp when the hurricane occurred.

The other provisions of the bill are largely administrative, merely straightening out administrative provisions of the present law.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield 5 minutes to myself. In those 5 minutes I shall speak of title V, section 500, Florida hurricane relief for World War veterans and other persons. Just 9 months ago today the Works Progress people and the Veterans' Administration, who had these veterans in charge, were warned that there would be a hurricane. Today we shall vote for a bill that will give some sort of aid to them and their families. That hurricane came, as you all know, and it found them totally unprepared to protect those under their charge.

Mr. Speaker, I felt that these veterans who were sent to Florida and who were injured and the dependents of those who died should be given wartime compensation instead of the compensation that is paid to the C. C. C. men. I introduced a bill to that effect.

Let us go back from the time those men left Washington. They were in the transient camps here. They were allowed to stay but 3 days. If they wanted work, they had to go to Florida. In going to Florida they assumed that they would be cared for. Mr. Aubrey Williams, of the W. P. A., testified before our committee that they were special charges of the Government; men who had had a very difficult time; in some cases men who were very much upset nervously.

Mr. Stone, of the W. P. A., who received the men at Florida, stated the same thing. I refer to the sworn testimony of the witnesses. They knew when they sent those men to Florida that in certain months of the year there would be hurricanes; but what sort of provision did they make? These men were placed in shacks that could not withstand hurricanes. No shelter was built to withstand hurricanes. Matecumbe and Windley Islands were practically on the level with the sea. Often at high tide the waters washed the islands.

Mr. Speaker, P. A. Fellows, administrative assistant to the Federal Emergency Relief Administration, testified that on the morning of the hurricane he had read in the Washington newspapers of the possibility of a storm in Florida. Although it was a holiday—Labor Day—he was so much concerned he went to the office and conferred with his superior officer and suggested to him that it might be advisable to get in touch with the Florida administration to see that orders for the evacuation or the necessary protection of the men were given.

At 9:45 that morning he telephoned to the Florida State administrator, Mr. Van Hyning, and told him that if it appeared that the storm would strike the keys to get the men out. He told him that he thought that his administrator would prefer to have them out, even if the storm did not strike, rather than stay there—or, in other words, he would rather take the responsibility of seeing them all moved out and moved back again than to have them stay at the risk of injury. What a tragedy it was that his advice was not followed, that the men were not taken out as a precaution.

Mr. Cutler, assistant director of the Florida veterans' camps, stated that on Sunday morning, September 1, he telephoned to the railroad officials and asked them to have two trains in readiness to go to take those men off of Matecumbe Island. At 5 o'clock in the afternoon Mr. Sheldon, the superintendent of the camp, came and countermanded the order for this train. Money has been no object in this administration. Why were not the trains held in readiness?

There were 40 trucks on Metacumbe Island that could have transported every one of those men to safety if they had been used, but those trucks were not used. We find in the record that the keys to those trucks were taken away so that the men could not use them themselves.

Mr. Speaker, I feel that there was gross negligence. I blame no one person, but a number, and I hold this Government directly responsible for the death and injury of those veterans. There has been no more horrible tragedy than the Florida hurricane which killed so many of our veterans entirely unnecessarily, their wives, and their children. In one instance a woman lost her husband and three little children. The superintendent of the camp sent his wife out early, but those women were not sent out.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

Mr. RANKIN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, with reference to what has been said about these veterans, I ask every Member of this House to read this record. I ask you to read these sworn statements. I ask you to consult the members of this committee who are unbiased and who heard all of this testimony. You will see that we reached the only conclusion that we could have reached.

Now, be it remembered that there were several hundred people living on these keys—men, women, and children—who were in no way connected with these camps. All of those families had automobiles. Any sane man knows that if they had any idea that there would be a tidal wave they would have got in those cars and left; but nobody dreamed there would be a tidal wave, and the man in charge of this camp, Mr. Sheldon, ordered a train, a train of steel coaches, and it came; but about the time this train arrived this tidal wave came, the first one we have been able to find any history of on the Florida Keys. The last man who testified said that Mr. Russell, the postmaster, a man about 60 years old, who was born on the keys, and whose father lived there—he said that Mr. Russell told him he had never seen the water 6 inches deep over that highway in front of his house. This tidal wave came in and that water became 12 or 15 feet deep on that highway. This man Sheldon was there and stayed there during the night, clinging to the cab of that train.

Instead of being criticized, this man Shelton is entitled to credit for staying there with those men and doing the best he could. He was there the next morning combing the beach, helping to take care of them and helping find something for them to eat and caring for them the best he could.

His three foremen were all there and one of them lost his life.

Let me tell you this: There were women and children on those keys. Those people thought as much of their children as anyone, yet something like 200 of them were drowned. Those people, if they had any idea there was going to be a tidal wave would have got out of there some way; but, as it was, when this train came only one of the natives on the entire keys asked permission to get on the train or even appeared for that purpose.

Now, with reference to the responsibility of the Government, we heard that the Weather Bureau had been negligent. We sent for the Weather Bureau officials and their entire report appears in the hearing. The testimony showed the Weather Bureau had done everything possible with the facilities they had, had given all the information it was humanly possible to give, with reference to the approach of this storm. I say that the Weather Bureau needs more facilities; and in my report I said that they need more money with which to provide these facilities.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. BIERMANN. As I understand it at the present time the widow of a World War veteran is eligible to a pension provided that at the time of his death the husband had as much as 30 percent disability, regardless of the cause of his death.

Mr. RANKIN. No.

Mr. BIERMANN. It must be service-connected?

Mr. RANKIN. Yes.

Mr. BIERMANN. And the nub of this legislation is that it includes presumptive disability; is that right?

Mr. RANKIN. Yes.

Mr. BIERMANN. What does that include?

Mr. RANKIN. It includes tuberculosis, paralysis, and other similar diseases that, under the law of 1924, were declared to be presumptively service-connected if they developed prior to 1925.

Mr. BIERMANN. Mr. Speaker, I am glad to have the explanation of the gentleman from Mississippi. I have never been able to develop much enthusiasm for special privileges or donations to veterans who came out of the Army uninjured. A young man, physically fit, owes the duty to defend his country in the hour of her need.

If he emerges from the conflict uninjured, the consciousness and proud satisfaction that he has done his duty in the time of his country's need are his best reward. To turn his service into money and special privileges seems to me to make patriotism a sordid thing, unbeautiful and uninspiring to the young men of today.

But to the men who came out of the Army disabled or who developed later disabilities due to their war service we owe generous compensation. I believe in giving the veteran the benefit of the doubt as to his disability; and, by the same token, the benefit of the doubt should go to his widow and to his children. This bill (H. R. 12869) gives those widows and children the benefit of the doubt. It also removes from them the burden of the "willful misconduct cases." There is some reason for asking the veteran to carry that burden, but I believe there is no reason for imposing it on his widow and children, who do not share his guilt.

I shall vote for this bill. It is a fitting act of generosity to the deserving. If we should confine our aid to the deserving we could be very generous in our help to the disabled veteran and to his dependents. The trouble has been that we have lavished billions on those who had no proper claim for compensation or pension, and perforce, we have come to count the cost in caring for that small minority—the really deserving.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield myself 3 additional minutes.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield further?

Mr. RANKIN. I yield.

Mr. BIERMANN. Is not that man eligible under the law we passed last year?

Mr. RANKIN. No; he was not included under what we call 484; he was not included—or I should say his dependents were not included.

Mr. BIERMANN. Does it include anything other than consumptives?

Mr. RANKIN. Yes. If the gentleman will read the Veterans' Act of 1924 he will find that certain diseases that were developed prior to 1925 were declared to be presumptively service-connected, among them tuberculosis, paralysis, neuropsychiatric trouble, and so forth.

Mr. BIERMANN. These men who are now considered to have presumptive service disabilities are eligible for pension, are they?

Mr. RANKIN. They themselves who are presumptively service-connected; the men themselves get a pension, but if they die from some other cause the widows and orphans do not.

Mr. BIERMANN. This bill corrects that?

Mr. RANKIN. Yes.

Mr. BIERMANN. And that is the whole nub of this bill?

Mr. RANKIN. Yes; and further than that, if the veteran died from what was called a misconduct cause the widow and orphans not only were precluded from receiving compensation but they were in a measure stigmatized, which I think is an outrage and ought never to have crept into veteran laws. It does not apply to the veterans of any other war. It applies only to veterans of the World War. This bill takes

that provision out, so far as these widows and orphans are concerned.

Mr. BIERMANN. Then, the cost of taking care of these presumptives is not very large?

Mr. RANKIN. No. The whole thing will cost less than $300,000 a year, even including the widows and orphans of those who died in the Florida hurricane.

Mr. MASSINGALE. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MASSINGALE. What is the basis of the compensation for the widows and orphans of those who died in the Florida hurricane?

Mr. RANKIN. It is on the same basis as the Employment Compensation Act, on exactly the same plan as if these men had been in C. C. C. camps.

Mr. MASSINGALE. It compensates them at the rate of wages the C. C. C. paid?

Mr. RANKIN. It compensates them according to the wages they were paid.

There have been some silly efforts made by some members of the committee to play politics with this matter, but I am glad to say that the more responsible minority members of the committee have been sincere in their efforts to get the facts and to assist in arriving at a proper conclusion.

I desire to especially express my gratitude to the gentleman from Michigan [Mr. ENGEL] for his able and diligent services. He attended all the hearings, examined all the witnesses, and I am sure there is no one on the committee who is better informed on this proposition than he is. I am going to yield to him next, and I hope you will give him your careful attention. He is not only a veteran himself but in this investigation he has proved himself to be a friend of the veterans who wants to deal justly with them.

I reserve the balance of my time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I am delighted to have the membership of the House read the hearings. "Whitewash" is written all over them. If you will read these hearings, you will see the efforts made to ban testimony when certain questions were asked by the ranking minority member on the committee, myself, and by others.

You will see the efforts made to prevent veterans from testifying. I asked to have Capt. Watson Miller called as a witness, but he was not called; also, representatives of other veterans' organizations who visited Matecumbe Key. This gentleman went down there and viewed the situation after the hurricane. This is all in the record.

I asked that a little widow who had lost three children and her husband might make a statement instead of testifying. She had previously told me she did not feel she was able to testify without breaking down. She was forced to give her testimony as a witness, and she broke down while doing so.

Mr. Speaker, it is a picture that will live in my mind always. Never before had I felt that women needed the vote more than I did that day, and I was thankful with all of my heart that we did have the vote.

I sat through these hearings and allowed my rights to go by because I feared if I did not the hearings would be closed and the testimony end. They had the votes on the majority side to stop the hearings, and I wanted the facts to appear in the record.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I asked General Hines in September for information of the hurricane and the victims, and I received no information, no cooperation, from him. I asked the W. P. A. for photographs. They have taken photographs of every other thing they have ever done, but Mr. Apt, of the Works Progress Administration, wrote me that it would cost too much, or words to that effect. But I have photographs, Mr. Speaker, of those buildings, those shacks, showing that they were not fastened down before the hurricane. The Government had a direct responsibility for those men, especially as they were not well. People in flooded areas are always loathe to leave their homes, and that is their own personal responsibility, but, Mr. Speaker, the Government owed a responsibility to those men and that admission runs all through the hearings. Those 690 veterans never should have been sent to such a place.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Speaker, I was a member of the committee, and I attended all of the sessions of the committee which made this investigation with the exception of two, and on these particular occasions I had to be present at other committees to vote on bills. However, I read the testimony of the sessions that I missed, as soon as it was transcribed.

Mr. Speaker, I have tried to view the entire proceedings in an impartial and impersonal manner. I have come to the conclusion that the Government was negligent in the method in which it provided protection for the people on the Florida Keys. It must be remembered that the Government put them there; therefore the Government had a responsibility and a duty. Having put them there, it was the Government's duty to take care of them.

I asked the question specifically of the Weather Bureau witnesses and the others whether there was any danger on the keys at any particular time of the year, and they said, "Yes; during the storm period, June, July, August, and September." Then I asked those who had charge of these camps what particular precautions were taken to prevent disaster during these storms, and the only answer I received to the question was that there had been a discussion as to the cost of a train, but the negotiations had ended because the cost was too high. There had been some discussion as to building permanent quarters as a protection, but that was also abandoned because the cost was too high.

What was done in this instance? When word came of an approaching storm the officials of the camps listened in on the reports over the telephone, which was a 13-line telephone. The radio that they had was not fit for use and did not give them any information. Why it was not repaired or a new one purchased, I do not know. No one seemed to think that was his responsibility. The only one who seemed vitally concerned was Mr. Cutler, a construction engineer. This man took the situation very seriously. He consulted one of the old captains on Sunday, and the captain informed him that he was apprehensive that there was grave danger. When the hurricane signals were up, and we were advised that whenever those signals were put up there was always danger, the captain made his preparations to ride out the storm. That is what they had always done in the past.

Mr. Speaker, I concede that this was one of the worst storms ever experienced in that district. I concede that no tidal wave of the magnitude of this one had ever been felt down there. But, nevertheless, the duty was on those who took the men there to take them out or else provide security against such storms, neither of which was done.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield the gentleman 4 additional minutes.

Mr. SAUTHOFF. Mr. Speaker, there were available two chances to get out of those keys, one by a railroad which was in receivership, and the other by motor transportation. The railroad, which was in receivership at that time, did not respond as readily as was anticipated. There was a delay of several hours, and the train did not get through in time to take the people out. I call attention to the fact that on Sunday Mr. Fellows, from the office here in Washington, phoned down to Jacksonville because he was apprehensive about this storm. He had read in the paper about the storm and warned them not to take any chances in reference to getting the people out. Someone, and they

cannot pin it onto anybody, because no one admits it, negotiated with the railroad, and finally the railroad official stated that they did not know what they wanted and hung up. The railroad official was holding a train for them, but they would not give him an order to run it in there and take those people out.

That left the motor vehicles, trucks, and so forth. But the keys of these motor vehicles were ordered turned in, and they could not drive the trucks without them. These people, left there helpless, were not able to get out. There was nothing for them to go out on. All modes of transportation had been foreclosed.

Mr. Speaker, if this employer in this instance had been the Standard Oil Co. and all these lives had been lost, every Member here would be condemning them. No one would be seeking to defend the company. The Government should be treated in the same way. I conceive the law to be as follows: An employee assumes a risk of common knowledge, but he does not assume a risk arising from the employer's negligence or breach of duty of which he is not aware.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield two and a half minutes to the gentleman from Rhode Island [Mr. RISK].

Mr. RISK. Mr. Speaker, I do not think anyone on either side of the House has any objection to those provisions contained in the bill which will effect a liberalization of existing veterans' law. I do not think any of us have any objection to those parts of the report of the committee which deal directly with these liberalizing provisions, but we do object most strenuously to that part of the report which attempts to effect a whitewash insofar as the Government agency having charge of these men is concerned.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. RISK. I yield.

Mr. RANKIN. I want to say that is deliberately false. There is no attempt to whitewash. The gentleman did not attend the hearings. If he had attended the hearings he would have known that.

Mr. RISK. I yielded to the gentleman for a question. Has the gentleman a question to ask?

Mr. RANKIN. I am through, for the moment, I will say to the gentleman from Rhode Island.

Mr. RISK. Mr. Speaker, in the committee time and time again, although I was there at only a few sessions, being busy in other committees, I saw the technical rules of evidence which apply in a court of law applied time and time again against the gentlewoman from Massachusetts and other members of the committee. When a question arises in the mind of any member of a committee, it is too much to ask that a member be circumscribed by the regular rules of evidence which obtain in a courtroom. That is the reason I object strenuously to that provision in the report. A reading of the hearings will show that I am justified in taking this position.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I endorse this bill so far as it goes, but it does not go far enough. Under suspension, it is a case of voting for that or getting nothing. I have expressed my opinion about title V and section 500, and we shall hear more about that.

Also, Mr. Speaker, I wanted a provision put in the bill that would have given a higher rate of compensation to the widows and orphans of the veterans of the World War comparable with the rate paid in Canada. This was in line with a bill I introduced many, many months ago. But I was not allowed even a hearing.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, we had one able man on the committee who attended the hearings, and I yield the balance of my time to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein in chronological order the telephone calls and orders of the railroad, the weather reports, and barometer reading taken at the keys during the hurricane.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL. Mr. Speaker, I dislike very much to disagree with my colleagues on my own side of the aisle. There were three investigations held with regard to the hurricane on the Florida Keys, one by the committee, one a joint hearing or investigation by W. P. A. and the Veterans' Administration, and a third by the district attorney's office in Florida at Matecumbe.

I attended every session of the committee and in the consideration of this problem I tried to forget I was a Republican and that those on the other side of the aisle were Democrats. [Applause.] I tried to take the position that I was neither prosecuting attorney nor attorney for the defense, but that my duty was to get the facts and all the facts without regard to whom it might hit. The statement I have just placed in the RECORD contains in chronological order every phone call, every Weather Bureau report, every barometer reading, and every bit of testimony of that sort, as a résumé, from 5:40 Sunday morning until the night involved.

The fact of the matter is that as I look back I can only see a horrible picture, men and women being swept off of these keys and their bodies brought back hours afterward to hang on the limbs of trees in mangrove swamps as found there days afterward.

I contend it is a serious matter to place responsibility for this sort of thing on human beings. You cannot hold a government responsible without holding the men who were representing the government responsible. I say you should not hold them responsible unless the evidence is clear and convincing, evidence which you would accept in a court of justice and evidence upon which you would be willing to take the responsibility yourself, and as a member of the committee I say to you that such evidence is not there.

Mr. RANKIN. Mr. Speaker, will the gentleman yield for a question?

Mr. ENGEL. I yield.

Mr. RANKIN. The gentleman heard the insinuations from the other side about a whitewash. I will ask the gentleman if this was a fair investigation.

Mr. ENGEL. So far as I am concerned, the record speaks for itself, and it stands there. Mr. Speaker, the fact of the matter is that no one, not even the Weather Bureau, knew where the hurricance was. On Sunday the hurricane was 400 miles southeast of Matecumbe, traveling westward, and not in the direction of these camps at Matecumbe. Much has been said about a train being ordered for Sunday and canceled, and about the advisability of getting the men out of there on Sunday. The fact is the railroad company attached several extra coaches and came back from Key West to Miami through the camps hauling six empty passenger coaches with a seating capacity of 480. This was late Sunday afternoon. If anyone had been alarmed on Sunday there was ample opportunity for them to have left the keys.

In the chronological report I have prepared from the evidence is contained every order issued and everything done by the employees of the railroad company in getting the train ready and sending it out. The résumé also contains all weather reports issued and all barometer readings taken on Sunday and Monday. Upon these reports I base my statement that no human being is responsible for this disaster.

The gentleman from Wisconsin criticized the methods they had of obtaining the Weather Bureau reports, stating the telephone and radio did not work. The best answer to that argument is that the record shows that those in charge of the camps on the keys did receive all weather reports at the time they were issued until after 4:30 p. m. Monday, when the wires went down.

At 10 a. m. Monday the hurricane was 200 miles east of Habana, Cuba, still traveling westward. At 1:30 p. m. it was 120 miles southeast of Matecumbe, still going in a west-

erly direction. It was not until 4:30 p. m. Monday that the Weather Bureau reported the hurricane as having turned northward in the direction of the camps at Matecumbe. The fact of the matter is that no one, not even the Weather Bureau, knew where the storm was. To have moved the men prior to this time might have meant moving them into the path of the storm.

When the report of the storm was issued at 10 a. m. Monday and the words were used "Caution vessels in Florida Straits", ships in the hurricane area left the danger zone. The Weather Bureau based its reports in part on radio information it received from ships in the storm area. After these ships left the danger zone, the Weather Bureau was deprived of one of its most valuable sources of information. This, in my judgement, accounts for any inaccurracies in those reports. It would be a wonderful thing, if in the science of weather forecasting, we had reached a point where a weather forecaster could sit in a rocking chair, riding on the crest of the storm, with a radio receiver on his head and a transmitter in his hand. It would be wonderful if we could have heard his voice telling us the storm was 89¾ miles southeast of Matecumbe and was due to arrive in Matecumbe at 14 minutes and 20 seconds past 8 o'clock. Unfortunately we have not yet reached that stage. These weather reports must be based on information gathered by the department from various sources and sometimes this information is not available and unfortunately not always 100 percent accurate.

At no time prior to 1:30 p. m. Monday did the barometer readings at the camps fall below 29.70 or show danger, 30.00 being normal. One reading shows the barometer actually went up from 29.80 to 29.85 from 11 a. m. to 1 p. m. Monday, indicating the storm was not going to hit that area.

I wish to say again I dislike very much to disagree with my colleagues on my side of the aisle. Basing my conclusions on the facts and the evidence, I say that it was an act of God and that no one was responsible. The chronological chart which I prepared from the exhaustive testimony and to which I have referred in this short speech, follows:

CHRONOLOGICAL ORDER OF TELEPHONE CALLS, ORDERS, WEATHER BUREAU REPORTS, BAROMETER READINGS, ETC., TAKEN AND GIVEN FROM 5:48 A. M. SEPTEMBER 1, 1935, TO 8:25 P. M. SEPTEMBER 2, 1935, REGARDING THE HURRICANE AT MATECUMBE, FLA.

SUNDAY, SEPTEMBER 1, 1935

5:48 a. m.: Mr. F. B. Ghent, director of veterans' work in Florida, talked by phone to Mr. P. L. Gaddis, district superintendent of Florida East Coast Railway, regarding train service in case of possible hurricane.

6:05 a. m.: Mr. F. B. Ghent, director of veterans' work in Florida, talked by phone to Mr. B. L. Byrum, chief train dispatcher of Florida East Coast Railway at New Smyrna, Fla., regarding a train in case of hurricane.

10 a. m.: Miami Weather Bureau advisory was as follows: "Tropical disturbance central, short distance south of Andros Island, moving westward about 8 miles per hour attended by stiffening gales, probably winds of hurricane force, wide area near center. Indications are storm will pass through Florida Straits late tonight or Monday. Caution advise vessels in path. Northeast storm warnings displayed from Fort Pierce around coast to Fort Myers. Squalls late this afternoon. No hurricane warnings up in this section."

10 a. m. (or shortly thereafter): Mr. S. C. Cutler, works director of veterans' camps, visited Capt. E. H. Sheeran, superintendent of bridge construction, who has been on the keys since 1905, and who said he was getting ready for a severe blow.

10:33 a. m.: Mr. S. C. Cutler, works director of veterans' camps, put in a call for Mr. F. B. Ghent, director of veterans' work in Florida, at Jacksonville. While waiting he also put in a call for Mr. P. L. Gaddis, district superintendent of Florida East Coast Railway, but Mr. Gaddis was out of town, so Mr. Cutler talked to the clerk, whom he told that in view of storm he thought it advisable to make up two trains ready to dispatch at a moment's notice. He told him that the order was without authority, but that he had a call in for Mr. Ghent, who had authority.

10:46 a. m.: Mr. S. C. Cutler, works director of veterans' camps, talked to weather bureau at Miami by phone. Telephone records of call, but no information given.

10:58 a. m.: Mr. George Pepper at Key West talked by phone to Mr. S. C. Cutler, works director of veterans' camps.

2:42 p. m.: Mr. S. C. Cutler, works director of veterans' camps, talked by phone to Mr. F. B. Ghent, director of veterans' work in Florida. Mr. Ghent said he had talked with Mr. Ray W. Shelden, superintendent of veterans' camps at Matecumbe, who would be at camps shortly to handle situation.

4:00 p. m. (or shortly after): Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe, arrived at camps. Called Miami Weather Bureau and received latest warning. Not much change in weather.

4:47 p. m.: Mr. S. C. Cutler, works director of veterans' camps, talked by phone to weather bureau at Miami. Telephone records of call but no information given.

5:12 p. m.: Mr. S. C. Cutler, works director of veterans' camps, called Mr. F. B. Ghent, director of veterans' work in Florida, and gave him barometer reading and weather report. Mr. Ghent reported similar report from Jacksonville Weather Bureau. It was decided to await further developments before taking action to remove men from keys.

5:15 p. m.: Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe, telephoned Mr. P. L. Gaddis, district superintendent of Florida East Coast Railway, at his home in Miami. Mr. Gaddis said train could be assembled and spotted at camps within 3 or 4 hours after order was placed.

10:30 p. m.: Mr. Ray B. Sheldon, superintendent of veterans' camps, talked by phone to Miami Weather Bureau.

10:30 p. m.: Mr. Ray Sheldon, superintendent of veterans' camps at Matecumbe, had telephone conversation with the Miami Weather Bureau—Mr. Ernest Carson, associate meteorologist in charge, who said, according to advisory of 9:30 p. m., center of storm was 260 miles east of Habana, moving slowly westward. Mr. Carson said it would be safe to stay on keys until Monday morning. The weather bureau in Miami promised to inform Mr. Sheldon of any changes during night.

MONDAY, SEPTEMBER 2, 1935

3:31 a. m.: Mr. S. C. Cutler, works director of veterans' camps, talked by phone to Miami Weather Bureau and informed that tropical disturbance was 275 miles east of Habana, moving westward; beware high tides and storm gales.

8:17 a. m.: Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe, talked by phone to Miami Weather Bureau, Mr. Ernest Carson, associate meteorologist in charge, and states reports indicated no change in storm.

9:30 a. m.: Jacksonville Weather Bureau marine forecast: "East Gulf of Mexico, moderate winds except increasing northeast over southeast portion, probably reaching gale force and possibly hurricane force over extreme southeast portion." Hurricane about 175 miles southeast of keys, traveling in westerly direction.

9:45 a. m.: Mr. Fellows put in a call for Mr. Conrad Van Hyning, Florida State director of Florida emergency relief administration. Mr. Fellows was acting chief engineer and had come down to the office immediately upon reading of a storm east of Cuba, Monday being a legal holiday. He found Mr. Aubrey Williams, assistant administrator in charge of relief work, in his office and put in the call to Mr. Van Hyning on Mr. Williams' approval. However, the office at Tallahassee, Fla., was closed, so Mr. Fellows instructed the operator to get him anyone in authority.

10 a. m.: Weather report advisory: "Tropical disturbance central about 200 miles due east of Habana, Cuba, moving slowly westward, attended by shifting gales and probably winds, hurricane force, small area near center. Caution advised vessels Florida Straits next 24 or 36 hours." Northeast storm warnings ordered same area as at 10 a. m. on first were continued.

10 a. m.: Barometer reading, 29.80. (At same time Islamorada lighthouse keeper reports 29.80.)

11 a. m.: At 10:30 a. m. the telephone operator told Mr. Fellows, acting chief engineer, Federal emergency relief administration, that Mr. Conrad Van Hyning, Florida State administrator, Florida emergency relief administration, was in Tallahassee. Mr. Fellows told the operator to call all hotels and at 11 a. m. he reached Mr. Van Hyning and told him of his fears and asked whether the veterans had been evacuated. He told Mr. Van Hyning that Mr. Hopkins would not want anything to happen that would result in the loss of life or injury to any of the men in the camps. Mr. Van Hyning said he thought the veterans had not been evacuated; that he thought they had some people experienced in storm protection whom they could get from Key West or possibly some were already there. (No stenographer was available, but Mr. Lanham, a member of the staff, listened to the conversation, and the conversation was reported to Mr. Westbrook, Assistant Administrator, F. E. R. A., and to Mr. Williams' secretary.)

11:20 a. m.: Mr. Conrad Van Hyning, Florida State administrator of the Florida emergency relief administration, Tallahassee, Fla., attempted to reach Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe, to give orders. Being unable to reach Mr. Sheldon, Mr. Van Hyning called Mr. M. E. Gilfond, Florida emergency relief administrator for Monroe County, Fla., at Key West, and asked him to relay the message to Mr. Sheldon. Mr. Gilfond told Mr. Van Hyning there was no reason to be immediately concerned about Matecumbe, that Key West would feel a strong blow.

11:23 a. m.: Mr. Gilfond, Florida emergency relief administrator for Monroe County, Fla., talked by phone to Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe, relaying the message.

11:30 a. m.: Barometer reading, 29.81 at Matecumbe.

11:33 a. m.: Mr. Gilfond, Florida emergency relief administrator for Monroe County, Fla., talked by phone to Mr. Conrad Van Hyning, Florida State administrator for the Florida emergency relief administration, reporting that he had relayed his message to Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe.

11:42 a. m.: Mr. Gilfond, Florida emergency relief administrator for Monroe County, Fla., talked by phone from Key West to Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe. Mr. Sheldon told Mr. Gilfond that the barometer was rising at that time. Storm then reported about 200 miles from Keys, heading westward.

11:53 a. m.: Mr. Conrad Van Hyning, Florida State administrator for the Florida emergency relief administration, Tallahassee, Fla., talked by phone to Mr. Gilfond, Monroe County, Florida emergency relief administrator, and told him to relay message to Mr. Sheldon, superintendent of veterans' camps at Matecumbe, to do everything possible to protect the men.

12 m.: Barometer reading at Matecumbe, 29.85. (Lighthouse also reports 29.85.)

12:43 p. m. (during lunch hour): Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe, called Miami Weather Bureau and was informed camps and keys in no immediate danger.

1 p. m.: Barometer reading, 29.85, taken at Alligator Lighthouse. (It will be noted here that this barometer actually went up between the 10 a. m. reading and 12 m. reading and held up to 1 p. m. reading, indicating the storm was not approaching Matecumbe.)

BAROMETER READING BY RICHARD BOW AT CAMP 3, 29.20

1:30 p. m.: Weather Bureau report: "Hurricane warning issued at 1:20 p. m. Hoist hurricane warnings 1:30 p. m. Key West district. Tropical disturbance central at noon about latitude 23°20' longitude 80°15' moving slowly westward. It will be attended by winds of hurricane force Florida Straits and winds gale force Florida Keys south of Key Largo this afternoon and tonight. Caution advised vessels Florida Straits next 24 hours. Northeast storm warnings to remain displayed elsewhere Miami to Fort Myers."

(NOTE.—Key West district takes in all keys south of Key Largo. Storm at this time was about 120 miles from Matecumbe.)

1:32 p. m.: Mr. S. C. Cutler, works director of veterans' camps, talked by phone to Miami Weather Bureau. Telephone records of call, but no information given.

1:37 p. m.: Mr. F. B. Ghent, director of veterans' work in Florida, talked by phone to Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe. Mr. Sheldon told him that barometer was falling fast; that he had better order the train. Mr. Ghent said he would order train at once.

1:45 p. m.: Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe, called the Florida East Coast Railway and talked with Mr. J. M. Shealy, chief clerk to district superintendent, telling him they were expecting the storm to strike the keys and his Jacksonville office was handling with their St. Augustine office the matter of a relief train. He said he had called their office to let them know such action was being taken so they could be in readiness to operate the train when the order was received. Mr. Shealy told Mr. Sheldon to hold the phone as he thought Mr. Gaddis, superintendent of railway (district) at Miami, was calling him from Key West, that Mr. Gaddis was on the phone and Mr. Shealy told him what Mr. Sheldon had said. Mr. Gaddis directed that Mr. A. I. Pooser, superintendent of the railroad, get in on the dispatcher's telephone, which was done. Mr. Gaddis told Mr. Pooser about Mr. Sheldon calling and Mr. Pooser stated the train would be operated promptly after the order was received from St. Augustine. While this conversation was being carried on the official order was received. Mr. Sheldon was promised that the train would be at the camps between 5:30 and 6 p. m.

1:55 p. m.: Mr. F. B. Ghent, director of veterans' work in Florida, talked to Mr. R. C. Unkrich, assistant administrator of the Emergency Relief Administration in Florida, and told Mr. Unkrich train was standing by, ready to leave at an hour's notice. (Mr. Unkrich assumed the train was standing by at the keys, but this was a mistake in his judgment.)

2 p. m.: Barometer reading at camp no. 3, by Richard Bow, 29.66.

2 p. m. to 4 p. m.: The following phone calls and orders were given by Mr. G. R. Branch, yardmaster of Florida East Coast Railway and acting trainmaster, between the hours of 2 p. m. and 4 p. m.:

1. Received call ordering train about 2 p. m. from Mr. B. L. Byrum, chief train dispatcher of Florida East Coast Railway at New Smyrna, Fla.

2. Phoned mechanical department at Buena Vista. Entire force off duty because of legal holiday.

3. Phoned general foreman of the railroad. Unable to locate him.

4. Phoned assistant general foreman and gave orders regarding train.

5. Phoned locomotive department asking to have engine hot and ready on short notice.

6. Called yard office at Buena Vista and instructed chief yard clerk to have foreman of 3 o'clock yard engine to gather equipment. (No engine available due to curtailed summer service between 2:20 p. m. and 3:10 p. m.)

7. At 2:45 p. m., chief dispatcher called Mr. G. R. Branch, yardmaster of Florida East Coast Railway and acting trainmaster, giving further instructions.

8. He phoned chief dispatcher and ordered crew to report for 4 p. m.

9. Called yard foreman and gave further instructions.

10. Mr. B. L. Byrum, chief train dispatcher, Florida East Coast Railway at New Smyrna, Fla., called giving instructions to add three box cars.

11. Called foreman and gave orders. (Engineer was allowed 10 minutes to oil and inspect locomotive.)

2:05 p. m.: Mr. F. B. Ghent, director of veterans' work in Florida, telephoned to Mr. C. L. Beals, manager of Florida East Coast Railway at St. Augustine, Fla.

2:07 p. m.: But Mr. Ghent was connected with Mr. F. L. Aitcheson, assistant to general superintendent of Florida East Coast Railway. Mr. Ghent placed firm order for train and was advised that it would move by 4 o'clock, reaching camps by 6:30. Mr. F. B. Ghent, director of veterans' work in Florida, was at Jacksonville on his way to St. Augustine. (There is no record of the time the regular train order was issued.)

2:10 p. m.: Mr. A. I. Pooser, superintendent of Florida East Coast Railway, called Mr. F. L. Aitcheson, assistant to general superintendent of Florida East Coast Railway, but inasmuch as Mr. Aitcheson was leaving his office, Mr. Pooser talked to Mr. B. L. Byrum, chief train dispatcher of Florida East Coast Railway at New Smyrna, Fla. Mr. Pooser instructed Mr. Byrum to inform Mr. G. R. Branch, yardmaster of Florida East Coast Railway and acting trainmaster at Miami, and others, of probability of definite advice in few minutes regarding special train for removing men from Keys.

2:15 p. m.: Mr. B. L. Byrum, chief train dispatcher of Florida East Coast Railway at New Smyrna, Fla., got in touch with Mr. G. R. Branch, yardmaster of Florida East Coast Railway and acting trainmaster at Miami, and advised him of probability of train being operated. Mr. Byrum asked him to get crews in place and inquired as to number of coaches available. This was done in order that preparations could be made, and Mr. Byrum promised to call immediately after he received advice. Mr. Byrum also called Mr. J. M. Chealy, chief clerk to district superintendent, regarding special train.

2:15 p. m. (or shortly after): Mr. F. L. Aitcheson, assistant to general superintendent, Florida East Coast Railway, called Mr. A. I. Pooser, superintendent of Florida East Coast Railway, by phone saying that he had received order from Jacksonville. They discussed matter of equipment and other details for a few minutes. Conversation ended about 2:30 p. m.

2:17 p. m. (approximately): Mr. F. B. Ghent, director of veterans' work in Florida, talked to Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe, by phone, advising him that the train had been ordered and that he would meet it.

2:30 p. m.: Barometer reading at camp no. 3, by Richard Bow, 29.62.

2:35 p. m.: Mr. A. I. Pooser, superintendent of Florida East Coast Railway, told Mr. B. L. Byrum, chief train dispatcher, Florida East Coast Railway, New Smyrna, Fla., to get the train out as soon as possible and not later than 4 p. m. (Superintendent Pooser made a statement that up to this time they had no idea of the approach of the hurricane and could not have expedited matter if they had wanted to as they did everything they could as speedily as possible.) Mr. G. R. Branch, yardmaster of Florida East Coast Railway and acting trainmaster, was advised of definite instructions. Had to get coaches from freight yard as well as passenger yard. Mr. B. L. Byrum states that they dropped all other work and that there was no delay.

2:45 p. m.: Mr. J. L. Byrum, chief train dispatcher, called by phone for a train of five coaches and two baggage cars. Crew called and instructed to report at 4 p. m.

3 p. m.: Barometer reading by Richard Bow at camp 3, 29.58.

3:30 p. m.: Mr. R. S. Spitz, agent-operator at Miami, phoned Mr. A. I. Pooser, superintendent of railroad, giving him barometer reading, which was 29.36. Superintendent Pooser asked him to get another reading.

3:30 p. m.: Barometer reading by Richard Bow at camp 3, 29.54.

4 p. m.: Barometer reading 29.10 at Islamorada.

4:15 p. m.: Mr. R. S. Spitz, agent-operator at Miami, gave superintendent A. I. Pooser another barometer reading, which was tnen 29.10.

4:15 p. m.: Mr. F. B. Ghent, director of veterans' work program, reached the railroad office at Miami. Mr. F. B. Aitcheson, assistant to general superintendent, stated that he was in constant telephone conversation until 4:04 p. m. He was informed by Mr. G. R. Branch, yardmaster at Buena Vista, that train would probably leave about 4:20 or 4:30 p. m.

4:25 p. m.: Train left Miami per Mr. A. I. Pooser, superintendent of railroad.

4:30 p. m.: Weather report: "Hoist hurricane warnings town of Everglades and extend northeast storm warnings Miami to West Palm Beach and Fort Myers to Sarasota. Tropical storm now apparently moving northwestward toward Florida Keys accompanied by hurricane over small area. High tides probably extreme south Florida coast and stations concerned please notify people in exposed places to take adequate precautions."

4:30 p. m.: Advisory: "Tropical storm now apparently moving northwestward toward Florida Keys accompanied by hurricane winds over small area. Hurricane warnings displayed Key West and town of Everglades and northeast storm warning elsewhere south Florida coast from West Palm Beach to Sarasota." (Weather Bureau testified storm was now about 75 miles from Matecumbe. Mr. Ray W. Sheldon testified that location of storm as shown on map would be about 100 miles from Matecumbe.

5 p. m.: Barometer reading at Alligator Lighthouse now 29.20.

5:15 p. m.: Train arrived at Homestead. Turned the engine in order that they might have the engine at the head of the train in coming out with the load. They loaded on motorcar and line men. Took 15 minutes to load car and turn engine. Took in some

women and children and a few veterans. Now blowing a full gale at Homestead. Barometer reading at Matecumbe, 29.40.

5:30 p. m.: Barometer reading at camp 3 by Richard Bow, 29.38.

5:31 p. m.: Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe (who had been informed by Miami office that train had left at 4 p. m., although it did not leave until 4:25 p. m.), talked by phone to Florida East Coast Railway men at Matecumbe.

5:52 p. m.: Mr. Conrad Van Hyning, State director of Florida emergency relief administration in Florida, talked to Mr. M. E. Gilfond, Florida emergency relief administrator for Monroe County, by phone.

6 p. m.: Barometer reading, 29.06 at Alligator Light; barometer reading, 29.20 at camp 3 by Richard Bow.

6:30 p. m.: Barometer reading, 27.84 at Alligator Light.

7 p. m.: Weather report: "Hurricane warnings north of Key Largo to West Palm Beach and northeast storm warning north of West Palm Beach to Titusville and storm warning continued elsewhere south Florida coast Titusville to Sarasota. Tropical disturbance, hurricane intensity, approaching Matecumbe Key apparently moving north-northwestward with recurving tendency will cause winds of about hurricane force over extreme southern Florida and strong winds over central Florida late tonight or early Tuesday morning."

7 p. m.: Mr. Ray W. Sheldon, superintendent of veterans' camps at Matecumbe, and 11 or 12 members of the administrative staff left railroad station because it threatened to collapse. They took refuge in box car.

8 p. m.: Barometer reading, 27.45 at Alligator Light.

8:10 p. m.: Barometer reading, 27.35 at Alligator Light.

Between 8 and 8:20 p. m.: Train arrived at Islamorada. At 2:15 p. m., September 2, preparations of the train were commenced at the Miami terminal. The coaches and baggage cars were scattered throughout the terminal and one coach had to be repaired before it could be used. This delayed the departure of the train until 4:25 p. m.

A delay of 10 minutes occurred just outside the terminal because of a drawbridge. When the train arrived at Homestead it was 5:15 p. m. Because there was no Y between Homestead and Key West, it was then decided to turn the engine in order that it might be headed right for the return from Matecumbe. This would then require running the engine, tender first, from Homestead to Matecumbe. The train left Homestead at 5:30 p. m. It arrived at a quarry just south of camp no. 1 at 7 p. m. There a guy wire had been blown across the track and 1 hour and 20 minutes were required to remove this obstruction. The train arrived at Islamorada shortly after 8 p. m. They boarded train and started south.

8:25 p. m.: Storm struck.

9 p. m.: Barometer reading, 27.50 at Alligator Light.

9:30 p. m.: Weather forecast: "Jacksonville to Florida Straits, strong easterly winds over extreme north and east to southeast gales over central and south portions with probable winds hurricane force Palm Beach southward. Weather overcast with rain Tuesday. East Gulf, strong east to northeast winds over extreme north and shifting gales over central and south portions with winds hurricane force near center of tropical storm southeast portion. Weather overcast with rain Tuesday. Tropical disturbance of full hurricane intensity but small diameter central 8 p. m. near Matecumbe Key moving northwestward, accompanied by shifting gales and hurricane winds near center. Caution advised low places southwest Florida for high winds and tides."

10 p. m.: Barometer reading, 28.04.

10:30 p. m.: Barometer reading, 28.80.

The SPEAKER. The time of the gentleman from Michigan has expired. All time has expired. The question is on the motion to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed, and a motion to reconsider was laid on the table.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill have leave to revise and extend their remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FULLER. Mr. Speaker, I ask unanimous consent to take from the table the bill (S. 4354) to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration, at Little Rock, Ark., the Texas Centennial, at Dallas, Tex., and the Confederate Reunion, at Shreveport, La., between the dates from June 6 to June 16, 1936, inclusive, and ask for its immediate consideration.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MAPES. Mr. Speaker, I reserve the right to object, and ask the gentleman from Arkansas whether this bill was on the Consent Calendar?

Mr. FULLER. Yes; it was.

Mr. MAPES. Was there an objection made to the consideration of the bill when it was called?

Mr. FULLER. Yes; one objection.

Mr. MAPES. I do not know that I have any objection to it.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. FULLER. Then, Mr. Speaker, I move to suspend the rules and pass the bill (S. 4354) to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration at Little Rock Ark.; the Texas Centennial at Dallas, Tex.; and the National Confederate Reunion at Shreveport, La., between the dates from June 6 to June 16, 1936, inclusive, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the Arkansas Centennial Celebration, at Little Rock, Ark.; the Texas Centennial, at Dallas, Tex.; and the National Confederate Reunion, at Shreveport, La., between the dates from June 6 to June 16, 1936, inclusive.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such celebrations and reunion there is authorized to be appropriated the sum of $11,500, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $5 per day each for actual living expenses while on this duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station.

Mr. WOLCOTT. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Michigan makes the point of order that there is no quorum present. Evidently there is not.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 115]

Andrew, Mass.	Duffey, Ohio	Hoffman	Peterson, Fla.
Andrews, N. Y.	Dunn, Miss.	Hook	Pierce
Arends	Dunn, Pa.	Houston	Plumley
Bacon	Eagle	Huddleston	Quinn
Barden	Eaton	Jenckes, Ind.	Ramsay
Berlin	Ekwall	Kee	Rayburn
Binderup	Englebright	Kerr	Reed, N. Y.
Bolton	Evans	Kleberg	Robertson
Brennan	Faddis	Kloeb	Robsion, Ky.
Brewster	Fenerty	Lambertson	Rogers, N. H.
Brooks	Fernandez	Lanham	Rogers, Okla.
Brown, Mich.	Fish	Larrabee	Sabath
Buckley, N. Y.	Fitzpatrick	Lee, Okla.	Sanders, La.
Bulwinkle	Ford, Calif.	Lesinski	Sandlin
Burch	Frey	Lewis, Md.	Schaefer
Burdick	Fulmer	Luckey	Scrugham
Caldwell	Gambrill	Lundeen	Sears
Cannon, Wis.	Gifford	McGrath	Secrest
Carmichael	Gilchrist	McGroarty	Shanley
Carter	Gillette	McSwain	Sisson
Cartwright	Gingery	Maloney	Steagall
Cary	Goldsborough	Marcantonio	Stewart
Cavicchia	Goodwin	Marshall	Stubbs
Claiborne	Gray, Pa.	Martin, Mass.	Sumners, Tex.
Clark, Idaho	Green	Maverick	Sweeney
Clark, N. C.	Greenway	Merritt, Conn.	Taber
Coffee	Greever	Merritt, N. Y.	Thom
Cox	Guyer	Millard	Tobey
Cross, Tex.	Gwynne	Mitchell, Ill.	Treadway
Crowther	Halleck	Montet	Turpin
Cummings	Hancock, N. C.	Murdock	Wadsworth
Dear	Harlan	Nelson	West
DeRouen	Hart	Nichols	White
Dietrich	Hartley	Norton	Wigglesworth
Disney	Hennings	O'Leary	Wilcox
Ditter	Hess	Oliver	Williams
Dockweiler	Higgins, Conn.	O'Malley	Wood
Dorsey	Hill, Samuel B.	Owen	Zioncheck
Doutrich	Hobbs	Palmisano	
Driver	Hoeppel	Parks	

The SPEAKER. Two hundred and sixty-four Members have answered to their names, a quorum.

Mr. BANKHEAD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, before we proceed with the consideration of the Marine Band bill, I desire to submit a unanimous-consent request. I ask unanimous consent that tomorrow at the conclusion of the call of the bills on the Private Calendar we may take up the omnibus private claims bills.

The SPEAKER. The gentleman from Alabama asks unanimous consent that tomorrow at the conclusion of the call of the individual bills on the Private Calendar, we may take up the consideration of omnibus bills on the Private Calendar. Is there objection?

Mr. MAPES. Mr. Speaker, I reserve the right to object. Will the gentleman from Alabama give the House some idea of what is in the omnibus claims bill to which he refers?

Mr. BANKHEAD. I could not inform the gentleman about that. Of course the gentleman knows there are a number of omnibus bills, and each of them includes private bills that are on this calendar under the new rule.

Mr. KENNEDY of Maryland. Mr. Speaker, there are a number of bills that have been placed in these omnibus bills for some little time and have not come up for consideration, due to the fact that the Private Calendar was passed over on two occasions during this session. These are various bills that have been objected to and reconsidered by the committee and placed in the omnibus bill.

Mr. MAPES. Has the gentleman consulted with the minority members of the Committee on Claims about this request?

Mr. KENNEDY of Maryland. Yes; I have talked to all members of the committee and it is agreeable to them to bring these bills up in this manner if we can.

Mr. HANCOCK of New York. Mr. Speaker, I reserve the right to object. There are about 150 bills on the calendar which the gentleman expected to close up tomorrow.

Mr. KENNEDY of Maryland. That is the bills unobjected to.

Mr. HANCOCK of New York. That have not been called previously. The Members on the Democratic side and the Members on the Republican side who have been designated to examine these bills have not seen them until this afternoon. They will have to work until a late hour tonight in reading them. I think it is hardly fair after asking them to do that to then go into the omnibus bill. I have no objection to the omnibus bills being taken up at a later day, but it is unfair to take them up tomorrow. Therefore, I object.

The SPEAKER. The gentleman from New York objects.

ATTENDANCE OF MARINE BAND AT CONFEDERATE REUNION

The SPEAKER. The gentleman from Arkansas moves to suspend the rules and pass the bill S. 4354. Is a second demanded?

Mr. WOLCOTT. Mr. Speaker, I demand a second.

Mr. FULLER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Arkansas is entitled to 20 minutes and the gentleman from Michigan to 20 minutes.

Mr. FULLER. Mr. Speaker, I shall take only a little time in explaining the bill and there will be very few, if any, speeches on this side of the House. A similar bill to this was introduced in the House by the gentleman from Louisiana [Mr. SANDLIN], who is not here to look after the bill today. This Senate bill is similar to the House bill. It provides an authorization of $11,500 for sending the Marine Band to the Confederate Reunion in Shreveport, La. That is the principal cost contained in the bill. It also provides that while the band is there it may attend the opening of the Dallas fair, the centennial of Texas on the 6th, and can go to Little Rock to attend the opening of the centennial convention there. This is similar to the bills passed on every occasion as far as I can remember for a Confederate Veterans' Reunion, as well as for the G. A. R.

I reserve the remainder of my time.

Mr. WOLCOTT. Mr. Speaker, a similar bill was on the Consent Calendar this afternoon and it was objected to. I did not take the opportunity at that time to make clear the objections which I had to the bill. I understand the gentleman from Arkansas [Mr. FULLER] has confined his motion to the bill S. 4354, the Senate bill. The difference between the Senate bill and the House bill is simply in the amount. The original Senate bill provided for $15,000 and they reduced it to $11,500. The dates, as I understand it, are identical, except they use certain dates making it inclusive instead of setting forth the exact dates when the band will attend each of these celebrations.

I will agree that there is precedent for sending the Marine Band to Confederate reunions. It has been done before and probably will be done again any time that this House wants to vote the authority to do it.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Just wait until I finish, please.

I think, however, for the first time in the history of American election campaigns the House of Representatives is asked to appropriate the people's money for the purpose of sending a band along with the President of the United States to drum up an audience to listen to his campaign speeches. It is very significant that this band is to play and give concerts at the Arkansas Centennial at the same time the President of the United States, in competition with the Republican National Convention, is speaking at that centennial. It is very significant that this band is playing at the Texas Centennial on the identical day that the President of the United States is to make a campaign speech at the Texas Centennial. Now, there has been a great deal of criticism about the use of public money by this and other administrations for campaign purposes.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. After all, some of us are attempting to make an honest effort to cut the expenses of Government down to the very bone in order that some time in the future the Budget may be balanced.

I have every respect in the world for the Marine Band. I would like to give those boys this vacation, if it could be done and be consistent with the condition in which the Government finds itself today.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Not just now.

I think it is somewhat deplorable to spend $11,500, or any sum of money, in addition to the $5 a day per person which it will cost to maintain them at these three celebrations for the purpose of giving those boys a vacation such as they are not asking for, and can serve only the purpose which I have mentioned.

As I have said on other occasions, and probably my remarks will be just as effective today as they were then, the responsibility is that of this House. I know that we on this side do not have the votes to stop this misuse of the people's money for this purpose, even if you could call it a noble purpose. I know there are a great many hearts and souls tonight that are watching with a great deal of interest to see whether we are putting our stamp of approval upon the use of this band for this purpose, as set forth in this bill.

Mr. Speaker, I expect that we shall have a roll call on this bill by which we may be enabled to determine just how sincerely some of the Members of this House are in their statements on behalf of the taxpayers who have to pay the bills.

Mr. Speaker, I now yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, hour after hour, day after day, and minute after minute all we do is appropriate funds. There is not a Member of the Democratic side nor on the Republican side who can answer the question, Where are you going to get the money? [Applause.]

It may seem trivial and foolish to some of you, but remember this: It is one of the most serious things that is facing this Nation today. This is serious business with me. It might be light as far as you are concerned, and you may act like children in making light of it; but when you read the statement of the Federal Treasury which comes to your

office every day, when you read the report of the Treasury which you will get after the first of the year, and when you find out you are going to be in the red about $48,000,000,000, if that is not serious business, then I do not know what I am talking about.

You can make all the levity and all the fun you want to, but do not forget that when you get back to your constituents you will have something to account for and there will be some of them who will say something to you that will not be so pleasant. I hope they check up your record. It would not be enlightening to the Nation when you have to explain to them, "I voted for everything that came before the House of Representatives involving the spending of money." How in the Dutch you are going to account to your people, I do not know. [Laughter.]

Now, this bill only calls for $10,500. That is not much; but remember this, 2 years ago Mr. Eastman, of Rochester, N. Y., asked that the Marine Band come to Rochester. The city of Rochester agreed to pay every dollar of the expense of that band if they would come there. You refused to let them go, because you said it was contrary to the rules laid down whereby the Marine Band could attend functions all over this Nation.

The argument was made that so many similar requests would come from all over the Nation that it would be the wrong thing to do; but, as my colleague the gentleman from Michigan has pointed out to you, the Marine Band is going to three cities in the South, to be there at the same time the President of the United States is there. They will march along together at the celebrations.

Mr. GASQUE rose.

The SPEAKER. Does the gentleman from Pennsylvania yield to the gentleman from South Carolina?

Mr. RICH. When I finish my statement I will yield to the gentleman from South Carolina.

Where is the Marine Band going? It is going to the State of Arkansas. JOE ROBINSON is going to have some trouble out there this year.

Mr. FULLER. Not much.

Mr. RICH. Then it is going down in Texas. Mr. Garner—well, I do not think he will have so much trouble in Texas.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Speaker, I yield 3 additional minutes to the gentleman from Pennsylvania.

Mr. TAYLOR of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. RICH. Not now.

Then they are going to Louisiana. If Senator Long were still alive I wonder if it would not be mighty important that the President go to Louisiana? But even as it is you will find out that the people of Louisiana are not all going to back up this administration. I question whether you ought not send the Marine Band with the President of the United States into every State in the Union, because when the people find out that this administration has been the greatest spending administration the Nation has ever known, yes, and four times over, when Mr. Roosevelt said in 1932, "Three years of spending." Now if he looks back he probably will say 3 years of a spending spree. He will have to explain to the people why he has been spending all this money. Secretary Morgenthau said a few weeks ago that we would be $40,000,000,000 in the red at the end of 1937. The fact of the matter is we will approach about that figure by the end of 1936. The President on January 3 said we were approaching a balanced Budget. This session of Congress this year before it adjourns will have spent more money than the Congress spent at the session last year, which was a record for extravagant spending.

Now, think over these things; they are facts. Gracious goodness! There is no more fact about the statement that we are approaching a balanced Budget than there is in the statement that you are not going to have darkness about 2 hours from now. There is no more truth in those statements than there is in the statement that white is black. Mr. Roosevelt does not know what the meaning is of a balanced Budget.

Now, men, are you going to establish a precedent by voting for this bill that will take the Marine Band to head the President on a political jaunt for his election in November? Remember! I tell you once more your people back home will render the verdict in November, and when the verdict is rendered you will get the worst licking you ever got in your life. You will not like it, but it will be the truth.

Had I voted for all this spending I would be ashamed of myself. My people, I feel confident, will approve my attitude on thrift and economy. If the present generation does not, the future generation certainly will, and for that I will be thankful.

I would not change one of my votes in the past 6 years if I had the opportunity today to do so. Can you all say the same thing? I am afraid you cannot.

[Here the gavel fell.]

Mr. FULLER. Mr. Speaker, I yield one-half minute to the gentleman from Georgia [Mr. DEEN].

Mr. DEEN. Mr. Speaker, I requested this half minute to answer the question so often propounded in this House by the gentleman from Pennsylvania [Mr. RICH], as to where we are going to get the money. My answer is that we are going to get some money from the rich.

The SPEAKER. The question is, Shall the rules be suspended and the bill be passed?

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 138, noes 30.

Mr. WOLCOTT. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-three Members are present, a quorum.

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

PREVENTION OF SALES DISCRIMINATION

Mr. UTTERBACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8442) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors, with a Senate amendment thereto, disagrees to the Senate amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. MAPES. Mr. Speaker, reserving the right to object, was this bill reported by the Judiciary Committee?

Mr. UTTERBACK. Yes; this is the Patman-Robinson bill.

Mr. MICHENER. What are the changes?

Mr. UTTERBACK. The Senate struck out everything after the enacting clause and have requested a conference.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Chair appointed as conferees Mr. UTTERBACK, Mr. MILLER, Mr. CELLER, Mr. MCLAUGHLIN, Mr. SUMNERS of Texas, Mr. GUYER, and Mr. ROBSION of Kentucky.

TRANSFER OF DECOMMISSIONED LIGHTSHIP "NO. 82" TO UNITED STATES SHIP CONSTITUTION POST, NO. 3339, VETERANS OF FOREIGN WARS

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12896) to provide for the transfer of the surplus decommissioned lightship *No. 82* to United States Ship Constitution Post, No. 3339, Veterans of Foreign Wars.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MAPES. Mr. Speaker, reserving the right to object, I think this bill should be explained.

Mr. McCORMACK. Mr. Speaker, lightship *No. 82* is a decommissioned surplus vessel which is about to be sold for junk by the Department of Commerce. It has an appraised value of $1,800. The purpose of this bill is to permit it to be given by grant or for a nominal consideration to a post of the Veterans of Foreign Wars to be used as its headquarters.

Mr. MAPES. May I ask the gentleman what committee reported this bill?

Mr. McCORMACK. The Committee on Merchant Marine and Fisheries.

Mr. MAPES. Has the gentleman talked with the ranking member of the committee about this bill?

Mr. McCORMACK. My good friend, the gentleman from California [Mr. WELCH] was present when the hearings were held.

Mr. WELCH. I may say that this bill has been unanimously reported by the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce is authorized and directed to transfer the surplus decommissioned lightship *No. 82* to the United States Ship Constitution Post, No. 3339, Veterans of Foreign Wars, of the Department of Massachusetts, for use by the said post as its headquarters. Such transfer may be by gift without cost to the said post, or by sale for a nominal consideration, whichever method the Secretary may deem the more consistent with public interest, and such transfer shall be made without reference to the provisions of law regarding the disposition of surplus or condemned Government property contained in the act of March 4, 1913, or in any other statute.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL PLACE OF HOLDING TERMS OF THE UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF KENTUCKY

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12848) to provide an additional place of holding terms of the United States District Court in the Eastern District of Kentucky, and to amend section 83 of the Judicial Code, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask if this bill is on the Consent Calendar at the present time?

Mr. MAY. It was reported by the Judiciary Committee.

Mr. WOLCOTT. Is it on the Consent Calendar now?

Mr. MAY. I do not know whether it is. I think it is.

Mr. WOLCOTT. It sounds somewhat familiar to me. This is not the bill which provides for an additional judge?

Mr. MAY. Oh, no.

Mr. WOLCOTT. This is the bill that provides for the holding of court at an additional place?

Mr. MAY. At a place where it is not held now. This has the approval of the present judge and the former judge. There is absolutely no objection to it, and the evidence shows savings of thousands of dollars will be effected if this bill is passed.

Mr. WOLCOTT. I understand the court room is to be donated by the county in which the court convenes?

Mr. MAY. Yes.

Mr. MAPES. Mr. Speaker, reserving the right to object, the question has been raised whether this bill has been reported by any committee.

Mr. MAY. It has been unanimously reported by the Judiciary Committee.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted etc., That in addition to the places of holding district courts of the United States in the eastern district of Kentucky, as now provided by law, there shall be held at Pikeville in Pike County, Ky., two regular sessions of said court each year beginning on the fourth Monday in March and the second Monday in October: *Provided*, That suitable rooms and accommodations for holding said sessions of court shall be furnished without expense to the United States until such time as the United States shall provide such rooms and accommodations.

The clerk of the court for said eastern district shall maintain an office in charge of himself, a deputy, or a clerical assistant at said place, and said office shall be kept open at all times for the transaction of business of said court.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF GOVERNMENT CONTRACTORS

Mr. CITRON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7293) to amend the act approved June 16, 1934, entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. MAPES. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. CITRON. Public Act 369 of the Seventy-third Congress, approved June 16, 1934, provides for adjustment of claims of Government contractors whose costs were increased by the compliance with N. R. A. codes or the President's reemployment agreement on contracts entered into with the Government prior to the date of the Executive order of August 10, 1933. The Comptroller General ruled that under the wording of the act sub-subcontractors are excluded from its benefits. This bill amends the act so as to permit the adjustment of claims of such sub-subcontractors on the same basis as those of subcontractors.

Some of the codes were approved and effective prior to August 10, 1933. This amendment provides that in the event a contractor or subcontractor complied with a code effective before August 10, 1933, his additional costs shall be allowed from the date of his compliance.

The safeguards of the Government contained in the original act are all retained in this amendment.

Contractors under the original act were given 6 months from the date of approval of the act or at the option of the claimant and 6 months after completion of the contract within which to present claims. Inasmuch as the 6 months has expired, the bill by the committee amendment provides that in the case of contractors, subcontractors, or materialmen to whom the benefits of the act are to be extended the 6-month period first referred to shall be computed from the date of enactment of the amendatory act.

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object to ask a question. Is this bill of general application, or is it limited to certain kinds of contractors on certain kinds of work?

Mr. CITRON. The bill has general application to contractors, subcontractors, materialmen, and sub-subcontractors. I do not believe there is anything in the bill that limits it to any special kinds of contractors on any special kind of work.

Mr. JENKINS of Ohio. Can every subcontractor take advantage of the provisions of this bill who was compelled to increase his costs or expenses by reason of the N. R. A.?

Mr. CITRON. Yes. The subcontractors are given the same rights that the contractors have, and this is not limited to any certain kind of subcontractors on any special kind of work.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That an act approved June 16, 1934, be amended and reenacted to read as follows:

"That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle on a fair

and equitable basis claims of persons who entered into a contract or contracts with the United States prior to August 10, 1933, including all subcontractors and materialmen performing work or furnishing material or necessary fuel direct to the contractor or another subcontractor under such contracts, for additional costs incurred by reason for compliance on and after August 10, 1933, with a code or codes of fair competition approved by the President under section 3 of the act approved June 16, 1933, known as the "National Industry Recovery Act", or by reason of compliance with an agreement with the President executed under section 4 (a) of said act in the performance after August 10, 1933, of the contract or any part thereof, if, however, a contractor or subcontractor became a signator to or complied with any code or codes effective before August 10, 1933, then the additional costs incurred by reason of compliance therewith shall be allowed from the date of such compliance. In the event that such contract was performed wholly or in party by a surety on the bond of the contractor, or of a subcontractor, the claim may be presented by and settlement made with such surety, but such surety shall have no greater rights than would have accrued to the contractor or subcontractor had such contractor or subcontractor completed the contract. Any contractor, or subcontractor, or completing surety desiring an adjustment and settlement with respect to any such contract under this act for increased costs incurred after August 10, 1933, by reason of compliance with the codes or reemployment agreements shall file with the department or administrative establishment concerned a verified claim itemizing such additional costs, and any subcontractor or any such contractor may file his claim directly with the head of the department or independent establishment concerned or through the contractor. After the claim has been examined by the head of the department or independent establishment concerned, or such person or persons as he shall designate, the claim shall be transmitted to the Comptroller General of the United States, accompanied with an administrative finding of fact and recommendation with respect to the claim.

"SEC. 2. In no event shall any allowance exceed the amount by which the cost of performance of such part of the contract as was performed subsequently to June 16, 1933, was directly increased by reason of compliance with a code or codes of fair competition, or with an agreement with the President, as aforesaid.

"SEC. 3. In no event shall any allowance be made which would result in a profit to the claimant exceeding 7 percent on the cost of performance of the contract in respect of which the claim is made. The head of the department or establishment concerned, subject to the approval of the Comptroller General, shall have the authority, from time to time, to determine the actual cost and profit thereon.

"SEC. 4. No claim hereunder shall be considered or allowed unless presented within 6 months from the date of approval of this act on or before June 16, 1935, or, at the option of the claimant, within 6 months after the completion of the contract, except in the discretion of the Comptroller General for good cause shown by the claimant.

"SEC. 5. Appropriations for the purpose of paying claims allowed hereunder and the expense of determining the claims are hereby authorized.

"SEC. 6. In all proceedings under this act witnesses may be compelled to attend, appear, and testify and produce books, papers, and letters, or other documents; and the claim that any such testimony or evidence may tend to incriminate the person giving the same shall not excuse such witness from testifying, but such evidence or testimony shall not be used against such person in the trial of any criminal proceeding. Nothing in this act shall in any way relieve or excuse any officer of the United States or any claimant from prosecution under any statute of the United States for any fraud or criminal conduct.

With the following committee amendments:

On page 2, line 16, strike out the word "party" and insert "part."

Page 4, line 5, strike out "on or before June 16, 1935."

Page 4, line 22, insert a new section, as follows:

"SEC. 2. In case of a contractor, subcontractor, or materialman to whom the provisions of the act approved June 16, 1934, are extended by this act, the 6 months' period first referred to in section 4 of such act of June 16, 1934, shall be computed from the date of enactment of this act.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTROL OF FLOODS ON THE MISSISSIPPI RIVER AND ITS TRIBUTARIES

Mr. WILSON of Louisiana submitted a conference report and statement on the bill (S. 3531) to amend an act entitled "An act to control the flood waters of the Mississippi River and its tributaries, and for other purposes."

EXTENSION OF REMARKS

Mr. BIERMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in today's proceedings at the end of the colloquy between the gentleman from Mississippi [Mr. RANKIN] and me.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF THE ANNIVERSARY OF THE JOURNEY AND EXPLORATIONS OF FRANCISCO VASQUEZ DE CORONADO

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12604) to authorize the coinage of 50-cent pieces in commemoration of the four hundredth anniversary of the journey and explorations of Francisco Vasquez de Coronado.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, when the Congress first met in January we had one of these bills presented in that month. We had two in the month of February, and since then there has been one bill introduced about every week. We are now getting them every day, and I should like to say to my friends on the other side of the aisle that this Democratic Congress has passed more bills for the coinage of 50-cent pieces, foreign to our system of coinage, than any other Congress in our Nation's history. When are you going to stop this? When will you Democrats, with your large majority, stop your fooling? You are everlastingly granting all requests for coinage of silver coins. Surely you are on the inflation road in silver as well as in paper money. Let me suggest the head of Jefferson for one side of the coin, the man of principle, and Mr. Roosevelt for the other side, the man who has none of Jefferson's principles.

There being no objection, the Clerk read the bill, as follows:

Whereas the year 1940 marks the four hundredth anniversary of the journey and explorations of Francisco Vasquez de Coronado, the Spanish explorer, whose discoveries in the years 1540, 1541, and 1542 gave to the world the first comprehensive knowledge of that part of western America now included within the United States of America, and including the States of Arizona, California, Kansas, New Mexico, Oklahoma, and Texas; and

Whereas the State of New Mexico by legislative act has created a corporation known as the Coronado Cuarto Centennial Corporation for the purpose of properly commemorating and observing, during the year 1940, the phenomenal accomplishments of its first explorer: Therefore

Be it enacted, etc., That in commemoration of the four hundredth anniversary of the journey and explorations of Francisco Vasquez de Coronado there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 100,000 silver 50-cent pieces of standard size, weight, and composition, and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1940, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the chairman or secretary of the Coronado Cuarto Centennial Corporation upon payment by him of the par value of such coins, but not less than 5,000 such coins shall be issued to him at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par value or at a premium by such committee and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

With the following committee amendment:

Strike out the preamble; and on line 20, page 2, after the word "coins", strike out the remainder of line 20 and all of lines 21, 22, and 23 down to and including the word "act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF LAND IN MINNESOTA

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 11331) to authorize the sale and conveyance by the Department of the Interior to the State of Minnesota of the southwest quarter northwest quarter section 3, township 159 north,

range 35 west, fifth principal meridian, in the State of Minnesota.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to convey to the State of Minnesota the southwest quarter northwest quarter section 3, township 159 north, range 35 west, fifth principal meridian, in the State of Minnesota, upon the payment by the State of Minnesota of the sum of $64.20, being the price of the land, timber, and incidental fees.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOW THE ADMINISTRATION TAKES STEPS TO PROTECT THE TEXTILE INDUSTRY OF THIS COUNTRY

Mr. CITRON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a letter from the Secretary of State and also an announcement from the Tariff Commission.

The SPEAKER. Is there objection?

There was no objection.

Mr. CITRON. Mr. Speaker, in the April 3, 1936, issue of the CONGRESSIONAL RECORD will be found copy of a letter which I received from the Honorable Cordell Hull, acknowledging a communication of mine in regard to increased importations of cotton textiles. My communication also included a letter from Mr. Russell T. Fisher, secretary of the National Association of Cotton Manufacturers, Boston, Mass., who is also mentioned in the present letter I am inserting.

In his letter of April 2, 1936, Secretary Hull admitted that importation of cotton piece goods from Japan did increase markedly in January as compared with the rate of importation of these goods from Japan during the last 6 months of 1935. He stated that in view of the assurances given by representatives of the Japanese Government to the State Department in December, the January figures of imports from Japan were brought to the attention of the Japanese Ambassador just as soon as they were available, and the Japanese Embassy took the matter up immediately with the Foreign Office in Tokyo. He added that it was hoped that the Japanese would be able voluntarily to control this situation, and if this should prove impossible, further consideration would be given to the entire problem.

Since then I have received the following letter from Secretary of State Hull, dated May 29. This shows the results of a thorough study and survey made by our Administration, and how it takes steps to protect American industry. Incidentally, I call attention to the fact that although a great many of the complaints about the imports of Japanese cotton cloth emanated from New England, this region has not been affected as much as the volume of protest would lead us to believe.

The situation is explained in the third paragraph of this letter of Secretary Hull. I also submit an announcement on cotton cloth by the United States Tariff Commission on May 21, 1936.

LETTER FROM SECRETARY OF STATE HON. CORDELL HULL

DEPARTMENT OF STATE,
Washington, May 29, 1936.

The Honorable WILLIAM M. CITRON,
House of Representatives.

MY DEAR MR. CITRON: The receipt is acknowledged of your letter of May 20, 1936, enclosing a letter from Mr. Russell T. Fisher, secretary of the National Association of Cotton Manufacturers, Boston, Mass., with further reference to the competition in this market of cotton cloth imported from Japan.

The most important development with respect to this problem is, of course, the action of the President on May 21 increasing the rates of duty upon imports of the principal types of cotton cloth. For your information, and for transmission to Mr. Fisher if you desire, I enclose three copies of the press release of the United States Tariff Commission regarding this action. I have arranged also for the United States Tariff Commission to send you directly a copy of the Commission's report upon its investigation, the report on which the action of the President was based.

With respect to the unusual drive of manufacturers in New England against the competition of Japanese cotton cloth, you may be interested in the information contained in the report of the Tariff Commission on the areas within the United States with which the principal cotton-cloth imports from Japan compete. In the case of print cloth, the most important cloth import from Japan, the Commission found that there had been a very noticeable shift in the production of these goods from New England to the Southern States prior to the beginning of the competition of Japanese goods and that in 1933, when Japanese goods were not yet a factor in this market, 94 percent of all print cloths were produced in the Southern States. To be sure, there are other lines of production in which a few New England mills do feel the competition of goods imported from Japan, but much of the complaint from certain sections of the industry in New England would not appear to be wholly justified on economic grounds.

Mr. Fisher's letter is returned to you herewith, copies having been made for the Department's files.

Sincerely yours,

CORDELL HULL.

(Enclosures: Press release from Mr. Fisher.)

ANNOUNCEMENT OF TARIFF COMMISSION

The announcement on cotton cloth dated May 21, 1936, by the Tariff Commission follows:

The Tariff Commission announces that the President has approved the findings of the Commission with respect to the excess of domestic over Japanese costs of cotton cloth, and has issued a proclamation under the provisions of section 336 of the Tariff Act of 1930 increasing the duties on bleached, printed, dyed, or colored cotton cloths containing yarns the average number of which exceeds number 30 but does not exceed number 50. The cloths on which duties are changed constituted about 59 percent, on the square-yard basis, of the total cotton cloths imported in 1935, and about 90 percent of the cotton cloths imported from Japan in that year.

The duties on cotton cloths in paragraph 904 of the Tariff Act of 1930 depend on the fineness of the yarn; the higher the yarn number the higher the duty. On bleached cotton cloths within the limits specified in the proclamation the duties under the 1930 act range from 23.85 percent ad valorem for 31's average yarn number to 30.50 percent for 50's; the new duties will range from 34 percent ad valorem for 31's to 43.5 percent for 50's. On printed, dyed, or colored cotton cloths within the limits specified the duties under the act of 1930 range from 26.85 percent ad valorem for 31's average yarn number to 33.50 percent ad valorem for 50's average yarn number; the new duties will range from 38 percent ad valorem for 31's average yarn number to 47.5 percent ad valorem for 50's average yarn number. The proclaimed duties represent an increase over the existing duties of about 42 percent for both bleached cloths and printed, dyed, or colored cloths. The increase in rates does not affect unbleached cloth nor cloth woven with eight or more harnesses, or with Jacquard, lappet, or swivel attachments.

The cost-of-production investigation of domestic and foreign cotton cloths was instituted by the Tariff Commission in response to a Senate resolution. The Commission selected for use as the basis of cost comparisons bleached, printed, dyed, and colored cotton cloth, containing yarns the average number of which exceeds 30 but does not exceed 50. Imports of unbleached cloths as a whole are small, and imports of bleached, printed, dyed, or colored cloths coarser or finer than the 31's–50's range consist of numerous varieties each of which is imported in relatively small quantities from any one country. Imports within the 31's–50's range constitute nearly three-fifths of the total imports, and they come principally from Japan. In its report the Commission compared costs of production of domestic cloths delivered at New York, the principal market, with costs, as evidenced by invoice prices, of similar Japanese cloths delivered at New York.

The United Kingdom supplied the bulk of the cotton cloths imported into the United States prior to 1931. Switzerland was the leading source in the period 1931–34. Late in 1934 the imports from Japan became important, and that country was the principal source of imports in 1935 and in 1936 to date. Of the total United States imports in 1935, amounting to 62,000,000 square yards, Japan supplied 36,400,000 square yards of which 30,000,000 square yards were bleached, 6,000,000 were printed, dyed, or colored, and 57,000 unbleached. Of these 1935 imports from Japan, about 33,000,000 square yards, or over 90 percent, were within the yarn counts of 31's–50's on which the duty has been increased. Imports from Japan in the first quarter of 1936 increased to over 21,000,000 square yards.

The imported Japanese cloths are lighter in weight than the most nearly comparable domestic goods, and they have sold at prices per yard which take into account the weight difference. Import prices, in fact, have usually been lower than domestic by more than the disparity in weight and frequently have been lower than the costs of production of the heavier domestic cloths.

The bulk of the cotton cloths imported from Japan in 1935 and the first quarter of 1936 were mulls and shirtings, mostly bleached but including some piece-dyed, finished from gray shirtings; these are competitive in a range of uses with domestic nainsooks, and muslins similarly finished from gray print-cloth. The main use of the Japanese mulls and shirtings is in the manufacture of nightgowns, children's underwear, and men's handkerchiefs.

Of the total United States production of countable cotton cloths, amounting to more than 7,300,000,000 square yards in 1933, print-cloths and sheetings are the largest items. The shift in production of these goods from New England to the Southern States since 1921 has been very noticeable. In the case of print cloth, the

Southern States had about 61 percent of the total national production in 1921 and 94 percent in 1933. In 1935 there was very little print cloth produced in New England.

Imports of countable cotton cloths from all sources were equivalent to somewhat less than 1 percent, and imports from Japan to about one-half of 1 percent, of the total yardage of domestic production in 1935. The competition of imports from Japan is, however, confined to part of the field only—that of printcloths, especially bleached printcloths. The ratio of total imports of shirtings from Japan to total domestic production of printcloths was about 2 percent in 1935 and the ratio of bleached shirtings from Japan to domestic production of bleached printcloths was about 13 percent.

Although the United States is the world's largest producer of cotton cloth, Japan in recent years has been the largest exporter. The United States regularly exports more cotton cloth than it imports, but in recent years its export trade has fallen sharply, the decline due in large part to the competition of cheaper fabrics from Japan. Japan's exports of cotton cloth to the United States constituted in 1935 less than 2 percent of its total exports of such cloth. The new rates of duty will become effective on June 20, 1936.

INVESTIGATION BY FEDERAL TRADE COMMISSION

Mr. LEA of California. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 268, to amend the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic conditions of agricultural producers generally", approved August 27, 1935.

A bill similar to this was passed by the Unanimous Consent Calendar this afternoon.

The SPEAKER. The gentleman from California asks unanimous consent for the present consideration of Senate Joint Resolution 268. Is there objection?

Mr. MAPES. Mr. Speaker, I reserve the right to object. Is this the identical bill that the House passed this afternoon?

Mr. LEA of California. It is not identical. There is one amendment of substance passed by the Senate, which includes the words "persons and corporations" to be investigated.

Mr. O'CONNOR. Mr. Speaker, I reserve the right to object. If it is not identical, what is the purpose of the unanimous-consent request? As I understand it, this is a matter which has been presented to the Committee on Rules. If we pass a House bill and then pass an identical Senate bill, that is one thing; but if the gentleman is trying to pass identical legislation at this late hour, it is quite another thing.

Mr. BLANTON. How much is this proposed to expend?

Mr. LEA of California. There is no additional expense in the Senate bill. The amount is the same as in the House bill.

Mr. O'CONNOR. The House bill calls for $150,000.

Mr. LEA of California. Yes. There are some technical amendments placed on the bill by the Senate.

Mr. BLANTON. Is the gentleman going to ask to vacate the proceedings by which the House bill was passed and then to lay the House bill on the table?

Mr. LEA of California. No. I want to pass the Senate bill and drop the House bill.

Mr. BLANTON. To do that the gentleman should ask to vacate the proceedings by which the House bill was passed and then to lay that bill on the table.

Mr. LEA of California. It may be that the House bill has gone to the Senate.

Mr. BLANTON. We do not want two $150,000 investigation bills passed here in the House without having one of them go to the table.

Mr. RICH. Mr. Speaker, I make the point of order that there is no quorum present.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. MERRITT of New York, indefinitely, on account of illness.

To Mr. DITTER (at the request of Mr. DARROW), for balance of the session, on account of official business.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1252. An act for the relief of Odessa Mason;

H. R. 6163. An act for the relief Mrs. Murray A. Hintz;

H. R. 9496. An act to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration;

H. R. 10565. An act for the relief of Mr. and Mrs. William O'Brien;

H. R. 11418. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes;

H. R. 12027. An act to authorize the execution of plans for a permanent memorial to Thomas Jefferson; and

H. J. Res. 525. Joint resolution to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 1252. An act for the relief of Odessa Mason;

H. R. 6163. An act for the relief of Mrs. Murray A. Hintz;

H. R. 9496. An act to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration;

H. R. 10565. An act for the relief of Mr. and Mrs. William O'Brien; and

H. J. Res. 525. Joint resolution to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 10 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 2, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

860. Under clause 2 of the rule XXIV a communication from the President of the United States, transmitting for the consideration of Congress, a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1937, in the sum of $780,900 (H. Doc. No. 499), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 12896. A bill to provide for the transfer of the surplus decommissioned lightship *No. 82* to United States Ship Constitution Post, No. 3339, Veterans of Foreign Wars; without amendment (Rept. No. 2900). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 12737. A bill to transfer Fayette County, Tex., from the southern judicial district of Texas to the western judicial district of Texas; without amendment (Rept. No. 2901). Referred to the House Calendar.

Mr. GREENWOOD: Committee of Rules. House Resolution 535. Resolution providing for the consideration of H. R. 12800; without amendment (Rept. No. 2903). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 536. Resolution providing for the consideration of H. R. 12793; without amendment (Rept. No. 2904). Referred to the House Calendar.

Mr. WALTER: Committee on the Judiciary. H. R. 12557. A bill to provide for a term of court at Benton, Ill.; with amendment (Rept. No. 2906). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 12904. A bill validating a town-lot certificate and authorizing and directing issuance of a patent for the same to Ernest F. Brass; with amendment (Rept. No. 2905). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 12465) for the relief of Harold P. Waldo; Committee on Claims discharged, and referred to the Committee on Pensions.

A bill (H. R. 5203) for the relief of Maj. Patrick H. Winston; Committee on Claims discharged, and referred to the Committee on Military Affairs.

A joint resolution (H. J. Res. 585) conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 12917) to extend the laws governing inspection of vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LUNDEEN: A bill (H. R. 12918) to provide indemnity benefits to dependents of veterans of the Spanish-American War who died as a result of the enforcement of the so-called Economy Act of March 20, 1933, and for other purposes; to the Committee on Pensions.

By Mr. CHURCH: A bill (H. R. 12919) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. COFFEE: A bill (H. R. 12920) for the relief of the Bridgeport irrigation district; to the Committee on Irrigation and Reclamation.

By Mr. HAINES: A bill (H. R. 12921) to exempt fraternal societies from the tax on employers under the Social Security Act; to the Committee on Ways and Means.

By Mr. LEMKE: A bill (H. R. 12922) giving judgment debtors, mortgagors, and subsequent lien holders the right of redemption from a sale of real estate in the District of Columbia by a judgment creditor or mortgagee after execution or foreclosure sale; fixing the amount of commission allowed to mortgage companies for management of encumbered real estate, and for other purposes; to the Committee on the District of Columbia.

By Mr. MILLER: A bill (H. R. 12923) to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890; to the Committee on the Judiciary.

By Mr. ROGERS of Oklahoma: A bill (H. R. 12924) validating certain conveyances by Kickapoo Indians of Oklahoma made prior to February 17, 1933, providing for actions in partition in certain cases; to the Committee on Indian Affairs.

By Mr. STUBBS: A bill (H. R. 12925) to establish a United States Naval Academy on the Pacific coast; to the Committee on Naval Affairs.

By Mr. SUTPHIN: A bill (H. R. 12926) instructing the Secretary of the Navy to prevent the transfer of officers above the rank of lieutenant in the Navy and captain in the Marine Corps for flying training and duty, except such officers above that rank who are qualified aviators on the date of the enactment of this act; to the Committee on Naval Affairs.

By Mr. HARTLEY: A bill (H. R. 12927) to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes; to the Committee on Military Affairs.

By Mr. LORD: A bill (H. R. 12928) to divest certain activities of their interstate character; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTON: A bill (H. R. 12929) to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. GEARHART: A bill (H. R. 12930) to regulate commerce with foreign countries with respect to perill oil and hempseed oil; to protect the welfare of domestic producers of flaxseed; to raise revenue; and for other purposes; to the Committee on Ways and Means.

By Mr. CULKIN: A bill (H. R. 12931) to reimburse manufacturers for extra cost of manufacturing due to deepening of Oswego and Erie Canals, New York State; to the Committee on Rivers and Harbors.

By Mr. JONES: A bill (H. R. 12939) to authorize cooperation in the development of farm forestry in the States and Territories, and for other purposes; to the Committee on Agriculture.

By Mr. CHRISTIANSON: Joint resolution (H. J. Res. 614) to provide that the first regular session of the Seventy-fifth Congress shall begin on January 4, 1937; to the Committee on the Judiciary.

By Mr. RUSSELL: Joint resolution (H. J. Res. 615) amending and repealing certain sections of the Emergency Railroad Transportation Act, 1933, and extending the effective period of such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, regarding the operation of the Federal land bank; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of California, supporting House bill 10630; to the Committee on Irrigation and Reclamation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLAIBORNE: A bill (H. R. 12932) for the relief of Frazier-Davis Construction Co.; to the Committee on Claims.

By Mr. McFARLANE: A bill (H. R. 12933) authorizing the President to present in the name of Congress a Distinguished Service Cross to Hal N. Potter; to the Committee on Naval Affairs.

By Mr. McKEOUGH: A bill (H. R. 12934) for the relief of Frank Smith; to the Committee on Military Affairs.

By Mr. REILLY: A bill (H. R. 12935) for the relief of Joseph W. Bollenbeck; to the Committee on Military Affairs.

By Mr. SCHNEIDER of Wisconsin: A bill (H. R. 12936) granting an increase of pension to Lena Campbell; to the Committee on Invalid Pensions.

By Mr. TOLAN: A bill (H. R. 12937) for the relief of Mary G. Person; to the Committee on War Claims.

By Mr. WOLVERTON: A bill (H. R. 12938) granting an increase of pension to Almira M. Shearman; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

11025. By Mr. CARPENTER: Petition of citizens of the State of Kansas, County of Dickinson, to prohibit, within

the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

11026. By Mr. CURLEY: Resolution of the Federal Grand Jury Association for the Southern District of New York, urging amendments to the Wagner-Ellenbogen housing bill by providing solely for housing for the lowest-income group and endorsing amendments for slum-clearing activities; to the Committee on Banking and Currency.

11027. By Mr. McLEAN: Petition of the executive board of Local No. 149, International Ladies' Garment Workers Union, of Plainfield, N. J., relative to the Wagner-Ellenbogen housing bill; to the Committee on Banking and Currency.

11028. By Mr. MERRITT of New York: Resolution by the members of Whizbang Lair, No. 22, province of New York, Military Order of the Serpent, located in the town of Lynbrook, county of Nassau, State of New York, in regular meeting assembled, relative to United States ensigns which are manufactured in foreign countries and imported into the United States; to the Committee on Interstate and Foreign Commerce.

11029. By Mr. RISK: Resolution of the General Assembly of the State of Rhode Island, relating to the Nye committee investigation concerning the manufacture of munitions in privately owned plants; to the Committee on Naval Affairs.

11030. By the SPEAKER: Petition of the city of Kokomo, Ind.; to the Committee on Banking and Currency.

11031. Also, petition of the United Association of Journeymen Plumbers and Steam Fitters, Local Union No. 175; to the Committee on Banking and Currency.

SENATE

TUESDAY, JUNE 2, 1936

(Legislative day of Monday, June 1, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, June 1, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Robinson
Austin	Copeland	Lewis	Russell
Bachman	Couzens	Loftin	Schwellenbach
Bailey	Davis	Lonergan	Sheppard
Barbour	Dieterich	Long	Shipstead
Barkley	Duffy	McAdoo	Smith
Benson	Fletcher	McGill	Steiwer
Bilbo	Frazier	McKellar	Thomas, Okla.
Black	George	McNary	Thomas, Utah
Bone	Gerry	Maloney	Townsend
Borah	Gibson	Minton	Truman
Brown	Glass	Moore	Tydings
Bulkley	Guffey	Murphy	Vandenberg
Bulow	Hale	Murray	Van Nuys
Burke	Hastings	Norris	Wagner
Byrd	Hatch	Nye	Walsh
Capper	Hayden	O'Mahoney	Wheeler
Caraway	Holt	Overton	White
Carey	Johnson	Pope	
Chavez	Keyes	Radcliffe	
Clark	King	Reynolds	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], and the junior Senator from Nevada [Mr. McCARRAN] are absent because of illness; and that the Senator from South Carolina [Mr. BYRNES], the Senator from Texas [Mr. CONNALLY], the Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr. GORE], the Senator from Kentucky [Mr. LOGAN], the Senator from West Virginia [Mr. NEELY], and the senior Senator from Nevada [Mr. PITTMAN] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from Rhode Island [Mr. METCALF] are necessarily absent.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

HENRY W. BIBUS ET AL.—VETO MESSAGE (S. DOC. NO. 259)

The VICE PRESIDENT laid before the Senate a message from the President of the United States received by the Senate on June 1, 1936, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, Senate bill No. 2734, entitled "An act to confer jurisdiction upon the United States Court of Claims to hear and determine the claims of Henry W. Bibus, Annie Ulrick, Samuel Henry, Charles W. Hensor, Headley Woolston, John Henry, estate of Harry B. C. Margerum, and George H. Custer, of Falls Township and borough of Tullytown, Bucks County, Commonwealth of Pennsylvania."

During the World War the War Department leased under an option to purchase a number of separate farms in the borough of Tullytown, Bucks County, Pa., for the purpose of using the integrated property as an arsenal, and at the end of the war, not having exercised its option to purchase, condemned the separate tracts and paid the various owners the prices agreed upon, which were embodied in a court decree, and received deeds for the several properties. On December 19, 1927, the War Department having no further use for the property, the entire tract was sold at public auction.

This act grants jurisdiction to the Court of Claims of the United States to hear and determine the claims of the beneficiaries and severally to award judgments in their favor for "the difference between the entire amount paid by the Government for the whole tract and the amount for which the Government subsequently sold the tract, said total difference to be distributed to the respective claimants prorated in accordance with the number of acres taken by the Government", notwithstanding the payments made to the owners of the several properties in accordance with the condemnation decree of the District Court of the United States for the Eastern District of Pennsylvania on June 9, 1921.

This act introduces a new principle in legislation concerning claims of this character in that it seeks to give to former owners of property or their legal representatives the profit realized by the Government from a sale years after it acquired the property. If this principle is to obtain, then, by the same token, if the Government had sold the property for less than the amount it had paid the owners it should have an equitable claim upon the owners for the losses. Such a principle in its application as to either a gain or a loss by the Government is believed to be utterly indefensible. Furthermore, if such a principle is to be recognized it would seem to be applicable in every similar case where the Government has acquired property from individuals and thereafter has realized a profit on the same.

For the reasons set forth, I feel that my approval of this legislation is not justified.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 1, 1936.*

COLLIER MANUFACTURING CO.—VETO MESSAGE (S. DOC. NO. 260)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, received by the Senate on June 1, 1936, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, Senate bill no. 1431, entitled "An act for the relief of the Collier Manufacturing Co., of Barnesville, Ga."

This act authorizes and directs the Secretary of the Treasury to pay to the Collier Manufacturing Co., of Barnesville,

Ga., the sum of $48,718.70 in full settlement of all claims against the Government for losses sustained on account of the manufacture of undershirts for the United States Army in the year 1918.

The claim which this act seeks to settle and pay grows out of three separate contracts made and entered into between the Government and Clift & Goodrich, who had the sole and exclusive control of the merchandise output of the Collier Manufacturing Co., each of which contracts provided for the manufacture and delivery of 120,000 summer, cotton-ribbed undershirts, the product of the Collier Manufacturing Co. In October 1918 supplemental contracts were entered into between Clift & Goodrich and the United States, which canceled the unperformed parts of the three contracts previously entered into between the contractor and the Government. The supplemental contract agreements contained the following provisions:

> That * * * any and all debts, liabilities, claims, or causes of action, if any, existing between the parties hereto, one against the other, by reason of or arising out of the aforementioned modifications of the original contract are hereby released and discharged.

Thereafter the Collier Manufacturing Co. presented its claim before the War Department Board of Contract Adjustment, with the result that the board found the claimant had no contract, either express or implied, with the Government, the contracts having been in fact entered into between the Government and Clift & Goodrich (vol. 6, p. 461, Decisions of War Department Board of Contract Adjustment), and from this decision an appeal was taken to the Secretary of War, who affirmed the decision theretofore made (vol. 8, p. 8, Decisions of War Department Board of Contract Adjustment). Thereafter the Collier Manufacturing Co. brought suit against the United States in the Court of Claims, which decided:

> The only thing in the contract that identified the plaintiff with them was that the goods were to be of their make. But this was an undertaking by Clift & Goodrich so far as the Government is concerned, and having made the contract with them, whether they were sales agents of plaintiff or not, the Government had a right to deal with them, and did so. The plaintiff had no enforceable contract with the Government. When the matter was heard before the Board of Contract Adjustment they came to that conclusion, and the conclusion was confirmed by the Secretary of War. (See Decisions of War Department, vol. 6, p. 461, and vol. 8, p. 8.) There being no contract, express or implied, between the Government and the plaintiff, it cannot recover (*Collier Manufacturing Co. v. U. S.*, 61 C. Cls. 32).

Since this act seeks to pay to the beneficiary named therein, which had no contract with the Government, express or implied, losses which it is alleged to have sustained by reason of the cancelation of the contract between the United States and its contractor, Clift & Goodrich, the question is presented whether the Government is warranted in paying such claim. In considering this matter I am mindful of the fact that there must be a vast number of materialmen and subcontractors who, by reason of the cancelation of war contracts between the Government and principal contractors, may have sustained losses. This act singles out the Collier Manufacturing Co. from the large number of subcontractors and materialmen who may have been adversely affected by the cancelation of the war contracts and gives this company preferential treatment over those similarly situated.

For these reasons I am impelled to withhold my approval of the act for the relief of the Collier Manufacturing Co.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 1, 1936.*

WILLIAM W. DANENHOWER—VETO MESSAGE (S. DOC. NO. 261)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, received by the Senate on June 1, 1936, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed, as follows:

To the Senate:

I am returning, without my approval, S. 925, Seventy-fourth Congress, entitled "An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower."

This bill authorizes and directs the Secretary of the Treasury to pay to Sallie M. Danenhower, executrix of the estate of William W. Danenhower, out of any money in the Treasury not otherwise appropriated, the sum of $34,260 in full settlement of all claims against the United States for damages caused by the depreciation in value of said William W. Danenhower's property, situate in square 737 in the city of Washington, D. C., due to changes in the grades of streets and the relocation of tracks of the Baltimore & Potomac Railroad in connection with the construction of the Union Railroad Station in Washington in accordance with the act of February 12, 1901 (31 Stat. 774), as found by the Court of Claims and reported in Senate Document No. 2, Sixty-seventh Congress, first session.

The act of February 12, 1901, and the amending acts of February 28, 1903 (32 Stat. 909), and June 29, 1906 (34 Stat. 624), authorizing claims for damages by property owners on account of losses incident to the construction of such Union Station, provide that the funds to pay such damages shall be derived 50 percent from revenues of the District of Columbia and 50 percent from the general funds of the Treasury.

The bill S. 925 provides that the full amount in settlement of the claim involved therein shall be paid "out of any money in the Treasury not otherwise appropriated." Since this provision is not in accord with the expressed policy of the compensatory legislation, I feel compelled to withhold my approval of this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 1, 1936.*

ZELMA HALVERSON—VETO MESSAGE (S. DOC. NO. 262)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, received by the Senate on June 1, 1936, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed, as follows:

To the Senate:

I return, without my approval, S. 952, entitled "An act for the relief of Zelma Halverson."

This bill authorizes and directs the Secretary of the Treasury to pay the sum of $50 per month, in an amount not to exceed $5,000, to Zelma Halverson, to compensate her for the death of her husband, Harry Halverson, who lost his life August 21, 1933, while fighting a forest fire in Montana.

It was established by investigations made by officials of the Department of Agriculture and by the Comptroller General of the United States that Harry Halverson was not an employee of the United States at the time of his death, and there is no claim that his death was in any manner due to fault or negligence on the part of the United States or any employee thereof. From the facts of record it appears that he was employed by a private livestock company to assist in combating a forest fire in the vicinity of its holdings, which fire was not on or adjacent to a national forest and did not threaten national-forest timber, and that while so engaged in such private employment he lost his life.

The Federal Government is greatly concerned in the prevention and suppression of forest fires on State and private lands and contributes annually approximately a million and a half dollars to aid in such work, and while I appreciate the strong sympathetic appeal of the case under consideration, I do not feel that by any method of reasoning the Government would be justified in paying compensation for the injury or death of persons employed on such work by States or private interests.

For the above reasons I do not feel that I would be justified in giving my approval to this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 1, 1936.*

Mr. BAILEY. Mr. President, I should like to be heard briefly with reference to the veto messages which have just been received from the President. I am in agreement with the President in these matters. I wish to say, as chairman of the Committee on Claims, that I believe it would be a good

policy for all Members of the House and Senate who intend to introduce bills asking for relief against the Government to obtain first from the department a report tending to show that the department itself will approve such claims.

For the remainder of this session I think no one should ask us to approve a claim against which the statute of limitations has run, nor should we be asked to report favorably any claim which has not been approved by the department. I think the President's course is one to be commended. Of course, there will be no effort on my part, and I am sure no effort on the part of the committee, to report the measures back with a view to overriding the vetoes.

PETITIONS AND MEMORIALS

Mr. COPELAND presented a petition of sundry citizens of Buffalo, N. Y., praying for the enactment of Senate bill 4473, providing for certain salary adjustments for immigration border patrolmen and naturalization examiners, which was referred to the Committee on Immigration.

He also presented a resolution adopted by International Pocketbook Workers Union, of New York City, N. Y., favoring the enactment of the so-called workers' social insurance bill, which was referred to the Committee on Finance.

He also presented memorials of sundry citizens of New York City, Brooklyn, and the Bronx, all in the State of New York, remonstrating against the enactment of the so-called Russell-Kramer sedition bill, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of the Bronx, N. Y., remonstrating against the enactment of legislation to suppress efforts to incite the enlisted personnel of the Army and Navy to disobedience of orders, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. BULOW, from the Committee on Civil Service, to which was referred the bill (S. 2293) for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States, reported it with amendments and submitted a report (No. 2162) thereon.

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 4686) to amend the act known as the Federal Credit Union Act, approved June 26, 1934, reported it without amendment.

He also, from the same committee, to which was referred the bill (S. 4187) to amend the Reconstruction Finance Corporation Act for the purpose of making loans to shipowners for increasing safety of life at sea on existing vessels, reported it with an amendment.

Mr. ADAMS, from the Committee on Banking and Currency, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

H. R. 10317. A bill providing for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of the independence of the State of Texas (Rept. No. 2164); and

H. R. 12799. A bill to authorize the coinage of 50-cent pieces in commemoration of the three hundred and fiftieth anniversary of Sir Walter Raleigh's colony on Roanoke Island, N. C., known in history as the Lost Colony, and the birth of Virginia Dare, the first child of English parentage to be born on the American Continent, and her baptism (Rept. No. 2165).

Mr. STEIWER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 4241) to provide for the sale of a certain isolated tract of the public domain in the State of Oregon, reported it with an amendment and submitted a report (No. 2163) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the joint resolution (S. J. Res. 277) to investigate corporations engaged in the manufacture, sale, or distribution of agricultural implements and machinery, reported it without amendment and submitted a report (No. 2167) thereon.

He also, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 4551. A bill to authorize the addition of certain names to the final rolls of the Blackfeet Tribe of Indians in the State of Montana (Rept. No. 2173); and

H. R. 11218. A bill to provide for the disposition of tribal funds now on deposit or later placed to the credit of the Crow Tribe of Indians, Montana, and for other purposes (Rept. No. 2174).

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (H. R. 7764) to relieve restricted Indians whose lands have been taxed or have been lost by failure to pay taxes, and for other purposes, reported it without amendment and submitted a report (No. 2168) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 3930. A bill authorizing an appropriation for payment to the Sac and Fox Tribe of Indians in the State of Oklahoma (Rept. No. 2169); and

S. 4493. A bill to provide for the construction, extension, and improvement of public-school buildings in Uintah County, Utah (Rept. No. 2170).

Mr. THOMAS of Oklahoma also, from the Committee on Indian Affairs, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 4598. A bill for the relief of Dr. Harold W. Fought (Rept. No. 2171); and

H. R. 8316. A bill to exempt the Indian Service from the requirements of section 4 of the Executive Order No. 6166, dated June 10, 1933 (Rept. No. 2172).

Mr. HATCH, from the Committee on Indian Affairs, to which was referred the bill (H. R. 12074) to consolidate the Indian pueblos of Jemez and Pecos, N. Mex., reported it without amendment and submitted a report (No. 2175) thereon.

REPORTS OF SPECIAL COMMITTEE ON INVESTIGATION OF THE MUNITIONS INDUSTRY

Mr. CLARK, from the Special Committee on Investigation of the Munitions Industry, submitted a report, pursuant to Senate Resolution 206, Seventy-third Congress, to make certain investigations concerning the manufacture and sale of arms and other war munitions, relative to certain bills prepared by the War Department for enactment immediately upon declaration of war by Congress, being particularly the bills (S. 1716, 74th Cong., 1st sess.) to create a capital-issues committee and (S. 1722) creating a war-finance corporation with a capital stock of $500,000,000 authorized to issue bonds up to $3,000,000,000, to extend loans to banks to finance war needs, etc., which was ordered to be printed as part 4 of Report No. 944.

He also, from the same committee, to which was referred the bill (S. 1719) to authorize the establishment of a Bureau of Marine War Risk Insurance in the Treasury Department, reported it without amendment, and it was referred to the Committee on Commerce.

He also, from the same committee, to which was referred the bill (S. 1720) to provide further for the national defense by controlling exports from the United States, imports into the United States, and trading with the enemy, and it was referred to the Committee on Military Affairs.

MINORITY VIEWS OF SENATOR HASTINGS ON THE TAX BILL (PT. 3 OF REPT. NO. 2156)

Mr. HASTINGS, from the Committee on Finance, submitted his views on the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, which were ordered to be printed and to be printed in the RECORD, as follows:

The President has recommended the present revenue bill to the Congress upon the ground that it is necessary in order that the permanent expenses of the Government may not exceed the revenue received by the Government. He makes no recommendation with respect to raising revenue for what he calls emergency expenditures.

Reference to his last Budget message shows that the expected revenue for the next fiscal year amounts to $5,654,000,000 and the permanent expenses to $5,649,000,000, thus showing a surplus of

$5,000,000. It will also be noted that in that Budget message the President deliberately placed the money to be paid to the farmers, amounting to $499,054,935, in the category of permanent expenses and $246,000,000 of the expenses of the Civilian Conservation Corps in the same category.

Both of these in the previous Budget message had been treated as emergency expenditures, and it is perfectly clear that they were transferred to the permanent expenses only because the President believed the increased revenue from present sources would permit it to be done without showing a deficit of receipts over permanent Government expenses. His only excuse for his present recommendation is that the Supreme Court decision invalidating the processing tax, and the passage of the Veterans' Adjusted Compensation Act over his veto, destroyed his effort to balance permanent expenses with existing revenues. In other words, this bill is forced upon the Congress merely to maintain the President's pride in his own mental process. So far as the taxpayer is concerned, and so far as concerns those who are practically forced to purchase the securities of the Government, the shifting of one expense from the President's emergency budget to his permanent Budget is immaterial. It is about as unimportant to the taxpayer as a request of a creditor of his debtor to divide his obligations into two promissory notes and at the same time instead of including the whole sum in one note.

I am opposed to any increase in taxes until there be shown some affirmative evidence upon the part of the President and the majority of the Congress of a real appreciation of their respective responsibilities to the taxpayers of this and future generations. I do not believe in the theory that it is wise at this time to levy heavier taxes upon all the people of the Nation in order that they may better appreciate the extent of the present extravagance in the Federal Government. Such a plan would simply mean a greater distribution to a larger group of the voters of the Nation, and does not make more secure the credit of the Nation. It would not assure the balancing of the Budget because the power to put the Budget out of balance is without limit so long as the credit of the Government exists.

I have agreed upon the bill presented to the Senate only because I believe it to be so much better than the House bill. I am opposed to either of them.

The House bill is framed upon a theory that might well have been expected from this administration. In theory it looks fair enough to compel a corporation to distribute all of its profits, tax the persons receiving the dividend just as other individuals are taxed, and thus put them all on the same basis. The evidence submitted to the Committee on Finance showed conclusively that this would not work out in actual practice without destroying the framework of corporate business itself.

The bill presented to the Senate does great injustice to the millions of stockholders of corporations. The existing tax on corporations is high enough to impose a real penalty upon those who adopt the corporate form to do business. The advantage of the corporate form has been sufficient to warrant the investor in adopting it. We must not overlook the fact, however, that there must be a limit to the penalty we impose. Under the present law the small investor, as well as the large one, is paying a normal tax of about 15 percent upon the earnings of his investment in a corporation. This compares with 4 percent upon his income from sources that are not incorporated. The bill presented to the Senate increases that tax to 18 percent if all the income is distributed, an additional 7 percent tax upon that portion which is not distributed.

The House bill undertakes to put all on an equality. The Finance Committee very properly found this was not a practical thing to do. Instead of that it has increased the normal tax from approximately 15 percent to 18 percent and added an additional 4 percent upon the amount distributed, making a certain increase of nearly 7 percent, and if the corporate income is not distributed an additional 7 percent. This is a sure increase, directly or indirectly, upon the stockholder of about 46 percent, and in many cases it will mean an increase of about 93 percent.

The hope for the unemployed depends largely upon the revival of business. Most of the business is conducted through corporations. Corporations dare not spend more than they find necessary when they know the administration is endeavoring to punish them. There should be no tax bill at this time. The Congress should agree to no tax bill until there appears some evidence of economy. When a tax bill is proposed it should be submitted to careful study in order that reasonable justice could be done to all who are called upon to bear the burden.

DANIEL O. HASTINGS.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on May 29, 1936, that committee presented to the President of the United States the following enrolled bill and joint resolution:

S. 4533. An act granting the consent of Congress to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge across the Pascagoula River at or near Wilkerson's Ferry, Miss.; and

S. J. Res. 262. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COPELAND (by request):

A bill (S. 4735) for the relief of Booth & Co., Inc., a Delaware corporation; to the Committee on Claims.

(Mr. SCHWELLENBACH introduced Senate bill 4736, which was referred to the Committee on Interstate Commerce, and appears under a separate heading.)

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 4737) to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 4738) for the relief of Samuel Richard Mann; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 4739) for the relief of Alban C. Sipe; to the Committee on Claims.

(Mr. O'MAHONEY introduced Senate bill 4740, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. PITTMAN:

A bill (S. 4741) authorizing the appropriation of funds for the payment of claims of certain foreign governments under the circumstances hereinafter enumerated; to the Committee on Foreign Relations.

(Mr. THOMAS of Oklahoma introduced Senate Joint Resolution 279, which was ordered to lie on the table, and appears under a separate heading.)

By Mr. KING:

A joint resolution (S. J. Res. 280) to ratify and confirm the appointment of Isaac Gans as a member of the Alcoholic Beverage Control Board of the District of Columbia; to the Committee on the District of Columbia.

CHILD LABOR

Mr. SCHWELLENBACH. I ask consent to introduce a bill for reference to the Committee on Interstate Commerce, and also ask to have printed in the RECORD at this point an explanation of the bill.

The VICE PRESIDENT. Without objection, the bill will be received, referred, and the statement printed in the RECORD, as requested by the Senator from Washington.

The bill (S. 4736) to divest goods, wares, merchandise, products, and commodities manufactured, produced, or mined by minors under the age of 18 years of their interstate character in certain cases was read twice by its title and referred to the Committee on Interstate Commerce.

The statement presented by Mr. SCHWELLENBACH relative to the bill is as follows:

The first governmental recognition of the importance of the child-labor problem in the United States was given by the Commonwealth of Massachusetts. In 1825 a committee of the Massachusetts Legislature investigated the educational industrial problem of child labor. It was not until 1836, however, that legislative recognition of the importance of the problem was given through the medium of a legislative enactment. One hundred years ago this year the State of Massachusetts adopted the first child-labor legislation in an act which provided that children under the age of 15 employed in manufacturing establishments had to attend school at least 3 months in the year. Connecticut and Rhode Island were the only other States which attempted to provide legislative regulation until 1850. After this date several other States adopted regulatory laws.

The first Nation-wide recognition of the problem came with the first convention of the American Federation of Labor in 1881, at which was adopted a plank calling for the complete abolition by the States of employment of children under 14 in any capacity. Two years later a committee of the United States Senate heard testimony concerning the

relationship between the employment of young boys and girls in department stores and the problem of labor in general. It was not, however, until 1904 that a Nation-wide organization having as its purpose the curtailment of child labor came into existence. That organization was known as the National Child Labor Committee.

The first recognition by the Federal Government of the problem occurred in 1907, when investigation of conditions of child wage earners was conducted by the Bureau of Labor in the Department of Commerce and Labor. The results of that investigation are shown in the United States Bureau of Labor Statistics Bulletin No. 175. It is significant that that report shows very definitely that juvenile delinquency was more frequent among working children than among nonworking children and that the health of working children was definitely impaired as the result of their employment. In 1912 the Federal Children's Bureau was established and directed by Congress to investigate and report upon all matters pertaining to the welfare of children, including all phases of child employment.

As the result of the report of this Bureau and the previous report of the Department of Labor, in September 1916, the Keating-Owen bill was adopted by the Congress of the United States. The bill attempted to prohibit the shipment in interstate commerce of goods produced in mines, quarries, factories, canneries, or workshops in which children were employed in violation of specified age and hours standards. On June 3, 1918, the Supreme Court of the United States in the case of *Hammer* v. *Dagenhart* (247 U. S. 251) declared this law unconstitutional. The basis of the decision may be found in the last paragraph of the majority opinion, which read:

> In our view the necessary effect of this act is, by means of a prohibition against the movement in interstate commerce of ordinary commercial commodities, to regulate the hours of labor of children in factories and mines within the States a purely State authority. Thus the act in a twofold sense is repugnant to the Constitution. It not only transcends the authority delegated to Congress over commerce, but also exerts a power as to a purely local matter to which the Federal authority does not extend. The far-reaching result of upholding the act cannot be more plainly indicated than by pointing out that if Congress can thus regulate matters entrusted to local authority by prohibition of the movement of commodities in interstate commerce, all freedom of commerce will be at an end, and the power of the States over local matters may be eliminated, and thus our system of government be practically destroyed.

The next effort to control child labor by the Federal Government occurred in 1919 when the act of Congress was passed by which a tax of 10 percent on the annual net profits of any establishment employing child labor in violation of the standards was levied. This was declared unconstitutional by the Supreme Court on May 15, 1922, on the ground that its objects were too remote from its avowed object.

In the Sixty-eighth Congress, by action of the House of Representatives on April 26, 1924, and the Senate on June 2, 1924, there was submitted to the legislatures of the several States a constitutional amendment providing as follows:

> SECTION 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.
>
> SEC. 2. The power of the several States is unimpaired by this article except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress.

Approximately 12 years have elapsed since the submission of this amendment to the legislatures of the States. During this 12-year period only 24 of the legislatures have ratified the amendment. When we take into consideration the fact that during this 12-year period the Nation has been confronted with the most serious unemployment problem in its history, and that there has been a general recognition of the direct relationship between child labor and the problem of unemployment, and despite that fact we have come no closer to ratification than the securing of the assent of 24 States, it must be recognized that further effort along this line must be viewed as futile for all practical purposes.

During these periods in which the Federal Government has been ineffectually attempting to cope with this problem, various States have also through legislative enactment, attempted to find its solution. Although these State regulations have been to some extent effectual, nevertheless they have been unable to bring about any real solution. The census of 1930 disclosed that children between the ages of 10 and 13 years, inclusive, were gainfully employed in the United States to the number of 235,328. Children 14 and 15 years of age were employed to the number of 431,790. Children 16 and 17 years of age were employed to the number of 1,478,841. This makes a total of 2,145,959. Various estimates up to a number of 3,000,000 are made as to the number of children of the same ages gainfully employed in 1936. It is impossible to judge the accuracy of these estimates. Suffice it to say that the number is somewhere between 2,145,000 and 3,000,000 children who are employed in the United States at the present time. When we take into consideration the fact that some 10,000,000 adults are unemployed, and that the country today and for the last 6 years has faced its most severe crisis as the result of that unemployment, and that the Federal and State and local governments are being compelled to assume unnatural and almost impossible burdens of debt in order to provide those unemployed with the bare necessities of life, it seems that this year, 1936, on the one-hundredth anniversary of the first governmental effort to prevent child labor, the Federal Government should seek some effective method with which to cope with this problem.

I shall not attempt here to discuss in detail the economic and social cost of child labor. There can be made available to the committee to which the bill hereinafter described is referred the result of many studies and investigations that definitely prove the economic and social cost involved as the result of the employment of children. Some of the reports which will be presented to the committee are: Report on Medical and Health Service at West Side Continuation School, by Sophie Rabinoff, department of health, New York City, 1931; the Health of the Working Child, New York State Department of Labor Special Bulletin No. 134, 1924; Report of the Medical Department of the Burroughs Newsboys Foundation for the Year 1931–32; the Report of the United States Children's Bureau, Publication No. 188, 1928; United States Children's Bureau Publication No. 134, 1924; United States Children's Bureau Publication No. 187, 1929; the Report of the White House Conference on Child Health and Protection, with specific reference to the report of the subcommittee on child labor, edited by the Century Co., 1932; the Monthly Bulletin of the Pennsylvania Department of Labor and Industry, volume 19, no. 9, page 10. From these and other reports of investigations it will be definitely established that the employment of children in industry and agriculture results in (1) economic instability, (2) the impairment of health, (3) the increase of illiteracy, (4) the increase of delinquency and crime, (5) a lowering of the standards of industrial and social efficiency.

In the light of the foregoing facts, the question presents itself as to whether or not the Federal Government can overcome the previously recognized barriers of constitutional inhibitions. I believe it can. With that purpose in mind I am today introducing the following bill:

> A bill to divest goods, wares, merchandise, products, and commodities manufactured, produced, or mined by minors under the age of 18 years of their interstate character in certain cases
>
> *Be it enacted, etc.—*
>
> SECTION 1. That it is hereby declared to be the policy of this bill to regulate interstate commerce to the extent of forbidding and punishing the use of such commerce as an agency to promote the spread of the hereinafter-described evils or harm to the people of other States from the State of origin and to enable the States to exercise their right and power by nondiscriminating legislation to prevent such evils or harm to the people of said States. The evils against which this bill is intended to enable the States taking advantage of its provisions to protect themselves and their people are: (1) The economic instability; (2) the impairment of health; (3) the increase of illiteracy; (4) the increase of delinquency and crime; and (5) the lowering of the standards of industrial and social efficiency, that inevitably result from the importation into a State of goods, wares, merchandise, products, and commodities manufactured, produced, or mined under conditions of child labor.

SEC. 2. That all goods, wares, merchandise, products, and commodities manufactured, produced, or mined, wholly or in part, by minors under the age of 18 years, transported into any State or Territory of the United States and remaining therein for use, consumption, sale, or storage, shall upon arrival and delivery in such State or Territory be subject to the operation and effect of the laws of such State or Territory to the same extent and in the same manner as though such goods, wares, merchandise, products, and commodities had been manufactured, produced, or mined in such State or Territory, and shall not be exempt therefrom by reason of being introduced in the original package or otherwise.

SEC. 3. That all goods, wares, merchandise, products, and commodities manufactured, produced, or mined, wholly or in part, by any person, firm, copartnership, or corporation employing in the enterprise of manufacturing, producing, or mining such goods, wares, merchandise, products, and commodities, minors under the age of 18 years, whether such minors shall have been directly employed in the manufacturing, producing, or mining of the particular goods, wares, merchandise, products, and commodities or not, transported into any State or Territory of the United States remaining therein for use, consumption, sale, or storage, shall upon arrival and delivery in such State or Territory be subject to the operation and effect of the laws of such State or Territory to the same extent and in the same manner as though such goods, wares, merchandise, products, and commodities had been manufactured, produced, or mined in such State or Territory, and shall not be exempt therefrom by reason of being introduced in the original package or otherwise.

SEC. 4. That if any portion of this bill be held unconstitutional, such decision shall not affect the remaining provisions of the bill.

At this late date in the session I, of course, have no hope of consideration or adoption of the bill at this session of Congress. I present it now merely that it may become, if possible, the subject of discussion.

In order that we may judge the question of the constitutionality of this proposed act, it is first necessary that we consider the grounds upon which previous acts have been declared unconstitutional. Since the second effort of the Congress was exclusively in the nature of an effort to regulate by means of taxation which bears no relationship to the proposed bill, it is not necessary to discuss the case of *Bailey* v. *Drexel Furniture Co.* (259 U. S. 20), in which that act was declared unconstitutional.

However, it is desirable to consider the Keating-Owen bill, passed by Congress in 1916, and the Dagenhart decision, which nullified it.

The question posed by Mr. Justice Day in the Dagenhart case was, "Is it within the authority of Congress in regulating commerce among the States to prohibit the transportation in interstate commerce of manufactured goods the product of a factory in which, within 30 days prior to their removal therefrom, children under the age of 14 have been employed or permitted to work, or children between the ages of 14 and 16 years have been employed or permitted to work more than 8 hours in any day, or more than 6 days in any week, or after the hour of 7 o'clock p. m., or before the hour of 6 o'clock a. m.?" In the opinion in that case we find the following discussion:

But it is insisted that adjudged cases in this Court establish the doctrine that the power to regulate given to Congress incidentally includes the authority to prohibit the movement of ordinary commodities, and, therefore, that the subject is not open for discussion. The cases demonstrate the contrary. They rest upon the character of the particular subjects dealt with and the fact that the scope of governmental authority, State or National, possessed over them is such that the authority to prohibit is as to them but the exertion of the power to regulate.

The first of these cases is *Champion* v. *Ames* (188 U. S. 321), the so-called Lottery case, in which it was held that Congress might pass a law having the effect to keep the channels of commerce free from use in the transportation of tickets used in the promotion of lottery schemes. In *Hipolite Egg Co.* v. *United States* (220 U. S. 45), this court sustained the power of Congress to pass the Pure Food and Drug Act, which prohibited the introduction into the States by means of interstate commerce of impure foods and drugs. In *Hoke* v. *United States* (227 U. S. 308), this court sustained the constitutionality of the so-called White Slave Traffic Act, whereby the transportation of a woman in interstate commerce for the purpose of prostitution was forbidden. In that case we said, having reference to the authority of Congress, under the regulatory power, to protect the channels of interstate commerce:

"If the facility of interstate transportation can be taken away from the demoralization of lotteries, the debasement of obscene literature, the contagion of diseased cattle or persons, the impurity of food and drugs, the like facility can be taken away from the systematic enticement to and the enslavement in prostitution and debauchery of women and, more insistently, of girls."

In *Caminetti* v. *United States* (242 U. S. 470), we held that Congress might prohibit the transportation of women in interstate commerce for the purpose of debauchery and kindred purposes. In *Clark Distilling Co.* v. *Western Maryland Ry. Co.* (242 U. S. 311), the power of Congress over the transportation of intoxicating liquors was sustained. In the course of the opinion it was said:

"The power conferred is to regulate, and the very terms of the grant would seem to repel the contention that only prohibition of movement in interstate commerce was embraced. And the cogency of this is manifest since if the doctrine were applied to those manifold and important subjects of interstate commerce as to which Congress from the beginning has regulated, not prohibited, the existence of government under the Constitution would be no longer possible."

In each of these instances the use of interstate transportation was necessary to the accomplishment of harmful results. In other words, although the power of interstate transportation was to regulate, that could only be accomplished by prohibiting the use of the facilities of interstate commerce to effect the evil intended.

This element is wanting in the present case. The thing intended to be accomplished by this statute is the denial of the facilities of interstate commerce to those manufacturers in the States who employ children within the prohibited ages. The act in effect does not regulate transportation among the States, but aims to standardize the ages at which children may be employed in mining and manufacturing within the States. The goods shipped are of themselves harmless. The act permits them to be freely shipped after 30 days from the time of their removal from the factory. When offered for shipment, and before transportation begins, the labor of their production is over, and the mere fact that they were intended for interstate commerce transportation does not make their production subject to Federal control under the commerce power.

When the commerce begins is determined, not by the character of the commodity, nor by the intention of the owner to transfer it to another State for sale, nor by his preparation of it for transportation, but by its actual delivery to a common carrier for transportation, or the actual commencement of its transfer to another State.

It is further contended that the authority of Congress may be exerted to control interstate commerce in the shipment of child-made goods because of the effect of the circulation of such goods in other States where the evil of this class of labor has been recognized by local legislation, and the right to thus employ child labor has been more rigorously restrained than in the State of production. In other words, that the unfair competition, thus engendered, may be controlled by closing the channels of interstate commerce to manufacturers in those States where the local laws do not meet what Congress deems to be the more just standard of other States.

There is no power vested in Congress to require the States to exercise their police power so as to prevent possible unfair competition. Many causes may cooperate to give one State, by reason of local laws or conditions, an economic advantage over others. The commerce clause was not intended to give to Congress a general authority to equalize such conditions. In some of the States laws have been passed fixing minimum wages for women; in others the local law regulates the hours of labor of women in various employments. Business done in such States may be at an economic disadvantage when compared with States which have no such regulations; surely this fact does not give Congress the power to deny transportation in interstate commerce to those who carry on business where the hours of labor and the rate of compensation for women have not been fixed by a standard in use in other States and approved by Congress.

In our view, the necessary effect of this act is, by means of a prohibition against the movement in interstate commerce of ordinary commercial commodities, to regulate the hours of labor of children in factories and mines within the States, a purely State authority.

The proposed statute is constitutional and does not come within the purview of the Dagenhart decision for the following reasons:

First. It is fundamentally different from the Keating-Owen bill for the reason that it does not have as its purpose the prevention of the entrance into interstate commerce of goods manufactured or produced by child labor, but rather the protection of the State into which it is proposed that such goods are to be imported. The Supreme Court has repeatedly recognized the right of the Congress to assist in the protection of States by removing from goods shipped into States in violation of State laws their interstate-commerce character.

On August 8, 1890, Congress enacted the so-called Wilson Act, which reads:

That all fermented, distilled, or other intoxicating liquors or liquids transported into any State or Territory, or remaining therein for use, consumption, sale, or storage therein, shall upon arrival in such State or Territory be subject to the operation and effect of the laws of such State or Territory enacted in the exercise of its police powers, to the same extent and in the same

manner as though such liquids or liquors had been produced in such State or Territory, and shall not be exempt therefrom by reason of being introduced therein in original packages or otherwise.

Thereafter, one Charles Rahrer, of Topeka, Kans., in violation of the laws of the State of Kansas, caused to be shipped into the State of Kansas from the State of Missouri a carload of intoxicating liquors. In the case of *In re Rahrer* (140 U. S. 545), the Supreme Court upheld the constitutionality of the Wilson Act and stated:

In surrendering their (the States) own power over external commerce, the States did not secure absolute freedom in such commerce but only the protection from encroachment afforded by confiding its regulation exclusively to Congress.

By the adoption of the Constitution the ability of the several States to act upon the matter solely in accordance with their own will was extinguished, and the legislative will of the General Government substituted. No affirmative guaranty was thereby given to any State of the right to demand as between it and the others what it could not have obtained before; while the object was undoubtedly sought to be attained of preventing commercial regulations partial in their character or contrary to the common interests. And the magnificent growth and prosperity of the country attest the success which has attended the accomplishment of that object. But this furnishes no support to the position that Congress could not, in the exercise of the discretion reposed in it, concluding that the common interests did not require entire freedom in the traffic in ardent spirits, enact the law in question. In so doing, Congress has not attempted to delegate the power to regulate commerce, or to exercise any power reserved to the States, or to grant a power not possessed by the States, or to adopt State laws. It has taken its own course and made its own regulations, applying to these subjects of interstate commerce one common rule, whose uniformity is not affected by variations in State laws in dealing with such property. * * * No reason is perceived why, if Congress chooses to provide that certain designated subjects of interstate commerce shall be governed by a rule which divests them of that character at an earlier period of time than would otherwise be the case, it is not within its competency to do so.

The Webb-Kenyon Act of March 1, 1913 (37 Stat. 699), provided as follows:

That the shipment or transportation, in any manner or by any means whatsoever, of any spiritous, vinous, malted, fermented, or other intoxicating liquor of any kind from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, into any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, which said spirituous, vinous, malted, fermented, or other intoxicating liquor is intended, by any person interested therein, to be received, possessed, sold, or in any manner used, either in the original package or otherwise, in violation of any law of such State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, is hereby prohibited.

The Supreme Court upheld that act in the case of *Clark Distilling Co.* v. *Western Maryland Railway Co.* (242 U. S. 311), and stated in reference to it that the purpose of the act—

Was to prevent the immunity characteristic of interstate commerce from being used to permit the receipt of liquor through such commerce in States contrary to their laws, and thus in effect afford a means by subterfuge and indirection to set such laws at naught.

The contention made by distinguished constitutional lawyers that the power of Congress to extend the protection to the States in the enforcement of their own laws by releasing articles of commerce from their interstate character applies only to those articles which are malum per se is answered by the recent decision of the Supreme Court involving convict-labor goods. The Convict Labor Act, passed January 19, 1929, to become effective on January 19, 1934, provided:

That all goods, wares, and merchandise manufactured, produced, or mined, wholly or in part, by convicts or prisoners, except convicts or prisoners on parole or probation, or in any penal and/or reformatory institutions, except commodities manufactured in Federal penal and correctional institutions for use by the Federal Government, transported into any State or Territory of the United States and remaining therein for use, consumption, sale, or storage, shall, upon arrival and delivery in such State or Territory, be subject to the operation and effect of the laws of such State or Territory to the same extent and in the same manner as though such goods, wares, and merchandise had been manufactured, produced, or mined in such State or Territory, and shall not be exempt therefrom by reason of being introduced in the original package or otherwise.

This, it will be seen, involves goods, wares, and merchandise manufactured, produced, or mined wholly or in part by convicts. There is nothing about the goods themselves which is in any way harmful, and there certainly can be no claim that convict-made goods are any more harmful than goods manufactured or produced by children. The State of Ohio has a statute which provides that after January 19, 1934, no goods, wares, or merchandise manufactured or mined wholly or in part in any other State by convicts or prisoners, and so forth, should be sold on the open market of the State of Ohio. The question involved in the case of *Whitfield* v. *Ohio* (p. 527 of Supreme Court Law Edition Advance Opinions, vol. 80), decided on March 2, 1936, was the constitutionality of the Federal Convict-Labor Manufactured Article Act. Concerning it the Supreme Court said:

The act is in substance the same as the Wilson Act, with respect to intoxicating liquors, passed August 8, 1890. * * * In effect, both acts provide (the one as construed and the other in terms) that the subject matter of the interstate shipment shall, upon arrival and delivery in any State or Territory, become subject to the operation of the local laws as though produced in such State or Territory; and shall not be exempt therefrom because introduced in original packages. Each statute simply permits the jurisdiction of the State to attach immediately upon delivery, whether the importation remain in the original package or not. In other words, the importation is relieved from the operation of any rule which recognizes the right of sale in the unbroken package without State interference. * * * The view of the State of Ohio that the sale of convict-made goods in competition with the products of free labor is an evil finds ample support in fact and in the similar legislation of a preponderant number of other States. Acts of Congress relating to the subject also recognize the evil. * * * All such legislation, State and Federal, proceeds upon the view that free labor, properly compensated, cannot compete successfully with the enforced and unpaid or underpaid convict labor of the prison. A State basing its legislation upon that conception has the right and power, so far as the Federal Constitution is concerned, by nondiscriminating legislation, to preserve its policy from impairment or defeat by any means appropriate to the end and not inconsistent with that instrument. The proposition is not contested that the Ohio statute would be unassailable if made to take effect after a sale in the original package; and the statute, as it now reads, is equally unassailable, since Congress has provided that the particular subjects of interstate commerce here involved "shall be governed by a rule which divests them of that character at an earlier period of time than would otherwise be the case" (*Re Rahrer*, supra, 140 U. S. 562, 35 L. ed. 576, 11 S. Ct. 865), namely, upon arrival and delivery. If the power of Congress to remove the impediment to State control presented by the unbroken-package doctrine be limited in anyway (a question which we do not now find it necessary to consider), it is clear that the removal of that impediment in the case of prison-made goods must be upheld for reasons akin to those which moved this Court to sustain the validity of the Wilson Act.

Another opinion having bearing upon this issue is that recently written by the United States Circuit Court of Appeals for the Fifth Circuit, in the case of Griswold against the President, on March 30, 1936, which is not yet reported. In that opinion we find:

We cannot agree with appellant's argument that the act (Connally Act of Feb. 22, 1935, ch. 18, 49 Stat. 30) under which the injunction issued is an invasion of State powers, that it is not a true regulation of interstate commerce, but an attempt, by indirection, to control the production and marketing of a natural product of a State. We cannot agree with the subtleties of his view, that the act abdicates the power of Congress over interstate commerce, and delegates it to the States. Nor can we agree with the implications of his argument that contraband oil, that is, oil made forfeit to the State and prohibited by State law from being moved or transported, is a lawful product, and, therefore, beyond the power of Congress to exclude from interstate commerce. These arguments overlook, they disregard, the dominant, the controlling fact that the act, though passed in aid of State purposes and powers, deals with and only with commerce interstate. It takes up where State power ends, and by supplementing State legislation it makes completely effective the general will of the people of the State of Texas, expressed in its conservation laws. Congress has validly done this same thing in connection with the transportation into dry States of intoxicating liquor (*Clark Distilling Co.* v. *Western Maryland R. Co.*, 242 U. S. 311); into States which prohibit such goods, of goods made by convict labor (*Whitfield* v. *State of Ohio*, — U. S. ——). It has done it as to the transportation out of States of birds or wild game killed there contrary to its laws (*Bogle* v. *White*, 61 Fed. (2d) 930), and as to motor cars stolen in violation of State laws (*Brooks* v. *U. S.*, 267 U. S. 432).

Second. The declaration of policy contained in this bill will be amply supported by the legislative record before the committee. Proof can be produced that the sale in a State

of goods manufactured by the low-paid child labor in another State, through its competition, results in the use of low-paid child labor in the State seeking to protect itself, which results in economic instability, a detriment to the health, increase of illiteracy, increase in delinquency and crime, and a reduction of the social standards of the people of the State attempting to be protected. Surely this is just as much of a harm to the people of the State into which the child-labor manufactured or produced goods are introduced and sold as was denounced by the Supreme Court in the case of *Brooks* v. *U. S.* (267 U. S. 432), in which it upheld the constitutionality of the Dyer Act—the National Motor Vehicle Theft Act. In the opinion in that case, Chief Justice Taft said:

> Congress can certainly regulate interstate commerce to the extent of forbidding and punishing the use of such commerce as an agency to promote immorality, dishonesty, or the spread of any evil or harm to the people of other States from the State of origin. In doing this it is merely exercising the police power, for the benefit of the public, within the field of interstate commerce.

It must be remembered that it is the use of the articles prohibited by congressional act within the States to which they are introduced that is harmful. Their mere transit in interstate commerce is not in itself harmful. The act of Congress excluding diseased stock from interstate commerce, in order to prevent its use in such a way as to thereby injure the stock of other States, upheld by the Supreme Court in the case of *Reid* v. *Colorado* (187 U. S. 137), had as its purpose the protection of the stock and the people of the State to which the diseased cattle were shipped. So long as they were in transit they hurt no one.

Lottery tickets, while in transit in interstate commerce, are not harmful. It is only after they are sold to an individual within the State that they become harmful; and yet the act of Congress preventing the use of interstate commerce for the transmission of lottery tickets was upheld by the Supreme Court in the *Lottery case* (188 U. S. 321). The acts of Congress prohibiting the transportation in interstate commerce of adulterated articles were upheld by the Supreme Court in the case of *Hipolite Egg Co.* v. *United States* (220 U. S. 45). These adulterated eggs did not in any way harm anybody while in transit. Even the White Slave Traffic Act, which was upheld by the Supreme Court in the case of *Hoke* v. *United States* (227 U. S. 308) and *Caminetti* v. *United States* (242 U. S. 470), had a similar result. Prostitutes while in transit from one State to another are in most instances not harming anybody. It is only when they reach the State for which they are destined and engage in their immoral purposes that the evil effect results; but the right of Congress to prevent their being transported from one State to another has been repeatedly upheld. Congress' right to prohibit the importation of moving pictures of prize fights was upheld in the case of *Weber* v. *Freed* (239 U. S. 325), not because the pictures harmed anybody in interstate commerce but because of the demoralizing effect of such exhibitions in the State of destination.

I recognize that this act must necessarily be supplemented by State statutes. However, of the 24 States, the legislatures of which have ratified the child-labor amendment, it seems reasonable to presume that legislative enactment protecting the people of the State, both the employers and the employees, both capital and labor, from the effect of competition from goods manufactured or produced by children, would be reasonably sure of enactment. It would not require many of the States to secure the desired result. If the State of New York alone would take advantage of this statute and remove the market of its 13,000,000 people from producers or manufacturers in States employing child labor, the problem would be very quickly solved. If any one of the populous States should take advantage of this enactment, and since it would be to such a great advantage of all classes within any State that already had child-labor legislation to take advantage of this statute, it seems reasonably certain that it would only be a matter of a few years until it would be possible to eradicate the child-labor evil in the United States. When we consider that the first legislative recognition of the problem occurred 100 years ago, in 1836, and that after 100 years' effort we still find between 2,000,000 and 3,000,000 children employed in this country, the possibility of securing its solution within a period of 2 or 3 years certainly makes the enactment of this law worth while.

PAYMENTS UNDER SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to introduce a bill amending the Soil Conservation and Domestic Allotment Act, and that the bill be referred to the Committee on Agriculture and Forestry. I also request that there be published in the RECORD a letter from the President of the United States, and that together with the letter the bill may be published in full as part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 4740) to provide a graduated scale of reduction of payments under section 8 of the Soil Conservation and Domestic Allotment Act was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

A bill to provide a graduated scale of reduction of payments under section 8 of the Soil Conservation and Domestic Allotment Act

Be it enacted, etc., That section 8 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, is amended by adding a new subsection, as follows:

"(d) Any payment that would otherwise be made to any producer pursuant to the terms of this section shall be reduced as follows:

"A total reduction equal to the sum of (a) 25 percent of that portion of the payment, that would otherwise be made, which is included within the interval of $2,000 to $10,000; (b) 50 percent of that portion of the payment, that would otherwise be made, which is in excess of $10,000."

The letter from the President of the United States is as follows:

THE WHITE HOUSE,
Washington, June 1, 1936.

Hon. JOSEPH C. O'MAHONEY,
The United States Senate, Washington, D. C.

DEAR SENATOR O'MAHONEY: In connection with the proposed legislation with respect to sugar, which you and Congressman JONES are sponsoring, I believe that the principle of graduated payments might well be incorporated. Large corporate organizations, whether in industry or agriculture, in the past have obtained from the Government certain advantages which oftentimes have enabled them to profit to an unusual extent. This situation was recognized to some extent last year when the graduated income tax was applied to corporations, and I would ask your most earnest consideration of the advisability of applying the same principle to the sugar payments by means of an amendment to Senate Joint Resolution 278 which would provide for payments at rates for large operating units lower than those applicable to family-size farms.

I trust it will be possible to incorporate this principle in the sugar legislation and that steps may be taken to consider the advisability of applying the same principle to payments under the Soil Conservation and Domestic Allotment Act.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

INTERNAL-REVENUE TAXATION—AMENDMENTS

Mr. RUSSELL, Mr. BARBOUR, Mr. POPE, and Mr. SHIPSTEAD each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. BLACK and Mr. LA FOLLETTE jointly submitted amendments intended to be proposed by them to the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, which were ordered to lie on the table and to be printed.

AMERICAN MERCHANT MARINE—AMENDMENT

Mr. STEIWER submitted an amendment intended to be proposed by him to the proposed amendments of Mr. COPELAND, Mr. GUFFEY, and Mr. GIBSON to the bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

WORKS PROGRESS ADMINISTRATION IN PENNSYLVANIA

Mr. DAVIS submitted a resolution (S. Res. 314), which was ordered to lie on the table, as follows:

Whereas serious charges have been made by Members of this body and by newspapers reflecting upon the administration and

operation of the Works Progress Administration in the Commonwealth of Pennsylvania; and

Whereas all official information on this subject has been denied to the General Assembly of Pennsylvania: Be it

Resolved, That the Director of the Works Progress Administration transmit to the Secretary of the Senate within 15 days after the adoption of this resolution all records relating to the personnel of the Works Progress Administration in Pennsylvania, together with all disbursements on Works Progress projects in Pennsylvania, including the names and addresses, amounts of compensation, and personnel employed by the Works Progress Administration in Pennsylvania, and the names and addresses of all persons receiving employment under the Works Progress Administration.

THE SIGNIFICANCE OF AGRICULTURAL IMPORTS (S. DOC. NO. 263)

On motion by Mr. MURPHY, a letter from the Secretary of Agriculture, addressed to Mr. MURPHY, together with a statement prepared by the Department of Agriculture with regard to the causes and the significance of the recent increase in agricultural imports into the United States, was ordered to be printed, with an illustration, as a document.

CORPORATE REORGANIZATIONS UNDER BANKRUPTCY LAW

Mr. SCHWELLENBACH. Mr. President, yesterday I objected to the consideration of the bill (H. R. 8940) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, and acts amendatory thereof and supplementary thereto." I withdrew my objection with the understanding that if today I desired to have the vote by which the bill was passed reconsidered, that could be done. I have discussed the matter with the Senator from Wyoming [Mr. O'MAHONEY], and now, in accordance with the agreement, I ask unanimous consent that the action which was taken upon the bill yesterday be reconsidered.

Mr. O'MAHONEY. Mr. President, without interposing an objection, I merely desire to say that the Committee on the Judiciary, which had this matter under consideration, made every effort possible to report the bill in a form acceptable to the executive departments and independent commissions which are interested in pending suits. The committee conferred with representatives of the Department of Justice, of the Treasury Department, and of the Securities Exchange Commission, and the representatives of all these bodies seemed to agree to the form in which the report was prepared.

In the absence of the senior Senator from Indiana [Mr. VAN NUYS], who was the chairman of the subcommittee, I held a final conference with a member of the Securities Exchange Commission, and, at his suggestion, eliminated a portion of the report which had been prepared by the senior Senator from Indiana, and which had been left in my custody with the understanding that I could do anything necessary to bring the measure into conformity with the ideas of the independent commissions and the departments. When the report was finally submitted it was with the understanding upon the part of the committee that a complete agreement had been reached.

Of course, I shall not object to the reconsideration. I desire to say, however, that there are great benefits to many citizens of the United States contained in the measure as it was reported by the Committee on the Judiciary. The only difficulty seems to be the fear on the part of some that, as it was finally reported, the bill might result in adversely affecting a certain suit which is pending in the Federal courts.

No member of the Committee on the Judiciary and no member of the subcommittee which had charge of this proposed legislation desires to do anything which would in any manner affect that suit, but there was a feeling that it would be a pity if the beneficial effects of the proposed legislation should be sacrificed because of the insubstantial fear that there would be some adverse effect on pending litigation. The committee felt that there would be no adverse effect, but since it has seemed to be the opinion of the Securities Exchange Commission that there would be we have no objection to reconsideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Washington that the vote by which House bill 8940 was passed yesterday be reconsidered and that the bill be restored to the calendar? The Chair hears none, the vote is reconsidered, and the bill will be placed on the calendar.

FUNDAMENTALS OF PUBLIC WELFARE—ADDRESS BY SENATOR GORE

Mr. COPELAND. Mr. President, I ask unanimous consent to have inserted in the RECORD an address on Fundamentals of Public Welfare by Hon. THOMAS P. GORE, one of our colleagues. The address was made at the First Triennial Convention of the General Federation of Women's Clubs, held at Detroit, Mich., June 4–12, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There are a few fundamental principles underlying and controlling all systems of welfare. There are a few elemental forces which dominate and control all plans and all systems of relief and of welfare. There are certain fundamental laws and forces in the economic, the social, and the moral world, almost as universal and almost as unvarying as the laws and forces of the physical universe itself. You see the balloon go up and the stone come down. They pass each other in transit. They are going in opposite directions. They are behaving in opposite ways. And yet they are obeying the same universal law of nature, the law of gravity.

There is no appearance in all nature more conspicuous than the rising and setting of the sun, and yet even that is an illusion. There are also illusions in the economic, social, and moral world, as in the physical world, which we should always keep clear in our minds.

I wish at this point, even at the risk of being pedantic, to give you my definition of statesmanship. Statesmanship consists in foreseeing. Not merely see first effects, but foreseeing final effects Statesmanship consists in computing not primary reactions alone but secondary reactions. It is not the first effect, it is not the primary reaction; it is the final, finished, secondary reaction that determines the character of your law, determines its wisdom or its unwisdom.

Let me illustrate. The Anti-Saloon League waged a crusade for years in favor of the eighteenth amendment, knowing that the first or primary effect would be the closing of the saloons, a consummation which we all desired. Anyone could foresee that reaction or that result, but I am not certain that many of us anticipated and foresaw some of the ultimate effects, some of the secondary reactions which led the people of this country to do an unprecedented thing, to repeal an amendment to the Constitution of the United States.

It is important in considering or adopting any system of welfare or relief to consider the secondary reactions as well as the primary reactions. Of course, in a system of relief the first effect would be to feed the hungry and to clothe the naked, ends desirable in themselves. Some might justify any means looking toward those ends. Such a conclusion might not be well justified. One of the first lessons learned in human experience, in the administration of charity, was that unless administered with prudence and with care, it might injure the beneficiaries. In considering secondary results, reactions, I was impressed with the remark made by the lady who just preceded me. All human conduct, human action, human behavior, whether on the part of the individual or the group, is governed by two great laws or forces, heredity and environment. The interaction of these forces upon each other determines the conduct of the individual, the group, the Nation, and the race, including, of course, in environment, training and education.

The only way to effectuate progress is so to change the interaction between these two forces as to produce the desired change upon the conduct of the individual or the group. You cannot change heredity in the case of any living individual or generation or group. That is a fixed factor; that is invariable, so you must limit your changes to environment, situations, circumstances, surroundings, education, and training. They alone are subject to change, and, therefore, all your changes must be limited to those factors or to the great factor of environment. Often we are disappointed in the results flowing from changed environments. Sometimes they disappoint our hopes. One of the most tragic chapters in the history of human relations is the disappointed hopes which have followed legislation actuated by the highest purpose. You cannot always tell what will be the result of the changes which you effect.

Let me add at this point that good intentions are not enough. If good intentions were sufficient to guarantee good results, then the task were easy and the problem were solved. But the mother in India who casts a babe in her arms into the Ganges in worship of the sacred crocodile has been led by the most pious intentions. The mothers of ancient Carthage who burned their first born upon the flaming altars of Moloch were inspired by the most devoted and consecrated intentions. And yet it was pretty hard on the infant, and it did but little to propitiate the favor of an insensate god. When I was in Carthage a few years ago I saw a number of little stone caskets that were used to bury the ashes of infants who were burned upon the altars of Moloch. It taught me a tragic lesson—how far training and education can be made to react upon the most sacred sentiments of the human heart. When the mother's love for her child, the finest thing beneath the sun, can be so awed as to induce the mother to sacrifice her child to her god, it teaches a terrific and tragic lesson as to the extent of the influence of training and education upon human behavior. The

mother's instinct is to preserve and defend the child, for at every birth the mother goes down to the gates of death. But I guess if we understood you women better we would not like you so well. We never know exactly what you are going to do.

You take the woman with all her paints and powders and curls and frills and furbelows, fainting at the sight of human blood, and yet when a battalion of women are once engaged in battle they will go farther and stay longer than men themselves. That is the reason the battalions of death are made up of women. When overpowered in battle men will retreat if they can and surrender if they must. Women will not. They will neither surrender nor retreat. They die in their tracks. When you once get a woman into a quarrel, she will stay in and pitch, if you will allow a western expression.

But I think there is a deep psychological truth in what I have said. It is the mother's instinct to hover, to defend, and to die for her young.

Hers not to reason why,
Hers but to do and die.

Yet the illustration about the Carthaginian women teaches you and me a lesson in regard to the training and effect of education. Let's consult the truths of history and see what experience can teach us. For my own part, I have no better guide than the lamp of experience. Take Athens in the day of her splendor, in the age of Pericles, the most brilliant period of Grecian history, and, as some say, the most brilliant in human history. And yet Pericles, with all his statesmanship, sowed the seed of death. He it was who began the practice of feeding the people of Athens out of the public treasury. The first reaction was obvious, jubilant, and contented, and rejoicing. But what was the second, the final reaction? I shall not answer that question. I shall let Plato answer it, who, writing 100 years later, said that this policy on the part of Pericles had converted the people of Athens into an idle, loitering, self-respectless set of idlers and gossip mongers. That is the verdict accorded by the great Greek philosopher himself, that it had ruined the character of the Athenian people.

I know that you women have often wondered why it was that the people of Athens ostracized their greatest statesman and their greatest general, the saviors of Athens. Under the laws of Athens when a man was ostracized his estate was confiscated and the proceeds put in the public treasury; and the demagogues of Athens, urging the people to ostracize the saviors of Athens, would make the point that unless they did so there would be no money in the treasury at the next distribution day. It spoiled the souls of the Athenian people, and thus perished the glory that was Greece.

What about Rome? The rugged Roman character, the rugged Roman virtues carried the Roman eagles from the rising to the setting sun. About 120 years before Christ the Gracchi began the policy of selling corn to the people of Rome at less than market price. The first reaction, of course, was plain. One of the secondary reactions was the ruin of the farmers of Italy, who could not meet the state competition. Finally they gave corn to the people of Athens. The politicians urged them on until, instead of selling it at less than the market price, corn was given free to the people of Rome. Others followed with free olive oil, free pork, free wine, free shows, and free baths; and everything was free except the people themselves; and thus perished the soul of the Roman people, and with their soul perished their liberties, their institutions, and the Roman Republic itself—a secondary reaction.

What lesson has England to teach America? Her experience with pauperism began nearly 600 years ago, after the black plague, the black death, about the middle of the fourteenth century. The first general statutes were enacted under the reign of Henry VIII, and then Queen Elizabeth, building a broad and solid foundation, which reformed the systems and which cured the evils which had grown up under the system. They separated pauperism into voluntary and involuntary pauperism, and they characterized the voluntary pauper as sturdy vagabonds, valiant beggars, able-bodied beggars; and Queen Elizabeth, like Augustus of Rome, was one of the greatest rulers the world has known. Both had a great policy of letting problems solve themselves.

The act of Queen Elizabeth worked admirably until the middle of the eighteenth century, when politicians and others began to extend indulgences to the inmates of the workhouses, to the beneficiaries of the poor laws. England made every mistake probably that could be made, tried every expedient, spoiled the characters of those she was seeking to serve and relieve, destroyed the most sacred sentiments of the human heart. Premiums were set on the unmarried mother, agriculture was brought to the verge of ruin, industry was brought to the verge of ruin; and in a famous report made in 1833 it was said that at that time beneficiaries of the poor laws and the expense cast upon the people of England was absorbing almost the entire national income and had brought the Kingdom itself to the very brink of bankruptcy. It was well intended, but the secondary reactions were undesirable, as they had apparently been unanticipated.

Now let us turn to another picture. When the American pioneer set foot upon this western continent, when the Pilgrim Fathers landed in New England, when they landed in Virginia, what equipment brought they along? Nothing but their strong hands, their clear heads and their stout hearts, and with their primitive implements the pioneers of America felled the forests, bridged the rivers, scaled the mountains, builded for themselves a nest by the side of the eagle's, carried our civilization, the torch of civilization, from the eastern to the western sea, conquering all obstacles, subduing all difficulties, learning how to conquer through adversity and hardship, and, like Caesar, they could well say they came, they saw, they conquered. They obeyed the iron law of survival, adapt or die. And they adapted themselves to their environment, their surroundings, their conditions, and they conquered their destiny.

What virtues were developed in this struggle? They were fortitude, self-help, self-denial, self-reliance, self-respect. I am not sure that too much security is consistent with the struggle for existence. The virtues which they developed made them great. Those virtues made America great. And in my judgment those virtues alone will keep America great. I know it is said that conditions have changed, that environment is different. That is true. I know it is said that we have new problems, calling for new solutions. That is undoubtedly true. But does that mean that the new problems and the new solutions call for a different spirit than that which made America great?

I appreciated your applause, because I want you women, and it is largely in your hands, to inculcate these virtues as the basis of our greatness in the past and of our greatness in the future. So far as I am concerned, I am not willing to admit that America is a mistake.

There is one other point. I might refer to it as the youth problem, whether we like the term or not. I have sometimes wondered about the fate and the future of the youth of this day and the youth of the morrow. I sometimes wonder whether we keep its interest and its destiny as clear in our sight as we should. I sometimes wonder if we are casting burdens upon youth that it will be unable to bear. I sometimes wonder if we are assuming that the youth of this day and the morrow will have no problems of their own, calling for extra exertion and extraordinary drafts upon their resources. I sometimes wonder whether we are depleting the estate of posterity and leaving it a patrimony that is not only impaired but that is incumbered. I sometimes wonder whether we are not forging chains for youth which it will be obliged to bear or obliged to break.

Their destiny is largely in your hands. If you can preserve in them the character and the virtue of our forefathers, and if you can preserve or restore opportunity unto youth, then you have discharged the highest duty and fulfilled the most solemn responsibility resting upon those of the present day, unto the men and the women of the morrow.

This has been the land of opportunity in the past. It should be the land of opportunity in the future. And I hope the evil day will never come in America when every gate shall be barred with gold and shall open but to golden keys. If you preserve the character and the virtues of youth and if you keep the door of opportunity open unto them, I doubt not that they will with their strong hands, their clear heads, and their stout hearts, work out their own destiny and prove themselves worthy and lineal descendants of the mighty men who made our majestic past, men who were not afraid of difficulties, men who did not shrink from obstacles, men who were not discouraged by dangers, men who dallied with danger as the she tiger fondles her young. Bring such a tribe into the world, maintain their character and their soul and their opportunities, and I believe they will prove themselves fit to follow those who have gone before us.

We have received our institutions as an inheritance from our fathers, baptized with the blood of our fathers, baptized and consecrated with the tears of our mothers, but we have received these institutions in trust, charged with a solemn responsibility to pass them on to those who come after. And our own fitness must be judged by the character with which we fulfill that solemn obligation.

You know, I belong to the greatest debating society on the globe, and to me the most extraordinary exhibition of feminine audacity was an effort to limit me to 30 minutes, but I am limited.

In parting, let me say, adhere to the principles of the fathers, preserve the institutions of the fathers, cherish the virtues of the fathers, and I would be willing to underwrite the future, the destiny of America. Forsake those principles, forsake those institutions, forsake those virtues, then all is lost. Let us say constantly, "Lord God of Hosts, be with us yet, lest we forget, lest we forget." Let us not forget to discharge our duty and preserve the legacy which we have received at the hands of our fathers. Let us never say, "God of our fathers, smite us not. We have forgot! We have forgot!"

Again, adhering to these principles, preserving these institutions, perpetuating these virtues, we can say with confidence, "The morrow cometh", and I doubt not that all the glories of the past will be equaled, if not eclipsed, by the glories that are to come.

MONEY, PRICES, AND PROSPERITY—ADDRESS BY SENATOR THOMAS OF OKLAHOMA

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the senior Senator from Oklahoma [Mr. THOMAS]. The address was delivered at a State-wide meeting held in Des Moines, Iowa, and broadcast over the radio, Sunday, May 24, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a pleasure to be in Iowa, one of the great agricultural, industrial, and influential States of the Union. It is a privilege to address a State-wide meeting of the members of the National Union for Social Justice.

Although direct from Washington, I do not come to you as a Senator of the United States. I was born on a backwoods farm

in Indiana and homesteaded a claim in Oklahoma; hence, I come to talk to you about social justice from the standpoint of a westerner. However, the things which I shall say must not be interpreted as either sectional, racial, or political. If I came from any other State or from any other section of the country my views would be the same.

Over a period of years what has been or may be good for the North has been and will likewise be good for the South; and what has been or may be good for the West has been and will likewise be good for the East. Irrespective of location, or race, or creed, or party, this mighty people—now 130,000,000 strong—must go forward to greater heights, or hesitate, falter, and decline, to join the nations which were born and lived and died.

This Nation, our country, is scarcely 147 years of age; yet today we are the strongest, the richest, and the most influential, and have one of the oldest and the best governments in the world.

In the past our Government was exactly what our fathers made it. It is today precisely what we ourselves have builded. Tomorrow it will be exactly what our children ordain and construct. Our goal today should be to develop, perfect, and leave a richer, stronger, and more influential country and Nation than the one we entered.

Such is the goal of social justice.

Today I come to talk to you about the most important questions pending before the people—money, prices, and prosperity.

Money controls prices and prices control prosperity; hence, money is the foundation, the cornerstone and the keystone of progress, prosperity, and civilization.

During recent years, in order to stimulate and hasten the return of prosperity, some of us at Washington and at other points have been striving to secure more business, more employment, higher wages, and higher prices.

Progress and prosperity depend upon prices; prices depend upon money; and the extent of prosperity and the level of prices depend upon the amount of money in circulation.

Let me define money.

In times past money was limited to gold, silver, or copper metal, stamped in the form of coins. Later the term "money" was expanded to include not only metal coins but paper currency as well.

Today we define anything as money that has been, by law, declared to be legal tender for the payment of taxes, interest, duties, and debts.

Formerly, by money we meant only gold, silver, and copper coins. Today, by money we mean legal-tender currency, and by currency we mean gold coin, silver coin, nickel or copper coin, and paper money.

By currency I do not mean bank credit. Currency is money. Bank credit is only a substitute for money.

While bank credit serves as a medium of exchange and may be converted into money, bank credit is not money.

Currency as herein defined measures prices. Bank credit or substitute money does not measure prices. The number of currency dollars in circulation, in the main, controls the value of the dollar. An increase in the number of currency dollars in circulation means increasing the supply of price-measuring money units.

The same economic law which controls and governs the value of wheat and corn and cotton likewise controls and governs the value of money. When any commodity is plentiful, such commodity is cheap; likewise, when dollars are plentiful, dollars are cheap; and when dollars are cheap, prices are high.

On the other hand, when dollars are scare, dollars are high; and when dollars are high, prices are cheap.

The value of money depends upon the number of dollars in circulation. Scarce money means high-valued dollars, and high-valued dollars mean unemployment, low wages, low prices, panic, and depression. Plentiful money means cheap money, and cheap money means employment, high wages, high prices, progress, and prosperity.

If there be those who disagree with the economic principles just stated, then I must leave them to answer, not me but the master financial minds of the thousands of years of recorded history.

Let me call a few witnesses, famous monetary economists of the ancient and modern world, to sustain my position.

Ricardo says: "The value of money is determined by the amount existing."

Ruffner says: "Doubling the amount of money tends to double prices." Again he says: "The price level will tend to rise in proportion to the increase in the money supply."

Taussig says: "Double the amount of money, and, other things being equal, prices will be twice as high as before and the value of money one-half. Halve the quantity of money, and, other things being equal, prices will be one-half what they were before and the value of money double."

Gustav Cassel, perhaps the greatest living authority on money, says that the value of money depends upon its supply and the demand therefor.

In harmony with these quotations, let me call your attention to the following facts:

In Andrew Jackson's day money was plentiful, prices were high, and prosperity was enjoyed by all.

Following the Civil War greenbacks or United States notes were plentiful, prices were high, prosperity returned, and reconstruction was quickly accomplished.

During and after the World War money was plentiful, prices were high, work was plentiful, wages were good, and America became the leading creditor nation of the world.

History sustains the contention that plentiful money makes good prices, and good prices make good times and general prosperity. Likewise, scarce money makes low prices, and low prices make hard times, panics, and depressions.

In 1873, through the demonetization of silver, one-half the basic money of our country was struck down and discredited. The destruction of silver, by closing the mints for its coinage, brought about a scarcity of money, causing a fall in prices, deflation, and depression. The demand for more money and higher prices led to the Bryan free-silver campaign in 1896.

In 1921 prices were lowered by the process of taking money out of circulation. Beginning on March 4, 1921, and lasting for 18 months, the party in power deliberately made money scarce by taking out of circulation over $100,000,000 per month.

Thereafter, in less than 2 years' time, wheat fell in price from $2.50 to $1 per bushel, cotton fell from 40 to 20 cents per pound, and other prices were reduced in proportion. This deflation of our currency ruined agriculture first; then livestock, lumber, and mining industries followed the decline. Still later, smaller towns and cities suffered, and with one-half the people impoverished the 1929 crash came.

In 1930 to 1933 money was scarce—so scarce and so valuable that prices were the lowest in generations.

In 1933 the administration at Washington proceeded to raise prices by lowering the value of the dollar. The value of the dollar in foreign exchange was lowered by reducing the gold content of such dollar. The value of the domestic dollar was and is being reduced through a planned and orderly increase of Federal Reserve notes and a wider use of silver.

The contraction of the currency just after the World War reduced prices. The expansion of the currency now is increasing prices.

By expansion of the currency I mean a planned, orderly, and controlled increase in the number of currency dollars in circulation. Domestically, our currency dollars are neither based upon nor redeemable in gold; hence such dollars are commodity dollars. Not being based upon gold, the value of such dollars depends upon the number placed in circulation.

The National Union for Social Justice demands that the Congress exercise its constitutional power "to coin money and to regulate the value thereof." The Congress has the right and power to increase or decrease the amount of money in circulation; hence has the right and power, at will, to increase or decrease the general price level, which includes commodity prices and wages.

This power is constitutional.

The National Union for Social Justice demands that prices and wages be increased through an absolutely safe and orderly expansion of the currency.

How may this be accomplished?

Under existing law the Federal Reserve System may expand the currency at will through the policy of open-market operations. Under this policy the Federal Reserve banks may enter the open market and purchase bonds and pay for such bonds with Federal Reserve notes. This policy places new money in circulation and thereby directly expands the currency.

Under existing law the President has the right and power to issue as much as $3,000,000,000 of United States notes and to pay such notes into circulation through the purchase of outstanding interest-bearing Government bonds and obligations.

Under existing law the President has the right and power to issue currency against all silver in the Treasury at the monetary value of such silver or at $1.29 per ounce.

Today our Government owns approximately 2,000,000,000 ounces of silver. This silver embraces silver bullion and coined dollars, halves, quarters, and dimes. The monetary value of such silver is $2,580,000,000. Out of this silver we have coined and have in circulation the sum of $367,000,000. Against the remainder we have issued and placed in circulation silver certificates in the sum of $1,104,000,000; hence, we have surplus silver in our Treasury which we could coin or against which we could issue silver certificates in the sum of over $1,100,000,000.

Under existing law the President has the right and power to purchase additional silver and to issue new currency against such metal to the extent of over $800,000,000.

In addition to our silver, we have in our Treasury some $10,375,000,000 in gold. Although we have this vast gold and silver horde, we have issued currency of all kinds to the amount of only $5,888,000,000; hence, we have ample gold and silver buried and guarded, against which we could issue over $6,000,000,000 of new currency and each new dollar would be backed by 100 cents of gold and silver.

It is not and cannot be denied that we have ample gold and silver to back and support additional currency—dollar for dollar—which could be placed in circulation through the payment of maturing obligations until the general price level is raised to that point which will permit the farmers to secure cost of production plus a reasonable profit and which will permit labor to secure a living wage through humane hours of toil.

Under existing law your officials at Washington have ample power to raise prices through a safe and orderly expansion of the currency. If this program should be inaugurated, and if money should become too plentiful and prices should rise too high, the Federal Reserve System now holds billions of bonds which could be sold, and thereby any amount of currency may be removed at will from circulation.

Economic laws are as immutable as are the laws of gravity. Expanding the currency will cheapen the value of the dollar.

Cheaper dollars mean higher prices. Higher prices mean more profits, higher wages, and increased prosperity.

Prices for raw materials and basic American products, while higher than 3 years ago, still are too low to enable producers to pay costs of production and have left a reasonable margin of profit. Until legitimate business shows a reasonable profit, governmental budgets cannot be balanced, public borrowing must continue, banks dare not expand their credit, industry must continue to seek Federal loans, and the unemployed must continue to be supported by the Government.

The general price level must be raised sufficiently to permit producers, wage earners, and industry to survive and make reasonable profits. The price level must be raised in order that profits may be increased.

Personal income and corporation taxes are levied against profits; hence, profits must be increased in order to make possible the collection of sufficient taxes to balance the Budget. The price level must be raised in order to make it possible for banks to renew the policy and practice of making commercial loans. The price level must be raised prior to any substantial reduction in public relief spending and most certainly before we can stop such spending altogether. The price level must be raised before we can possibly have a return of general and permanent prosperity.

If there be those who disagree with our demand for a higher general price level, then I would call attention to the following facts:

Today our total tax burden—National, State, county, and city—is some $12,000,000,000 per year. Our total massed interest burden is another $10,000,000,000 annually, and our total massed debt burden, public and private, is estimated to be $250,000,000,000. It is now estimated that by 1937 our total Federal debt will reach $35,000,000,000. As taxes, interest, and debts increase, the amount of money available to the people must likewise be increased. As taxes, interest, and debts go up, the price level must likewise go up.

To be able to pay more taxes, interest, and debts, the people must earn and secure more dollars. Higher prices in effect reduce taxes, interest, and debts, while lower prices in effect increase such fixed overhead charges.

Let me illustrate:

In 1932 prices were so low that a farmer in my State of Oklahoma, having $100 taxes to pay, had to raise and sell four bales of cotton, or 400 bushels of wheat, or 600 bushels of corn to settle with the tax gatherer. Today, with higher prices, he can pay the same tax bill with less than two bales of cotton, or with approximately 100 bushels of wheat, or with 175 bushels of corn.

When prices are increased to a reasonable and necessary level farmers may pay $100 in taxes, or interest or debts, with one bale of cotton, or with 75 bushels of wheat, or with 100 bushels of corn.

So long as we are off the gold standard domestically, and our currency is not redeemable in gold, in order to raise the general price level the currency must be expanded. The price level controls the cost of living on the one hand and controls the amount of income on the other. A high price level means high prices and a high income, and a low price level means low prices and a low income—if an income at all.

Again I say: Money governs prices, and prices govern prosperity.

From the beginning of the depression we have demanded that the deflation be checked through an expansion of the currency. We are frequently asked as to the amount of new money necessary to be placed in circulation to restore a necessary, reasonable, and profitable price level. No one could answer such a question accurately, and any answer would be only a guess.

During the War between the States the northern Government issued and placed in circulation less than $500,000,000 of United States notes, and such increase in the amount of money in circulation practically doubled prices of commodities.

In 1921 and 1922 some $1,800,000,000 of real money was taken out of circulation and the result was a fall of 50 percent in prices. At this time I do not think it would require so large a sum to accomplish the purpose we have in mind, such purpose being the raising of the general price level sufficiently to enable the people to make profits with which to pay their taxes, interest, and debts, and to have some surplus buying power with which to secure the necessities and, in addition, some of the luxuries of our boasted civilization.

In Washington we hear the demand made that industry must proceed at once to provide jobs for the unemployed.

What is the answer to this demand?

In order for industry to increase production and expand, there must be a demand at profitable prices for the products of industry. With a low general price level industry cannot produce at a profit. With a low general price level the consuming public does not and cannot have sufficient buying power to permit of the consumption of the products of industry.

The farmers of the Nation, collectively, make up our largest single group of consumers, and until the general price level is raised so that they may secure more than cost of production, no demand may or can be expected from them for the goods produced by the factories of the country.

With a higher general price level some 30,000,000 farmers would have purchasing power, and with such power the products of industry would soon come into demand. An increased farmer demand for the products of industry would result immediately in an increased demand for raw materials with which to fabricate finished products. Such a demand would call for increased employment of labor in the mines, forests, and factories.

In addition, transportation would be stimulated, wholesale and retail merchants would resume activity, banks would have added business, and the public generally would share in the new prosperity.

Neither industry, farmers, nor labor have the power to regulate the value of the dollar and the consequent control of the price level. This power rests with the Congress of the United States. The answer to the unemployment question is that the price level must be raised before industry can possibly absorb any considerable percent of the unemployed.

In Washington we hear demands that the banks proceed at once to the making of commercial loans.

What is the answer to this demand?

To date the banks have been forced to purchase and absorb the bonds necessary to finance the expenses of the Government, hence their loanable funds have found investment in low-yield Government bonds. Because of the low general price level banks have not been justified in loaning other peoples' money on security which could not show or make reasonable profits. Until the price level is raised banks will not and cannot resume the practice of making commercial loans.

Under the present policy our banks are forced to buy our bonds and to live from the meager income derived from such bonds. Today banks are living on the interest received from their holdings of Government bonds; hence, in effect, the failure of official Washington to raise the price level has forced the banks of the country to live upon the Government—in effect, to go upon the dole, and they must remain on the dole until the price level is raised to that point which will permit their depositors and borrowers, farmers and industry, to produce at a reasonable profit.

At Washington we hear the demand that the Budget be balanced immediately.

What is the answer to this demand?

Money to balance the Budget must come from taxes. Taxes, to be sound, must come from profits; hence the Budget cannot possibly be balanced until the people and industry begin to make profits, and such profits cannot be made until the general price level is raised.

In conclusion, using the gold and silver in our Treasury as the basis for our argument and position, those who seek to refute the economic principles controlling the value of money, prices, and prosperity, as outlined today, must argue with the history of nations.

If it is contended that the expansion of the currency will not raise prices, then why oppose the policy?

If it is contended that prices can be raised by an expansion of bank credit, then in 1930, when bank credit was inflated to the highest point in history, why did we not have correspondingly higher prices?

If it is contended that the general price level is now high enough, then why are budgets still unbalanced, why are banks not making loans, and why do we yet have millions of unemployed and other millions on public relief?

We have tried every form of relief save following through with the monetary adjustment program. Insofar as we have gone, satisfactory results have been secured. Only a short section of the road remains to be traveled.

The money question is primarily a domestic problem. However, national and international stabilization of currencies must precede permanent world-wide prosperity and world economic stability.

However, before we are ready to consider permanent international stabilization of the dollar in foreign exchange, we must regulate and adjust the value of such dollar so as to serve best our own domestic economy.

The policy suggested and advocated here today is not in the interest of any one State, group of States, or section of the country. I deny that the program of the National Union for Social Justice is a class or sectional program. It is not a program for the West and against the East; neither is it a program for the debtor class as against the creditor class.

In the Senate of the United States I represent a State which produces wheat and corn and cotton—livestock, oil, and coal—but as I understand the relationship between money, prices, and prosperity—if I should come from the centers of great wealth and if my constituency was made up solely of millionaires, and if my millionaire constituents should have all their wealth invested in bonds, notes, and mortgages, I would not change my position on the money question.

It is obvious to me and should be to the holders of fixed investments that in order for them to collect their interest and principal when due, conditions must be such that the debtors must be able to pay; and in order for the debtors to be able to pay, the price level must be sufficiently high to permit farmers, merchants, wage earners, and industry to produce, transport, and distribute at a profit. Any other viewpoint or policy, if persisted in and followed, will result in defaults, repudiation, and disaster.

The fight already made has been a winning fight. Already what was thought by some as impossible of accomplishment has been achieved. Already almost unbelievable reforms have been made.

Briefly, let me enumerate a few of these changes, reforms, and accomplishments.

Formerly all things financial were managed and controlled in New York. Today such management and control has been transferred to Washington—the Capital of the United States.

Today we are temporarily, at least, off the gold standard, and we will never return to such a monetary standard until and when the other major nations of the world agree to an equitable, fair, and just world-wide stabilization of currencies.

Our program has already cheapened the dollar and as the result the price level has been raised. Had the dollar not been cheapened the prices today would be the prices of 3 years ago.

What would be the condition of Iowa today if corn were selling for 10 cents per bushel?

What would be the condition of the Northwest today if wheat were selling for 25 cents per bushel?

What would be the condition of the South today if cotton were selling for 5 cents per pound? What would be the condition of the banks of the country if such prices prevailed?

What would be the condition of the holders of fixed investments if such low prices were in effect today?

As the result of the efforts of those who believe in social justice, we have made all money full legal tender for all debts, both public and private.

We have abolished gold certificates, national-bank notes, Federal Reserve bank notes, and national currency, and have substituted therefor a wider use of silver. The Government is reducing the currency notes issued by private banks and is increasing and expanding the currency certificates issued by the United States Treasury.

Formerly bonds and notes were payable in gold. We have abolished and abrogated all gold contracts, and today all gold bonds, notes, and contracts are payable in any form of money, as all money is, by law, full legal tender.

Through the efforts of this administration the deposits in our banks have been guaranteed and, in addition, all banks have been placed under the supervision of a board of governors. The board has been given added powers to regulate and control such banks in the interest of the general public.

The fight of the National Union for Social Justice has been and is a winning fight.

All fights for the interests of the masses of the people, if carried through, are winning fights.

Without regard to section, party, race, or creed, we ask all who hope for the preservation of America to support the program for social justice.

SENATOR GORE—EDITORIAL FROM NEW YORK TIMES

Mr. REYNOLDS. Mr. President, I have before me a copy of the New York Times of Tuesday, May 26, 1936, carrying an editorial in regard to our beloved colleague, the Senator from Oklahoma [Mr. GORE], in which he is highly complimented. A number of his friends have suggested that I take this opportunity to ask to have the editorial printed in the CONGRESSIONAL RECORD in order that his friends may see it. I ask that that be done.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of May 26, 1936]

SENATOR GORE

THOMAS PRYOR GORE is one of the bravest and wisest men in the Senate. His conscientious vote against the war cost him his seat, which he held for 14 years after 1907. Reelected in 1930, he is again a candidate. In his present term he gave another proof of his rare quality as a public man by voting against A. A. A. on the ground of its unconstitutionality. Seekers of his shoes are Governor Marland, Representative JOSH LEE, "christened Joshua and later given the middle name of Bryan, after the Great Commoner", and Gomer Smith, Townsendite.

Mr. GORE's speeches in Oklahoma are full of the shrewdness and flashing epigrams and "saving common sense" characteristic of his remarks in the Senate. LEE has as good a job as he's running for. Marland says "that he is about the best Governor Oklahoma ever had. Now is the time for me to repay a debt I owe the people of the State. I decided to keep them from losing the best Governor by not letting him win the Senate seat."

JOSH LEE's platform is "a farm for every farmer and a home for every family":

"You old-timers from Texas and Mississippi know about the promise of 40 acres and a mule. Honor bright, now did any of you people ever hear about two cars in every garage and a chicken in every pot?"

If Josh can convince Mr. GORE that he can carry out his promise, the Senator will withdraw from the field. He'd rather see every farmer with a farm and every family with a home than stay in the Senate for the rest of his life. Promises shouldn't be made unless the promiser can "deliver." Can the $200-a-month man "deliver one-half the Nation's income to one-tenth of the population"? Can he "restore purchasing power by taxes"? Anybody that believes so should vote for him, but "one little snowbird in the hand is worth more than a flock of geese flying above the clouds." Mr. GORE's platform is "Less tax, more trade, no trusts, and no war."

Government aid to the unemployed means that the employed are helping the unemployed. Take home these two little aphorisms:

"The worst thing a man can do to get votes is to give false promises."

"If we don't reduce taxes they will reduce us."

In ELMER THOMAS, Oklahoma has a Senator devoted to the romantic school of finance and political economy. Senator GORE is a disciple of experience and common sense. His intellectual standing in the Senate is something for any State to be proud of.

REPRESENTATIVE DENNIS J. DRISCOLL, OF PENNSYLVANIA

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Pittsburgh Press of May 17, 1936, relative to Representative DENNIS J. DRISCOLL, of Pennsylvania.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Press of May 17, 1936]

THE FIGHT ON MR. DRISCOLL

One of the most competent of Pennsylvania's Congressmen has been marked for destruction this year. The offense for which he is to be punished is that he did a signal service in behalf of honest government.

The Congressman is DENIS J. DRISCOLL, of the Twentieth District, which includes Clarion, Elk, Forest, Mercer, Venango, and Warren Counties.

It was Congressman DRISCOLL who discovered that representatives of the Associated Gas & Electric Co. were deluging members of Congress with fake telegrams opposing the Wheeler-Rayburn utility holding company bill.

A former high-school principal and a student of names, Congressman DRISCOLL thought it was strange that of the thousands of messages he received urging him to vote against the holding company measure, all save a few were signed with names starting with the first few letters of the alphabet. He wrote some of his constituents and found that the telegrams were forgeries. Whereupon he reported the matter to the Senate Lobby Committee and caused an investigation.

This investigation revealed that an Associated Gas & Electric Co. representative had gone to Warren, Pa., where he had written many telegrams opposing the holding company bill and had signed them with names taken out of the telephone directory. A Western Union messenger boy also testified that he was paid 3 cents for each signature he secured to messages opposing the act. Western Union files at Warren were then destroyed to cover up what had happened.

The procedure which Representative DRISCOLL exposed was so dishonest and unfair that it not only constituted forgery and false pretenses, but was a direct challenge to our system of government.

An attempt was made to intimidate Congressmen by deluging them with telegrams which were deliberate forgeries. It was an indecent, contemptible, and wholly repugnant practice.

For exposing it, Joe Grundy's Pennsylvania Manufacturers' Association has marked Representative DRISCOLL for slaughter in next November's election. Reports are that money will be freely spent to defeat him, and that the full power of the Republican machine will be turned against him. The holding companies, working with Grundy and the other G. O. P. leaders, are determined to make an example of the man who dared expose and oppose their crooked tactics.

To avoid any primary fight, the Republican candidate was decided on at a conference, and since then banquets have been given in various counties to organize sentiment against Mr. DRISCOLL. Small-business men have been formed into branches of the Pennsylvania Chamber of Commerce, to protect themselves against "unjust and discriminatory legislation." That phrase, of course, refers in this instance to the Wheeler-Rayburn bill. The business groups have been strangely silent about the danger from fake telegrams and dishonest lobbies.

Twenty-six of the 28 newspapers in Mr. DRISCOLL's district now are Republican, several having changed hands recently. He will get scant newspaper attention and have little financial support, while his opponent will have plenty of publicity and finances.

Therefore, the Pittsburgh Press, in order that the people of the six counties represented by Mr. DRISCOLL may know the facts, will endeavor to keep his campaign before the eyes of his constituents.

Mr. DRISCOLL, of course, is just an incident in this fight. While he has made a good record and is a splendid citizen, his personal fortunes are unimportant compared to the fortunes of the people whom he represents.

This isn't a battle against Mr. DRISCOLL so much as it is an attack on the public; an effort to punish those who insist on honesty in public affairs and to intimidate those who try to protect the consumers from the misdeeds of great utility combinations. Mr. DRISCOLL has become the symbol of a great issue.

SUPREME COURT DECISION ON MINIMUM-WAGE LAW

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Philadelphia Record of June 2, 1936, relative to the recent decision of the Supreme Court of the United States on the New York State minimum-wage law.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of June 2, 1936]

PROMETHEUS BOUND

Women working in laundries for $6 a week.
A great wrong—but we can't do anything about it.
So rules the Supreme Court of the United States.

Two weeks ago this highest tribunal ruled, in the case of the Guffey Act, that for the Federal Government to fix minimum wages would violate States' rights.

Yesterday the same highest tribunal ruled the States haven't got the right.

Low wages pull down living standards. They reduce buying power. They undercut decent competition. They increase crime and ill health, and add to the community's tax bill.

Everybody agrees that the sweatshop is a menace.

The Supreme Court says we're helpless to stop it.

When the Federal Government seeks to wipe out the sweatshop by fixing minimum wages, as in the N. R. A. and the Guffey Act, the Supreme Court throws the legislation out on the ground that it violates the rights of the States.

But when 10 States exercise those rights and enact State minimum-wage laws, the Supreme Court throws those laws out—as a violation of the Federal Constitution.

The Supreme Court's decision yesterday voiding the New York State minimum-wage law creates an impossible situation.

It ties the hands of the States as it has already tied the hands of the Federal Government.

It recognizes the existence of an evil, but forbids either State or Federal Government to do anything about it.

An overwhelming majority of the American people want minimum-wage laws to wipe out the sweatshop—but five men in black robes override them.

The Supreme Court sanctifies the sweatshop and places it above the law.

It seeks to foster wage slavery as it once sought to foster chattel slavery.

It leaves the American people bound, like Prometheus in the fable, to the rock of reaction with the vultures of exploitation at its vitals.

* * * * * * *

Like the Dred Scott decision on chattel slavery, the Supreme Court's decision on State minimum wages brings the American people face to face with an irrepressible conflict.

If this new conflict is not to culminate, as did the other, in civil war, the power of the Court must be curbed and its arrogant usurpations of power ended.

The power of the Court to block peaceful reform by democratic means must be broken once and for all. The problem of breaking that power is the paramount issue of our time. No other issue can be met, until that issue is met.

The administration can no longer evade it.

The advice given to the American people by the fathers in Philadelphia on July 4, 1776, applies even more truly to the Supreme Court than it did to the acts of George III.

"* * * when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them to absolute despotism, it is their right, it is their duty, to throw off such Government, and to provide new guards for their future security."

A Government set up to be a government of the people has become a Government of irresponsible Judges.

A government set up to safeguard "life, liberty, and the pursuit of happiness" has been subverted by judicial autocracy into a government to exalt property rights above human rights—at no matter what cost in constitutional misinterpretation.

There is a sinister parallel between the case of Dred Scott and the case of the New York minimum-wage law.

The Dred Scott case was the first in which the Supreme Court held that due process meant something more than a guarantee against arbitrary action by government.

The New York State minimum-wage decision is the full blossom of the vicious doctrine that permits reactionary judges to call any law a violation of "due process" that they do not happen to like.

As for the part played in this decision by Mr. Justice Roberts, he displays himself in his true colors—the corporation lawyer elevated to the bench. He might have made this a 5–4 favorable decision. He should have made this a 5–4 favorable decision.

When the fixing of milk prices to protect dairy farmers and milk companies was before the Court only 2 years ago, Mr. Justice Roberts wrote the 5–4 majority decision upholding the law.

Had Mr. Justice Roberts been consistent, he would have upheld minimum-wage legislation, for in that case he said "the power to promote the general welfare is inherent in Government." He swept aside the "due process" shibboleth, and he said:

"So far as the requirement of due process is concerned, and in the absence of other constitutional restrictions, a State is free to adopt whatever economic policy may reasonably be deemed to promote public welfare and to enforce that policy by legislation adopted to its purpose. The courts are without authority either to declare such policy or, when it is declared by the legislative arm, to override it."

How much longer will we let the Supreme Court sanctify the sweatshop and pervert democratic process?

NATIONAL FLOOD CONTROL—CONFERENCE REPORT

Mr. COPELAND submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered (1): That the House recede from its disagreement to the amendment of the Senate numbered (1), and agree to the same with an amendment, as follows:

In the Senate engrossed amendment:

Section 2:

Page 2, line 7, by substituting the word "allied" in lieu of the word "other"

Page 2, lines 15 and 16, by striking out the words "and supervision of the Chief of the Soil Conservation Service" and the word "specifically"; line 18, by substituting the words "Secretary of War" in lieu of the words "Chief of Engineers"; line 21, by striking out the period after the word "involved" and substituting in lieu thereof a colon and the words *"Provided,* That the foregoing grants of authority shall not interfere with investigations and river improvements incident to reclamation projects that may now be in progress or may be hereafter undertaken by the Bureau of Reclamation of the Interior Department pursuant to any general or specific authorization of law."

Section 3:

Page 4, line 18, by striking out the period at the end of the word "streams" and inserting in lieu thereof a colon and the words: *And provided further,* That nothing herein shall be construed to interfere with the completion of any reservoir or flood control work authorized by the Congress and now under way."

Section 5:

Page 43, between lines 12 and 13, by inserting the words: "Logansport, on Wabash River, Indiana; Construction of remedial works for flood relief; data in office of Chief of Engineers; cost, $612,000."

Page 15, by striking out lines 1 to 15, inclusive.

Page 18, by striking out lines 16 to 21, inclusive.

Section 6:

Page 63, line 15, by striking out the words "at Fremont".

Section 7:

Page 67, line 22, by substituting the word "Arkansas" in lieu of the word "Alabama".

And the Senate agree to the same.

ROYAL S. COPELAND,
DUNCAN U. FLETCHER,
CHAS. L. MCNARY,
MORRIS SHEPPARD,
HIRAM W. JOHNSON,
Managers on the part of the Senate.

RILEY J. WILSON,
WILLIAM M. WHITTINGTON,
GLENN GRISWOLD,
ROBERT F. RICH,
Managers on the part of the House.

Mr. ROBINSON. Mr. President, may I ask the Senator in charge of the conference report to make a statement explaining it?

Mr. COPELAND. Mr. President, I shall be glad to do so, and desire to do so.

Most of the changes are of a minor nature. There was an effort made to have certain soil erosion and forestation and reclamation projects provided for in some way. The language of the bill is made quite general that where a joint survey is to be made it shall be made, not by the Army Engineers and some one of the bureaus of the Department of Agriculture, but by the Secretary of War and the Secretary of Agriculture.

There is one matter to which I should invite attention as it is proper that the Senate should know about it. The conferees considered at one and the same time the omnibus flood-control bill and the lower Mississippi flood-control bill, known as the Overton bill. So far as provision for contributions is concerned, the two measure are now identical. However, the omnibus bill, the conference report on which has just been read, contains two items relating to the St. Francis River and the Yazoo River and tributaries, which items were also found in the Overton bill.

The St. Francis project was not really in conference. It was in the omnibus bill as it came to us and also in the Senate amendment. We have had conferences with all the parties in interest. I am sure the Senator from Missouri [Mr. CLARK] will verify my statement. In view of the fact that the St. Francis River project is in the Overton bill, which has been approved, it was believed it ought not to be retained in the omnibus bill because that would make a double appropriation.

It was understood with the Senator from Mississippi [Mr. BILBO] that if the conferees should reach a final agreement with reference to the Yazoo River project, which was in the Overton bill and the Senate provisions of the omnibus bill,

but not in the House provisions of the omnibus bill, it should come out of the omnibus bill as finally approved.

Both these projects, the St. Francis and the Yazoo, have been eliminated from the omnibus bill, but both projects are in the Overton bill.

Mr. ROBINSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Arkansas?

Mr. COPELAND. Certainly.

Mr. ROBINSON. As I understand the Senator from New York, the two projects mentioned—namely, the St. Francis and the Yazoo—were retained in the Overton bill?

Mr. COPELAND. That is correct.

Mr. ROBINSON. They have been eliminated from the omnibus flood-control bill?

Mr. COPELAND. That is correct.

Mr. ROBINSON. There were certain reservoir projects embraced in both bills in the conference but not included in either bill by the Commerce Committee?

Mr. COPELAND. That is correct.

Mr. ROBINSON. There were 13 reservoirs in the Arkansas River Basin and an equal number in the White River Basin. These were embraced in the original House omnibus bill and eliminated by the Senate committee from the House omnibus bill. They were incorporated in the Overton bill by a vote of the House. What disposition was made of those projects?

Mr. COPELAND. No subject received such serious consideration and such careful study as did the projects referred to by the Senator from Arkansas. The conference committee met three different days, and at the request of the House conferees, to which we were very glad to accede, the projects for the reservoirs on the White and Arkansas Rivers were resubmitted to the Army engineers to see if justification might not be found for their inclusion in the flood-control bill.

There could be no doubt of the great value of the 26 reservoirs, 13 on the White River and 13 on the Arkansas River. They are very valuable projects and ultimately will be developed. It was found in the past, and a restudy has demonstrated further, that the projects are largely power projects. Their value as flood-control projects would not justify their inclusion in the flood-control bill.

I am sorry about that, because I know the great interest of the senior Senator from Arkansas [Mr. ROBINSON] and the junior Senator from Arkansas [Mrs. CARAWAY], who pressed the matters upon us in the committee and insisted upon their inclusion. We took the items back repeatedly to the Army engineers, but the verdict has not been changed.

Mr. ROBINSON. Mr. President, the Army engineers, in a report submitted under section 10 of the 1928 Flood Control Act, recommended those reservoirs, as I read their report, as advantageous features of the plan for flood control of the Mississippi River. I am unable to understand why it is that they have reversed their attitude on those projects. It is apparently true that they have done so.

I know the contention is made that some of the reservoir projects are coupled in with power problems; but it is not my understanding, in the first place, that that is true as to even the greater number of the projects, and it is not my understanding that there is any sound reason for eliminating them even though they do involve power problems.

There are some reservoirs in the bill which admittedly are essentially power projects as well as flood-control projects. According to my understanding, all of these projects are inseparable from the complete and effective flood control of the Mississippi and its tributaries. I know that they would have involved the addition of a large sum to these bills, and I know that it is expected that further studies of them will be made; but I am interested to understand how it is that the engineers now persistently maintain that these projects are not essential, or that they are not parts of a desirable flood-control system.

Mr. COPELAND. Mr. President, if I may reply to the Senator, there has been no reversal of opinion on the part of the Army engineers regarding the value of these projects when consideration is given not alone to flood control but to power development, irrigation, and reclamation. Every one of these projects is an approved project with the Army engineers when all these elements are considered, but we started out in this bill and established a policy. We decided to limit this bill strictly to flood-control projects.

We have on the floor of the Senate a very able Senator, the Senator from Maryland [Mr. TYDINGS], who last year made a remarkable speech, some of which was well founded in fact and other parts visionary, but nevertheless it was effective, because the fact stood out that the bill carried six or seven hundred million dollars, probably between seven hundred and eight hundred million dollars. The particular projects on the Arkansas and the White, if added to this bill, would involve $126,000,000, would be almost a 50-percent addition to the part of the bill we have before us, which is the part to be paid for by the Government. When the projects on the White and the Arkansas are analyzed, and when flood control is given its own value, every one of them falls below $1 investment to 50 cents of return. They are uneconomic. There is not a single project in this bill as to which the return is not dollar for dollar; that is, for every dollar invested for flood control there is an economic return of at least $1, and in many cases twenty-five or thirty dollars; but not one of the 26 projects on the White or the Arkansas, when considered wholly with reference to flood control, is economically justified.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. COPELAND. I yield.

Mr. ROBINSON. May I ask the Senator how the economic value of a project with respect to flood control is determined by the engineers? What plan do they follow?

Mr. COPELAND. The Senator is asking me a pretty big question.

Mr. ROBINSON. It is an important question.

Mr. COPELAND. The possible loss of life, the probability of the wiping out by the floods of soil, valuable tillable land, the destruction of other land by bringing down gravel and sand upon it are items which are considered, and I think I may say they are the chief ones.

If we were considering the question of the ultimate full use of the reservoirs upon the White and the Arkansas when built high enough not alone to carry the flood waters but also to have a reserve of water which could be called upon for power development, all right; but to do that, as I have said, would add $126,000,000 to the bill without an economic justification according to the rules laid down. I am sorry. I wish I could be more reasonable about it.

Mr. ROBINSON. Mr. President, may I ask the Senator another question?

Mr. COPELAND. Yes.

Mr. ROBINSON. What is the provision finally agreed upon by the conferees on the omnibus bill—that is the conference report which is before the Senate—with respect to local contributions?

Mr. COPELAND. The localities must provide the cost of land and damages as set forth in section 3. They must provide, without cost to the United States—

> All lands, easements, and rights-of-way necessary for the construction of the project, except as otherwise provided herein; (b) hold and save the United States free from damages due to the construction works; (c) maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of War.

Then where these reservoirs are built in a locality which would not be benefited, the cost of the dam sites and the easements must be allocated to the States or localities benefited by the flood control.

Mr. ROBINSON. Is that substantially the Senate provision, or was the Senate provision modified?

Mr. COPELAND. That is substantially the Senate provision. However, the House provision was not unlike it. The House provision, found on page 2 of the bill, provides that

before these projects are undertaken, the States or responsible local interests must give—

Assurances satisfactory to the Secretary of War that they will (a) provide without cost to the United States all rights in land and other property necessary for the construction of the project; (b) hold and save the United States free from damages in connection with the construction works; (c) maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of War.

So there was no difference of opinion between the two Houses with regard to the contributions.

Mr. CLARK. Mr. President, with regard to the statement of the distinguished chairman of the Commerce Committee on the subject of the St. Francis and the Yazoo Rivers, I should like to say that I was especially interested in the matter of the St. Francis River, and to a lesser degree interested in the Yazoo River, which falls within the same category as the St. Francis from the standpoint of legislation.

I do not believe there is a more meritorious flood-control project in the United States than the St. Francis River, which is located in the alluvial plain of the Mississippi River, and which, owing to the draining of the swamplands in recent years, sometimes has as many as two or three disastrous floods every year.

I therefore urged, both in the committee and in the Senate, that although the St. Francis project—which, I may say, has been reported by the Army engineers at the very head of their list of projects for some years—had already been included in the Overton bill, it should also be included in the omnibus bill, because the situation in the St. Francis Valley was so desperate and so urgent and of such constant recurrence that I was unwilling to take a chance on which bill would pass, the Overton bill or the omnibus bill; and I therefore insisted, both in the committee and in the Senate, that the St. Francis and the Yazoo be included in both bills.

With the meeting of what was virtually a joint conference on the two bills, Mr. President, a practically uniform system has been worked out regarding the controverted matters in the two bills; and after consultation with the other Senators from the area involved, and particularly with the Representatives who are interested in the same subject, I have become convinced that the retention in both bills of the St. Francis and the Yazoo projects would endanger the adoption of the conference reports on both bills in the House of Representatives, and that the same result has been accomplished by the working out of a uniform system through the two bills. Therefore, so far as I was concerned, when the chairman of the Commerce Committee and the head of the Senate conferees consulted me about the matter, and at the urgent recommendation of the Members of the House interested, I consented to the dropping of the St. Francis project from the omnibus bill.

While I am on my feet, Mr. President, I should like to say that I agree very thoroughly with what the Senator from Arkansas has said with regard to the White River projects, and, so far as I know, the Arkansas River projects, although I am not so familiar with them as I am with the White River projects.

Those projects have been favorably reported several times by the Board of Army Engineers; but I should like to say to the Senator from Arkansas that the situation in the committee was that a rule was established—and it was not established by my vote—that only the most urgent flood-control projects should be considered in connection with this bill, and that all projects which were as much power projects as flood-control projects, while they might be meritorious from a flood-control standpoint, should be omitted from the bill; and when that rule was adopted the Army engineers dropped the White River projects and the Arkansas River projects out of their recommendation.

I can say further to the Senator that I had two additional reports made on the White River projects; and while they did not in any way modify the report of 1928, to which the Senator has referred, the engineers were unwilling at this time to include them in the list of the preferred projects in the bill as to which a general estimate had been given respecting the amount the bill was to carry.

I was not satisfied with that. I made a motion in the committee to include the White River projects, and after elaborate debate, and as hard a fight as the Senators interested in the subject were able to make, the motion was defeated by a decisive vote of almost 2 to 1. That having happened in the committee, I did not make the fight—for the same reason, I assume, the Senator from Arkansas did not make the fight—on the Senate floor to include the White River projects or the Arkansas River projects, because we felt it would have endangered the passage of the bill.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from Missouri yield to the Senator from New York?

Mr. CLARK. I yield.

Mr. COPELAND. I would not say that the Senator from Arkansas did not make a fight. He did. He not only made a fight on the floor but he made a vigorous fight with me, so I know that the Senator from Arkansas has made every effort to have the projects included.

Mr. CLARK. I did not mean to intimate that the Senator did not make a fight for the projects. If I used that expression, I used it inadvisedly. What I meant was that the Senator from Arkansas was not willing to endanger the passage of the bill, nor was I.

Mr. ROBINSON. Mr. President, the failure to include the reservoirs on the White and the Arkansas Rivers is attributable, in my judgment, to the rule adopted by the committee not to incorporate projects which did not have the approval and recommendation of the engineers. I am of the opinion—and we might just as well be frank about the matter—that the reason for the rule was the desire of the committee to limit in some way the amount of the authorization carried in the bill in the hope that by doing so the bill would receive Executive approval and become law.

The omnibus bill carries many authorizations in which my colleague and I are very sincerely and profoundly interested. As I read the conference agreement, it embraces not only the levees which were included by the Committee on Commerce after our presentation of the matters there, but also those which were incorporated in the Senate by amendments offered by my colleague and myself, having reference particularly to the levee for the north bank of the Arkansas River from North Little Rock to Gillette, and what is known as the Faulkner County levee.

Mr. President, the Senator from New York and I have not had any personal feeling about this matter, and I do not want the Senator to arrive at such an understanding from the language the Senator has used. My colleague and I have pressed these reservoirs which have been omitted, and we are disappointed that they are not included. In my opinion the failure of the engineers to approve them at this time is, in part at least, attributable to the fact that they contemplated a very large authorization in addition to that carried in the bill, and that the projects also involved questions relating to power and perhaps soil erosion which the Executive, and the engineers, felt required further study.

The Senator from New York has said that these projects are worthy and that they may be included in future legislation when further studies shall have been completed. That gives us some measure of satisfaction, although it does not make us happy.

Mr. COPELAND. Mr. President, may I interrupt the Senator?

Mr. ROBINSON. Certainly.

Mr. COPELAND. I wish to say that on the urgent request of both Senators from Arkansas we had repeated studies made of the levees in Faulkner County and other places in that region, and the bill does contain far more in that direction than I originally thought we would be able to include. So I think the Senators from Arkansas have done their full duty by their State, and we were convinced that if we added to the bill a couple of hundred million dollars more, there

would not be enacted any law on this subject at this session of the Congress. So what the State of Arkansas will get if this measure becomes law it probably would not have had if we had continued to make additions to the bill.

Mr. OVERTON. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON. I yield.

Mr. OVERTON. I wish to make a brief statement, with the permission of the Senator from Arkansas, in reference to the 26 reservoir projects. I gave study to them not only in the perfection of the bill which I had the honor to introduce but in considering the omnibus projects bill.

As a member of the Committee on Commerce I urged that these 26 reservoirs be included in the omnibus bill. For the reasons stated by both the Senator from New York and the Senator from Arkansas, they were not included, upon a vote of the members of the Senate Committee on Commerce.

While I was not one of the conferees on the omnibus bill, at the suggestion of the chairman of the committee I remained during the conference which took place upon that bill and made suggestions. Among the suggestions I made was that all or part of these reservoirs be included; and I should say to the Senator from Arkansas that I read to the conferees, and in the presence of the representative of the Chief of Engineers, who was in attendance upon the conference, the recommendations which had heretofore been made by the Chief of Engineers in respect to these reservoirs.

I regret that these projects were not included, but I feel quite sure that in future legislation they will be taken care of, because in my opinion they are meritorious.

Mr. ROBINSON. Mr. President, I have said all I desire to say at this time on the subject of the reservoirs. I am gratified, of course, that the amendments relating to the levees have been retained in the bill.

Let me add that I think the provision as to local contributions will make improbable the construction of any reservoirs which are authorized under the proposed legislation; and, briefly, I will state my reasons for that opinion.

It is doubtful whether landowners alleged to be benefited by reservoirs far removed from the situs of their property may be induced to make contributions to the costs which are imposed as local contributions under the bill. I think it may operate to prevent, for some time at least, the construction of reservoirs; and also that it may be necessary in the future, after that subject has been further studied, to make some changes in the local-contribution provision. A reservoir constructed, for instance, in Missouri, on the White River, presumably will result in some benefits to landowners all the way down the White and all the way down the Mississippi from the junction of the White with that great stream.

I mention these rivers merely as illustrations. However, I sincerely doubt if any landowner either in Louisiana or in Arkansas—particularly in that part of the State which is remote from the reservoir—would feel that the benefits to be derived from the reservoir would be sufficient to justify him in attempting to meet the requirements as to contributions. That may be added to the consideration that already most of the lands presumably to be benefited are within local levee districts under the authority of which heavy levee taxes have been imposed for generations in some instances, for many years in others, and these local levees have just about exhausted the power of the landowners to pay taxes for improvement benefits.

In addition to that, there is a problem which presents many complications and difficulties, one that under this provision with respect to contribution will devolve upon the engineers. Of course, it may not present all the difficulties to an engineer that it presents to the average citizen, but the task of working out with any degree of accuracy or reliability the measure of benefits to be derived by lands that are remote from the sites of the reservoirs is one that I think will be very difficult to perform effectively and reliably.

I recognize that the subject has received very careful consideration by the committee, and also by the two Houses. I content myself at this time with the statement I have made.

Mr. BILBO obtained the floor.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. COPELAND. I think the Senator from Arkansas is entirely correct when he says there are great difficulties involved in the allocation of benefits. I should have a headache right now if I had to start in to make an allocation. It is going to be extremely difficult to make allocations, and it may well be, as the Senator has said, that in the future some different policy may be devised. For the time being, however, it seems to me that what is contemplated by the bill is the wise thing to do, and the Army engineers seem very confident that they can do it, so we shall have to give them a chance to do it.

Mr. ROBINSON. I will simply add one further thought, and that is that it is some measure of consolation to my colleague and myself for the failure to succeed in having the reservoirs heretofore mentioned incorporated in the bill, when we recognize the fact that they probably could not be constructed anyway under the language of the bill.

Mr. BILBO. Mr. President, it is not my purpose to take more than a few minutes of the Senate's time on the question of adopting the report from the conference committee on the omnibus flood bill, because I appreciate the fact that the Senate is very anxious to proceed with the discussion of the revenue measure. However, in passing, I should like to say on that subject that I think this is the time when the 15-minute limit on debate should be invoked, because after all the revenue bill should be fought out in conference, and we should get the conferees busy working on the bill as soon as we can in order to adjourn on the date hopefully fixed, June 6.

I desire to make some observations on the flood control bill in response to the statement made by the Senator from New York. He states correctly my agreement to take out of the omnibus flood bill the Yazoo Basin proposition, because it was not my desire to have it in both the omnibus flood bill and the Overton bill. However my agreement—and I am making this statement to keep the record straight—to keep it out of the omnibus flood bill was predicated upon the passage of the Overton flood bill. I am just wondering in what position I would be under such an agreement if the Overton flood bill should meet with Executive veto and the omnibus flood bill should be approved by the Executive. I merely make the statement because I want it understood that my agreement to take the Yazoo Basin out of the omnibus flood bill was predicated upon the final passage and approval of the Overton bill.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. COPELAND. I should feel very sorry indeed if there was any misunderstanding about the matter. Of course I cannot speak for what the Executive will do. That may seem odd to the Senator because, of course, ordinarily I am the Executive's spokesman here, as the Senator well knows, but on this particular matter I am not advised what the President will do. It may well be that flood-control bills will not be signed until after Congress shall have adjourned, particularly if it shall adjourn on Saturday. I should not be willing to have the matter held up that long. If it would make the Senator happier, I should not object at all to delaying final action here until the information comes from the House that the bill has passed the House. However, we are in the fullest agreement. I may say that in the agreement made concerning the Overton bill as regards the Yazoo River, it is provided that reservoirs may be built, or the engineer, in his discretion, may substitute levees, floodways, and channels.

Further, in order to make assurance doubly sure, and having the Senator from Mississippi in mind, a proviso is added to the Overton bill reading as follows:

Providing further, That nothing herein shall be construed to interfere with the completion of any reservoir or flood-control work authorized by the Congress and now under way.

Therefore, whatever is being done on the Yazoo will be continued.

Mr. BILBO. Mr. President, I appreciate the observations made by the Senator from New York in this connection, and I will say that I much prefer to have the Yazoo Basin proposition included in the Overton bill than in the omnibus flood bill. However, representing a flood-ridden constituency in Mississippi who are keenly interested in this piece of legislation, I did not want them to think for one minute that I had traded them out of relief in making the agreement. I made the agreement with the understanding that the Overton bill would become a law.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. CLARK. Does not the Senator believe that by the withdrawal of the Yazoo River and the St. Francis project from the omnibus flood-control bill the chances of both the Overton bill and the omnibus becoming law are very much enhanced?

Mr. BILBO. I hope for the best; yes, sir.

Mr. President, I appreciate the fact that by not making opposition to the adoption of the conference report I am giving my consent to a provision of law to which I have every objection in the world, and that is the doctrine of local contribution for flood control. My views on this subject were given to the Senate a few days ago in detail, and I shall not attempt to repeat that argument, but it is gratifying to me that the views advanced on that occasion are already bearing fruit. When the Senator from Arkansas today said those splendid things I was just thinking that if he had said them the other day when this question was before the Senate for discussion possibly my amendment would have received more votes than it did.

I know that some Senators are inclined to become frightened at the large figures that are discussed in connection with flood control in this country. While I did not have the pleasure of hearing his speech, I understand the Senator from Maryland [Mr. TYDINGS], at the last session, routed the advocates of flood-control legislation and defeated it at that time because of holding up before the Senate the enormous amount of money involved in the bill then pending. I repeat that if any Senator has any doubt about where we are headed in the expenditure of public funds for flood control, and if he is not willing to talk about billions, this will be no place for him, because we are beginning a program which will involve the expenditure of from twelve billion to $15,000,000,000 before the job is finished. I have a suspicion that when some Senators get back to their homes and consult their constituents they will find that a majority of them are in favor of this responsibility being assumed in toto by the Federal Government.

Mr. President, of course, I am not going to vote against the conference report because I want these two bills to become laws, and because I have some projects in both the bills as they now stand and as they are now reported by the conference committees; but, in doing so, I want to register my objection to the principle of local contributions in connection with such projects, and I do it with the hope that in the near future the American Congress will realize that flood control in this country is a Federal responsibility and must be assumed in toto as such in the years to come.

Mr. COPELAND. Mr. President, I wish to say for the benefit of the Senator from Mississippi [Mr. BILBO] that his constituents can never fail to be appreciative of the efforts he has made regarding the Yazoo project, and, indeed, in connection with the whole subject of flood control. He was just as urgent and insistent in the committee as he has been here on the floor, and I think that his constituents have reason to thank him for very much that has been accomplished by the provisions which are found in the bill.

I wish to say also that, of course, if the Senator from Arkansas [Mr. ROBINSON] had spoken at the time to which the Senator has referred, it might have made a difference in some votes, because the Senator from Arkansas is very influential, but the Congress, for once, was quite united on a policy. I wish to say for myself that I would be ashamed if the State of New York did not pay the six or eight million dollars that it must pay as a local contribution toward this work. I think I may say to Senators from the South that they have been extremely liberal down there. They have spent two or three hundred million dollars in the way of local contributions. But, at least, we must do what we can do to prevent the recurrence of such floods as have taken place in the past.

Mr. BILBO. Mr. President, in response to what the Senator from New York has said, I will state that the lower Mississippi Valley has spent in the neighborhood of $330,000,000. We have spent "until it has hurt", and we are getting tired of spending. We have done this not asking for any return, but we have done it all the time knowing that it was a Federal responsibility. It is gratifying to know that day by day the sentiment is growing with the American people that this is a total Federal responsibility, and will be so determined in the end. I am sure that, as time goes on, the entire Congress will come to this conclusion.

I appreciate the reasons for the insertion of the local-contributions provision, and I appreciate the reasons for the Congress accepting it at this time, because our country is flood conscious. When Senators realize that their constituents demand that something be done, not only in the lower Mississippi Valley but on the eastern seaboard and throughout the West, in their hurry to do something for their people they swallow a policy which in the end they will find out they cannot pursue.

Mr. ROBINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Arkansas?

Mr. BILBO. I yield.

Mr. ROBINSON. I do not wish the Senator to infer from the statement I made that I think the principle of local contributions should be entirely abandoned. I think it is wholesome and essential in order in some instances to prevent the imposition of impossible burdens on the Federal Government. I think, however, that with respect to reservoirs the provision that is in the bill will be difficult to administer.

Mr. BILBO. Mr. President, I do not share the views of the Senator from Arkansas that total responsibility on the part of the Federal Government will result in extraordinary expenditures or unreasonable expenditures, for these projects will be safeguarded by the necessity of having the approval of the Board of Army Engineers, as has been the policy of the Government since we have undertaken flood control. With that safeguard, I am sure there will not be what is called the "pork barrel" species of legislation.

As the Senator suggested a while ago, the provision in these bills for the assessment of the expense of building reservoirs on the territories mostly benefited is not feasible; it is not practicable; it will not work. If I had been writing this bill, and wanted to camouflage the measure in order to defeat the progress of flood-control legislation, I could not have devised a better scheme than section 3 of the flood-control bill providing for the contributions from the States that are benefited, to be assessed by the Board of Army Engineers. It is not possible, it is not practicable, and when the assessments are made it will never be possible to collect the assessments in such a way that the work may go on.

Mr. WHEELER. Mr. President, I understood the chairman of the committee to say that in conference all power projects were eliminated from this bill. Did I correctly understand the Senator from New York?

Mr. COPELAND. All those projects which were purely power projects and projects which were a combination of flood control and power where the flood control represented less than a dollar-for-dollar return were eliminated.

Mr. WHEELER. I assume that the items were eliminated on the advice or suggestion of the Army Engineers. Is that what I am given to understand?

Mr. COPELAND. That is correct.

Mr. WHEELER. It seems to me, Mr. President, that that is a very foolish idea, because, on the contrary, if, when we are providing for flood control, we can likewise sell some power in connection with the flood-control projects, we are going thereby to help the Government of the United States to pay for those projects.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Missouri?

Mr. WHEELER. I yield.

Mr. CLARK. Is it not true that on the purely flood-control projects, almost without exception—not quite without exception but in a great majority of cases—the benefits inure solely to individuals, while in the case of a flood-control project mixed with a power project the Federal Treasury can be reimbursed to a large extent from the sale of power? So, from the standpoint of ordinary good business, it seems to me that mixed power and flood-control projects should not have been eliminated.

Mr. WHEELER. Of course, that is so. I have been suspicious, as a matter of fact, for some time that some of the Army Engineers have opposed any project where there was any thought or possibility of developing some power. I feel confident the reason why they have been somewhat prejudiced against the Big Horn Canyon is because of the fact that power can be developed there, and if it were developed the project could, by the sale of power, pay every 5-cent piece that the Government expended on it.

I merely wanted to say to the Senators from the South who are interested in flood control that while I have no items in the flood control bill for my State, yet I do not want to do anything to prevent the passage of a bill that is going to help other sections of the country, but I think that it is time that the southern Senators who are interested in flood control in the lower Mississippi Valley ought to cooperate with those of us from the North who are interested in preventing flood control by the building of dams and reservoirs at the headwaters of the rivers. If they are not willing to go along with the development of power on projects which are of benefit to our States but want all the money spent in some of the Southern States, it seems to me that they are pursuing a very short-sighted policy with reference to the whole flood-control problem.

Flood control is not something just for Mississippi and for Louisiana, but it is national in its aspects, and when the problem is looked at from a national standpoint, it has been recognized by engineers for years that one of the best ways to prevent floods is to build dams and reservoirs in the headwaters of the streams.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. RUSSELL. The Senator from Montana falls into error as to the Board of Army Engineers and in reaching the conclusion that the interests of Senators from the South are confined to the Mississippi River. I have earnestly endeavored to interest the Army Engineers in a project for flood control, navigation, and power development on the Savannah River, a river that has periodical and recurring floods which do great damage. I might say to the Senator from Montana that I have been ready to join with him or any other Senator in the promotion of power projects that have definite flood-control value.

Mr. WHEELER. I thank the Senator, but I am sure, unless the Army Engineers change their minds, that we will not be able to have any project recommended by them where there is any possibility of power development. I do not know what influences are at work with the Chief of Army Engineers, or some of the Army Engineers, who seem to want to condemn every project connected with flood control when some power development is connected with it. In the first place, it is a foolish, unbusinesslike proposition, because if the Government can sell cheap power, and thereby help the citizens of the particular locality, and, in addition to that, get back the money it has expended, that is the kind of policy which should be adopted.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. WHEELER. Certainly.

Mr. ROBINSON. The people in the basins of the White and Arkansas Rivers are profoundly interested in the development of power. No situation has arisen which enables one readily to know how much power can be utilized in the immediate or early future. That subject is being studied. It is the opinion of the President that the study should be continued and, as speedily as conclusions shall be reached, the projects should be carried forward.

It will be a distinct disappointment to the people in Arkansas who live in the region where the reservoirs are in prospect that they are not to be proceeded with at this time. There is no doubt in my mind about that. One of the controlling considerations in their minds is that some of the reservoirs have great power possibilities. They believe the development would result in the establishment and expansion of industry.

Mr. WHEELER. I thank the Senator. The same thing is true with reference to the Big Horn Canyon project in Montana. The Army Engineers admit it has great power possibilities. It is one of the few great power sites left in the country. Looking at it entirely aside from the question of power development, the local communities have been flooded out on numerous occasions, and the Government of the United States has lost money which it invested in reclamation projects, and yet the Army Engineers, when they come to consider flood control, do not recommend the project because of the possibility that it would develop a lot of power and by so doing the Government could get much of its money back.

Not only would it affect flood control along the Missouri and Mississippi Rivers, but likewise it would assist in keeping the level of water for navigable purposes in the Missouri River.

I appreciate why the chairman of the committee does not want to open up the subject at this time. He is afraid other projects might be injected into the bill and lead to its defeat. However, I serve notice now that this project is going to be included in any flood-control development measure considered in the future, and I hope when the Army Engineers come to examine it they will not close their minds to it simply because some power may be developed in the particular project.

Mr. COPELAND. Mr. President, I would not be true to my convictions if I did not say a word in defense of the Army Engineers, although I think they need no defense. I cannot believe my friend the Senator from Montana [Mr. WHEELER] was entirely serious in what he said about them. I know how valuable these power developments are found to be. I think the President is right in his plan to have them surveyed and studied with a view to ultimate universal development. I remember seeing in Ireland where the River Shannon had been confined and great power was being developed to the advantage of the Irish people.

When it comes to these projects and the attitude of the Army Engineers, I believe there is no man on that corps who could be approached or influenced in any way. They are hard-boiled. I know that. I have tried time and time again to obtain a favorable report on a little project here or there which I felt was valuable, but I had no influence with them in spite of the fact that I am not only chairman of the Commerce Committee but chairman also of the subcommittee of the Appropriations Committee having charge of the War Department appropriation bill. If anybody in the Senate would have influence with them, I think I would have, and yet I know I have not any.

I believe the Army Engineers are honorable, straightforward, patriotic men. Every one of them is a graduate of the West Point Military Academy. Every one of them is devoted to his country. They are making sacrifices and have all through their lives by remaining in the service. With the engineering training which they have, they could go into private life and make infinitely more money than can be made by remaining in the Army. They are upright, patriotic, noble, self-sacrificing citizens. I feel it only just and proper that I should say at least this much in defense of the Board of Army Engineers.

Mr. GUFFEY. Mr. President, it is my intention to vote for the conference report. I do not want to vote against

it, as I should dislike to have Congress adjourn without taking steps looking to flood control.

I quite agree with the Senator from Mississippi [Mr. BILBO] that flood control is a Federal responsibility. I do not believe we should have or require local contributions. I think that feature of the bill is objectionable because the plan of local contributions is not feasible, is not enforceable, and is not practicable.

I quite agree with the Senator from Montana [Mr. WHEELER] in his criticism of the policy of the Board of Army Engineers. I agree with the Senator from New York [Mr. COPELAND] in all he said with reference to their integrity and honesty, but they have had only one policy for a hundred years and more so far as taking care of the floodwaters of the country is concerned, and that is to build levees, more levees, higher levees. They have thought nothing about stopping the water before it got into the streams, but only of taking care of it after it entered the streams.

Mr. President, I hope the conference report will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2243. An act relating to the allocation of radio facilities;

S. 2303. An act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented;

S. 3043. An act for the relief of the State of Maine;

S. 3452. An act to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes";

S. 3477. An act relating to the jurisdiction of the judge for the northern and middle districts of Alabama;

S. 3885. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 3945. An act to extend the times for commencing and completing the construction of certain free highway bridges across the Red River, from Moorhead, Minn., to Fargo, N. Dak.;

S. 3989. An act to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries;

S. 4184. An act to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925;

S. 4230. An act to amend section 28 of the enabling act for the State of Arizona, approved June 20, 1910;

S. 4298. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1936;

S. 4326. An act granting the consent of Congress to the Department of Public Works of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass.;

S. 4340. An act to authorize the President to designate an Acting High Commisisoner to the Philippine Islands;

S. 4354. An act to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration at Little Rock, Ark., the Texas Centennial at Dallas, Tex., and the National Confederate Reunion at Shreveport, La., between the dates from June 6 to June 16, 1936, inclusive;

S. 4549. An act authorizing the State Highway Board of the State of Georgia to replace, reconstruct, or repair the free highway bridge across the Savannah River at or near the city of Augusta, Ga.,; and

S. 4655. An act relative to limitation of shipowners' liability.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 8442) to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. UTTERBACK, Mr. MILLER, Mr. CELLER, Mr. MCLAUGHLIN, Mr. SUMNERS of Texas, Mr. GUYER, and Mr. ROBSION of Kentucky were appointed managers on the part of the House.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KLEBERG, Mr. OWEN, Mr. PIERCE, Mr. GILCHRIST, and Mr. ANDRESEN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolution of the Senate severally, with an amendment, in which it requested the concurrence of the Senate:

S. 3467. An act amending the Shipping Act, 1916, as amended;

S. 3781. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; and

S. J. Res. 151. Joint resolution making provision for a national celebration of the bicentenary of the birth of Charles Carroll of Carrollton, wealthiest signer of the Declaration of Independence.

The message further announced that the House had passed the following bills of the Senate severally, with amendments, in which it requested the concurrence of the Senate:

S. 3247. An act to amend title II of the National Industrial Recovery Act, as amended by the Emergency Appropriation Act, fiscal year 1935, and as extended by the Emergency Relief Appropriation Act of 1935;

S. 3334. An act to make provision for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps who are injured or contract disease while engaged in military training, and for other purposes;

S. 3818. An act authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service;

S. 3440. An act to amend certain acts relating to public printing and binding and the distribution of public documents, and acts amendatory thereof; and

S. 4524. An act to provide a civil government for the Virgin Islands of the United States.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 267) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by means of catastrophes of nature, and it was signed by the Vice President.

AMENDMENT OF EMERGENCY FARM MORTGAGE ACT, 1933

The PRESIDING OFFICER (Mr. BARKLEY in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, and requesting a confer-

ence with the Senate on the disagreeing votes of the two Houses thereon.

Mr. FLETCHER. I move that the Senate insist on its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GLASS, Mr. ADAMS, Mr. MCADOO, Mr. STEIWER, and Mr. CAREY conferees on the part of the Senate.

LIMITING OPERATION OF SECTIONS 109 AND 113 OF CRIMINAL CODE

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3781) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases, which was to strike out all after the enacting clause and insert:

That the employment of Angus D. MacLean as an attorney or counselor specially employed, retained, or appointed by the Attorney General or under authority of the Department of Justice to assist in the prosecution of the case pending in the Supreme Court of the United States entitled *The Sugar Institute, Inc., et al., appellants,* v. *The United States of America* (docket no. 268, October term, 1935), or the investigation and prosecution of any case pending either in the Federal or State courts in the western district of North Carolina involving lands owned or claimed by the Eastern Band of Cherokee Indians, or by the United States in their behalf, or other public lands owned or involved in litigation in such western district of North Carolina shall not be construed to be employment within the meaning of sections 109 and 113 of the Criminal Code of the United States, as amended (U. S. C., title 18, secs. 198 and 203), or section 190 of the Revised Statutes of the United States (U. S. C., title 5, sec. 99).

Mr. BAILEY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

BICENTENARY CELEBRATION OF BIRTH OF CHARLES CARROLL OF CARROLLTON

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 151) making provision for a national celebration of the bicentenary of the birth of Charles Carroll of Carrollton, wealthiest signer of the Declaration of Independence, which was, on page 4, lines 3 and 4, strike out "appropriated such sums as may be necessary" and insert "appropriated, out of any moneys in the Treasury not otherwise appropriated, a sum not to exceed $12,500, or the necessary part thereof."

Mr. TYDINGS. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AMENDMENT OF NATIONAL INDUSTRIAL RECOVERY ACT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3247) to amend title II of the National Industrial Recovery Act as amended by the Emergency Appropriation Act, fiscal year 1935, and as extended by the Emergency Relief Appropriation Act of 1935, which was to strike out all after the enacting clause and insert:

That the acquisition by the United States of any real property heretofore or hereafter acquired in connection with any low-cost housing or slum-clearance project heretofore or hereafter constructed with funds allotted to the Federal Emergency Administration of Public Works pursuant to title II of the National Industry Recovery Act, the Emergency Relief Appropriation Act of 1935, or any other law, shall not be held to deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or to impair the civil rights under the local law of the tenants or inhabitants on such property; and insofar as any such jurisdiction has been taken away from any such State or subdivision, or any such rights have been impaired, jurisdiction over any such property is hereby ceded back to such State or subdivision.

SEC. 2. Upon the request of any State or political subdivision in which any such project has been or will be constructed, the Federal Emergency Administrator of Public Works is authorized to enter into an agreement, and to consent to the renewal or alteration thereof, with such State or subdivision for the payment by the United States of sums in lieu of taxes. Such sums shall be fixed in such agreement and shall be based upon the cost of the public or municipal services to be supplied for the benefit of such project or the persons residing on or occupying such premises, but taking into consideration the benefits to be derived by such State or subdivision from such project. The aggregate of sums payable under such agreements in any year in respect of any project shall not exceed whichever of the following amounts is the greater:

(a) Five percent of the gross rentals of the project for such year; or

(b) The total amount of real-property taxes levied by such State and its subdivisions upon the site (including improvements) of the project for the last tax year which expired prior to the acquisition of such site by the United States.

SEC. 3. Such payments in lieu of taxes, and any other expenditures for operation and maintenance (including insurance) of any low-cost housing or slum-clearance project described in section 1, shall be made out of the receipts derived from the operation of such projects. To provide for such payments and expenditures the Federal Emergency Administrator of Public Works is authorized from time to time to retain out of such receipts such sums as he may estimate to be necessary for such purposes.

SEC. 4. In the operation of any slum-clearance or low-cost housing project described in section 1, the Federal Emergency Administrator of Public Works is authorized to fix the rents at such rates as he shall determine to be necessary in order to make such project available to those families in the community who are unable to pay enough rent to induce private enterprise to supply adequate, safe, and sanitary housing, notwithstanding that the rental rates so fixed may not provide for repayment in full of the funds expended in connection with the project.

SEC. 5. In connection with any low-cost housing or slum-clearance project described in section 1, the Federal Emergency Administrator of Public Works, with the approval of the President, is authorized to dedicate streets, alleys, and parks for public use, and to grant easements.

And to amend the title so as to read: "An act to waive any exclusive jurisdiction over premises of Public Works Administration slum-clearance and low-cost housing projects, to authorize payments to States and political subdivisions in lieu of taxes on such premises, and for other purposes."

Mr. GEORGE. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

Mr. GEORGE subsequently said: Mr. President, this morning there was messaged from the House, Senate bill 3247 with amendments, and upon a motion which I submitted the Senate concurred in the House amendments. I now ask unanimous consent that the vote by which the House amendments were agreed to be reconsidered and that the Senate disagree to the amendments, request a conference with the House thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Georgia that the vote by which the House amendments were agreed to be reconsidered, and that a conference be requested with the House? The Chair hears none, and it is so ordered.

Mr. GEORGE. I should like to say, Mr. President, that I am making this request because some Members of the Senate would like to have an opportunity to examine the amendment which was inserted by the House.

The PRESIDING OFFICER. The Chair appoints as conferees on the part of the Senate the Senator from Georgia [Mr. GEORGE], the Senator from Massachusetts [Mr. WALSH], and the Senator from Delaware [Mr. HASTINGS].

CIVIL GOVERNMENT FOR THE VIRGIN ISLANDS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 4524) to provide a civil government for the Virgin Islands of the United States, which were, on page 20, line 12, to strike out "case, civil or criminal" and insert "criminal case"; on page 26, line 15, to strike out all after "Islands:" down to and including "laws" in line 17 and insert "*Provided*, That the Secretary of the Treasury shall designate the several ports and subports of entry in the Virgin Islands of the United States and shall make such rules and regulations and appoint such officers and employees as he may deem necessary for the administration of the customs laws in the Virgin Islands of the United States; and he shall fix the compensation of all such officers and employees and provide for the payment of such compensations and other expenses of the collection of duties, fees, and taxes imposed under the customs laws from the receipts thereof"; and on page 27, line 16, after "Interior", to insert ", except matters relating to the judicial branch of said Government which

shall be as hereinbefore provided under the supervision of the Attorney General."

Mr. TYDINGS. With the consent of the Senator from Vermont [Mr. GIBSON], I move that the Senate concur in the amendments of the House.

The motion was agreed to.

CARE AND TREATMENT OF MEMBERS OF NATIONAL GUARD, ETC.

The PRESIDING OFFICER laid before the Senate the amendments of the House to the bill (S. 3334) to make provision for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps who are injured or contract disease while engaged in military training, and for other purposes, which were, on page 2, line 4, after the word "orders", to insert "in time of peace", and on page 5, line 1, to strike out after "services" down to and including "act" in line 8.

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

NEW YORK WORLD'S FAIR, 1939

Mr. COPELAND. Mr. President, I ask unanimous consent for the present consideration of Senate Joint Resolution 267. Its consideration was objected to yesterday by the Senator from California [Mr. JOHNSON]. He has now withdrawn his objection. It is simply a joint resolution authorizing the President to invite foreign countries to participate in the New York World's Fair.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 267) authorizing the President to invite foreign countries to participate in the New York World's Fair 1939, Inc., in the city of New York during the year 1939, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas there is to be held at New York City during the year 1939 a world's fair, which has for its purpose the celebration of the one hundred and fiftieth anniversary of the inauguration of the first President of the United States of America and of the establishment of the National Government in the city of New York; and

Whereas because of its location and purpose, its scope and aims, said world's fair is deserving of the support and encouragement of the Government of the United States of America: Therefore be it

Resolved, etc., That the President of the United States be, and he is hereby, authorized and respectfully requested by proclamation, or in such manner as he may deem proper, to invite foreign countries and nations to such proposed world's fair with a request that they participate therein.

The preamble was agreed to.

AMERICAN COOPERATIVE ASSOCIATION

Mr. SHEPPARD. Mr. President, on May 30 the Senator from Tennessee [Mr. MCKELLAR] placed in the RECORD the preliminary report of Mr. Omer W. Herrmann on the American Cotton Cooperative Association. I now desire to place in the RECORD the comments of Mr. E. F. Creekmore, vice president and general manager of the American Cotton Cooperative Association, on Mr. Herrmann's report.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

COMMENTS BY E. F. CREEKMORE, VICE PRESIDENT AND GENERAL MANAGER, AMERICAN COTTON COOPERATIVE ASSOCIATION, ON THE REPORT SOME OPERATING PROBLEMS OF COTTON COOPERATIVES, BY OMER W. HERRMANN

The report is of sufficient importance to justify all of those interested in the cooperative marketing of cotton to give it careful study and serious consideration. Lack of a full understanding by Mr. Herrmann of the policies adopted, the operations, and the problems confronting the movement in the handling of members' cotton, in my opinion, explains some of the conclusions reached by him. To even a greater extent I believe the same is true of some of the directorate of our member associations.

To me the most startling facts contained in the report are the expressions by some of our member association's directors as to whether or not A. C. C. A. is a farmer-owned, farmer-controlled cooperative association. It is realized that to some extent the statements of some of the directors were probably influenced through policies adopted by A. C. C. A. directors toward certain member associations because of such matters as the Linsteader bonus in the Texas Association, and the failure of the Georgia Association to hold annual membership meetings or elections for directors.

The report covering membership contact and assembling problems carries rather a severe criticism of some of our interior classers and practices adopted by them, but, in my opinion, it carries indirectly a more severe criticism of the management of A. C. C. A. and its member associations in the failure to properly instruct and follow through with the interior classers. An educational program for the classers is suggested as of paramount importance. The criticism is at least partly deserved and the suggestion is good, but I think the education of some of A. C. C. A.'s member associations' directors is of equal or greater importance.

THE OBJECTIVE OF COOPERATIVE COTTON MARKETING

In the report Mr. Herrmann states that our objective is to obtain for the member the highest possible price for his cotton. I believe "the improvement of the financial condition of the member" better states our objective. Our principal operation in attaining our objective is to reduce the spread between the price paid to the member and the price paid by the consumer.

If we should adopt literally Mr. Herrmann's suggestions:

1. Enable the association to sell its members' cotton at the highest possible price; and

2. Perform only essential and necessary marketing services in the most efficient and economical manner, at cost,

we would necessarily eliminate our traffic department in insisting on and fighting for rail, truck, and steamship rates on cotton comparative with other commodities.

We would also necessarily discontinue our more or less general activities in legislative and administrative policies in Washington. I believe great care should be taken to minimize legislative activities and the consequent expense involved.

It is realized that the results of these operations have been beneficial to nonmembers as well as members. That they are expensive and that the expenses are paid only by the members has been a matter of concern to the directors and to the management.

As an illustration, it is estimated the movement has recently expended some $2,500 in traveling expenses and telephone calls in regard to a program for the liquidation of the 12-cent-loan cotton, the successful conclusion of which has been materially beneficial to both members and nonmembers alike. Many illustrations of a similar nature can be given; however, mention will be made only of the recent proposal of the railroads to make a flat charge of $1 for the issuance of a shipper's order bill of lading by the railroads. In opposing this proposal several rather expensive trips, a number of telegrams, and much correspondence was necessitated. It is possible that the proposal might have been finally defeated had the cooperatives not taken such an active position in the matter, but, in my opinion, it is doubtful.

MEMBERSHIP CONTACT AND ASSEMBLING PROBLEMS

It is possible my belief that patronage dividends if paid 3 or 4 years out of 5 would take care of membership morale influenced A. C. C. A. directors in practically eliminating membership campaigns. Results of the patronage dividends paid each year by the Southwestern Association have to me demonstrated that patronage dividends will not entirely take care of membership morale. In any event I believe the directorate and the management of A. C. C. A. have, during the past year, realized some membership contact is necessary. In securing the services of Mr. T. B. Clausen for a survey last October, to advise with us in this respect, a start has been made toward a comprehensive plan for better membership contact.

THE PLACING OF INTERIOR CLASSERS IN MEMBERSHIP CONTACT AND EDUCATIONAL PROGRAM

Comment to some extent previously has been made on this subject. That it was necessary to contact 15 interior classing offices before the word "cooperative" was heard used by the interior classer in his dealings with the member, evidences the necessity of immediate attention. It is difficult to believe the classers in any member association's territory employ the old tactics and tricks of the cotton buyer in handling members' cotton. It was recently learned at a membership meeting held in Louisiana some 2 months ago that one farmer stated he did not know if he was a member of the Louisiana association but he sold all of his cotton to a certain classer, apparently not realizing that the classer was employed by the Louisiana association. This in my opinion is a fair illustration of some of the criticism in this phase of the report and evidences the necessity of immediate attention.

Stress throughout the report is laid on the statement that the membership contact job is the job of the State or regional associations. This, I believe, is correct; however, I am inclined to believe that general policies in regard to membership contact should be discussed by the movement as a whole through the directorate of A. C. C. A., thereby working out a more or less unified policy for the movement as a whole.

One of the greatest liabilities of the cotton cooperative movement is the enthusiastic promises made in the past in membership campaigns without the realization of the inability of the movement to carry out the promises made, resulting in disappointments to the members as well as to the public generally. This must not happen in any future campaign.

THE INTERIOR CLASSER'S PROGRAM

The 11 points mentioned in the report are ambitious but not impossible of accomplishment, and in my opinion should be considered as an objective to attain. Comment will be made later on point no. 2.

The questions asked the 62 directors, "Do you believe that cotton cooperatives are justified in dickering with members for a price on their cotton?" is theoretically easy to answer and theoretically the answer should be emphatically "no." In actual practice the human equasion must be considered. Can the attitude of the member who likes to trade be changed? Consideration must be given to the fact that the classing of cotton is not an exact science. Even a good classer with the proper cooperative spirit may necessarily change his opinion on the value of a bale of cotton just as experts of the Bureau of Agricultural Economics often change their opinion and reverse their decision on cotton on which they previously had issued a certificate as to its grade and staple.

QUESTION OF INEQUALITY IN TREATMENT—SHOULD A DISCRETION BE USED?

I believe it would be the unanimous opinion of the directors of A. C. C. A. and its member associations that all members should be treated, as nearly as possible, alike. Special favors to any member or group of members will eventually disrupt any cooperative movement. I believe this is not only true of the cooperative movement but of nearly any large business.

In theory it would seem a discretion should not be used, but in actual practice it would be difficult to operate without at times allowing a discretion to the management of our member associations and through them to the classers. Quality of cotton of the same grade and staple differs materially. The market as well as the basis is changing daily and at times hourly. In my opinion, the use of a discretion does not necessarily cause an inequity among members.

WHAT IS MEMBER COTTON?

This is a subject on which there has been much discussion by the directorate of A. C. C. A. and its general counsel, and between the management of A. C. C. A. and the management of its member associations since the organization of A. C. C. A. It is necessary at times in the successful operation of the movement to buy nonmember cotton. This, I believe, is fully recognized by the directors and management of A. C. C. A. and its member associations.

During the past 2 years' operation, when it seemed desirable to handle as little cotton as possible, the management of member associations have repeatedly insisted to the management of A. C. C. A. that it was necessary to take on some nonmember cotton if orders were to be filled and if the movement was to continue doing a world-wide business.

Taking cotton from commercial gins, and at the same time securing the name of the producer after the title had passed to the gin is, I believe, generally conceded to be nonmember cotton. It occurs to me that an arrangement could be worked out with the producer and with the ginner whereby the ginner would be appointed as agent for the member association and would take cotton direct from the producer for the account of the association.

Taking cotton from supply merchants and bankers who individually are large producers of cotton and are members, and who, through financing the production of cotton, have a material interest in it is, in my opinion, a matter for real consideration. The elimination from membership of supply merchants and country bankers would seriously retard the movement in several States covered by our member associations.

PAYMENT OF PATRONAGE DIVIDENDS TO LANDLORD AND TENANTS

This subject, I believe, is for the time being at least secondary to many other more serious problems we have before us. It should be considered carefully from every angle before any decision is reached. That the recommendations made are in line with cooperative thoughts, there can be no question. That the average deliveries of members is around 3 to 4 bales indicates it is not a serious problem at this time. For this reason I believe the criticism that some classers do not encourage small deliveries is worthy of consideration, but is not serious. It has been my experience with cotton classers that, whether it be 1 bale, 50 bales, or a hundred bales, they have an insatiable desire to buy.

Criticism of signs displayed at some associations' offices is merely another indication that we have allowed our more serious problems to interfere with looking after the necessary details. The criticism is pertinent and timely. I believe that since it has been called to our attention prompt and proper action will be taken.

MEMBERS' LACK OF EDUCATION

To some extent this subject has been previously commented upon. I believe our directors must first know and believe generally in the policies adopted by the movement as a whole. Next, our classers must be properly instructed. I think our member associations' directors and their classers will prove to be the best medium of distributing proper information to our members.

It is debatable in my mind how much, if any, publicity should be given to A. C. C. A. A. C. C. A. is merely an instrumentality to unify the policies and the business management of the movement. I suggest the thought for the directors of A. C. C. A. and the member associations that in the future A. C. C. A. should occupy a secondary position. For those member associations who have functioned properly and therefore have not had a conflict with the directorate and management of A. C. C. A., I believe it does occupy a secondary position. Generally speaking, it is only when a member association has gotten into trouble and A. C. C. A. has taken appropriate action that A. C. C. A. comes into the limelight. It has served some directors of some associations in the past as a splendid alibi.

HOUSE ORGANS

When the work was started by Mr. Herrmann I stated to him we wanted frank criticisms. We got what I requested. The report would have been of no value otherwise, but it was particularly pleasing, and to me somewhat surprising, to see in the report the interest displayed in the American Cotton Grower. I believe that the American Cotton Grower cannot in any way supplant the services to be rendered the member by the local house organ. The question of the success of the paper is the same question which faces the cooperative movement or any other business—policies and efficient and economical management. As there is room for improvement in A. C. C. A., I believe there is equally room for improvement in the American Cotton Grower and in the local papers of our member associations. I am inclined to believe we do not profit from comparisons between member associations of the operations and costs as much as we should. Many business firms would consider the comparisons available to the cooperatives invaluable.

DIRECTORS AND MEMBERSHIP CONTACT WORK

With the exception of Oklahoma, I believe no director of a member association is working as a salaried employee of his association. The situation in Oklahoma is rather complicated. All directors are on full-time pay, $125 a month. There are, I believe, a majority of the directors in Oklahoma whose loss would be keenly felt by the movement if they resigned from their present position, either as director or as full-time employees acting on behalf of the members in their district. I understand the matter was presented to the members of the Oklahoma association at their last annual meeting and was approved by them.

VOLUME COMPLEX

I believe Mr. Herrmann evidences under this heading a complete lack of understanding of the operating policies of A. C. C. A. during the past 2 years. Because of premiums on the near months and discounts on the distant months, the policy of operations was seriously considered by the directorate of A. C. C. A. at the beginning of the 1934–35 season and again at the beginning of the 1935–36 season. It was realized it would be extremely difficult to take any large volume of cotton without entailing in all probability rather serious losses in the operation, but it was decided after much consideration that it would be best to continue our entire field organization limiting the volume as much as practicable, expenses being considered, rather than to reduce it to a skeleton organization until conditions became better. Morale of the members, maintenance of our sales agencies throughout the world, and maintenance of an organization which has taken 4 or 5 years to build up was considered.

It is true that volume reduces the per bale cost, and reduced per bale costs are necessary if the movement is to be successful. The basis of our assembling operation is through the interior classers. The elimination of interior classers would reduce the volume and would also leave those districts unserved by the movement. Per bale cost of office rent, necessary executives' salaries, and sales expenses could not be materially reduced.

Had the movement decided to reduce its organization to a minimum, doing practically nothing the past 2 years, the loss, in my opinion, would have been greater in dollars and cents and damages resulting to the movement would have been incalculable. Sales agencies throughout the world are not built overnight, and when built cannot be retained unless a certain amount of cotton has passed through them each year. It has been realized services cannot be economically rendered without volume, for without volume per bale costs are excessive, and therefore volume is wanted. The volume is easy to attain if final results of the operation are not considered. Volume cannot be had successfully without due consideration of general business principles, with a full consideration of the result of the operation at the end of the year. A. C. C. A. and its member associations have during the past 2 years been financed and organized to handle 2,000,000 bales annually.

SUBSIDIARY ACTIVITIES

A. C. C. A. never has seriously considered any subsidiary activities, however, based on present policies of operations, subsidiary activities of A. C. C. A. would result equally to all member associations. With the exception of the Texas Cotton Cooperative Association, now in liquidation, Southwestern, and California, I believe no member association has what might be considered subsidiary activities. In considering the report, together with some explanations made by Mr. Herrmann in his talk before the directors, I believe the directors of A. C. C. A. are generally in accord with the general reactions of Mr. Herrmann in regard to subsidiary activities.

CONTROL

This subject is always a matter of debate whether between cooperatives or business generally. I believe control has been and is now vested in the member associations through the directors they elect to A. C. C. A., and that through the representation of the member associations on the directorate of A. C. C. A. policies are unified, and control is placed as the representatives of the member associations in conference decide upon.

DECENTRALIZATION

Decentralization seemingly has had rather a popular appeal to the public during the past several years, but I have seen little evidence of a general adoption of the practice. I believe any plan of decentralization which would cause a more successful operation, would be welcomed by the directorate and management of A. C. C. A.

In considering plans for decentralization, a comparison of the cost of the operations for the past 6 years with the 6 years prior to the organization of A. C. C. A. would be interesting. Consideration in regard to decentralization should be given to policies of operation of some member associations, both prior to and since the organization of A. C. C. A. The study as to the benefits of the movement operating more or less as a unit as compared with independent operations should certainly be made prior to a serious consideration of decentralization.

BOARD OF DIRECTORS

The basis of election of directors of member associations is, as I see it, the same as are our general election laws and compare with the customary rule used by business, with the exception that in business, directors are elected by votes of stockholders in proportion to their stockholdings, while with members or with the member associations, one vote only is accorded regardless of the member's interest in the association or the member association's interest in A. C. C. A.

It is believed as the membership becomes more interested, more consideration will be given the election of directors. There is and has been a feeling on my part that some directors of A. C. C. A. have been careless in keeping their directorate fully and properly informed.

Since the organization of the A. C. C. A. there has been much discussion as to the personnel of the directors of A. C. C. A. It is not a new thought. It has been discussed frequently a number of times with the directors of A. C. C. A. It has recently been brought directly to the attention of the directorate of A. C. C. A.'s member associations. No changes were made in the recent election held for directors.

There are generally certain objections found in any system. The good points against the bad must be considered. It is realized there are certain objections from the public's viewpoint as to an A. C. C. A. director being employed jointly by the member association and A. C. C. A.; however, it is the prerogative of the directors of the member associations to elect their directors to represent them on A. C. C. A. board. It is my belief that A. C. C. A. should have nothing more to say in regard to the matter, other than to approve the third alternative suggested by Mr. Herrmann in removing all managers from the pay roll of A. C. C. A., which, in my opinion, does not fully take care of the situation.

OTHER OPINIONS OF DIRECTORS ON CONTROL

That there seems to be a feeling among quite a number of directors that A. C. C. A. was exceeding the limits of its authority when it arbitrarily changed the boundary lines of associations, shifted counties from one association to another, or organized new associations is another evidence of a lack of real information on the part of those directors on the subject. A. C. C. A. has never initiated the formation of a new association. It has never recognized a new association without the approval and consent of the old association. It has never changed a boundary line of an association.

FUNCTIONS

Previous comment has been made regarding decentralization, as well as control. The expressed desire of two-thirds of the directors interviewed last fall on this subject is to a large extent in operation today. Some general managers do not have complete control of their operations in their respective associations. This may to some extent be because of A. C. C. A. executives' lack of belief in the general managers' ability to assume full responsibility, and to some extent it may be because of the executives of A. C. C. A. questioning to some extent the judgment of policies which might be inaugurated by State directors.

Prior to the beginning of our operation 6 years ago, board members and managers of member associations controlled activities within the area covered by their associations. For 2 years following the organization of A. C. C. A., member associations had complete control of the assembling of cotton other than the limits used in taking members' cotton, which was controlled by A. C. C. A. A review of the operations of member associations acting independently for the 6 years prior to A. C. C. A. as compared with the progress made during the past 6 years should in my opinion be a necessary study in considering control, decentralization, and functions.

Under Mr. Murray's management, and with full control of the policies adopted in assembling cotton, the Texas association in 2 years had a deficit of more than $300,000 in the operation which A. C. C. A. found it necessary to finance. Under the management of Mr. Jackson, the Mississippi association had a material loss in its operation during the 2 years of complete control in the assembling of cotton. The operation of south Texas with the consequent loss involved and the necessary financing by A. C. C. A. is a fair illustration of semicontrol. Mid-South operated on its own responsibility 1 year longer than did other associations. A substantial loss was incurred in those operations but fortunately Mid-South had assets to take care of the loss involved.

North Carolina has had complete independence of action for several years under the management of Mr. Blalock, and his successor Mr. Mann. A comparison of the progress made by the North Carolina association with other southeastern associations would, in my opinion, not indicate particularly sound reasons for complete autonomy on the part of the Southeastern States. It must be recognized that in the past 2 years Mr. Mann, general manager of the North Carolina association has faced extremely difficult operating conditions.

THE SOUTHEASTERN ASSOCIATIONS

Following the report of Fetrow and Herrmann in 1932, South Carolina accepted full responsibility for their operations and were financed by A. C. C. A. It was thought at the time that the South Carolina association would handle its business on the basis of a quick turn-over but the operation resulted in practically the same operation as heretofore conducted by A. C. C. A., and because of conditions in the Southeast, generally speaking, will have to be continued to a large extent whether conducted by member associations in Southeastern States or by A. C. C. A.

To attain volume sufficient to justify the overhead expenses of an association in the Southeast, experience has demonstrated that on any plan developed to date it has been necessary to take on more cotton during the harvesting season than can be sold during the same period. Under normal conditions a majority of the mills in the Southeast buy cotton direct from the producers during the harvesting season, leaving but small opportunity to the cooperatives for a quick turnover at cost plus per bale overhead expenses. During the spring and summer of normal seasons when the major portion of the crop has been marketed by the producer, the basis generally advances and liquidation of stocks received during the harvesting season is generally at satisfactory prices.

Because of the 12-cent loan in 1934 and the consequent scarcity of available spot cotton during the past 2 years, the situation to some extent has been changed in the Southeast, but the uncertainties of governmental policies regarding future loans and disposition of cotton financed have perhaps created even a more difficult situation.

The operation during the past 2 years by the management of the Georgia association and A. C. C. A.'s resident salesmen in Georgia in the quick turn-over of cotton at a low overhead cost demonstrates that progress can be made. During this season the management of Alabama, Georgia, and South Carolina, and in previous seasons Alabama and Georgia, have not alone been permitted but urged to handle cotton without regard to A. C. C. A.'s limit when it could be turned rapidly at cost plus per bale overhead expense. To that extent A. C. C. A. may have anticipated thoughts on decentralization, but as yet Alabama and South Carolina are problems to be further considered.

THE MIDDLE SOUTH AND SOUTHWEST

The general feeling among directors that member associations should have an opportunity to sell cotton through channels other than through the routine delivery to A. C. C. A. is again illustrative of the lack of information on the part of those directors. There is, and has been for the past 2 or 3 years, in the cross contract between A. C. C. A. and its member associations a provision permitting those member associations who wish to assume such responsibility to handle cotton and resell it to the trade. To a nominal extent several associations have in the past year or two taken advantage of this opportunity to serve their members.

From experience it is realized it is sometimes difficult to make some directors of member associations realize that in handling cotton through other sources for their members they must necessarily obtain in the transaction their estimated per bale overhead cost. In my opinion it has been demonstrated that it seldom happens that a sufficiently higher price than the basis offered by A. C. C. C. can be obtained to take care of the overhead expenses of the member associations.

To me it is both amusing and discouraging to realize the negative attitude taken by many of the directors of our member associations as is illustrated by "We found considerable complaint in the field during the past several seasons due to the fact that A. C. C. A.'s basis was in line only a few weeks during the season." Those same directors and their general managers will, in a moment of frankness, state that a great majority of members say: "We want the co-ops, but we must get the high dollar for our cotton."

Based on testimony given by W. L. Clayton at the recent Smith hearing, A. C. C. A. handled more cotton during the 1934–35 season than did Anderson, Clayton & Co. Their volume for 1935–36 is not available, but it is believed that A. C. C. A. has this year handled more cotton than Anderson, Clayton & Co. During the past 5 years A. C. C. A. has handled 11 percent of the crops produced, while Anderson, Clayton & Co. have handled only 13 percent, and yet some directors of our member associations complain of A. C. C. A. being in the market for a period of only a few weeks during the season.

A recent and to me a very powerful illustration as to the general negative position taken in our operation occurred at our last directors' meeting, just at the time the 12-cent loan liquidation had started. A great majority of our directors advised we were from 20 to 100 points out of line with our basis. We have to date handled some 125,000 bales of the 12-cent loan cotton, which is materially more than the usual percentage of volume handled by us, and yet we have reduced our basis several times.

While the education of the directorate of our member associations and the interior classers is conceded to be of importance, I think one of our weaknesses is the expectation on the part of our membership, some of our State directors, and perhaps some of the directors of A. C. C. A. that we can and should attain a measure of success which under present conditions is not possible and probably never will be within the realm of possibility. That those interested in the movement, from the members to the leaders, should have a full knowledge of the possibilities of the movement, is, in my opinion, essential.

I believe the continued propaganda on the part of the trade, reaching not alone to the public generally but to Congress, together with more or less disappointment as to the results achieved during the past 6 years, has placed the leaders of the movement on the defensive. It is probable the continued fight to some extent has had that effect on me and to that extent I have conveyed it to the leaders. No movement, cooperative or otherwise, will be a success if its leaders continually feel they are on the defensive. The Bankhead report and the comment thereon will, I hope, result in a decided change for the better with the leaders of the movement, with the public, and with Congress.

EXPENSES

Generally speaking, I believe with the exception of the Brazos Valley Association the service rendered by A. C. C. A. to member associations is much the same.

Prior to the beginning of the season a budget and estimated receipts prepared by the management of the member associations, and I presume approved by the directors, is submitted to the executives of A. C. C. A. for approval. With but few exceptions, we have found the management of the member associations anxious to cooperate in reducing expenses. The budgets made and finally approved are correct to the extent of our joint ability. The basis paid to members is based on an estimated per bale cost as ascertained by the budget and anticipated deliveries; therefore each member association receives the full benefit expected of efficient and inexpensive operation.

It is true the estimated expenses, after the budget is approved, vary for reasons not anticipated at the time, and it has been and will continue to be true that anticipated deliveries will vary with crop conditions, character of cotton, and the ability of A. C. C. A. to handle the cotton produced within any member association's territory. If member associations should receive the benefit of lower cost as compared with the budget, then other associations who, through perhaps no fault of their own, would necessarily have to become responsible for their higher cost per bale. This would necessarily lead to dissatisfaction, and, in my opinion, would cause an inequity in the treatment of our member associations.

Any manager of any member association who feels there is a tendency to use the full budget if it is available, that it is just like a governmental appropriation, is not suitable for the position he occupies. From my knowledge of the managers of the member associations and my experience in dealing with them, they appreciate and are just as keen to reduce expenses as is the management of A. C. C. A. Full realization of the progress made in reducing expenses can be had by a comparison of operations during the past 12 years. While there is room for improvement in both A. C. C. A. and its member associations' costs, progress has been made and will continue to be made along these lines.

It is true the cotton cooperatives are not financially able to fight all of the agricultural battles of the South single-handed, yet to the extent of the work which has been done, I believe generally that the cooperatives have been conducting the fight single-handed. Just how little or how much of this general legislative work should be done has not been definitely determined and is a matter deserving real consideration.

PROFITS ON COTTON

From an operating standpoint, it would materially decrease the efficiency of the sales organization to keep each member association's profit and loss account separate and distinct, and in my opinion it would prove to be an insurmountable obstacle to the success of the movement.

Sales are made during the beginning of the season and continue during the height of the season with the belief that certain qualities of cotton will be available in certain States. As an illustration, sales of Strict Middling fifteen-sixteenths inch and thirty-one thirty-seconds inch were made at the beginning of last season with the expectation of getting delivery from Texas Cotton Growers Association. Weather conditions were bad. Strict Middling in Texas was practically unavailable. The basis was advanced. Louisiana, Mississippi, and Mid-South deliveries were used to fill the order.

Many other illustrations could be given as to the objections from an operation standpoint for segregation of profit and loss. To a certain extent this was tried out in the Southwide Pool operation which I believe no one but the comptrollers and auditors of A. C. C. A. and member associations understood, and yet with the maze of technicalities in accounting successfully carried out, the operation was not successful and was discontinued.

In considering the individual expenses of member associations and the profit or loss on cotton of the individual member associations' operations, the thought occurs to me that if this is a necessary adjunct to cooperative marketing, should it not be equally necessary and advisable to keep the accounts in such a way that each member association's directors can be advised as to the expense and profit and loss occurring in the operation in their district? Would it not be equally proper to segregate the expenses and profit and loss from each classer's district and if it is carried that far, would it not be proper to segregate each member's deliveries as to expenses and profit or loss? It seems to me if cooperation and averaging is proper in the member association's territories, it should be equally proper and desirable to do so for all cotton-producing States.

ERNEST F. BRASS

Mr. POPE. Mr. President, I ask unanimous consent for the present consideration of Senate bill 4713. It simply involves validating a town-lot certificate, and the enactment of the bill is recommended by the Department of the Interior by way of a correction. A very large improvement is being made in my State, and this particular property is involved in that improvement. It is an emergency matter.

Mr. McNARY. Mr. President, is this a House bill?

Mr. POPE. No; it is a Senate bill. It merely involves the correction of a record of the Department of the Interior, and authorizes the issuance of a patent on a certificate which has been heretofore issued. The Department recommends the enactment of the bill.

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 4713) validating a town-lot certificate and authorizing and directing issuance of a patent for the same to Ernest F. Brass, which had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 3, after the word "That", to insert "on payment of $63 in addition to the $135 already paid"; and on the same page, line 7, after the word "Idaho", to strike out "on payment of $135", so as to make the bill read:

Be it enacted, etc., That on payment of $63 in addition to the $135 already paid the town-lot certificate which was issued to Ernest F. Brass April 23, 1936, for lots 1, 2, 3, and 4, block 100; lots 1 and 2, block 102; and lots 6, 7, and 8, block 87; in the town site of Ketchum, Idaho, be, and the same is hereby, validated, and the Secretary of the Interior is hereby authorized and directed to issue a patent thereon.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

Mr. KING obtained the floor.

Mr. McNARY. Mr. President, I think we should have a quorum present. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Robinson
Austin	Copeland	Lewis	Russell
Bachman	Couzens	Loftin	Schwellenbach
Bailey	Davis	Lonergan	Sheppard
Barbour	Dieterich	Long	Shipstead
Barkley	Duffy	McAdoo	Smith
Benson	Fletcher	McGill	Steiwer
Bilbo	Frazier	McKellar	Thomas, Okla.
Black	George	McNary	Thomas, Utah
Bone	Gerry	Maloney	Townsend
Borah	Gibson	Minton	Truman
Brown	Glass	Moore	Tydings
Bulkley	Guffey	Murphy	Vandenberg
Bulow	Hale	Murray	Van Nuys
Burke	Hastings	Norris	Wagner
Byrd	Hatch	Nye	Walsh
Capper	Hayden	O'Mahoney	Wheeler
Caraway	Holt	Overton	White
Carey	Johnson	Pope	
Chavez	Keyes	Radcliffe	
Clark	King	Reynolds	

The PRESIDING OFFICER (Mr. CLARK in the chair). Eighty-one Senators having answered to their names, a quorum is present.

Mr. KING. Mr. President, it is a matter of profound regret that the chairman of the Committee on Finance, the senior Senator from Mississippi [Mr. HARRISON] is unable,

because of illness, to present to the Senate the bill reported from the Committee on Finance which is now under consideration. He was prevented, because of the condition of his health, from participating in all of the activities of the committee connected with the hearings and the preparation of the measure now before us.

In view of his absence from the Senate today it falls to me to present the measure which has been prepared by the Committee on Finance, following extensive hearings and long and unusually thorough consideration.

The President requested in his message of March 3, 1936, that the Congress raise additional permanent revenue in the amount of $620,000,000 annually, and temporary revenue in the amount of $517,000,000. The need for the permanent revenue is due to the following causes:

First, $500,000,000 is needed annually to offset expenditures to be made under the Soil Conservation and Domestic Allotment Act; and

Second, $120,000,000 is needed annually to pay amounts on the veterans' adjusted-service certificates due in 1945, but payable, under the Adjusted Compensation Act, beginning on June 15, 1936.

The temporary revenue of $517,000,000 represents the amount lost by the Government in the current fiscal year because of the invalidation of the Agricultural Adjustment Act. This temporary revenue is not required to be raised immediately, but the President called the attention of the Congress to the fact that this amount should be restored in some way to the Treasury even though the process of restoration might be spread over a period of several years.

While recognizing the authority of the Congress to determine the means of raising this additional revenue, the President invited attention to several forms of taxation. Briefly, these consisted of (1) a tax upon the undistributed income of corporations, and (2) a tax upon those taxpayers who received a windfall by shifting to others the burden of processing taxes which were impounded and returned to them, or which otherwise have remained unpaid, and (3) an excise tax upon the processing of certain agricultural commodities.

The House in its bill endeavored to carry out but two of the President's suggestions, namely, by imposing a tax upon undistributed corporate earnings, and a tax upon "unjust enrichment", but did not provide for any tax upon the processing of certain agricultural commodities. The Committee on Finance also decided against levying such processing taxes.

The committee has carefully considered the provisions of the House bill imposing a tax upon undistributed profits. The House plan completely eliminates the existing income tax on corporations, and continues in effect for a period of only 1 year the existing capital stock and excess-profits taxes.

The House bill abandons a plan tried and proven, which, even in periods of depression, yields an annual revenue of $1,100,000,000, for a plan not tested and uncertain as to its results. In other words, it throws away a certainty for an uncertainty and enters an experimental field at a time when revenues are needed to meet the enormous expenditures of the Government. The wisdom of such a course may well be doubted even by those who cherish unrealities.

The House bill imposes by a series of complicated schedules an undistributed profits tax upon corporations with a maximum rate of 42½ percent. Under this plan the rate of tax varies according to the dividend distributions of the corporation or according to the net income undistributed.

Three schedules are used in computing the tax. If the corporation has a net income of $10,000 or less, schedule I is used. If the corporation has a net income of $40,000 or more, schedule II is used. If the corporation has a net income between $10,000 and $40,000, the rate of tax is determined under schedule III or schedule II, whichever schedule gives the lesser tax.

The testimony of the witnesses who appeared before the Committee on Finance—and there were nearly 100—was practically unanimous against the House bill. My recollection is that out of this large number of witnesses there were but two or three, aside from several representatives of the Treasury Department, who approved the House plan. Those opposing the measure represented all branches of business, and most of them spoke for business organizations and enterprises of rather modest proportions.

During my 19 years of service in the Senate I have never seen such a united front against the enactment of revenue provisions. I have examined the record of the hearings before the Ways and Means Committee of the House, which reported the House bill, and nearly all of the 60 witnesses who testified—only 2 as I now remember—aside from a very limited number appearing for the Treasury Department, endorsed the bill.

During the hearings referred to it was shown that the House bill, with its varying schedules and its complicated relief provisions, will impose an undue burden both upon the taxpayer and the Treasury, and cause endless litigation. Moreover, it severely penalizes the small corporation, or the corporation just starting in business, which is not in a position to make dividend distributions to its shareholders. The fact that some of the small corporations might pay as little tax as that now imposed under existing law, does not remove this inequity, because corporations with large accumulated surplus could make dividend distributions without inconvenience, and thereby pay less tax than their less fortunate rivals.

In fact, many of the largest corporations in the country will pay little or no tax under the House bill, while their less fortunate competitors will be forced to pay much heavier taxes than those imposed on them by existing law. It also encourages monopoly, and makes it difficult for small companies to obtain adequate working capital, and has a tendency to encourage corporations to overcapitalize in order to retain earnings needed for reserves or business expansion. This creates a bad competitive condition and tends to stifle the growth and expansion of new business.

Corporations burdened with debt or with restrictions as to payments of dividends are heavily penalized under the House bill. While some attempt has been made to take care of debt-ridden and deficit corporations, the provisions are inadequate, and, in the case of many corporations, afford no relief at all. The House provisions also greatly complicate the present income-tax law, adding more than 21 pages of new matter.

After considering all the testimony submitted in connection with the House plan and its serious detrimental effect upon the stability of the revenues and upon business as a whole, the Finance Committee came to the conclusion that it could not recommend such a plan. Faced with this situation, we were constrained to seek and adopt a plan that would meet the situation.

The plan submitted by the Finance Committee, while it carries out the principle of the undistributed-profits tax, removes many of the complexities and inequities of the House bill. In the first place, the committee plan retains the existing corporation income tax with the graduated rates in the Revenue Act of 1935, but increases the rates by 3 percent. The following table compares the corporate rate under existing law with increased rate under the committee bill:

Corporate net incomes not in excess of $2,000 are taxed under existing law at 12½ percent and under the committee bill at 15½ percent.

Corporate net incomes in excess of $2,000 but not in excess of $15,000 are taxed at 13 percent under existing law and at 16 percent under the committee bill.

Corporate net incomes in excess of $15,000 but not in excess of $40,000 are taxed at 14 percent under existing law and at 17 percent under the committee bill.

Corporate net incomes in excess of $40,000 are taxed 15 percent under existing law and at 18 percent under the committee bill.

The committee at one time considered imposing a flat rate of 18 percent on corporate income as defined in the statute; but upon mature consideration it was decided that the smaller incomes should have the benefit of a lower rate in lieu of any exemption. This consideration is important for about 90 percent of all the corporations in the United States, since

testimony shows that the income of about 90 percent of our corporations is $15,000 or less per year. In view of the small income of this large number of corporations, the committee considered, in the absence of any special exemption, that it might prove too heavy a burden to impose the flat 18-percent rate on the small incomes; that is, incomes of $15,000 or less.

Thus, by retaining the existing corporation tax your committee plan assures the Treasury of a certain amount of revenue which the House plan would have relinquished on the sheer possibility that it might be recovered through a new and untried plan. I say "untried" because only two countries in the world, so far as I am advised, have attempted that sort of a plan, and they have abandoned it.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. GEORGE. At that point in the discussion of the able Senator from Utah may I direct his attention to the fact that not only is the House plan untried but it certainly would not have the effect of raising the revenue for the next current year, because even if it forced out the undistributed earnings, the income from the higher surtaxes would not be reflected until the year after they were forced out.

Mr. KING. I thank the Senator from Georgia for his observation. It constitutes an additional reason, justifying the committee in failing to approve the House plan.

Mr. President, this does not seem an opportune time to risk certain revenues from corporate incomes which have been collected under a plan which has been the backbone of corporate taxation for many years. To substitute an untried plan, unfamiliar to Federal taxpayers, might cause endless controversy and litigation and result in failure to secure Federal revenues during a period when revenues are most needed. As just stated by the able Senator from Georgia, I think it will be conceded that the House plan would fail to produce the revenue which the President suggested should be secured. For the same reason your committee deemed it advisable to retain the capital-stock and excess-profits tax at existing rates.

In lieu of the drastic graduated undistributed profits tax of the House bill, your committee has recommended a flat tax of 7 percent upon undistributed profits. The committee realized that some difficulty has been experienced in reaching the incomes of recipients of large incomes by way of the accumulation of corporate profits in the treasury of corporations—that is to say, that with respect to a number of corporations—and these the greater ones—there appeared to have been a policy of accumulating surpluses in excess of any proper and legitimate requirements in order to enable stockholders of large incomes to avoid payment of the high rates imposed under the existing law upon incomes. To this practice the President referred in his message.

It is the view of the committee that a 7-percent surtax upon incomes retained by the corporations will be sufficient to induce such corporations materially to increase dividend payments, thus reducing their accumulated surpluses, coupled with the retention of section 351 of existing law imposing a surtax on personal holding companies and the strengthening of the provisions of section 102 imposing a surtax upon corporations accumulating surpluses to prevent the imposition of the surtax on their shareholders.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. FLETCHER. May I inquire whether that 7 percent applies to all corporations, big and little?

Mr. KING. There are several classes or exemptions, among them, banks. A higher tax might induce corporations to pay out their surpluses improvidently; a lower tax might not be sufficient to cause them to pay out a proper portion of their annual earnings. A 7-percent surtax was arrived at after prolonged consideration. Some of the members of the committee considered that a 4-percent surtax would be sufficient to remedy the situation.

There were others who were of the opinion that a 10-percent tax was required and some of the members of the committee took the view that a graduated tax ranging from 10 percent to higher levels would be necessary. After much discussion and thorough consideration it was substantially unanimously agreed that the 7-percent flat rate was sufficient and that it would meet the necessities of the situation; of course, as Senators know, the Senate bill contains other revenue provisions which, under the 7-percent tax, will produce larger revenues than the House bill.

This tax applies to the undistributed net income of corporations, computed after deducting dividends paid during the taxable year. By this moderate rate your committee has been able to eliminate the complicated relief provisions of the House bill relating to debt and deficit of corporations. The provision of the House bill affording relief to corporations unable to pay dividends because of contracts entered into prior to March 3, 1936, has been retained in substance. Your committee has also deemed it advisable to allow as a credit against the income subject to the undistributed-profits tax the normal tax on corporations restored by your committee to the House bill. This prevents the Government from collecting a tax on a tax. No corporation ought to be forced to pay an undistributed-profits tax on amounts used to pay Federal taxes to the Government.

Your committee has continued the provisions of the House bill exempting from the undistributed-profits tax banks, corporations in bankruptcy and receivership, insurance companies, foreign corporations, China Trade Act corporations, and corporations doing business in possessions of the United States and subject to the provisions of section 251 of the bill. In addition your committee has also exempted trust companies under proper supervision of Federal or State authorities from the undistributed-profits tax.

Your committee has also adopted the provisions of the House bill making dividends subject to the normal tax in the hands of individuals, and providing that dividends received by corporations must be included in net income for the purposes of computing the 7-percent undistributed-profits tax.

The repeal of the existing exemption of dividends from the normal tax brought into agreement on that point the Ways and Means Committee and the Finance Committee. It was considered that in view of the necessity of raising an extraordinary amount of revenue, that dividend recipients within the income class could afford to pay the additional 4-percent normal tax. The exemptions for individuals remain the same, and only those individuals who receive dividends from corporations, and whose incomes are in excess of the exemptions allowed by law are required to pay this normal tax.

The committee bill also provides special relief to holding company affiliates of banks which, under the provisions of the Banking Act of 1933, are required to invest a part of their funds in readily marketable assets other than bank stocks.

Explanation of the importance of that provision is unnecessary.

These banks are given a credit against their income subject to the 7-percent tax of an amount equal to that part of their earnings and profits devoted during the taxable year to the acquisition of readily marketable assets other than bank stocks, as required by law. Your committee has eliminated the provision of the House bill denying a deduction in the case of the undistributed profits tax for dividends paid to corporations owning 50 percent or more of the stock of the payer corporation. This provision was inserted to prevent avoidance in the case of the high taxes imposed by the House bill.

In view of the moderate flat rate suggested by your committee on undistributed profits and the change made by the House making the dividend year correspond with the taxable year, such provision is no longer necessary. It operated unfairly in the case of corporations doing business in foreign countries which were forced under the laws of such countries to incorporate foreign subsidiaries, and raises a serious constitutional question as to its validity due to its arbitrary effect.

Your committee has restored to the House bill the provisions of existing law imposing a surtax on personal holding

companies. This section has been very helpful in forcing distributions from certain closely held corporations so that the individual shareholders may be subject to surtaxes. In addition, your committee has strengthened the provisions of section 102, which imposes a graduated tax upon corporations accumulating profits for the purpose of avoiding the imposition of surtaxes. It requires every corporation, except personal holding companies, which retains more than 40 percent of its total income, or more than $15,000, whichever is greater, to include in its return a statement fully explaining the reason for accumulating earnings or profits. It also extends the statute of limitations for assessments and collection from 3 years to 4 years in the case of the tax imposed by section 102.

Your committee has increased by 1 percent the surtax rates on net incomes of individuals between $6,000 and $50,000. As a result of this increase, surtax net incomes in excess of $6,000 are taxed at 6 percent instead of 5 percent, the rate under existing law, and the 1-percent increase in rate continues up to and including surtax net incomes of $50,000, which are taxed at 28 percent instead of 27 percent, as provided in existing law.

It will be recalled that last year Congress imposed exceedingly heavy increases upon incomes above $50,000 a year. It was claimed then that in order to obtain a more harmonious and equitable adjustment of rates that there should be an increase in the tax rates upon incomes falling within the brackets between $6,000 and $50,000, and in order to secure additional revenue, and having in mind a more harmonious adjustment or leveling of the surtax rates, the Committee on Finance decided that some increase should be imposed upon incomes of less than $50,000 and more than $6,000 per year.

It is estimated that this change will increase the revenues between $50,000,000 and $60,000,000 annually.

Another important provision adopted by the committee is to limit the surtax on the portion of an individual's income attributable to the sale of oil or gas property, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, to 30 percent of the selling price of the property or interest. It was found that the result of the high surtaxes in such cases is to discourage individuals from embarking upon or continuing in such enterprises and to throw the business into the hands of corporations which are subject only to the corporation tax rate. The proposed change will encourage individuals to develop oil and gas properties and to sell them, thus stimulating the tax yield from this source.

Your committee has also inserted a provision which exempts common trust funds maintained under proper supervision of State or Federal authorities from taxation as such, but taxes the trusts participating in such fund as ordinary trusts are taxed. Under existing law common trust funds in which the funds of many individual trusts are commingled for purposes of investment are taxable as corporations. This discriminates against the small investor, as the common trust fund affords him an opportunity to obtain a more diversified investment than if his funds were confined to a separate trust. By the committee amendment the individual trusts are taxed like ordinary trusts with respect to their distributive shares in the common fund. This relieves many small investors whose incomes fall in the low brackets from having their funds reduced by a corporate tax.

Your committee has also added a provision to the House bill allowing a deduction from the gross estate for the purpose of the estate tax of proceeds of life-insurance policies payable to the United States in satisfaction of death taxes imposed by the Federal Government, if such policies do not exceed $1,000,000 and if the premium-paying period provided on the policy is not less than 10 years.

The so-called windfall tax contained in the House bill has in the main been adopted by your committee. However, several changes have been made to provide for a simple and more equitable determination of tax liabilities.

I digress here, Mr. President, to pay tribute to the able Senator from Georgia [Mr. GEORGE] for the great contribution which he made in working out what I conceive to be a simpler and more equitable plan than that appearing in the House bill for the solution of the problems incident to the processing taxes and the adjustment of claims and controversies resulting therefrom.

Your committee is also in general agreement with the provisions of the House bill relating to refunds in respect of exports, charitable distributions, and so forth, and floor stocks under the Agricultural Adjustment Act.

The committee has also recommended the adoption in this bill of provisions amending section 21 (d) of the Agricultural Adjustment Act, relating to refunds of processing taxes under that act. These provisions were not prepared in sufficient time to be incorporated in the bill before it passed the House, but were subsequently included in a separate bill passed by the House.

In the case of foreign corporations your committee has also in substance followed the provisions of the House bill. A foreign corporation engaged in a trade or business within the United States, or having an office or place of business therein, was taxed under the House bill at the flat rate of 22.5 percent upon its net income from sources within the United States. Your committee changed this rate to 22 percent. Under the House bill dividends of such foreign corporations paid to foreign shareholders were not taxable to such shareholders unless 85 percent of their corporate gross income was derived from sources within the United States. Your committee has changed this provision of the House bill and requires that dividends paid by a foreign corporation to its foreign shareholders shall be taxable to the foreign shareholders if the foreign corporation derives 50 percent or more of its gross income from sources within the United States. However, so as not to impose an undue burden upon the foreign corporation, it is not required to withhold dividends paid to its foreign shareholders unless 85 percent of the gross income of such foreign corporation is from sources within the United States.

In the case of a foreign corporation not engaged in trade or business within the United States, and not having an office or place of business therein, the House bill levied a flat tax of 15 percent on the gross income of such corporation from interest, dividends, rents, salaries, wages, and other fixed and determinable income from sources within the United States, not including capital gains, the tax being collected in the usual case by withholding at the source. Your committee has changed the rate on such income from 15 percent to 18 percent. In the case of dividends the rate has been changed to 5 percent in the case of corporations organized under the laws of contiguous countries, and 10 percent in the case of other foreign corporations.

The House provision taxing foreign banks 15 percent on their net income from banking business in the United States has been changed so that foreign banks are taxed in the same manner as other foreign corporations doing business in the United States; that is, at the flat rate of 22 percent. It has been shown that these banks are commonly limited by law to the receipt of deposits from foreigners, and their income is too inconsiderable to warrant special treatment.

The House bill changes the method of taxing nonresident aliens and foreign corporations. A nonresident alien not engaged in a trade or business in the United States, or not having an office or place of business therein, is taxed at a flat rate of 10 percent on his income from interest, dividends, rents, wages, salaries, and other fixed or determinable income, which are collected at the source. In the case of such nonresident aliens living in countries contiguous to the United States the tax rate has been reduced by your committee from 10 percent to 5 percent to conform more nearly to the rates imposed upon our citizens by contiguous countries. These nonresident aliens are exempted under the House bill from the tax on capital gains, including hedging transactions, it being found administratively almost impossible to collect the capital-gains tax in such cases. This exemption will result in increased revenue from transfer taxes or from the income tax in the case of persons carrying on the brokerage business.

Nonresident aliens engaged in a trade or business in the United States or having an office or place of business in the

United States, are taxed like American citizens with respect to income from sources within the United States, except that they are only entitled to a personal exemption of $1,000 unless residents of contiguous countries, in which case the $400 credit for dependents is also allowed. The House bill confined the $1,000 exemption to income from wages and salaries and did not allow the $400 credit in the case of residents of contiguous countries. Your committee has also added a provision exempting a nonresident alien from tax on income derived from labor or services performed in the United States under a contract of employment with a nonresident alien individual or a foreign partnership or corporation, provided such services are rendered by such nonresident alien for a period not exceeding 90 days during the taxable year and the aggregate compensation for such service does not exceed $3,000. This permits residents of other countries to make brief visits to the United States for business purposes, such as the buying and selling of goods, without being subject, before leaving the country, to a demand for payment of tax on their compensation during the period of their stay here. The tax involved is rather small, and the attempt to collect it has created irritation and ill will disproportionate to the slight amounts involved.

I might add to what I have said, the consideration moving the committee in its deliberations was, first, the necessity for additional revenues, and, second, the recognition of the fact that the Government has been contributing large sums to the maintenance of the volume of business in our country, and in order to do so has been put to the necessity of extensive borrowing. In view of this fact it seemed but fair to increase the rates of the general corporate tax in order that the Government might recapture a fair share of profits created by its own acts and derived from the credit of the Government. It is quite clear that the Congress has been proceeding to deal with the difficulties of the depression by way of what is technically described as public-loan expenditure, and when this plan of meeting the demands of the depression was decided upon it was in contemplation that the Government should, in a measure, recoup over a period of years, in order to derive sufficient revenue not only to discharge its interest account but also to amortize its obligations and pay them off. Now that there has been a gratifying increase in the volume of business, in the circulation of money, and in the earnings of business enterprises it is believed by many that we should increase the corporate rates with the view of taking reasonably, from the profits of corporations, sufficient sums to protect the public credit, and ultimately to discharge the great obligations which the Government took upon itself and out of which business and enterprise have been enabled to recover to a very great extent.

Under all the circumstances it is deemed necessary that additional revenue be obtained. One reputable witness testified that the volume of business in our country had grown and was growing at such a rate that he believed that we might raise the additional revenue needed without increasing rates or writing a tax bill. The committee took this into consideration, but it could not take the risk of this opinion, fortified as it was by weight and merit. We recognize, to be sure, that there has been considerable increase in the volume of business, and that this increase bids fair to continue at least for a year or more, and, perhaps, for a longer period, as is to be hoped. However, the Congress is confronted with the simple fact that by its own act it has anticipated the maturity of the soldiers' adjusted-compensation certificates, and the Treasury is now issuing bonds on this account to the extent of $2,000,000,000. None of us think it wise to increase the public debt at one stroke by such a sum without making sufficient provisions for the payment of interest and the amortization of the debt.

That was also the view of the President of the United States. It is feared that if we should fail to do this the present confidence in the Government credit might be impaired; and we also recognize the necessity of balancing the Budget, or at least of setting up a plan of revenue raising which will look in that direction. Those who have advocated the necessity of balancing the Budget—and practically all businessmen have taken this position—cannot afford to dissent from the view that with increasing appropriations there must be increasing taxes, and that the increase of taxes must at least be sufficient and sufficiently sure to justify the expectation that shortly we will be reducing our debt and in the meantime we will be meeting all the demands of our public credit.

As I have pointed out, a further reason for immediate action lies in the fact that the Agricultural Adjustment Act was held unconstitutional on January 6 of the present year. Under this act expenditures had been contracted to the extent of about $517,000,000. These expenditures were based upon the processing taxes which were extinguished by the decision of the United States Supreme Court. Congress considered it proper that the farm program should be carried on, and on this account it was necessary to look for new revenue to the extent of $500,000,000 annually to carry out the soil-conservation program. It was the opinion of both the Ways and Means Committee and the Committee on Finance that processing taxes were not justified by the situation.

Conceding that the policy had worked reasonably well, it seemed quite clear that the policy of imposing taxes upon the production of the necessaries of life—meat, bread, and clothing—could not be justified. There had been a rather rapid increase in the cost of living, which had reached a point where the increase tended to work real hardship. The rise in the price of meat and of bread and of cotton goods has been borne because the rise was from a very low point. But it was thought that the very principle of an indirect sales tax at high rates would, in the not distant future, work out an unsatisfactory situation. On the other hand, it was the view of the Senate committee, at any rate, and I think of the House committee and the House, that the time had come to spread the burden of this revenue over the whole structure of incomes and profits, rather than upon particular articles of manufacture.

These were the principal considerations inducing the committee not to recommend the resort to processing taxes, but rather to look in the direction of general taxes. I believe the Senate will agree with the committee that this was the sound and more reasonable course.

It is not contended by the committee that the proposed legislation will actually balance the Budget, but it must be recalled that in the Budget submitted by the President to Congress a balance was set up in contemplation of excluding the necessities of public relief; that is to say, the President proposed within 2 years to balance the Budget, and held out the hope in the meantime that demands for relief would be so reduced that the lack of balance on this account would be extinguished. We cannot tell just what the demands for relief may be, or how long they will exist, but the progress made in the last 3 years justifies the hope that within a year or 2 years business and employment will be reasonably restored to normal. It is an interesting fact that the most reliable charts of production now show that the volume of production, including textiles, electrical energy, automobiles, car loadings, lumber, and steel is equal to the volume of production as of the 1st of July 1930, and the index, as I am advised, continues to rise. If this rate of progress shall be maintained, it is altogether within the possibilities that the revenue now proposed to be raised will be sufficient to carry us through the further period of demands for relief and thereafter may be sufficient to justify an annual process of amortization with the view to reducing the public debt.

This may be an optimistic view, but undoubtedly the country is recovering, and it is not unlikely that the recovery will be accelerated with the income from corporations in the present year and the public spending which will certainly go on for at least 12 months. The committee accepted the view that such legislation is warranted, and, while the rates imposed may seem high, they are deemed necessary. They will at any rate tend to stabilize the public credit and to prevent any impairment of confidence, and they are certainly not high enough greatly to interfere with the progress of business. We could not afford to assume the view taken by an

important witness that business is recovering to such an extent as to produce sufficient revenue on the present base, but the view taken by that witness at least justifies the optimistic hopes to which I have just given expression. Certainly, should the volume of business continue to increase and the demands for relief be reduced, we may hold out the hope to the taxpayers that there will be a reduction in rates and that there will be a balancing of the Budget.

I invite attention to the portion of the bill relating to what is known as the "windfall" tax. The Senate is familiar with this subject. Under the Agricultural Adjustment Act a great many processing-tax payers either withheld the tax or impounded the tax in courts. Some of them profited by this process; some did not. Certainly the taxes were imposed with the view to having them passed on to the consumers; and when it appeared that the failure of the Agricultural Adjustment Act under the decision of the Supreme Court had brought about the return of immense sums to taxpayers who had not borne the burden of these taxes but had passed them on to their purchasers, it became necessary to prevent any unjust enrichment of these parties at the expense of their purchasers. The section of the proposed legislation now before us which relates to this subject is not intended to take one dollar from any processing-tax payer who should not pay. The procedure is arranged with great care to distinguish those who withheld the tax for their own treasuries and for their own profits from those who paid the tax, and abundant provision is made where every processing-tax payer may show his costs and prove his case.

The principle followed is simply stated. Where taxes were withheld which should have come to the Treasury, the means are provided for the recovery of them. Where taxes were withheld which were really paid by consumers, it is recognized that the consumer is the real party in interest; but where taxes were not so withheld and where they did not enhance unjustly the profits of processing taxpayers; that is, where they were actually paid to the Government or where recoveries of taxes impounded were reflected in reduced prices under contract or otherwise, abundant provision is made for a just disposal. I may say that the estimate of the Treasury is that this proposed legislation will recover to the Treasury about $82,000,000. I wish to emphasize as strong as I can the terms of the legislation providing a procedure in this important matter under which justice will be done to all concerned.

The committee well understands that the imposition of a large volume of taxes at this time is not an agreeable thing, either to the Congress or to the taxpayers. This measure is proposed because by many it is deemed wise to secure stabilization of business and the protection of the good credit of our Government. It is also regarded by many as a just measure in view of the fact that the Government itself has now for 3 years, by liberal use of its credit, proved a great source of direct business stimulation throughout the land. We have provided for building, for the refinancing of mortgages, for the purchase of homes, and for the necessities of public relief, thereby increasing buying power.

We have provided considerable subsidies or benefit payments to our farmers; we have provided employment, and all of these provisions have brought money to the treasuries of business enterprises throughout the country. If the stimulation of trade had been derived otherwise, these taxes might not be deemed necessary, but the committee believes that business generally throughout the country—since, in the last analysis, it benefits directly and indirectly, as I have indicated, and since, as a matter of fact, it has made a great recovery and owes no small measure of this recovery to the public-loan expenditures—now that conditions have improved, should be called upon to share its profits in a larger measure, and that the more prosperous should be called upon to share their incomes in a larger measure to the end that the Government, which has been responsible to some degree for the increased profits and income, may not only protect its credit and meet its interest charges but may look forward to the time when a plan of amortization will enable it, year by year, to reduce the great burden which it has undertaken.

Before closing I wish to say something about the estimates of the bill. Conservative estimates indicate that the committee bill will yield about $829,000,000, as compared with the yield of $803,000,000 claimed under the House bill. This is $26,000,000 more than the House bill and will amply take care of the permanent revenue of $620,000,000 requested by the President and the temporary revenue for the next fiscal year. The balance of the temporary revenue, namely, $308,000,000, may be provided for at the next session of Congress in the light of conditions then existing.

As I have indicated, the President stated that this amount might be spread over 2 or 3 years. That view was accepted by both the Senate and House committees. In reaching the conclusions respecting the revenue yield, due consideration was given to the Treasury estimates. The committee also gave consideration to the estimates submitted by its own experts, particularly Mr. Parker, who has for years been of incalculable aid to the Committee on Finance. In the report submitted by the committee the Senators will find a statement based upon the Treasury estimates indicating that they were made in an abundance of caution, and that reasonably we may expect, if the Senate bill shall be enacted into law, that the full amount of at least $829,000,000 will be raised in addition to the existing revenue.

I sincerely hope we are entering the time when the public expenditures may be rapidly reduced. Certainly the time is coming when we should reduce expenditures. I think it is not improper to suggest that every time we appropriate money we make taxes necessary.

I am emphasizing this not for the purpose of criticizing the administration or any officials of the administration. The public has demanded the enormous expenditures which have compelled the imposition of additional taxes.

I sometimes fear that we have fallen into a habit of generously making great appropriations which appear to be popular at the time without reflecting that every dollar we appropriate must come out of the pockets of the American people. We lay to our hearts the flattering unction that the appropriations go for the benefit of the workers and the poor, and the taxes come from the rich. This by many is regarded as a fallacy, and no fallacy could be more fatal to the Government than this fallacy. Conceding that some forms of taxes may not be passed on, we must also recognize that these forms by no means produce more than a small modicum of the necessary revenue. By far the larger portion of the taxes, whether levied by way of tariff, excises, capital stock, corporate income, or individual income, drift out and fall upon the workers and the farmers.

We cannot employ everybody in Government employment. To turn the income of the American people into the channels of public salaries and activities is an impossibility. Some must work to create wealth, and it is from the creation of wealth that governments derive their revenue. Governments derive nothing from their own operations. They may conserve wealth, but they do not create it; and, after all, those who labor and toil are the producers of the wealth from which the public revenue is derived.

To lay a tax with the view to taxing the rich and helping the poor is beautiful theory; but in the last analysis there cannot be enough rich, there cannot be enough fortunes, to pay the tax. Sooner or later the burden falls upon the back of the toiler, increases his rent and thereby depresses his wage, increases the cost of his daily food and thereby further decreases his wages, and, unfortunately, often throws him out of work and deprives him of his all.

The best way to deal with revenue is to make it unnecessary to raise it. We could not do this at this time for manifest reasons. Those who criticize us for not doing it would probably be the first to criticize us if we did it. But certainly we have reached the point when we must realize that the appropriation of money means the writing of tax bills. We must also realize that with an annual revenue now of $5,000,000,000 or more, not to mention the taxes paid from counties,

cities, and States, and especially in view of the considerable measure of recovery, the time is at hand for Congress to be even slower in making great appropriations than it is in passing great tax bills.

Mr. President, I hope in the consideration of the bill we may hold to the recommendations of the committee and pass the bill as speedily as possible.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

Mr. KING. I ask unanimous consent that the formal reading of the bill be dispensed with and that it be read for amendment, the amendments of the committee to be first considered.

The PRESIDING OFFICER (Mr. MOORE in the chair). Without objection, it is so ordered.

Mr. BARKLEY. Mr. President, has the Senator given consideration to passing over titles I and II, which involve the taxes, considering the amendments to the other titles, and then coming back to titles I and II? I suggest that course.

I have been approached, as I am sure the Senator from Utah has, by members of the committee, who have not yet been able to familiarize themselves with the report, which became available only this morning; and it seems to me it would give more time for Senators to study the report if we could pass on these so-called minor amendments and come back finally to the crux of the whole bill, which is involved in the rates.

Mr. KING. I assent to that view. A number of Senators have spoken to me with regard to these matters, especially my friend from Wisconsin [Mr. LA FOLLETTE]. It seems to me the request which they have submitted is reasonable, and I readily assent to it.

Mr. LA FOLLETTE. I thank the Senator.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. KING. I yield to the Senator from Alabama.

Mr. BLACK. It seems to me that in addition to Senators having time to read the report they should have made available to them the hearings before the Senate committee. That has not yet been done; and, in my judgment, it is wholly and completely impossible for Senators to pass upon the real issue involved in the tax bill unless there are made available to the Senate the complete hearings, both in executive session and otherwise, showing the way in which the taxing feature of our law has worked out in actual practice with reference to the individuals and corporations about whom reports were made to the committee.

I therefore ask unanimous consent that all the hearings, both in executive session and otherwise, be made available for the use of the Senate in connection with the study of the bill.

Mr. KING. Mr. President, I have no objection to the hearings not in executive session, the testimony of witnesses, and so forth, being made public; but, without consulting with the other members of the committee, I cannot assent to the latter part of my friend's request.

Mr. BARKLEY. Mr. President, I understand that the public hearings have already been printed and are available to any Member who wishes them.

Mr. KING. Yes; to anyone who desires them.

Mr. BLACK. It is true that the public hearings are available, and I am not complaining about the Senator's statement that he wishes to take up the matter with the other members of the committee; but I desire to call the attention of the Senate to the fact that Senators cannot begin to get a picture of the tax evasion and tax avoidance which have been going on in this country unless they have made available for their use the hearings in executive session, showing how some corporations have evaded the payment of taxes, or have held back dividends which, if distributed, would have resulted in the payment of millions of dollars of taxes to the Federal Government; showing how some individuals, by reason of the tax device which is used, have themselves been able to escape sometimes as much as 50 percent of the total tax which otherwise would have been paid to the Government, in some instances amounting to more than a million dollars to an individual.

Therefore I request that the Senator from Utah, as soon as possible, take up the matter with the committee, in order that the Senate may have made available to it that which the Senate committee had, and which, of course, the Senate itself is entitled to have.

Mr. BARKLEY. Mr. President, following the suggestion which I made awhile ago, and which has not yet taken concrete form, I ask unanimous consent that titles I and II be temporarily passed over, and that the amendments beginning with title III be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Utah yield to enable me to present briefly another matter?

Mr. KING. Mr. President, the Senator knows that we are very anxious to secure action upon the tax bill as soon as possible, because it is probably an impediment to speedy adjournment. Does the Senator from Oklahoma think the matter he has in mind is of sufficient importance to justify interrupting the consideration of the tax bill?

Mr. THOMAS of Oklahoma. The District of Columbia appropriation bill at the moment is blocked, and unless something is done to secure an adjustment of the differences between the two Houses the Congress may find itself in an embarrassing position some time in the latter days of the session. It is in the hope of providing a plan for adjustment of those differences that I ask for a few moments' consideration at the hands of the chairman of the committee.

Mr. KING. How long will the matter take?

Mr. THOMAS of Oklahoma. Just a very few minutes.

Mr. KING. I yield to the Senator for that purpose.

Mr. THOMAS of Oklahoma. Mr. President, in the consideration of the District of Columbia appropriation bill one item has come in for especial consideration between the Senate conferees and the House conferees. Three items in the bill are in controversy, but only one is offering a bar to making progress.

The first of the three items is the amount of the Federal contribution toward the support of the District of Columbia government.

In former years the Federal Government appropriated one-half of the amount necessary to conduct the affairs of this city, the appropriation being on what is known as the 50–50 basis. At a later time a law was passed to change the appropriation from the 50–50 to the 60–40 basis, the Federal Government appropriating 40 percent and the District raising by taxation 60 percent of the total amount necessary. That is the law today; but the law is not being observed. At a later date the amount of the Federal contribution was fixed at a lump sum of $9,000,000 per year. Later on that was cut to $8,000,000; and during the past several years the amount has been fixed at $5,700,000.

In this year's appropriation bill the House of Representatives reduced the Federal contribution from the Budget estimate of $5,700,000 to $2,700,000. In the Senate the action taken was to restore the full amount of the Budget estimate, $5,700,000. The House conferees insist that they will not yield and will not consent to having more than $2,700,000 paid for this purpose by the Federal Government; and, until the Senate conferees have more information, to date they have not been willing to recommend that the Federal contribution be made less.

The Senate committee had rather exhaustive hearings, which tended to show that the total tax paid by the residents of the District of Columbia is relatively high—in fact, the third highest of any city in the entire United States. Of all the cities in the country, the residents of only two pay a higher per-capita tax than do the residents of the city of Washington. It is over that point that the conferees are in disagreement. The House takes the position that the taxpayers of Washington do not pay as heavy a tax as do the taxpayers of other cities. The position taken by the Senate conferees is that the residents of this city pay the third highest per-capita tax of the residents of any city in the entire United States. It is over that point, in the main, that the conferees of the two bodies are in disagreement.

Mr. President, in order to solve the matter for this session and for future sessions, it has been suggested that a commission be appointed to make a thorough study and survey of the fiscal relations between the District of Columbia and the Federal Government. Such a commission, it has been suggested, should be composed of three eminent, qualified citizens, not of the District of Columbia, one to be appointed by the President of the United States, one to be appointed by the Speaker of the House of Representatives, and one to be appointed by the President of the Senate; that these three commissioners be authorized, with a liberal contribution for expenses, to make a survey and to make a report to the President by January 1 next, at which time the President will consider the report, and upon that report base his recommendation, in the form of a Budget estimate, which will come to the two Houses in January. At that time the two Houses, having the report from the commission, will be better able to say how much, if anything, the Federal Government should contribute to the support of the District of Columbia.

Mr. President, that is the substance of the statement I desired to make, and following that statement I introduce, if I may, a joint resolution, which, if agreed to, will provide for the appointment of the commission to which I have referred. I think that before the conferees of the two bodies can make any progress we must provide for such a system of coming to some conclusion at this session, and for future sessions, and it is in the hope of having such a commission appointed, which will furnish Congress unbiased, unprejudiced information upon which it can act, that I introduce the joint resolution.

I first ask permission to introduce the joint resolution.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the joint resolution is received.

Mr. THOMAS of Oklahoma. Mr. President, I have the support of the chairman of the Committee on Appropriations, the Senator from Virginia [Mr. GLASS]. I have discussed the matter briefly with the Senator from New York [Mr. COPELAND] and with the Senator from North Dakota [Mr. NYE]. I have not conferred with the Senator from New Hampshire [Mr. KEYES], although he was present when the matter was discussed. I ask that the joint resolution be read.

The PRESIDING OFFICER. Without objection, the clerk will read.

The joint resolution (S. J. Res. 279) establishing a commission to make a study and report with respect to the fair and equitable amount to be paid by the United States toward the expenses of the government of the District of Columbia, and for other purposes, was read the first time by its title and the second time at length, as follows:

Joint resolution establishing a commission to make a study and report with respect to the fair and equitable amount to be paid by the United States toward the expenses of the government of the District of Columbia, and for other purposes

Whereas (a) the 1937 District of Columbia appropriation bill is now in conference; (b) the Budget estimate for the Federal contribution toward the support of the District of Columbia is $5,700,000; (c) the House of Representatives reduced said Budget estimate to $2,700,000; (d) the Senate approved said Budget estimate in the sum of $5,700,000; (e) the two Houses are in disagreement over the amount of such Federal contribution: Therefore, in order to adjust the difference between the House and Senate on said item, be it

Resolved, etc., That the conferees of the respective Houses are hereby authorized and directed to agree to the Budget estimate in the sum of $5,700,000 as the Federal Government's contribution to the support of the District of Columbia for the 1937 fiscal year; and be it further

Resolved, That there is hereby established a commission, to be known as the Commission on Federal Expenditures for the District of Columbia (hereinafter referred to as the Commission) to be composed of three members to be appointed as follows: One member, the chairman, to be appointed by the President, one member to be appointed by the President of the Senate, and one member to be appointed by the Speaker of the House of Representatives. No person shall be eligible for appointment as a member of the Commission who is a resident of the District of Columbia or who is, directly or indirectly, the owner of or interested in any real or other property in the District of Columbia. The members of the Commission shall be paid such compensation for their services as shall be fixed by the President, and shall receive their necessary traveling and subsistence expenses while engaged in the work of the Commission.

SEC. 2. It shall be the duty of the Commission to study and report to the President, not later than January 1, 1937, the fair and equitable amount to be paid by the United States as a contribution toward the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1938, and the Commission shall include in such report its recommendations with respect to a fair and equitable formula for the annual computation of the amount of such contribution for succeeding fiscal years. The Commission is authorized to make such surveys and conduct such investigations as it may deem necessary and advisable for carrying out the purposes of this resolution.

SEC. 3. The Commission is authorized, without regard to the civil-service laws, to employ, and, without regard to the Classification Act of 1923, as amended, to fix the compensation of, such employees and assistants, and to make such expenditures, as may be necessary for carrying out the purposes of this resolution. The Commission is further authorized to request information from any officer, department, or agency of the United States or the District of Columbia to aid it in carrying out such purposes, and all such officers, departments, and agencies are hereby authorized and directed to supply such information upon request.

SEC. 4. For carrying out the purposes of this resolution, there shall be made available immediately, out of the amount of the contribution by the Federal Government toward the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1937, the sum of $50,000.

SEC. 5. The budget for the District of Columbia for the fiscal year ending June 30, 1938, may be submitted to the Congress without any provision therein as to the amount of the Federal contribution toward the expenses of such District for that fiscal year, but the President, upon receipt of the final report of the Commission, shall transmit the same to the Congress, together with his recommendation as to the amount of such Federal contribution, if any, for that fiscal year.

Mr. THOMAS of Oklahoma. Mr. President, I have not conferred with the leader of the majority and the leader of the minority, but if they have no objection to the joint resolution, I ask for its immediate consideration.

Mr. McNARY. Mr. President, the Senator from Oklahoma presents a very important matter, and no one has had notice. It proposes an unusual thing, such as I have never heard of in the years I have been a Member of this body, namely, directing a conference to agree upon a specific sum of money in the way of an appropriation.

I shall object to the consideration of the joint resolution at this time. It is an unusual proposal. The appointment of the commission is all right, but directing a conference to agree upon a certain Budget estimate would take away all liberty of the conference, and would give a direction that is unheard of. I object to the consideration of the joint resolution.

Mr. THOMAS of Oklahoma. Mr. President, if objection is made, of course I appreciate what that means. The House of Representatives has instructed its conferees to insist on a Federal contribution of $2,700,000, and of course they are bound by that instruction. They will not yield in the absence of the Senate taking some action.

The position of the Senate conferees is predicated upon the amount included in the District of Columbia appropriation bill by the Senate, $5,700,000. But with the record which has been made by the Senate, the Senate conferees are unwilling to yield and accept the $2,700,000.

Mr. McNARY. Mr. President, why is this conference different from any other which occurs from day to day? There is one way to proceed, and that is measured by the rules of the Senate. I shall insist upon that procedure.

Mr. THOMAS of Oklahoma. Mr. President, unless the Senate will provide some plan to break the present deadlock,

we will be in session indefinitely, or we will adjourn with no funds provided to conduct the affairs of the District of Columbia. The responsibility for providing such funds rests upon the Congress. Under the Constitution and under the law the Congress is to regulate and control the District of Columbia and to legislate for it. The responsibility is placed upon our shoulders by the Constitution. Unless we can agree upon an appropriation, there will be no appropriation. If we can submit to the House conferees a plan whereby we can let them agree to a larger contribution than they are willing now to agree to, on condition that next year, if they are right in their stand, they will have the data upon which to predicate the correctness of their statement, that may be a solution of the problem. If it is true that the District of Columbia is undertaxed, the proposed commission will find that fact, and, in the end, the House position will be justified. On the other hand, if the commission shall find that the District is overtaxed, then the Senate will be sustained.

The conferees cannot agree to the matter, because in conference the House conferees set up their viewpoint and the Senate conferees set up the Senate's viewpoint, and these two viewpoints are in contradiction.

We cannot take the proposed action in conference. We cannot attach such a joint resolution as I have proposed to the conference committee report, because it would be legislation upon an appropriation bill. So this joint resolution is proposed on behalf of the Senate conferees as a plan whereby we can probably secure an adjustment of this difference; at least, that is our hope.

Mr. McNARY. Mr. President, the procedure is so anomalous as to almost challenge my humor. This is not the only bill which has ever been in conference, and this is not the only conference which has ever been held between the House and Senate. Frequently there is disagreement. The Senator from Oklahoma has had some experience along that line and knows what the procedure is. He can bring in a conference report and ask for further instructions. If he desires to present an entirely new situation, as he seems to desire, that can be done by a joint resolution. If it is desired that a board be appointed, that should not be coupled up with instructions as to how a conference shall be handled and what recommendation the conferees shall make.

Let the Senator follow what has been the uniform practice of the Senate and the House for years—bring back a conference report, either in agreement or disagreement, and if he desires to go further, let him present his proposed legislation, as is always done, by some form of joint resolution. I shall adhere to my views and oppose this sort of procedure.

Mr. THOMAS of Oklahoma. Mr. President, what I have presented is exactly what the Senator has suggested, a joint resolution, offered in an attempt to adjust the difficulty.

Mr. McNARY. Yes; it is a joint resolution, but the ridiculous part is that it attempts to adjust a conference disagreement by a joint resolution. That is what I object to, and I insist on my objection.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. COPELAND. With all of his experience, Mr. President—and we know how great that is—the Senator from Oregon has never had such an experience as the conferees have had for the past several years in connection with the District bill.

I wish to say a very few words. I hope to be within the rules in saying them. I do not desire to reflect on the other House. However, I say that it is utterly impossible for the conferees to reach any conclusion regarding this matter.

I myself think the chairman of the committee is entirely right in the position he has taken. We cannot hope to obtain an agreement, and the House has done the unusual thing of adopting a resolution saying that its conferees must not change the figure. The Senate conferees are satisfied that the affairs of the District cannot be properly conducted on any such figure as is proposed by the House. The whole matter hinges on whether or not the taxpayers of the District are properly assessed. I think there must be found—if not today, there must very soon be found—some way of adjustment. Otherwise, I think the chairman is entirely right in saying that an agreement is out of the question, and then we shall adjourn without having taken any action whatever.

Mr. McNARY. If an agreement is out of the question and is impossible of attainment, what could be accomplished by a joint resolution of the kind now proposed if the House is going to maintain its position?

Mr. THOMAS of Oklahoma. Mr. President, I may suggest to the Senator from Oregon that yesterday, as a member of the conference committee, I participated in the conference with the House conferees; and while the text of this joint resolution was not agreed to, it was agreed that only by such a plan could we obtain facts upon which we could ever agree in the future.

Mr. McNARY. I agree that there is good reason for the legislative proposal to appoint a board to collect, gather, and discover the facts. A joint resolution proposing such action could be introduced by itself. I should at this moment withhold all objection if the joint resolution went only that far; but I should not and I cannot permit myself to consent to an instruction being coupled with the joint resolution, directed at a certain specific sum which we should determine.

Mr. THOMAS of Oklahoma. Mr. President, the House conferees come to the conference and say, "We have been instructed by the House to stand firm for $2,700,000, and until you are instructed to stand firm for $5,700,000 we are going to demand that you accept our terms." It is to meet that argument that the joint resolution was framed as it was.

Mr. McNARY. Mr. President, will the Senator from Georgia yield, so that I may answer that statement?

Mr. GEORGE. Mr. President, I dislike to do so. I shall call for the regular order, because it is obvious that we are getting nowhere with the joint resolution.

Mr. McNARY. May I answer the question just proposed?

Mr. GEORGE. Yes; I will withhold my demand and yield to the Senator for that purpose.

Mr. McNARY. As I stated a moment ago, the remedy is to bring back to the Senate a report of disagreement and ask for further instructions from the Senate.

Mr. THOMAS of Oklahoma. Mr. President, I shall make one more statement, and then I shall have concluded.

It was my hope to have the joint resolution passed and let it go to the House, where they would probably strike out of the measure the sum of $5,700,000 and insert $2,700,000. Then the joint resolution would come back to the Senate. Then I thought, perhaps, the joint resolution would be sent to the same conference committee which was responsible for it. Then we could adjust the amount in the joint resolution to the amount in the bill. That was my hope and my plan. If that does not work, I shall fail.

Mr. McNARY. Mr. President, I repeat, why does not the Senator bring in a report of disagreement, and ask the Senate further to instruct the Senate conferees, and insist that the sum of money provided by the Senate be appropriated?

The PRESIDING OFFICER. Without objection, the joint resolution will lie on the table.

Mr. COPELAND. Mr. President, will the Senator from Georgia yield to me for a moment?

Mr. GEORGE. I yield.

Mr. COPELAND. The Senator from Oklahoma, with amazing patience, held hearings on this bill for a month. He has been trying for a considerable time to get an agreement on the bill in conference. The House has taken a position supporting its conferees. I contend, Mr. President, that we cannot do less in the Senate than to give the support to our chairman that the House has given to its chairman in this particular matter, and I hope that on the morrow the Senator from Oregon will think it may be possible to have favorable consideration on the joint resolution.

Mr. McNARY. Why does not the committee do in this case as it does in all cases—report a disagreement and ask for further instructions? If that is done, I guarantee, so far as I can do so with my own vote, that the Senate will instruct the conferees to insist upon the amount of money it appropriated.

WHITMAN NATIONAL MONUMENT—CONFERENCE REPORT

Mr. MURRAY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7736) to provide for the establishment of the Whitman National Monument, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

JAMES E. MURRAY,
ELMER A. BENSON,
GERALD P. NYE,
Managers on the part of the Senate.

RENÉ L. DEROUEN,
KNUTE HILL,
HARRY L. ENGLEBRIGHT,
Managers on the part of the House.

The report was agreed to.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

Mr. GEORGE. Mr. President, the first amendment in order is on page 242, in title III, the other titles having been temporarily passed over.

The PRESIDING OFFICER. The clerk will state the first committee amendment on page 242.

The first amendment was, under the heading "Title III—Tax on unjust enrichment", in section 501, tax on net income from certain sources, on page 242, line 18, after the word "others", to insert "to any extent"; and in line 19, after the word "tax", to insert "and which does not exceed such person's net income for the entire taxable year from the sale of articles with respect to which such Federal excise tax was imposed", so as to read:

(a) The following taxes shall be levied, collected, and paid for each taxable year (in addition to any other tax on net income), upon the net income of every person which arises from the sources specified below:

(1) A tax equal to 80 percent of that portion of the net income from the sale of articles with respect to which a Federal excise tax was imposed on such person but not paid which is attributable to shifting to others to any extent the burden of such Federal excise tax and which does not exceed such person's net income for the entire taxable year from the sale of articles with respect to which such Federal excise tax was imposed.

The amendment was agreed to.

The next amendment was, on page 242, after line 21, to strike out:

(2) A tax equal to 80 percent of that portion of the net income from reimbursement for Federal excise-tax burdens received by such person from vendors, which is equivalent to the amount of such Federal excise-tax burden which such person in turn shifted to vendees.

And in lieu thereof to insert:

(2) A tax equal to 80 percent of the net income from reimbursement received by such person from his vendors of amounts representing Federal excise-tax burdens included in prices paid by such person to such vendors, to the extent that such net income does not exceed the amount of such Federal excise-tax burden which such person in turn shifted to his vendees.

The amendment was agreed to.

The next amendment was, on page 243, after line 9, to insert the following:

(3) A tax equal to 80 percent of the net income from refunds or credits to such person from the United States of Federal excise taxes erroneously or illegally collected with respect to any articles, to the extent that such net income does not exceed the amount of the burden of such Federal excise taxes with respect to such articles which such person shifted to others.

The amendment was agreed to.

The next amendment was, on page 243, after line 16, to insert the following:

(b) The net income specified in subsection (a) (1), (2), or (3) shall not include the net income from the sale of any article, from reimbursement with respect to any article, or from refund of Federal excise tax with respect to any article (1) if such article (or the articles processed therefrom) were not sold by the taxpayer on or before the date of the termination of the Federal excise tax; (2) if the taxpayer made a tax adjustment with respect to such article (or the articles processed therefrom) with his vendee; or (3) if under the terms of any statute the taxpayer would have been entitled to a refund from the United States of the Federal excise tax with respect to the article otherwise than as an erroneous or illegal collection (assuming, in case the tax was not paid, that it had been paid).

The amendment was agreed to.

The next amendment was, on page 244, after line 5, to strike out:

(b) The net income from the source specified in subsection (a) (1) shall be computed as follows: From the gross income from the sale of the articles with respect to which a Federal excise tax was imposed on the taxpayer but not paid, there shall be deducted the allocable portion of the deductions from gross income for the taxable year which are allowable under the applicable revenue act. The proper apportionment and allocation of such deductions with respect to gross income derived from the transactions specified in subsection (a) (1) shall be determined under rules and regulations prescribed by the Commissioner, with the approval of the Secretary.

Mr. GEORGE. Mr. President, I may say in connection with this particular amendment inserted by the Senate Finance Committee that it gives to the taxpayer the option of a simpler method of computing his tax. That is all that is intended to be accomplished by the amendment. The House method of computing the tax was somewhat complicated, and many of the processors on whom this windfall tax would fall asked for the option of a simpler computation.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 244, striking out lines 6 to 17, both inclusive.

The amendment was agreed to.

The next amendment was, on page 244, after line 17, to insert:

(c) The net income from the sales specified in subsection (a) (1) shall be computed as follows:

(1) From the gross income from such sales there shall be deducted the allocable portion of the deductions from gross income for the taxable year which are allowable under the applicable revenue act; or

(2) If the taxpayer so elects by filing his return on such basis, the total net income for the taxable year from the sale of all articles with respect to which each Federal excise tax was imposed (computed by deducting from the gross income from such sales the allocable portion of the deductions from gross income which are allowable under the applicable revenue act, but without deduction of the amount of such Federal excise tax which was paid or of the amount of reimbursement to purchasers with respect to such Federal excise tax) shall be divided by the total quantity of such articles sold during the taxable year and the quotient shall be multiplied by the quantity of such articles involved in the sales specified in subsection (a) (1). Such quantities shall be expressed in terms of the unit on the basis of which the Federal excise tax was imposed.

The amendment was agreed to.

The next amendment was, on page 245, after line 14, to insert:

For the purposes of this section the proper apportionment and allocation of deductions with respect to gross income shall be determined under rules and regulations prescribed by the Commissioner with the approval of the Secretary.

The amendment was agreed to.

The next amendment was, on page 245, line 19, before the word "the", to strike out "(c)" and insert "(d)"; in the same line, after the word "reimbursement", to insert "or refunds"; in line 20, before the word "shall", to insert "or (3)"; in line 22, before the word "of", to insert "(1)"; in line 23, after the word "excise", to strike out "taxes" and insert "tax burdens"; in line 24, after the word "vendors", to insert "or (2) of refunds or credits to the taxpayer of Federal excise taxes erroneously or illegally collected,"; and on page 246, line 3, after the word "reimbursement", to insert "or refunds", so as to read:

(d) The net income from reimbursement or refunds specified in subsection (a) (2) or (3) shall be computed as follows: From the total payment or accrual (1) of reimbursement to the taxpayer from vendors for amounts representing Federal excise tax burdens included in prices paid by the taxpayer to such vendors or (2) of refunds or credits to the taxpayer of Federal excise taxes erroneously or illegally collected, there shall be deducted the expenses and fees reasonably incurred in obtaining such reimbursement or refunds.

The amendment was agreed to.

Mr. GEORGE. Mr. President, those are merely clerical amendments.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 246, after line 3, to strike out:

(d) For the purposes of subsection (a) (1) and (2), the extent to which the taxpayer shifted to others the burden of a Federal excise tax, shall be presumed to be an amount computed as follows: From the selling price of each article there shall be deducted the sum of (1) the cost of such article plus (2) the average margin with respect thereto. The balance (to the extent that it does not exceed the amount of the Federal excise tax) shall be the extent to which the taxpayer shifted to others the burden of such Federal excise tax with respect to such article.

And in lieu thereof to insert:

(e) For the purposes of subsection (a) (1), (2), and (3), the extent to which the taxpayer shifted to others the burden of a Federal excise tax shall be presumed to be an amount computed as follows:

(1) From the selling price of the articles there shall be deducted the sum of (A) the cost of such articles plus (B) the average margin with respect to the quantity involved; or

(2) If the taxpayer so elects by filing his return on such basis, from the aggregate selling price of all articles with respect to which such Federal excise tax was imposed and which were sold by him during the taxable year (computed without deduction of reimbursement to purchasers with respect to such Federal excise tax) there shall be deducted the aggregate cost of such articles, and the difference shall be reduced to a margin per unit in terms of the basis on which the Federal excise tax was imposed. The excess of such margin per unit over the average margin (computed for the same unit) shall be multiplied by the number of such units represented by the articles with respect to which the computation is being made; but

(3) In no case shall the extent to which the taxpayer shifted to others the burden of the Federal excise tax with respect to the articles be deemed to exceed the amount of such tax with respect to such articles minus (A) any payments or credits with respect to the articles made to purchasers as specified in subsection (f) (3) and minus (B) the amount of any increase in the tax under section 602 of the Revenue Act of 1932 for which the taxpayer under this section became liable as the result of the nonpayment or refund of the Federal excise tax with respect to the articles.

Mr. GEORGE. Mr. President, if I may be permitted, I should like to make an explanation at that point. These are merely companion provisions to the amendments considered on page 244, giving to the taxpayer an option of computing his liability for tax. The provisions had to be repeated under the framework of this particular title, as the matter came from the House, in two places.

The PRESIDING OFFICER. The question is on agreeing to the amendment on pages 246 and 247.

The amendment was agreed to.

The next amendment was, on page 247, line 23, to strike out "(c)" and insert "(f)"; in line 25, after the word "of", to strike out "an article" and insert "articles"; on page 248, line 4, after the word "his", to strike out "five" and insert "six"; and in line 6, after the word "such", to insert "six-year"; so as to read:

(f) As used in this section—

(1) The term "margin" means the difference between the selling price of articles and the cost thereof, and the term "average margin" means the average difference between the selling price and the cost of similar articles sold by the taxpayer during his six taxable years preceding the initial imposition of the Federal excise tax in question, except that if during any part of such 6-year period the taxpayer was not in business, or if his records for any part of such period are so inadequate as not to furnish satisfactory data, the average margin of the taxpayer for such part of such period shall, when necessary for a fair comparison, be deemed to be the average margin, as determined by the Commissioner, of representative concerns engaged in a similar business and similarly circumstanced.

Mr. GEORGE. That is an amendment of substance, but it merely extends the period specified in that particular section from 5 years, according to my recollection, to 6 years.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 248, line 15, after the word "of", to strike out "an article" and insert "articles"; in line 18, after the word "the", to strike out "article" and insert "articles plus direct manufacturing costs"; in line 19, after the word "of", to strike out "an article" and insert "articles"; in line 21, after the word "such", to strike out "article" and insert "articles"; and in the same line, after the word "reduced", to insert "in both cases", so as to read:

(2) The term "cost" means, in the case of articles manufactured or produced by the taxpayer, the cost to the taxpayer of materials entering into the articles plus direct manufacturing costs; or, in the case of articles purchased by the taxpayer for resale, the price paid by him for such articles (reduced in both cases by the amount for which he is reimbursed by his vendor).

The amendment was agreed to.

The next amendment was, on page 248, line 24, after the word "paid", to insert "or credited"; and in line 25, after the word "before", to strike out "March 3, 1936, or pursuant to any bona-fide agreement in writing" and insert "the thirtieth day after the date of the enactment of this act, or thereafter in the bona-fide settlement of a written agreement", so as to read:

(3) The term "selling price" means selling price minus (A) amounts subsequently paid or credited to the purchaser on or before the thirtieth day after the date of the enactment of this act, or thereafter in the bona-fide settlement of a written agreement entered into on or before March 3, 1936, as reimbursement for the amount included in such price on account of a Federal excise tax, and minus (B) the allocable portion of any professional fees and expenses of litigation incurred in securing the refund or preventing the collection of the Federal excise tax, not to exceed 10 percent of the amount of such tax.

The amendment was agreed to.

The next amendment was, on page 249, line 12, before the word "In", to strike out "(f)" and insert "(g)"; in the same line, after the word "determining", to strike out "costs and selling prices" and insert "costs, selling prices, and net income"; and in line 16, after the word "acquired" and the period, to insert "Where the taxpayer's records do not adequately establish the quantity of a commodity taxable under the Agricultural Adjustment Act, as amended, entering into articles sold by him, such quantities shall be computed by the use of the conversion factors prescribed in regulations under such act, as amended", so as to read:

(g) In determining costs, selling prices, and net income, the taxpayer shall, unless otherwise shown, be deemed to have sold articles in the order in which they were manufactured, produced, or acquired. Where the taxpayer's records do not adequately establish the quantity of a commodity taxable under the Agricultural Adjustment Act, as amended, entering into articles sold by him, such quantities shall be computed by the use of the conversion factors prescribed in regulations under such act, as amended.

The amendment was agreed to.

The next amendment was, on page 249, line 22, to change the letter of the paragraph from "(g)" to "(h)."

The amendment was agreed to.

The next amendment was, on page 250, line 3, to change the designation of the paragraph from "(h)" to "(i)"; and in line 4, after the word "subsection" to strike out "(d)" and insert "(e)", so as to make the paragraph read:

(1) Either the taxpayer or the Commissioner may rebut the presumption established by subsection (e) by proof of the actual extent to which the taxpayer shifted to others the burden of the Federal excise tax. Such proof may include, but shall not be limited to:

The next amendment was, on page 250, in line 12, after the word "costs", to strike out "of production" and insert "not considered in computing the margin", so as to make the paragraph read:

(1) Proof that the change or lack of change in the margin was due to changes in factors other than the tax. Such factors shall include any clearly shown change (A) in the type or grade of article or materials, or (B) in costs not considered in computing the margin. If the taxpayer asserts that the burden of the tax was borne by him while the burden of any other increased cost was shifted to others, the Commissioner shall determine, from the respective effective dates of the tax and of the other increase in cost as compared with the date of the change in margin, and from the general experience of the industry, whether the tax or the increase in other cost was shifted to others. If the Commissioner determines that the change in margin was due in part to the tax and in part to the increase in other cost, he shall apportion the change in margin between them.

Mr. GEORGE. That is merely a clerical amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 251, line 16, after the word "articles", to insert "in question", and in the same line, after the word "sold", to strike out "with respect to which there was imposed the Federal excise tax which was not paid", so as to read:

(2) Proof that the taxpayer modified contracts of sale, or adopted a new contract of sale, to reflect the initiation, termination, or change in amount of the Federal excise tax, or at any such time changed the sale price of the article (including the effect of a change in size, package, discount terms, or any other merchandising practice) by substantially the amount of the tax or change therein, or at any time billed the tax as a separate item to any vendee or indicated by any writing that the sale price included the amount of the tax, or contracted to refund any part of the sale price in the event of recovery of the tax or decision of its invalidity; but the taxpayer may establish that such acts were caused by factors other than the tax, or that they do not represent his practice during the period in which the articles in question were sold.

Mr. GEORGE. That also is merely a clerical amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on the same page, at the beginning of line 19, to change the designation of the paragraph from "(i)" to "(j)".

The amendment was agreed to.

The next amendment was, on page 252, line 5, after the word "to", to strike out "any commodity (or the processing of any commodity), or with respect to any", and insert "(or with respect to the processing of) any commodity or"; so as to read:

(1) The term "Federal excise tax" means a tax or exaction with respect to the sale, lease, manufacture, production, processing, ginning, importation, transportation, refining, recovery, or holding for sale or other disposition, of commodities or articles, provided for by any Federal statute, whether valid or invalid, if denominated a "tax" by such statute. A Federal excise tax shall be deemed to have been imposed with respect to an article if it was imposed with respect to (or with respect to the processing of) any commodity or other article, from which such article was processed.

The amendment was agreed to.

The next amendment was, on page 252, line 8, to insert:

(2) The term "date of the termination of the Federal excise tax" means, in the case of a Federal excise tax held invalid by a decision of the Supreme Court, the date of such decision.

The amendment was agreed to.

The next amendment was, on page 252, after line 12, to insert:

(3) The term "refund or credit" does not include a refund or credit made in accordance with the provisions and limitations set forth in title VII of this act, or in section 621 (d) of the Revenue Act of 1932.

The amendment was agreed to.

The next amendment was, on page 252, after line 16, to insert:

(4) The term "tax adjustment" means a repayment or credit by the taxpayer to his vendee of an amount equal to the Federal excise tax with respect to an article (less reasonable expense to the vendor in connection with the nonpayment or recovery by him of the amount of such tax and in connection with the making of such repayment or credit) if such repayment or credit is made on or before the thirtieth day after the date of the enactment of this act, or thereafter in the bona-fide settlement of a written agreement entered into on or before March 3, 1936.

Mr. GEORGE. Mr. President, the amendments now being considered are clarifying, in the first instance, and also provide definitions to conform to the changes made in the text of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, on page 253, at the beginning of line 3, to strike out "(2)" and insert "(5)", so as to read:

(5) The term "taxpayer" means a person subject to a tax imposed by this section.

The amendment was agreed to.

The next amendment was, on page 253, after line 4, to strike out:

(j) All references in this section of Federal excise taxes imposed but not paid shall be deemed to include Federal excise taxes paid but refunded or credited to the taxpayer, except where such refund or credit is made in conformity with the provisions and limitations set forth in section 21 (d) of the Agricultural Adjustment Act, as amended, or in section 621 (d) of the Revenue Act of 1932.

The amendment was agreed to.

The next amendment was, on page 253, line 25, after the word "exceed", to strike out "such Federal excise tax" and insert "the amount of such Federal excise tax with respect to such services minus any payments or credits with respect to the services made to purchasers as specified in subsection (f) (3)"; on page 254, in line 6, after the word "such", to strike out "5-year" and insert "6-year"; and in line 15, after the word "subsection", to strike out "(h)" and insert "(i)", so as to read:

(k) All references in this section to the purchase or sale (or to parties to the sale) of articles with respect to which a Federal excise tax was imposed shall be deemed to include the purchase or sale (or parties to the sale) of services with respect to which a Federal excise tax was imposed, and for the purposes of subsection (a) the extent to which the taxpayer shifted to others the burden of such Federal excise tax with respect to such services shall be presumed to be an amount computed as follows: From the selling price of the services there shall be deducted the average price received by the taxpayer for performing similar services during the six taxable years preceding the initial imposition of the Federal excise tax in question. The balance (to the extent that it does not exceed the amount of such Federal excise tax with respect to such services minus any payments or credits with respect to the services made to purchasers as specified in subsection (f) (3)) shall be the extent to which the taxpayer shifted the burden of such Federal excise tax to others. If during any part of such 6-year period the taxpayer was not in business, or if his records for any part of such period are so inadequate as not to furnish satisfactory data, the average price of the taxpayer for such part of such period shall, when necessary for a fair comparison, be deemed to be the average price, as determined by the Commissioner, of representative concerns engaged in a similar business and similarly circumstanced. The presumption established by this subsection may be rebutted by proof of the character described in subsection (i).

The amendment was agreed to.

The next amendment was, on page 255, "Sec. 502. Credit for other taxes on income", line 8, after the words "amount of", to insert "the other", so as to read:

(a) The amount of the other Federal income and excess-profits taxes payable by the taxpayer for the taxable year, over

The amendment was agreed to.

The next amendment was, on the same page, line 11, after the words "the amount", to insert "the other", so as to read:

(b) The amount of the other Federal income and excess-profits taxes which would have been payable by the taxpayer for the taxable year if his net income were decreased by the amount of net income taxable under this title.

The amendment was agreed to.

The next amendment was, on page 255, "Sec. 503. Administrative provisions", line 21, after the word "sections", to insert the numerals "21", so as to make the clause read:

SEC. 503. ADMINISTRATIVE PROVISIONS.

(a) All provisions of law (including penalties) applicable with respect to taxes imposed by title I of this act, shall, insofar as not inconsistent with this title, be applicable with respect to the taxes imposed by this title, except that the provisions of sections 101, 131, 251, and 252 shall not be applicable.

The amendment was agreed to.

The next amendment was, on the same page, line 23, after "(b)", to strike out "The return with respect to the taxes imposed by this title" and insert "Every person (1) upon whom a Federal excise tax was imposed but not paid, or (2) who received any reimbursement specified in subsection (a) (2), or (3) who received a refund or credit of Federal excise tax, shall make a return under this title, which return", so as to make the clause read:

(b) Every person (1) upon whom a Federal excise tax was imposed but not paid, or (2) who received any reimbursement specified in subsection (a) (2), or (3) who received a refund or credit of Federal excise tax, shall make a return under this title, which return shall contain such information and be made in such manner as the Commissioner, with the approval of the Secretary, shall prescribe. For any taxable year ended prior to the date of the enactment of this act the return shall be filed, and the total amount of the taxes shall be paid, not later than the 15th day of the third month after the date of the enactment of this act, in lieu of the time otherwise prescribed by law.

The amendment was agreed to.

The next amendment was, on page 256, after line 12, to insert:

(c) If the Commissioner finds that the payment, on the date prescribed for the payment thereof, of any part of the amount determined by the taxpayer as the tax under this title, or of any deficiency with respect thereto, would impose undue hardship upon the taxpayer, the Commissioner may grant an extension for the payment of any such part for a period not in excess of 3 years. In such case the amount with respect to which the extension is granted shall be paid on or before the date of the expiration of the period of the extension, and the running of the statute of limitations for assessment and collection shall be suspended for the period of any such extension. If an extension is granted, the Commissioner may require the taxpayer to furnish a bond in such amount, not exceeding double the amount with respect to which the extension is granted, and with such sureties as the Commissioner deems necessary, conditioned upon the payment of the amount with respect to which the extension is granted in accordance with the terms of the extension. There shall be collected, as a part of any amount with respect to which an extension is granted, interest thereon at the rate of 6 percent per annum from the expiration of 6 months after the due date thereof to the expiration of the period of the extension.

The amendment was agreed to.

Mr. GEORGE. Mr. President, I should like to call attention to the amendment that has just been agreed to on page 256, paragraph (c). It is an amendment comparable to the provision of the Federal inheritance tax law in that it gives to the Commissioner a discretion under the conditions named in the section and the power to spread the payment of the windfall tax over a period of not exceeding 3 years. The committee believed that was a wise provision, particularly in view of the evidence which tended to indicate that certain classes of taxpayers who would be taxable under the so-called windfall or unjust enrichment tax provision would suffer a very severe penalty if they were required to pay the tax in 1 year.

The PRESIDING OFFICER. The amendment has already been agreed to. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 257, after line 15, to strike out:

SEC. 505. GEOGRAPHICAL SCOPE OF TITLE.

For the purposes of this title—

(1) The term "United States", as used in any provision of law, includes only the States, the Territories of Alaska and Hawaii, the District of Columbia, the Philippine Islands, and Puerto Rico.

(2) Income taxes paid to the Philippine Islands or Puerto Rico shall be deemed to be Federal income taxes for the purposes of section 502.

(3) In applying section 501 to income from sources within such possessions, the gross income and deductions shall be determined as if such income were taxable under the revenue act applicable to the taxable year.

The amendment was agreed to.

The next amendment was, on page 258, after line 5, to insert the following new section:

SEC. 505. APPLICATION OF TITLE TO POSSESSIONS.

With respect to the following income, the tax under this title shall be in force in any possession of the United States (including the Philippine Islands); such tax shall (without regard to the residence or citizenship or place of organization of the taxpayer) be collected by the appropriate internal-revenue officers of such possession; and the proceeds thereof shall accrue to the general government of such possession: (a) Any income specified in subsection (a) (1) or (3) of section 501 if the Federal excise tax with respect to the articles in question accrued in such possession; and (b) any income specified in subsection (a) (2) of section 501 if the reimbursement specified therein relates to articles sold in such possession by the taxpayer under this title and if the geographical scope of the Federal excise tax in question extended to such possession. Income taxable as provided in this section shall not be otherwise taxable under this title. In applying section 501 to such income, the gross income and deductions shall be determined in accordance with the Federal revenue act applicable to the taxable year. In applying section 502 to such income, income taxes paid to such possession shall be deemed to be Federal income taxes.

The amendment was agreed to.

The next amendment was, on page 259, after line 2, to insert the following new section:

SEC. 506. CLOSING AGREEMENTS.

Any person who is liable for the tax imposed by this title and who has filed any claim or claims for refund of any amount paid or collected as tax under the Agricultural Adjustment Act, as amended, may apply to the Commissioner of Internal Revenue for an adjustment of such liability for tax in conjunction with said claim or claims for refund, and thereafter the Commissioner, for such purposes, may, in his discretion, consider such liability and such claim or claims as one case and, in his discretion, may enter into a written agreement with such person for the settlement of such case by such payment by, or refund to, such person as may be specified in such agreement. Such agreement shall be a final settlement of the liability for tax and the claim or claims for refund covered by such agreement, except in case of fraud, malfeasance, or misrepresentation of a material fact. In the absence of fraud or mistake in mathematical calculation, any action taken or any consideration given by the Commissioner pursuant to this section shall not be subject to review by any court, or any administrative, or accounting officer, employee, or agent of the United States.

The amendment was agreed to.

The next amendment was, in title IV, on page 260, line 1, to strike out "refunds under Agricultural Adjustment Act and floor stocks adjustment" and insert "export, charitable, etc., refunds and floor stocks adjustment under Agricultural Adjustment Act."

The amendment was agreed to.

Mr. GEORGE. Mr. President, I may say that the Senator from Kentucky [Mr. BARKLEY] is in charge of this particular title—title IV.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the Committee on Finance.

The next amendment was, on page 260, section 601, line 12, after the word "amended", to strike out "(and the conversion factors and regulations prescribed under such act for the purposes of such sections)", so as to make the clause read:

SEC. 601. Refunds under Agricultural Adjustment Act on exports, deliveries for charitable distribution or use, etc.

(a) The provisions of sections 10 (d), 15 (a), 15 (c), 16 (e) (1), 16 (e) (3), and 17 (a) of the Agricultural Adjustment Act, as amended, are hereby reenacted but only for the purpose of allowing refunds in accordance therewith in cases where the delivery for charitable distribution or use, or the exportation, or the manufacture of large cotton bags, or the decrease in the rate of the processing tax (or its equivalent under section 16 (e) (3)), took place prior to January 6, 1936.

The amendment was agreed to.

The next amendment was, on the same page, after line 20, to strike out—

(b) No refund under this section shall be made to the processor or other person who paid the tax with respect to the articles on which the claim is based.

And in lieu thereof to insert—

(b) Except for refunds under section 15 (a) of the Agricultural Adjustment Act, as reenacted herein, no refund under this section shall be made to the processor or other person who paid or was liable for the tax with respect to the articles on which the claim is based. No refund under this section shall be allowable to any person with respect to any articles where such person prior to January 6, 1936, paid an amount as tax under the Agricultural Adjustment Act, as amended, by taking as a credit against such amount an amount otherwise allowable as a refund with respect to such articles under sections 15 (a), 15 (c), 16 (e) (1), 16 (e) (3), or 17 (a) of said act. No refund under this section shall be allowed to any person except to the extent that he establishes that he has not received, and is not entitled to receive, reimbursement of such amount from the processor or other vendor with respect to the articles on which the claim is based. No claim under this section (except claims of processors under section 15 (a)) shall be disallowed on the ground that the tax with respect to the article or the commodity from which processed has not been paid.

The amendment was agreed to.

The next amendment was, on page 261, line 24, after the word "Treasury", to strike out "and no claim shall be allowed in an amount less than $10", so as to make the clause read:

(c) No refund under this section shall be made unless the claimant files a claim therefor prior to January 1, 1937, under rules and regulations prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury. Sections 16 (g) and 21 (f) of the Agricultural Adjustment Act, as amended, are repealed.

The amendment was agreed to.

The next amendment was, on page 262, line 16, after the word "act", to strike out "as amended" and to insert "as reenacted by subsection (a) of this section", so as to make the clause read:

(g) Section 16 (e) (1) of the Agricultural Adjustment Act, as reenacted by subsection (a) of this section, is amended by striking out "subsequent to June 26, 1934" and by inserting in lieu thereof "on or after June 1, 1934."

The amendment was agreed to.

The next amendment was, on page 262, section 602, "Floor stocks as of January 6, 1936", line 23, after the word "disposition", to insert "(including manufacturing or further processing)"; and on page 263, line 3, after the word "tax", to insert "with respect to the articles on which the claim is based", so as to make the clause read:

SEC. 602. FLOOR STOCKS AS OF JANUARY 6, 1936.

(a) There shall be paid to any person who, at the first moment of January 6, 1936, held for sale or other disposition (including manufacturing or further processing) any article processed wholly or in chief value from a commodity subject to processing tax, an amount computed as provided in subsection (b), except that no such payment shall be made to the processor or other person who paid or was liable for the tax with respect to the articles on which the claim is based.

The amendment was agreed to.

The next amendment was, on page 263, line 12, after the word "and", to strike out the words "will not" and to insert "is not entitled to"; in line 14, after the word "the", to insert "processor or other vendor"; in line 15, after the word "amount", to strike out "by which the claimant reduced the sale price of the article on account of the invalidation of the taxes under the Agricultural Adjustment Act, as amended" and insert "of that part of the burden of the tax applicable to the articles held on January 6, 1936, which the claimant has not passed on to his vendees and has not included in the sale price of such articles. In lieu of a detailed schedule of articles, purchases, sale prices, and sales under clauses (1) and (2) of this subsection, the claimant may (subject to the approval of the Commissioner and such investigations as he may cause to be made) submit, as a part of his claim, an affidavit setting forth the total amount of tax burden passed on to him on the articles with respect to which claim is made; the total amount of such burden for which he has received or is entitled to receive reimbursement from the processor or other vendor; the total amount of such burden that he has passed on to his vendees or has included in the sale prices of such articles; and the total amount of such burden that he has borne himself", so as to make the clause read:

(b) The amount of the payment under subsection (a) shall be equal to the processing tax which would have been payable with respect to the commodity from which the article was processed, if it had been processed on January 5, 1936, but not in excess of (1) the amount of the burden of the tax with respect to the article which was shifted to the claimant in the price he paid for the article (to the extent that the claimant has not received and is not entitled to receive reimbursement for such burden from the processor or other vendor) and not in excess of (2) the amount of that part of the burden of the tax applicable to the articles held on January 6, 1936, which the claimant has not passed on to his vendees and has not included in the sale price of such articles. In lieu of a detailed schedule of articles, purchases, sale prices, and sales under clauses (1) and (2) of this subsection, the claimant may (subject to the approval of the Commissioner and such investigations as he may cause to be made) submit, as a part of his claim, an affidavit setting forth the total amount of tax burden passed on to him on the articles with respect to which claim is made; the total amount of such burden for which he has received or is entitled to receive reimbursement from the processor or other vendor; the total amount of such burden that he has passed on to his vendees or has included in the sale prices of such articles; and the total amount of such burden that he has borne himself.

The amendment was agreed to.

The next amendment was, on page 264, after line 18, to insert:

(3) The term "sale price" includes the price at which the claimant actually sold the article or articles prior to the date of the filing of his claim or, if the article or articles have not been sold, the price at which he is offering the same for sale on the date of the filing of his claim.

The amendment was agreed to.

The next amendment was, on page 265, line 9, after the word "paid", to strike out "but no claim shall be allowed in an amount less than $10" and insert "No payment shall be made under this section in connection with any article with respect to which a refund has been allowed or credit has been taken under the Agricultural Adjustment Act, as amended, or a refund has been allowed or is allowable under section 601 of this title", so as to make the clause read:

(e) No claim under this section shall be disallowed on the ground that the tax with respect to the article or the commodity from which processed has not been paid. No payment shall be made under this section in connection with any article with respect to which a refund has been allowed or credit has been taken under the Agricultural Adjustment Act, as amended, or a refund has been allowed or is allowable under section 601 of this title.

The amendment was agreed to.

The next amendment was, on the same page, line 18, after the word "flour", to strike out the word "and"; and in the same line, after the word "preparations", to insert "and gluten"; in line 23, after the word "sugar", to insert "processed from sugar beets or sugarcane"; in line 25, after the word "to", to strike out "wholesale floor stocks of"; page 266, line 1, after the word "sugarcane", to insert "held in other than retail stocks"; in line 2, after the word "flour", to strike out "and"; and in line 3, after the word "preparations", to insert "and gluten", so as to make the clause read:

(f) No payment shall be made under this section with respect to articles held in retail floor stocks except (1) flour, prepared flour, cereal preparations, and gluten, made chiefly from wheat, as classified in Wheat Regulations, Series 1, Supplement 1, promulgated under the Agricultural Adjustment Act and the amendments thereto, (2) articles processed wholly or in chief value from cotton, and (3) direct-consumption sugar processed from sugar beets or sugarcane. No payment under this section shall be made with respect to articles processed from wheat, sugar beets, or sugarcane held in other than retail stocks except (1) flour, prepared flour, cereal preparations, and gluten, made chiefly from wheat, as classified in Wheat Regulations, Series 1, Supplement 1, and (2) direct-consumption sugar.

The amendment was agreed to.

The next amendment was, on page 266, after line 22, to insert:

SEC. 603. PROCLAMATIONS, ETC., MADE APPLICABLE.

The proclamations, certificates, and regulations prescribed by the Secretary of Agriculture under the Agricultural Adjustment Act, as amended, in effect on January 5, 1936, insofar as not inconsistent with this act, are hereby made applicable for the purpose of determining the amount of any refund or payment authorized under sections 601 and 602.

The amendment was agreed to.

The next amendment was, on page 267, after line 5, to insert:

SEC. 604. REPEALS.

The first two sentences of section 21 (d) (2) of the Agricultural Adjustment Act, as amended, are hereby repealed.

The amendment was agreed to.

The next amendment was, on page 267, after line 9, to insert:

TITLE V—AMENDMENTS TO TAXES ON CERTAIN OILS

SEC. 701. TAX ON CERTAIN OILS.

The first sentence of section 601 (c) (8) of the Revenue Act of 1932, as amended, is amended to read as follows:

"(8) Whale oil (except sperm oil), fish oil (except cod oil, cod-liver oil, and halibut-liver oil), marine-animal oil, tallow, inedible animal oils, inedible animal fats, inedible animal greases, fatty acids derived from any of the foregoing, and salts of any of the foregoing; all the foregoing, whether or not refined, sulphonated, sulphated, hydrogenated, or otherwise processed, 3 cents per pound; olive oil and sesame oil, provided for in paragraph 1732 of the Tariff Act of 1930, sunflower oil, rapeseed oil, kapok oil, hempseed oil, fatty acids derived from any of the foregoing, and salts of any of the foregoing; all the foregoing, whether or not refined, sulphonated, sulphated, hydrogenated, or otherwise processed, 4½ cents per pound; any article, merchandise, or combination, 10 percent or more of the quantity by weight of which consists of, or is derived directly or indirectly from, one or more of the products specified heretofore in this paragraph or in section 602½ of the Revenue Act of 1934, as amended, a tax at the rate or rates per pound equal to that proportion of the rate or rates prescribed in this paragraph or such section 602½ in respect of such product or products which the quantity by weight of the imported article, merchandise, or combination, consisting of or derived from such product or products, bears to the total weight of the imported article, merchandise, or combination; hempseed, rapeseed, sesame seed, and kapok seed, 2 cents per pound."

Mr. GEORGE. Mr. President, the Senator from New York asked that the provisions relating to the tax on oil be passed over temporarily. I therefore ask that the sections dealing with the tax on oils, being title V, be passed over temporarily.

The PRESIDING OFFICER. Without objection title V will be passed over temporarily. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 270, after line 10, to insert:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 801. DEDUCTION FOR ESTATE-TAX INSURANCE.

(a) Section 401 (c) of the Revenue Act of 1932, as amended, is amended to read as follows:

"(c) For the purposes of this section the value of the net estate shall be determined as provided in title III of the Revenue Act of 1926, as amended, except that (1), in lieu of the exemption of $100,000 provided in section 303 (a) (4) of such act, the exemption shall be $40,000; and (2) there shall be deducted from the value of the net estate as thus determined the proceeds (to the extent included in gross estate) of life-insurance policies payable to (and received by) the Treasurer of the United States in trust for the payment of estate, inheritance, succession, legacy, or other death duties levied by the United States against or with respect to the estate of the decedent, exclusive of any excess over the amount of such taxes which excess shall be accounted for (without interest) to the executor or administrator of the decedent for the benefit of the persons entitled thereto: *Provided, however,* That the proceeds of policies on which the premium-paying period provided in the policy is less than 10 years, or on which the premiums are not substantially equal in amount for each of the first 10 years of the life of the policy, or on which more than 1 year's premium has been paid in advance, shall not be deductible: *Provided further,* That the amount deductible as aforesaid shall not include premiums paid in advance, and shall not exceed $1,000,000."

(b) The amendment made by subsection (a) shall be effective only with respect to transfers of estates of decedents dying after the date of the enactment of this act.

Mr. LA FOLLETTE. Mr. President, I have just been advised that title VI, section 801, has been agreed to. I was called out of the Chamber, and, if the section has been agreed to, I ask that the vote whereby it was agreed to may be reconsidered and that it may be passed over temporarily.

The PRESIDING OFFICER. Without objection, the vote whereby the amendment referred to by the Senator from Wisconsin was agreed to is reconsidered, and the section will be temporarily passed over.

The clerk will state the next amendment.

The next amendment was, on page 271, after line 16, to insert:

SEC. 802. COMPLETE LIQUIDATIONS IN PRIOR TAXABLE YEARS.

The provisions of section 115 (c) of this act (relating to the percentage of the gain recognized, in the case of shareholders other than corporations, upon the complete liquidation of a corporation, which shall be taken into account in computing net income) shall be applied in computing income under the provisions of the Revenue Act of 1934 or of such act as amended. Any tax that has been paid under such act prior to the date of the enactment of this act, if in excess of the tax imposed by such act as modified by this section, shall, subject to the statutory period of limitation properly applicable thereto, be credited or refunded to the taxpayer as provided by law in the case of other overpayments of income tax imposed by such act.

The amendment was agreed to.

The next amendment was, on page 272, after line 5, to insert:

SEC. 803. EXEMPTION FROM ADMISSIONS TAX OF CERTAIN CONCERTS.

Section 500 (b) of the Revenue Act of 1926, as amended (relating to the exemption from admissions tax of certain nonprofit organizations), is amended by inserting after "theater" a comma and the following: "or a community, civic, or membership concert course or series."

The amendment was agreed to.

The next amendment was, on page 272, after line 12, to insert:

TITLE VII—REFUNDS OF AMOUNTS COLLECTED UNDER THE AGRICULTURAL ADJUSTMENT ACT

SECTION 901. REPEALS.

Sections 21 (d), 21 (e), and 21 (g) of the Agricultural Adjustment Act, as amended, are hereby repealed.

SEC. 902. CONDITIONS ON ALLOWANCE OF REFUNDS.

No refund shall be made or allowed, in pursuance of court decisions or otherwise, of any amount paid by or collected from any claimant as tax under the Agricultural Adjustment Act, unless the claimant establishes to the satisfaction of the Commissioner in accordance with regulations prescribed by him, with the approval of the Secretary, or to the satisfaction of the trial court, as the case may be—

(a) That he bore the burden of such amount and has not been relieved thereof nor reimbursed therefor nor shifted such burden, directly or indirectly, (1) through inclusion of such amount by the claimant, or by any person directly or indirectly under his control, or having control over him, or subject to the same common control, in the price of any article with respect to which a tax was imposed under the provisions of such act, or in the price of any article processed from any commodity with respect to which a tax was imposed under such act, or in any charge or fee for services or processing; (2) through reduction of the price paid for any such commodity; or (3) in any manner whatsoever; and that no understanding or agreement, written or oral, exists whereby he may be relieved of the burden of such amount, be reimbursed therefor, or may shift the burden thereof; or

(b) That he has repaid unconditionally such amount to his vendee (1) who bore the burden thereof, (2) who has not been relieved thereof nor reimbursed therefor, nor shifted such burden, directly or indirectly, and (3) who is not entitled to receive any reimbursement therefor from any other source, or to be relieved of such burden in any manner whatsoever.

The amendment was agreed to.

The next amendment was, at the top of page 274, to insert:

SEC. 903. FILING OF CLAIMS.

No refund shall be made or allowed of any amount paid by or collected from any person as tax under the Agricultural Adjustment Act unless, after the enactment of this act and prior to January 1, 1937, a claim for refund has been filed by such person in accordance with regulations prescribed by the Commissioner, with the approval of the Secretary. No claim may be allowed in an amount less than $10. All evidence relied upon in support of such claim shall be clearly set forth under oath. The number of claims filed by any person shall be subject to such regulations as the Commissioner may prescribe, with the approval of the Secretary.

Mr. COUZENS. Mr. President, in several places in previous sections of the bill which we have just approved I observe the same provision as that appearing on page 274, line 8, reading, "No claim may be allowed in an amount less than $10", has been eliminated.

In the committee amendment now under consideration, I move to eliminate those words in line 8, page 274.

Mr. GEORGE. I may say that that is consistent with the action taken under title IV of the bill. The committee was of the opinion that the small claimant, although his claim for tax refunds amounted to $10 or less, should nevertheless be entitled to his refund, and to eliminate the words in this provision, although it applies to the processing taxes, would be consistent with the action taken under title IV.

Mr. COUZENS. In other words, under title IV, a man with a $9 claim for a refund would be permitted to get it, if approved, just as a man with a claim for a $11 refund could collect his claim.

Mr. GEORGE. Exactly. I think the Senator is quite right, and I think the words he has mentioned should be stricken out on page 274.

Mr. BARKLEY. Mr. President, I will say to the Senator from Michigan that this is a rewriting of section 21 (d) of the Agricultural Adjustment Act providing for refunds and it applies to the processors. It was not thought originally that any claims by processors for less than $10 would be sufficiently interesting even to the claimant to cause him to prosecute it, but, inasmuch as we have changed it with respect to the floor tax and other taxes, there is no objection to the elimination of the words referred to from this rewriting of section 21 (d).

The PRESIDING OFFICER. The amendment offered by the Senator from Michigan will be stated.

The CHIEF CLERK. In the committee amendment, on page 274, in lines 8 and 9, it is proposed to strike out the words "No claim may be allowed in an amount less than $10."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 274, after line 13, to insert a new section, as follows:

SEC. 904. STATUTE OF LIMITATIONS.

Notwithstanding any other provision of law, no suit or proceeding, whether brought before or after the date of enactment of this act, shall be brought or maintained in any court for the recovery, recoupment, set-off, refund, or credit of, or counterclaim for, any amount paid by or collected from any person as tax (except processing tax, as defined herein) under the Agricultural Adjustment Act (a) before the expiration of 18 months from the date of filing a claim therefor under this title, unless the Commissioner renders a decision thereon within that time, or (b) after the expiration of 2 years from the date of mailing by registered mail by the Commissioner to the claimant a notice of disallowance of that part of

the claim to which such suit or proceeding relates. Any consideration or any action by the Commissioner with respect to such claim following the mailing of notice of disallowance shall not operate to extend the period within which any suit or proceeding may be brought.

The amendment was agreed to.

The next amendment was, on page 275, after line 7, to insert a new section, as follows:

SEC. 905. JURISDICTION OF COURTS.

Concurrent with the Court of Claims, the district courts of the United States (except as provided in sec. 906 of this title) shall have jurisdiction of cases to which this title applies, regardless of the amount in controversy, if such district courts would have had jurisdiction of such cases but for limitations under the Judicial Code, as amended, on jurisdiction of such courts based upon the amount in controversy. The United States Customs Court shall not have jurisdiction of any such cases.

The amendment was agreed to.

The next amendment was, on page 275, after line 17, to insert a new section, as follows:

SEC. 906. PROCEDURE ON CLAIMS FOR REFUNDS OF PROCESSING TAXES.

(a) Notwithstanding any other provision of law, no suit or proceeding, whether brought before or after the date of the enactment of this act, shall be brought or maintained in any court for the refund of any amount paid or collected as processing tax, as defined herein, under the Agricultural Adjustment Act, except as provided in this section. The Commissioner shall allow or disallow, in whole or in part, any claim for refund of any such amount within 3 years after such claim was filed, unless such time has been extended by written consent of the claimant. Such allowance or disallowance of the Commissioner shall be final unless, within 90 days after the date of mailing by registered mail by the Commissioner of notice that a claim for refund of any such amount has been disallowed, in whole or in part, the claimant files a petition with the Commissioner requesting a hearing on the merits of his claim, in whole or in part, and a reconsideration of such allowance or disallowance. Upon the filing of any such petition, the claimant shall be entitled to a hearing as provided herein, and within 90 days after the date of such filing the Commissioner shall set a date for such hearing which shall be not more than 2 years from the date of filing of the petition. Such hearing shall be held in Washington, D. C., or in the collection district in which is located the principal place of business of the claimant, as the claimant may designate in his petition, and may be continued from day to day until the Commissioner shall make his findings of fact and conclusions of law. The Commissioner shall notify the claimant of the time and place set for such hearing by registered mail.

(b) Such hearing shall be conducted by the Commissioner or such officials of the Treasury Department as he may designate to act as presiding officers and shall be open to the public. The proceedings in such hearings shall be conducted in accordance with such rules of practice and procedure (other than rules of evidence) as the Commissioner may prescribe with the approval of the Secretary of the Treasury, and in accordance with the rules of evidence applicable in courts of equity of the District of Columbia. The claimant shall be entitled to be represented by counsel, to have witnesses subpenaed, and to examine and cross-examine witnesses. The Commissioner or presiding officer shall have authority to administer oaths, examine witnesses, rule on questions of procedure and the admissibility of evidence, and to require, by subpena in the Commissioner's name, the attendance and testimony of witnesses, and the production of all necessary returns, books, papers, records, correspondence, memoranda, and other evidence, from any place in the United States at any designated place of hearing, and to require the taking of a deposition by any designated individual competent to administer oaths. The presiding officer shall recommend findings of fact and conclusions of law to the Commissioner. The Commissioner shall make his findings of fact and conclusions of law and mail a copy thereof by registered mail to the claimant within 6 months after conclusion of the hearing.

(c) The Commissioner is authorized to draw up a table of costs and fees relating to such hearings, and the preparation of transcripts of record thereof, not to exceed with respect to any one item those charged in the Supreme Court of the United States. Such costs and fees shall be paid by the claimant and be collected in accordance with such rules and regulations as may be prescribed by the Commissioner with the approval of the Secretary. If the hearing provided herein results in a modification of the allowance or disallowance of the Commissioner, such costs shall be returned to the claimant.

(d) A review of the determination of the Commissioner, made after the hearing provided in this section, may be obtained by the claimant by filing a petition for review in the Circuit Court of Appeals of the United States within any circuit wherein such claimant resides, or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, within 90 days after the date of the mailing to the claimant of the copy of the findings and conclusions of the Commissioner. A copy of such petition shall forthwith be served upon the Commissioner or upon any officer designated by him for that purpose, and thereupon the Commissioner shall certify and file in the court, in which such petition has been filed, a transcript of the record upon which the findings and conclusions complained of were based. Upon the filing of such transcript, such court shall have exclusive jurisdiction to affirm the determination of the Commissioner, or to modify or reverse such determination, if it is not in accordance with law, with or without remanding the cause for a rehearing, as justice may require. No objection to the determination of the Commissioner shall be considered by the court unless such objection shall have been urged before the Commissioner or the presiding officer, or unless there were reasonable grounds for failure so to do. If the claimant or the Commissioner shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material, and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Commissioner or the presiding officer, the court may order such additional evidence to be taken before the Commissioner or such officer, and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commissioner may modify his findings of fact and conclusions of law by reason of the additional evidence so taken and he shall file with such court such modified or new findings and conclusions. The judgment of the court shall be final, subject to review by the Supreme Court of the United States, upon certification or certiorari as provided in sections 239 and 240 of the Judicial Code, as amended. Such courts are authorized to adopt rules for the filing of petitions for review, the preparation of the record for review, and the conduct of the proceedings on review. If the determination of the Commissioner is affirmed, costs shall be awarded against the claimant, and if such determination is reversed, the judgment shall provide for a refund of any costs paid by the claimant. In case of modification of such determination, costs shall be awarded or refused as justice may require. The determination of the Commissioner made after the hearing provided herein shall become final in the same manner that decisions of the Board of Tax Appeals become final under section 1005 of the Revenue Act of 1926, as amended.

The amendment was agreed to.

The next amendment was, on page 280, after line 17, to insert a new section, as follows:

SEC. 907. EVIDENCE AND PRESUMPTIONS.

(a) Where the refund claimed is for an amount paid or collected as processing tax, as defined herein, it shall be prima-facie evidence that the burden of such amount was borne by the claimant to the extent (not to exceed the amount of the tax) that the average margin per unit of the commodity processed was lower during the tax period than it was during the period before and after the tax. If the average margin was not lower, it shall be prima-facie evidence that none of the burden of such amount was borne by the claimant but that it was shifted to others.

(b) The average margin for any period shall be determined by computing the average receipts per unit of commodity, and deducting therefrom the sum of (a) the average cost to the claimant per unit of the commodity with respect to which the tax was paid and (b) the amount of any processing tax paid with respect thereto. The average receipts per unit of commodity shall be determined by dividing the total amount obtained from the sale of articles processed from the commodity by the number of units of the commodity processed during the period. The average cost per unit of the commodity shall be computed by using either the current market price at the time of processing, or the actual cost of the commodity processed, according to the usual accounting procedure of the claimant. The amount obtained from the sale of the articles shall be computed by using either the current market price at the time the commodity was processed, or the actual receipts from the articles sold, according to the usual accounting procedure of the claimant. If the accounting procedure of the claimant is based upon the actual cost of the commodity or actual receipts from the articles, and specific lots thereof cannot be traced, then the claimant may be considered to have processed each unit of the commodity in the order in which it was acquired and to have sold each article in the order in which it was processed.

(c) The "tax period" shall mean the period with respect to which the claimant actually paid the processing tax to a collector of internal revenue and shall end on the date with respect to which the last payment was made. The "period before and after the tax" shall mean the 24 months (except that in the case of tobacco it shall be the 12 months) immediately preceding the effective date of the processing tax, and the 6 months, February to July 1936, inclusive. If during any part of such period the claimant was not in business, or if his records for any part of such period were so inadequate as not to provide satisfactory data, the average margin of the claimant for such part of such period shall, when necessary for a fair comparison, be deemed to be the average margin, as determined by the Commissioner, of representative concerns engaged in a similar business and similarly circumstanced.

(d) If the claimant made any purchase or sale otherwise than through an arm's-length transaction, and at a price other than the fair market price, the Commissioner may determine the purchase or sale price to be that for which such purchases or sales were at that time made in the ordinary course of trade.

(e) Either the claimant or the Commissioner may rebut the presumption established by subsection (a) of this section by proof

of the actual extent to which the claimant shifted to others the burden of the processing tax. Such proof may include, but shall not be limited to—

(1) proof that the change or lack of change in the margin was due to changes in factors other than the tax. Such factors shall include any clearly shown change (A) in the type or grade of article or commodity, or (B) in costs of production. If the claimant asserts that the burden of the tax was borne by him and the burden of any other increased costs was shifted to others, the Commissioner shall determine, from the respective effective dates of the tax and of the other increases in costs as compared with the date of the change in margin, and from the general experience of the industry, whether the tax or the increase in other costs was shifted to others. If the Commissioner determines that the change in margin was due in part to the tax, and in part to the increase in other costs, he shall apportion the change in margin between them;

(2) proof that the claimant modified contracts of sale, or adopted a new contract of sale, to reflect the initiation, termination, or change in amount of the processing tax or at any such time changed the sale price of the article (including the effect of a change in size, package, discount terms, or any other merchandising practice) by substantially the amount of the tax or change therein, or at any time billed the tax as a separate item to any vendee or indicated by any writing that the sale price included the amount of the tax, or contracted to refund any part of the sale price in the event of recovery of the tax or decision of its invalidity; but the claimant may establish that such acts were caused by factors other than the processing tax, or that they do not represent his practice at other times during the period under consideration. If a claimant processed any product or products in addition to the commodity with respect to the processing of which there was paid or collected an amount as tax for which he claims a refund, and if the Commissioner determines that the burden of such amount was shifted in whole or in part by means of the transactions relating to such product or products, the average margin with respect to such product or products shall also be considered in the manner and with the effect provided in subsection (a) of this section.

The amendment was agreed to.

The next amendment was, on page 285, at the top of the page, to insert a new section, as follows:

SEC. 908. INTEREST ON CLAIMS.

No interest shall be allowed by the Commissioner or by any court with respect to any amount paid or collected as tax under the Agricultural Adjustment Act, except with respect to amounts, refund of which is made or allowed under this title.

The amendment was agreed to.

The next amendment was, on page 285, after line 6, to insert a new section, as follows:

SEC. 909. LIMITATIONS ON REVIEW.

In the absence of fraud or mistake in mathematical calculation, the findings of fact and conclusions of law of the Commissioner upon the merits of any claim presented under this title shall not be subject to review by any other administrative or accounting officer, employee, or agent of the United States.

The amendment was agreed to.

The next amendment was, on page 285, after line 13, to insert a new section, as follows:

SEC. 910. LIABILITY OF COLLECTORS.

No collector of internal revenue or customs, or internal revenue or customs officer or employee, shall be in any way liable to any person for any act done by him in the assessment or collection of any amount as tax under the Agricultural Adjustment Act, or for the recovery of any money exacted by or paid to him and paid into the Treasury, in performance of his official duties under the provisions of such act, or if such collector or officer acted under the direction of the Secretary or other proper officer of the Government.

The amendment was agreed to.

The next amendment was, on page 286, at the top of the page, to insert a new section, as follows:

SEC. 911. INAPPLICABILITY TO CERTAIN REFUNDS.

The provisions of this title shall not apply to any refund authorized under the provisions of sections 15, 16, or 17 of the Agricultural Adjustment Act, as amended and reenacted, or with respect to any articles exported under the provisions of section 317 of the Tariff Act of 1930. No refund shall be made or allowed of any amount paid or collected as tax under the Agricultural Adjustment Act, as amended and reenacted, to the extent that refund or credit with respect to such amount has been made to any person.

The amendment was agreed to.

The next amendment was, on page 286, after line 10, to insert a new section, as follows:

SEC. 912. PERIOD NOT EXTENDED.

This section shall not extend the statutory period existing prior to the date of the enactment of this act for filing any suit or proceeding (except proceedings provided for in sec. 906) with respect to any amount paid or collected as tax under the Agricultural Adjustment Act, as amended. No claim with respect to any such amount which is barred from allowance at the time of the enactment of this act shall hereafter be allowed in any amount.

The amendment was agreed to.

The next amendment was, on page 286, after line 19, to insert a new section, as follows:

SEC. 913. DEFINITIONS.

When used in this title—

(a) The term "tax" means a tax or exaction denominated a "tax" under the Agricultural Adjustment Act, and shall include any penalty, addition to tax, additional tax, or interest applicable to such tax.

(b) The term "processing tax" means any tax or exaction denominated a "processing tax" under the Agricultural Adjustment Act, but shall not include any amount paid or collected as tax with respect to the processing of a commodity for a customer for a charge or fee.

(c) The term "commodity" means any commodity, prior to processing, of a type with respect to the processing of which a processing tax was imposed under the Agricultural Adjustment Act.

(d) The term "article" means the product which is obtained by processing a commodity, and includes the product obtained by further manufacture or by combination with other materials.

(e) The term "refund" includes any recovery, recoupment, setoff, credit, or counterclaim.

(f) The term "Agricultural Adjustment Act" means the Agricultural Adjustment Act as originally enacted and the amendments thereto adopted prior to January 6, 1936.

The amendment was agreed to.

The next amendment was, on page 287, after line 18, to insert a new section, as follows:

SEC. 914. AUTHORITY OF COMMISSIONER.

In connection with the establishment of the facts required to be established under this title, the Commissioner of Internal Revenue is hereby authorized, by any officer or employee of the Bureau of Internal Revenue, including the field service, designated by him for that purpose, to examine any books, papers, records, or memoranda which are relevant and material in connection with any claim made pursuant to this title, to require the attendance of the claimant or of any officer or employee of the claimant, or the attendance of any other person having knowledge in the premises, and to take, or cause to be taken, his testimony with reference to any such matter, with power to administer oaths to such person or persons. It shall be lawful for the Commissioner, or any person designated by him, to summon witnesses to appear before the Commissioner, or before any person designated by him, at a time and place named in the summons, and to produce such books, papers, correspondence, memoranda, or other records as the Commissioner may deem relevant or material, and to give testimony or answer interrogatories, under oath, relating to any claim made pursuant to this title. The provisions of 3174 and 3175 of the Revised Statutes, as amended, shall be applicable with respect to any summons issued pursuant to the provisions of this title. Any witness summoned under this title shall be paid the same fees and mileage as are paid witnesses in the courts of the United States. All information obtained by the Commissioner pursuant to this section shall be available to the Secretary of Agriculture upon written request therefor. Such information shall be kept confidential by all officers and employees of the Department of Agriculture, and any such officer or employee who violates this requirement shall, upon conviction, be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and shall be removed from office.

The amendment was agreed to.

The next amendment was, on page 289, after line 4, to insert a new section, as follows:

SEC. 915. SALARIES AND ADMINISTRATIVE EXPENSES.

Funds made available to the Secretary of Agriculture for salaries and administrative expenses by the appropriation "Payments for Agricultural Adjustment" under title I of the Supplemental Appropriation Act, fiscal year 1936, shall be available for transfer to the Treasury Department for salaries and administrative expenses in carrying out the provisions of this title, including necessary investigative work. Such funds shall be available for expenditure by the Secretary of the Treasury for personal services and rent in the District of Columbia and elsewhere, for lawbooks, books of reference, press releases, trade journals, periodicals, and newspapers, for contracting reporting services, printing and paper in addition to allotments under the existing law, travel expenses, for mileage and per diem of witnesses, in lieu of subsistence, payment of which mileage and per diem may be made in advance upon certification of such officer as the Commissioner or the Secretary may designate, and such certification shall be conclusive. In addition to the foregoing, the administrative expenses provided for in this section shall include such miscellaneous expenses as may be authorized or approved by the Commissioner or the Secretary for carrying out the provisions of this title, including witness fees and mileage for experts, notarial fees, or like services, and stenographic work for taking depositions.

The amendment was agreed to.

The next amendment was, on page 290, after line 5, to insert a new section, as follows:

SEC. 916. RULES AND REGULATIONS.

The Commissioner shall, with the approval of the Secretary, prescribe such rules and regulations as may be deemed necessary to carry out the provisions of this title.

The amendment was agreed to.

The next amendment was, on page 290, after line 9, to insert a new section, as follows:

SECTION 917. PERSONNEL.

The Secretary may appoint such officers, attorneys, economists, and other experts without regard to the Classification Act of 1923, as amended, and without regard to the civil-service laws or regulations, as are necessary to execute the functions vested in him and the Commissioner by this title. No compensation at a rate in excess of $8,500 per annum shall be paid to any such appointee.

The amendment was agreed to.

Mr. GEORGE. Mr. President, that completes title VII. Before passing from title VII permit me to say that the committee perhaps will desire to offer some amendments to it. This title is a rewriting of section 21 (d) of the Agricultural Adjustment Act. For that purpose I should like to ask at this time unanimous consent that we may recur again to title VII for the purpose of considering any committee amendments we may desire to offer to the title.

Mr. BARKLEY. Mr. President, that is entirely agreeable, because the subcommittee is working on that title and may desire to offer certain amendments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11687) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 255. An act to provide for the commemoration of the Battle of Eutaw Springs, in the State of South Carolina;

H. R. 1391. An act to authorize and direct the United States Commissioner of Fisheries to undertake fish-cultural and related activities in Puerto Rico, authorizing appropriations therefor, and for other purposes;

H. R. 2323. An act for the relief of Dean Scott;

H. R. 2932. An act for the relief of the International Great Northern Railroad Co.

H. R. 7293. An act to amend the act approved June 16, 1934, entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes";

H. R. 10356. An act authorizing the Secretary of the Navy to convey a right-of-way over certain lands situated in Solano County, Calif., to the State of California for State highway purposes;

H. R. 10591. An act to authorize the Secretary of Agriculture to investigate and report on traffic conditions, with recommendations for corrective legislation;

H. R. 10712. An act to authorize the transfer of land from the War Department to the Territory of Hawaii;

H. R. 10716. An act securing memorial for John Jay, first Chief Justice of the Supreme Court of the United States;

H. R. 11331. An act to authorize the sale and conveyance by the Department of the Interior to the State of Minnesota of the southwest quarter northwest quarter section 3, township 159 north, range 35 west, fifth principal meridian, in the State of Minnesota;

H. R. 11372. An act to amend Public Law No. 215, Seventy-fourth Congress, first session;

H. R. 11643. An act to amend certain provisions of the act of March 7, 1928 (45 Stat. L. 210–212);

H. R. 11819. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 11820. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo.;

H. R. 11954. An act to amend the act of February 28, 1925 (43 Stat. 1053), relative to postal rates on third-class mail matters;

H. R. 11960. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.;

H. R. 12002. An act to authorize a preliminary examination of the Lackawanna River with a view to the control of its floods:

H. R. 12006. An act to authorize a preliminary examination of the Kennebec River, Maine, and its tributaries, with a view to the control of their floods;

H. R. 12007. An act to authorize a preliminary examination of the Penobscot River, Maine, and its tributaries, with a view to the control of their floods;

H. R. 12008. An act to authorize a preliminary examination of the Androscoggin River, in Maine and New Hampshire, and its tributaries, with a view to the control of their floods;

H. R. 12009. An act to authorize the enlargement of Governors Island and consenting to the use of a portion thereof as a landing field for the city of New York and its environs;

H. R. 12174. An act to provide a preliminary examination of the Ventura River, in Ventura County, State of California, with a view to the control of its floods;

H. R. 12202. An act to provide for a preliminary examination of Six Mile Creek in Logan County, Ark., with a view to flood control and to determine the cost of such improvement;

H. R. 12240. An act to authorize a preliminary examination of the tributaries, sources, and headwaters of the Allegheny and Susquehanna Rivers in the State of Pennsylvania, where no examination and survey has heretofore been made, with a view to the control of their floods and the regulation and conservation of their waters;

H. R. 12260. An act prescribing a condition precedent to the award of certain contracts by Federal agencies;

H. R. 12329. An act to reenact section 259 of the Judicial Code, relating to the traveling and subsistence expenses of circuit and district judges;

H. R. 12353. An act to amend an act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925;

H. R. 12461. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.;

H. R. 12514. An act authorizing the Chesapeake Bay Authority to construct, maintain, and operate a toll bridge across the Chesapeake Bay, from a point in Baltimore County, Md., over Hart Island, and Millers Island, to a point near Tolchester, Kent County, Md.;

H. R. 12604. An act to authorize the coinage of 50-cent pieces in commemoration of the four hundredth anniversary of the journey and explorations of Francisco Vasquez de Coronado;

H. R. 12657. An act to amend section 2 of the act entitled "An act granting the consent of Congress to the Alabama State Bridge Corporation to construct, maintain, and operate bridges across the Tennessee, Tombigbee, Warrior, Alabama, and Coosa Rivers, within the State of Alabama", approved May 26, 1928;

H. R. 12685. An act granting the consent of Congress to the county of Horry, S. C., to construct, maintain, and operate a free highway bridge across the Waccamaw River, at or near Red Bluff, S. C.;

H. R. 12698. An act relating to the establishment and operation of grazing districts in the State of Nevada;

H. R. 12848. An act to provide an additional place of holding terms of the United States District Court in the Eastern

District of Kentucky, and to amend section 83 of the Judicial Code, as amended;

H. R. 12869. An act to liberalize the provisions of Public Law No. 484, Seventy-third Congress, to effect uniform provisions in laws administered by the Veterans' Administration, to extend the Employees' Compensation Act with limitations to certain World War veterans and other persons, and for other purposes;

H. R. 12896. An act to provide for the transfer of the surplus decommissioned lightship *No. 82* to United States Ship Constitution Post, No. 3339, Veterans of Foreign Wars;

H. J. Res. 444. Joint resolution to amend the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic conditions of agricultural producers generally", approved August 27, 1935;

H. J. Res. 467. Joint resolution authorizing the erection of a memorial to the late Haym Salomon;

H. J. Res. 481. Joint resolution to make available to Congress the services and data of the Interstate Reference Bureau;

H. J. Res. 532. Joint resolution for the establishment of a commission in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg in 1938; and

H. J. Res. 583. Joint resolution authorizing the Veterans' Administration to prepare and publish a compilation of all Federal laws relating to veterans of wars of the United States.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated below:

H. R. 255. An act to provide for the commemoration of the Battle of Eutaw Springs, in the State of South Carolina;

H. R. 11331. An act to authorize the sale and conveyance by the Department of the Interior to the State of Minnesota of the southwest quarter northwest quarter section 3, township 159 north, range 35 west, fifth principal meridian, in the State of Minnesota; and

H. R. 12698. An act relating to the establishment and operation of grazing districts in the State of Nevada; to the Committee on Public Lands and Surveys.

H. R. 1391. An act to authorize and direct the United States Commissioner of Fisheries to undertake fish cultural and related activities in Puerto Rico, authorizing appropriations therefor, and for other purposes;

H. R. 11819. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 11820. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo.;

H. R. 11960. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.;

H. R. 12002. An act to authorize a preliminary examination of the Lackawanna River with a view to the control of its flood;

H. R. 12006. An act to authorize a preliminary examination of the Kennebec River, Maine, and its tributaries, with a view to the control of their floods;

H. R. 12007. An act to authorize a preliminary examination of the Penobscot River, Maine, and its tributaries, with a view to the control of their floods;

H. R. 12008. An act to authorize a preliminary examination of the Androscoggin River, in Maine and New Hampshire, and its tributaries, with a view to the control of their floods;

H. R. 12174. An act to provide a preliminary examination of the Ventura River, in Ventura County, State of California, with a view to the control of its floods;

H. R. 12202. An act to provide for a preliminary examination of Six Mile Creek in Logan County, Ark., with a view to flood control and to determine the cost of such improvement;

H. R. 12240. An act to authorize a preliminary examination of the tributaries, sources, and headwaters of the Allegheny and Susquehanna Rivers in the State of Pennsylvania, where no examination and survey has heretofore been made, with a view to the control of their floods and the regulation and conservation of their waters;

H. R. 12461. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.;

H. R. 12514. An act authorizing the Chesapeake Bay Authority to construct, maintain, and operate a toll bridge across the Chesapeake Bay from a point in Baltimore County, Md., over Hart Island and Millers Island, to a point near Tolchester, Kent County, Md.;

H. R. 12685. An act granting the consent of Congress to the county of Horry, S. C., to construct, maintain, and operate a free highway bridge across the Waccamaw River at or near Red Bluff, S. C.; and

H. R. 12896. An act to provide for the transfer of the surplus decommissioned lightship *No. 82* to United States Ship Constitution Post, No. 3339, Veterans of Foreign Wars; to the Committee on Commerce.

H. R. 2323. An act for the relief of Dean Scott; and

H. R. 2932. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of the International-Great Northern Railroad Co. against the United States; to the Committee on Claims.

H. R. 7293. An act to amend the act approved June 16, 1934, entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes"; to the Committee on Education and Labor.

H. R. 10356. An act authorizing the Secretary of the Navy to convey a right-of-way over certain lands situated in Solano County, Calif., to the State of California for State highway purposes; to the Committee on Naval Affairs.

H. R. 10591. An act to authorize the Secretary of Agriculture to investigate and report on traffic conditions, with recommendations for corrective legislation; and

H. R. 11954. An act to amend the act of February 28, 1925 (43 Stat. 1053), relative to postal rates on third-class mail matter; to the Committee on Post Offices and Post Roads.

H. R. 10712. An act to authorize the transfer of land from the War Department to the Territory of Hawaii; and

H. R. 12009. An act to authorize the enlargement of Governors Island and consenting to the use of a portion thereof as a landing field for the city of New York and its environs; to the Committee on Military Affairs.

H. R. 10716. An act securing memorial for John Jay, first Chief Justice of the Supreme Court of the United States;

H. R. 12353. An act to amend an act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925;

H. J. Res. 467. Joint resolution authorizing the erection of a memorial to the late Haym Salomon;

H. J. Res. 481. Joint resolution to make available to Congress the services and data of the Interstate Reference Bureau; and

H. J. Res. 532. Joint resolution for the establishment of a commission in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg in 1938; to the Committee on the Library.

H. R. 11372. An act to amend Public Law No. 215, Seventy-fourth Congress, first session; and

H. R. 12260. An act prescribing a condition precedent to the award of certain contracts by Federal agencies; to the Committee on the Judiciary.

H. R. 11643. An act to amend certain provisions of the act of March 7, 1928 (45 Stat. L. 210–212); to the Committee on Indian Affairs.

H. R. 12604. An act to authorize the coinage of 50-cent pieces in commemoration of the four hundredth anniversary of the journey and explorations of Francisco Vasquez de Coronado; to the Committee on Banking and Currency.

H. R. 12869. An act to liberalize the provisions of Public Law No. 484, Seventy-third Congress, to effect uniform provisions in laws administered by the Veterans' Administration, to extend the Employees' Compensation Act with limitations

to certain World War veterans and other persons, and for other purposes; to the Committee on Finance.

H. J. Res. 444. Joint resolution to amend the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally", approved August 27, 1935; to the Committee on Agriculture and Forestry.

H. J. Res. 583. Joint resolution authorizing the Veterans' Administration to prepare and publish a compilation of all Federal laws relating to veterans of wars of the United States; to the Committee on Printing.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

Mr. GEORGE. Mr. President, I suggest that the Senate now consider such amendments as may occur in title VIII. I believe they are nothing but technical amendments.

The PRESIDING OFFICER. The first amendment in title VIII will be stated.

The CHIEF CLERK. On page 290, in line 18, it is proposed to strike out the roman numeral "V" and insert the roman numerals "VIII", so as to read:

Title VIII—General provisions.

The amendment was agreed to.

Mr. GEORGE. Mr. President, I ask unanimous consent that throughout the entire bill the clerks may be authorized to correct paragraph and section numbers and to make other changes of that character.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GEORGE. That completes the amendments in title VIII. I ask that we now return to title V.

Mr. COPELAND. Mr. President, is it necessary to consider title V at this time?

Mr. GEORGE. We have passed over all provisions in the bill except titles I and II which raise the main points in controversy. Therefore, it is desired to consider title V at this time.

The PRESIDING OFFICER. The first amendment in title V will be stated.

The CHIEF CLERK. On page 267, after line 9, it is proposed to insert the following new paragraph:

TITLE V—AMENDMENTS TO TAXES ON CERTAIN OILS

SEC. 701. TAX ON CERTAIN OILS.

The first sentence of section 601 (c) (8) of the Revenue Act of 1932, as amended, is amended to read as follows:

"(8) Whale oil (except sperm oil), fish oil (except cod oil, cod-liver oil, and halibut-liver oil), marine-animal oil, tallow, inedible animal oils, inedible animal fats, inedible animal greases, fatty-acids derived from any of the foregoing, and salts of any of the foregoing; all the foregoing, whether or not refined, sulphonated, sulphated, hydrogenated, or otherwise processed, 3 cents per pound; olive oil and sesame oil, provided for in paragraph 1732 of the Tariff Act of 1930, sunflower oil, rapeseed oil, kapok oil, hempseed oil, fatty acids derived from any of the foregoing, and salts of any of the foregoing; all the foregoing, whether or not refined, sulphonated, sulphated, hydrogenated, or otherwise processed, 4½ cents per pound; any article, merchandise, or combination, 10 per centum or more of the quantity by weight of which consists of, or is derived directly or indirectly from, one or more of the products specified heretofore in this paragraph or in section 602½ of the Revenue Act of 1934, as amended, a tax at the rate or rates per pound equal to that proportion of the rate or rates prescribed in this paragraph or such section 602½ in respect of such product or products which the quantity by weight of the imported article, merchandise, or combination, consisting of or derived from such product or products, bears to the total weight of the imported article, merchandise, or combination; hempseed, rapeseed, sesame seed, and kapok seed, 2 cents per pound."

Mr. COUZENS. Mr. President, may I have the attention of the Senator from North Carolina [Mr. BAILEY]? On page 267, line 23, reference is made to "rapeseed oil." I have a telegram asking me to have inserted, after the words "rapeseed oil", the words "unless denatured." Does the Senator know what effect that would have?

Mr. BAILEY. Then the tax proposed in the amendment would fall upon the edible oil and not the denatured oil. It would affect to that extent the agricultural interests. I question whether it would have the desired effect with respect to the fishing interests. Denatured oil is inedible and therefore not supposed to be competitive with vegetable oil.

Mr. COUZENS. Then I understand from the point of view of the Senator, who is the proponent of the amendment under discussion, he would not object to inserting the words "unless denatured"?

Mr. BAILEY. I do not know that I am prepared to acquiesce. I was induced to propose the amendment because of a realization of the fact that since we passed the 1934 act relative to imports of oils and fats competitive with oils and fats produced on the farms in our country, the foreign exporters have found substitutes for those oils and fats, and also for the oil-producing seeds, in lieu of the articles on which we had imposed the tax, with the resultant effect that the real purpose of the 1934 act has been to a great extent defeated.

The primary purpose of the amendment is, with respect to these substitutes, to give the same benefits to the American producers that they at first received with respect to the articles imported from other countries on which the tax was imposed in the 1934 act.

Incidentally, while we are undertaking to enact legislation for the benefit of the American farmers producing fats and oils, I will state that I have here letters from the great farm organizations heartily supporting the portion of the amendment which gives like benefits to the fishermen, the producers of oil from the fish that are caught off our shores. The two are together, and I do not think I am at liberty to separate them. I should be perfectly willing to submit the matter to the Senate, just as I submitted it to the committee; and if any Senator has an amendment of that character to put forward, while I do not think I am in fairness quite at liberty to accept the amendment, I question whether it would be worth my while to oppose it.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. COUZENS. Because of lack of information, may I ask the Senator to accept this amendment? Then, if there is any substantial reason why it should not be accepted when we get fuller information, we can take the amendment out in conference.

Mr. BAILEY. That is looking forward to a rather unknown situation.

Mr. COUZENS. The only point is that I raised the question because the suggestion came to me by telegraph, and I have not adequate information to sustain the amendment.

Mr. BAILEY. I understand that the Senator from Michigan is largely in sympathy with the purposes of the amendment.

Mr. COUZENS. I voted for it in committee on the basis of the good, sound argument made by the Senator from North Carolina.

Mr. LONERGAN. Mr. President——

Mr. BAILEY. I yield to the Senator from Connecticut.

Mr. LONERGAN. I have the same request as that presented by the Senator from Michigan—in line 23, page 267, after the words "rapeseed oil", to insert the words "unless denatured."

Mr. BAILEY. That is precisely the suggestion made by the Senator from Michigan.

Mr. LONERGAN. Will the Senator accept the proposal, or does he desire a vote of the Senate upon it?

Mr. BAILEY. I think we may take the sense of the Senate without the necessity for a vote. Let us see if we may not.

I am not disposed to be arbitrary or stubborn in matters of this sort, but I do not wish to begin my argument by way of concessions. There are some 15 or 20 articles here, and if I concede on one I shall have to concede on all, and then I shall be in the position of the fellow who got all the flesh

picked off his bones; and I do not care to reduce myself to that state.

Mr. KING and Mr. COPELAND addressed the Chair.

The PRESIDING OFFICER (Mr. BACHMAN in the chair). Does the Senator from North Carolina yield; and if so, to whom?

Mr. BAILEY. I yield first to the Senator from Utah.

Mr. KING. Mr. President, I do not wish to be a party to depriving the Senator of any of his flesh; but I wish to call his attention to the fact that the Senator from Oklahoma [Mr. GORE], a member of our committee who unfortunately is not here, has sent me a number of telegrams in which he urges that the amendment suggested by the Senator from Michigan be adopted; and in his behalf I present his petition.

Mr. BAILEY. I realize that there is quite a sentiment for that here. My effort is to drive the amendment through with the support of the Senate, if possible, with as little delay as possible. I realize that we have no opportunity here for a prolonged debate. We wish to get this bill out of the Senate at the earliest possible moment.

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. BAILEY. I yield to the Senator from New York.

Mr. COPELAND. I have an amendment, too, relating to whale oil, which I should like to have excluded:

Except denatured whale oil for inedible use.

Mr. BAILEY. Precisely. That perfectly illustrates what I was anticipating. I might permit the camel's nose to enter the tent, but I am decidedly unwilling to put a whale through the front door. [Laughter.] I am very glad we have this illustration.

I have brought this amendment forward in all earnestness. It did not originate with me.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. MINTON. If I understand the Senator, this amendment is not presented in the interest of the oils and fats produced by the farmer, but is presented in the interest of the fishing industry. Is that true?

Mr. BAILEY. No; precisely the opposite. It is presented primarily in the interest of the farmer, but along with that interest, insofar as we may, also in the interest of the fisherman. The fisherman gets his crop from the sea. The farmer gets his crop from the land. Both of them are Americans, and neither should be subjected to the competition of foreign competitors.

I was saying that the matter did not originate with me; but having had it presented by the representatives of the great farm organizations of our country, as well as by the organization representative of the fishing interest, I made rather a careful investigation of the matter, and became absolutely convinced of the necessity for legislation of this sort. Therefore, I did not hesitate to put it forward; and I was very deeply gratified when the Finance Committee of the Senate, after rather thorough discussion and a delay of 3 or 4 days in order to get the facts before them, gave very hearty support to the amendment.

Now let me lay before the Senate, first, the letter from the Washington representative of the National Grange, Mr. Fred Brenckman. He says:

It has come to my attention that you intend to offer an amendment to the pending revenue bill imposing excise taxes on certain imported oils and oil-bearing seeds for the benefit of domestic producers of oils and fats. Such a step is needed to make more fully effective sections 602 and 602½ of the Revenue Act of 1934. Your proposed amendment could not fail—

I desire Senators to hear this:

Your proposed amendment could not fail to benefit producers of cottonseed, peanuts, soybeans, beef, sheep, hogs, and dairy products.

That takes in the whole range of the output of the farms of our country.

The excise taxes imposed by the act of 1934 have not only brought considerable revenue into the Treasury, but they have greatly benefited the American producers of oils and fats.

We therefore approve your proposed amendment, and trust that it may be adopted.

Very sincerely,

FRED BRENCKMAN,
Washington Representative of the National Grange.

I read next a letter from Mr. A. M. Loomis, secretary of the National Dairy Union. It is dated May 8:

I am taking this occasion to let you know the deep interest which is felt by the members of our organization in the amendments which have been prepared and placed in your hands for introduction concerning the internal-revenue taxes and import taxes on various tropical and other fats and oils.

I have been familiar with the preparation of this amendment, and, as you know, have given much attention to this particular proposition ever since it came to public attention by the most effective action taken by Congress in 1934.

This is an explanation of real value:

The amendment passed in 1934, placing the 3-cent tax on these various oils, was one of the most beneficial pieces of legislation for American agriculture which was passed by that session, benefits running into the hundreds of millions of dollars by direct increases in the values of all domestic fats and oils. Experience has shown, however, that certain interests in the United States have been able to secure substitutes and in other ways avoid and escape these taxes; so the present amendment has been prepared with extreme care to prevent these evasions, place equal taxes on the substitutes, and thereby to carry out the intent of Congress as expressed in the 1934 enactment.

There is a very fine statement of the whole purpose we have in mind.

In particular, we are interested in the dairy industry in having an adequate tax placed upon sunflower oil and sesame oil in refined form which can be used in the manufacture of oleomargarine as a substitute for butter, and in place of coconut oil, which is already subject to tax. I am authorized, as a representative of the dairy industry, to say to you that your efforts in behalf of this proposed amendment to the oils and fats tax enactment will be of great value to the entire dairy industry of the United States, and we are supporting you to the best of our ability in your effort to have this amendment enacted into law as a part of the tax bill which is now under consideration.

Yours sincerely,

THE NATIONAL DAIRY UNION,
A. M. LOOMIS, *Secretary.*

I also have here a letter from Mr. Chester H. Gray, the Washington representative of the American Farm Bureau Federation, as follows:

You may be assured that the American Farm Bureau Federation is 100 percent in favor of the amendment which you intend to present to the pending revenue bill to place certain excise taxes on a list of oils and fats.

The American Farm Bureau Federation for 10 years has stood firmly on the principle that an imported and competitive product, such as the oils and fats listed in your amendment undoubtedly are, should, before they enter the commerce of our Nation, pay an excise or an import duty, so that when they are sold in our markets they must move at prices which will permit American producers of our own oils and fats to survive.

In fact, your amendment, in a brief way of considering it, is nothing more or less than stopping some leaks and plugging up some holes in the excise taxes which were secured in 1934 on a too limited list of oils and fats.

Anything which I can do to help you in this effort will be gladly done if you will let me know when I can be most effective.

Very respectfully,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY, *Washington Representative.*

I have other letters, but those three are sufficient both to explain the purpose in mind and also to show the necessity for its accomplishment.

I think I have made it perfectly clear that we are not undertaking here to bring in new subjects of tariff legislation. I refrained from bringing into the amendment any new matter, and confined the language of the amendment to oils and fats and oil-producing seeds which were being used as a substitute for those oils and fats and oil-producing seeds upon which the tax had been imposed in the act of 1934.

So it is not a new matter; it does not open the door to a long list of tariff proposals. It merely corrects and makes perfect, so far as we can do so at this time, the law which we enacted in the best of faith and with the best of intentions in 1934.

I desire to say a word about that, though I question whether it is necessary that I should say it. Since I offered the amendment, I have received almost countless complaints and petitions from protected commercial interests in the United States which were unwilling, while they enjoy protection, for the farmer to have a decent share of it.

Now I desire to make a proposition to the Senate, and, so far as I can, to the country. I am no devotee of the protection idea. It grew up in this country long before I grew up. It has been here ever since Alexander Hamilton was Secretary of the Treasury. I am not responsible for this structure. We have all lived under it. If the commercial interests of the United States undertake to deprive the farmers of the United States of a fair share of protection, then the day will come when the farmers will turn upon them, and we will be put on the free-trade basis. That is a warning to them, and I have said that privately as they have talked about the matter, and I have written it in my letters to people who have written protests.

What was done a few days ago? The President of the United States lifted the tariff tax on textiles 42½ percent. That is in behalf of our domestic commerce, and I am not quarreling about it. That is probably a necessity, under the pressure of competition from the Orient. But if we are to do that for the textile industry, from which the farmer has to buy his clothes, and to which the farmer sells a portion of his cotton, why should not the farmer, when he gets into the market, also be protected against those in foreign lands who would bring him down to the oriental standard of living and wages?

So I think that not in the matter of the tariff theory, not only in the matter of the ultimate principle, but on the simple basis of equity and of common sense, the farmers of the United States have a right to this legislation. If they are denied it, those who deny it will live to see the day when 6,000,000 organized farmers, rising in power now as they never rose before, shot through with a sense of their capacity which they never had before, enjoying a leadership which they never knew before, having a place in American politics which they never had before, will undertake to say to those who would deprive them of an equal share in the national policy that if the farmers are denied protection those responsible will likewise be denied.

Mr. President, that is what moves me in this matter. I am willing to be reasonable in matters of this sort. I cannot quite distinguish between one sort of seed and another, and I question whether anyone else can. I do not feel that I should be making concessions here as to one oil and one seed or another. I know that if I make concessions with respect to one I will be called upon to make them with respect to another. I know that if I open the door on one article I will be called upon immediately, as a matter of fairness, to open the door on other articles.

I should like to be conciliatory and I should like to be agreeable, but I am going to ask the Senate not to sacrifice in the slightest respect any of the objectives contemplated by the motive and the principle of the amendment.

I have stated the motive and I have stated the objective. The motive is to give the American farmer, with respect to his fats and his oils, his cottonseed and his soybeans, the benefit of an excise tax which will tend to prevent his articles of produce, the fruits of his labors, being brought down in price to the level of the oriental competitor's price. And likewise with the farmers of the sea—the fishermen.

If we had a free-trade world, if we were starting this Nation anew, and I had to choose between starting on a free-trade basis and a protective basis, I imagine that I would at least think the matter over; I would try to look forward and find what was right and what was best. But I am not permitted to do that. We are dealing with a situation. As the great President Cleveland said, it is a condition and not a theory that confronts us.

Mr. President, what is the condition? The condition is that whenever a farmer buys a plow point, or whenever he buys a hat, or whenever his wife buys a calico dress, or whenever his children buy a pair of shoes, or whenever he buys a harness, he buys in a protected market.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. McGILL. I have today received several telegrams, one from the secretary of the State board of agriculture of my State, which reads as follows:

> Under soil-conservation program we believe flax industry will decidedly increase and hence should be adequately protected against foreign oils. Consider it advisable to include perilla oil and hempseed oil in Senate Finance Committee bill.

I also have telegrams urging that perilla and hempseed oil be given an excise tax. That is included in the Senator's amendment, is it not?

Mr. BAILEY. I regret that it is not. Perilla oil was stricken out in the committee, after discussion.

Mr. McGILL. The Senator's amendment has been amended in the committee?

Mr. BAILEY. I may say that my amendment was amended in the committee and was then redrawn by the Treasury to fit in with already existing legislation.

Mr. McGILL. Hempseed oil and perilla-seed oil have been stricken from the amendment by the committee?

Mr. BAILEY. No; I do not think hempseed oil was stricken. It was tung oil and perilla oil that were stricken from the amendment by the committee. I understand an amendment will be offered to include perilla oil and perilla seed, and whenever it is offered I shall be prepared to make a statement.

Mr. President, I was saying that whenever the farmer undertakes to buy something in the United States he walks into a protected market and he pays the American price. We all know that. But whenever he goes to sell anything in the United States, he walks into a free-trade market and sells at the world price. If that were put in the proper language, we could best say it in this way: We have created an American standard of living for American industry and an oriental standard of living for the American farmer. That is precisely the effect.

If we are to have a tariff, let us have it balanced. If we are to have protection, let it be equitable and fair. I will go along either way, but I am utterly unwilling to leave the farmer in the lurch and to give everyone else the benefit of the excise taxes and import taxes.

Mr. President, in conclusion I wish to give just one illustration—I have the data on my desk for the others—of the failure of the 1934 act to accomplish the great purpose for which it was designed. When we passed that law the imports of tallow into the United States amounted to only 245,000 pounds a year. Last year they amounted to 260,000,000 pounds. Senators can figure that out. It is a thousand times increase in the course of a year. One can run down the list and see that, with respect to these articles on which the amendment proposes to levy a tax by way of an import tax or excise in the form of a processing tax, in every case the article has been shipped into this country in substitution for an article upon which we place a tax.

The consequence is that while a great deal of good was done in the 1934 act, with the lapse of time these substitutes have come in. Hear me, Senators! The price of soybeans has gone down; the price of cottonseed has gone down; the price of animal fats has gone down; the price of tallow has gone down. Unless we pass the proposed amendment we can go home with the assurance that the 1934 act will have proved an absolute vanity before December of the present year.

Mr. President, with all earnestness and in the name of the farmers and the fishermen of America, I urge the most favorable consideration of this amendment. I have said a great deal about the farmers. I desire to say something about the fishermen. Off the coast on either shore, the Atlantic or Pacific, there are thousands and tens of thousands of humble men who go down to the sea in ships

morning after morning, draw the wealth from those waters, and replenish the life of the American people. Off these coasts is as much wealth as there is off the coasts of any country on earth. The sea on the Pacific side or on the Gulf side or on the Atlantic side is teeming with fish. However, if the fishermen who cast their nets into the Pacific or the Atlantic or the Gulf cast their nets on the same basis as the fishermen who cast their nets in the Indian Ocean or the far Pacific, and if they are required to sell in the domestic market on the world-price basis, then you have doomed them to that competition against which this country has set its policy for 140 years. I make the same argument for the fishermen that I would for the farmers. The fisherman has a very great place in our economy; and if he did not have, his wealth has a great place in our economy. That wealth is not just his wealth—it is for all America. I make the same proposition with respect to him in the same language I used before: Are you going to require him, when he buys his nets or his rope or his boat or his anchor, to buy in a protected market; and when he asks the humble privilege to sell here in his own land on the same terms with those from whom he must buy, shall we deny that equality under the law? The question is practical. It is not theoretical. It is one of justice and common sense—not one of theory.

Mr. President, I ask the Senate to pass my amendment. I am unwilling to compromise it. I would not know how to go about compromising it. The Senator from Michigan [Mr. COUZENS] asked me if I would agree to an amendment to place after "rapeseed" the language "unless denatured", and have the question wrought out in conference. Let it go to the conference as it is and have it wrought out there. Give us the benefit of the presumption, and we will have it before us.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. COUZENS. Unless the amendment were put in the bill the conferees would not have any jurisdiction. That is the reason why I asked to have it put in, so the conferees could throw it out if it was deemed improper.

Mr. BAILEY. I think the Senator is right about it, although I am not so familiar as he is with procedure in conference. I understand the Senator is correct about that.

Mr. COUZENS. That is correct. I do not ask the Senator from North Carolina to embarrass himself. I will offer the amendment on the floor and have the Senate do as it pleases about it.

Mr. BAILEY. That is very agreeable to me, and we shall hear the discussion and I myself will try to be reasonable about it.

Mr. President, that is about all I have to say about the amendment. I do not wish the Senate to think that it is a trivial matter. I do not wish the Senate to think that it is a political matter, either. This thing strikes at the fundamental problem of our farmers and of our country. Ever since I have been in the Senate we have known that the essential agricultural problem of this land was the disparity between the prices paid by the farmer and the prices received by the farmer. Congress can pass a thousand acts, and it can devalue the currency until it is all gone, but it will never correct that disparity so long as the farmer buys in a protective market and sells in the world market.

Mr. COUZENS. Mr. President, I offer as an amendment to the committee amendment, on page 267, line 23, after the words "rapeseed oil", to insert "unless denatured."

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The question is on agreeing to the amendment offered by the Senator from Michigan to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. FRAZIER. Mr. President, what the Senator from North Carolina [Mr. BAILEY] has said about the oil amendment is perfectly correct. I very heartily agree with him. The farmers must have protection if they are going to succeed in getting living wages, living prices, for the commodities they produce.

I desire to offer two amendments to the oil provision, section 701, on pages 267 and 268, to include perilla oil and perilla seed. On page 267, line 24, after "hempseed oil", I move to insert "perilla oil."

Mr. KING. Mr. President, the matter to which the Senator has referred was very carefully considered by the committee when it had before it the amendment offered by the Senator from North Carolina [Mr. BAILEY]. After due consideration, perilla oil was eliminated from the bill.

There was before the committee considerable evidence based upon the fact that perilla oil, which in some degree competes with linseed oil, contains a higher iodine value, that it has greater drying properties, and has been used in the paint and varnish and linoleum industries in combination with soybean oil, which does not have such a high iodine value.

Virtually all the soybean oil consumed in this country is of domestic production, and soybeans are raised in more than 20 States, among which Illinois, Indiana, and North Carolina are leaders. As stated, soybean oil finds a ready market in the above-mentioned industries when combined with perilla. Thus, a tax on perilla would curtail its use and at the same time close one of the large outlets for the consumption of soybean oil.

The testimony before the committee, the members of which were in sympathy, evidently, with the amendment offered by the Senator from North Carolina, was to the effect that the inclusion of perilla oil would be injurious to the farmers themselves because its use in the making of varnish and linoleum induces a larger consumption of soybean oil. So the imposition of a tax on perilla oil would result in injuring the soybean industry, to say nothing of the repercussions on the linoleum, paint, and varnish industries.

The committee considered all those facts. I have not time to put in the RECORD the statements which were presented to the committee, but the committee concluded to eliminate perilla oil from the amendment which was offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. FRAZIER] to the committee amendment.

Mr. COUZENS. Mr. President, may I ask the Senator from North Dakota what is the argument for the inclusion of perilla oil? I should like to know, because I am not familiar with the facts.

Mr. FRAZIER. I was going to state some of the facts in regard to the matter when I was interrupted. The paint industry is very much opposed to a tax on perilla oil. A tax of 4½ cents a pound on perilla oil would not bar that oil from coming into the country any more than does the tax on hempseed oil or sunflower oil or linseed oil prevents those products from coming in. Perilla oil comes in direct competition with linseed oil, which is produced in the flaxseed States and in the spring-wheat States, especially in the State of California and one or two of the Southwestern States, where, as I understand, a great deal of flaxseed is produced.

Over 3,000,000 acres of land are cultivated to flax, and unless a tax is put on perilla oil the farms now raising flaxseed, from which linseed oil is produced, will be compelled to cease that line of activity.

As to the increase in the imports of perilla oil, in 1931, 13,285,492 pounds were imported, whereas from January to November 1935, 70,412,323 pounds were imported, representing a tremendous increase.

As I have said, perilla oil comes in direct competition with linseed oil. There is a tax of 4½ cents a pound on linseed oil, and there is a tax of 65 cents a bushel on flaxseed itself.

I have another amendment by which I desire to include perilla seed at the end of this paragraph where the other seed items are included, with a rate of tax of 2 cents a pound.

Mr. President, it has been the policy of the Agricultural Department to curtail the production of wheat, especially because a surplus of wheat is produced in ordinary years, and if the 3,000,000 acres that now produce flaxseed are compelled to abandon the production of flaxseed because of the cheap oils coming in from foreign countries, it will be necessary to put those 3,000,000 acres into some other crop. In the spring-wheat States they will go into wheat; in some of the other States into cotton or something else.

So, Mr. President, if we are going to serve the policy of the Agricultural Department in cutting down the acreage of wheat especially, and some of the other farm products which are raised in abundance and in surplus, we must, it seems to me, put a fair tax on perilla oil and give the farmers a fair protection. As the Senator from Utah [Mr. KING] has said, perilla oil is used with soybean oil; that is very true; but a tax of 4½ cents a pound on perilla oil would not bar it by any means. It might raise the price of paint a cent or two a gallon and the price of lineoleum perhaps a cent a square yard or something like that; but it would not be burdensome at all. On the other hand, it would mean a great deal to the farmers who produce flaxseed out of which linseed oil is manufactured. So it seems to me if we are going to have fair protection, we must, along with the other duties and taxes on oil, include perilla oil at a 4½-cent-a-pound rate, the same as in the case of hempseed oil and sunflower-seed oil and linseed oil.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. FRAZIER. I am glad to yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I have received a number of communications from my State from manufacturers of paints and similar products in which they state that there is no other domestic oil that takes the place of perilla oil with respect to certain classes of paints and varnishes, and, in addition to the probable increase in the price of these products, that there is no domestic oil that will take the place of perilla oil in the manufacture of special types of paints and varnishes. Does the Senator know anything about that phase of this subject?

Mr. FRAZIER. It is true that perilla oil has a somewhat greater drying quality than has linseed oil, but it is no better in any other respect in the drying quality than linseed oil for paints and for varnishes. It does dry somewhat more quickly but if the tax were imposed as suggested by the amendment it would not, by any means, bar perilla oil from coming into the country.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FRAZIER. Yes.

Mr. COPELAND. I assume that the reason the Senator presents this amendment is to protect the flaxseed industry, is it not?

Mr. FRAZIER. That is correct.

Mr. COPELAND. Is the Senator aware that last year this country produced only 14,000,000 bushels of flaxseed and imported 17,000,000 bushels? The United States has never produced flaxseed enough, and I am quite confident that perilla oil is in no sense a competitor which harms the flaxseed industry.

Mr. FRAZIER. Yes, it is. The price of linseed oil is kept down, and the price of flaxseed is kept down, because of the increasingly large imports of perilla oil. As I said, the importations have increased from 13,000,000 pounds in 1931 to over 70,000,000 pounds last year.

Mr. BARKLEY. Mr. President, how does that compare with the number of pounds of domestic oil or of flaxseed or linseed oil that goes into this industry? The increase of a few million pounds in the imports of such a commodity does not mean so much unless it proves something by a comparison with the domestic product.

Mr. FRAZIER. Of course, we produce ordinarily about 50 percent of the amount of flaxseed and linseed oil that is used here at home. The remainder is imported.

Mr. BARKLEY. Is it the Senator's desire to prevent this other indispensable 50 percent which we import from coming in?

Mr. FRAZIER. Oh, no.

Mr. BARKLEY. But if it has to come in, anyway, he wants people to pay more for it?

Mr. FRAZIER. The object of any tax is to protect those who are raising the product at home. Of course, it makes people pay a little more for it.

Mr. BARKLEY. Assuming that we produce only 50 percent of what we use, then those who buy the other 50 percent are going to be penalized because the Senator wants to get another cent a pound for that which we produce?

Mr. FRAZIER. There is now a tax of 4½ cents on linseed oil.

Mr. BARKLEY. I know that.

Mr. FRAZIER. And still 50 percent practically of the linseed oil we consume is imported at the present time.

Mr. BARKLEY. And in spite of the fact that perilla oil is not taxed, only a small portion of it is coming in compared to our domestic production of other oils that go into the manufacture of paints.

Mr. FRAZIER. I would not say that at all. In 1931 linseed oil imported into this country amounted only to 235,000 pounds whereas in 1935, 2,232,451 pounds were imported. In 1933, 11,000,000 pounds of linseed oil came in. In the case of flaxseed, in 1935, 17,559,000 bushels were imported.

Mr. BARKLEY. What was the production in this country?

Mr. FRAZIER. We had a rather low production that year, in the neighborhood of 12,000,000 bushels, but ordinarily we produce about 17,000,000 bushels of flaxseed.

Mr. BARKLEY. It is difficult to compare bushels with pounds. What is the comparison?

Mr. FRAZIER. A bushel of flaxseed is 56 pounds, and 18 and a fraction pounds of oil are made from a bushel of flax.

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. FRAZIER. Yes.

Mr. COPELAND. I remember very well that we had a debate on this subject in connection with the last tariff act. Under that act flax was given 65 cents a bushel protection, but, in spite of that, there has been a decline in production. And 25 cents a bushel was provided under the farm act.

Mr. FRAZIER. On a bushel of 56 pounds there was a duty of 65 cents.

Mr. COPELAND. The point is that, in spite of the protection this product has had, there has not been an increase of production, and we are still dependent on the foreign market for more than 50 percent of our flaxseed.

Mr. FRAZIER. Of course, we have had a drought in the spring-wheat States, and that was the reason for the reduction in the production of flax.

Mr. MURRAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. FRAZIER. I yield.

Mr. MURRAY. Is it not a fact that the State of Montana and other Western States are now in the process of developing the growth of flax? Is it not also true that climatic conditions there are extremely favorable to the production of that crop, and it is regarded as one of the ways to get away from the overproduction of other grains?

Mr. FRAZIER. That is correct.

Mr. KING. Mr. President, will the Senator from North Dakota yield?

Mr. FRAZIER. I yield.

Mr. KING. Is it not a fact that the statement just made by the Senator from Montana is similar to statements made during the consideration of tariff bills for a number of years? I recall that for at least 10 or 15 years, whenever we had a tariff bill under consideration, representatives of the flaxseed producers came before us and insisted that if we would give them tariff protection they would develop the flaxseed industry. What was deemed sufficient protection was given, but the higher the tariff, the less proportionately was produced. An effort is now being made to use the pending revenue bill

as a tariff bill in order to make good some of the promises which were made and which were never fulfilled.

Mr. FRAZIER. Of course, it is a revenue bill, and 4½ cents on perilla oil would bring in quite a bit of revenue.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. FRAZIER. I yield.

Mr. SHIPSTEAD. I do not see what these taxes on imported oils are if not a tariff. That is the reason for all these taxes on the imported oils. It is nothing new.

If the Senator will yield a moment further, I should like to call attention to the imports for the first 3 or 4 months of this year of flaxseed and perilla oil. There were 88,920,000 pounds of flaxseed imported in the first 4 months, and of perilla oil 46,000,000 pounds. There has been a great increase in the 4 months of this year over the same 4 months of last year. Last year there was imported $15,623,000 worth of linseed oil, and on that a duty of $11,420,000 was paid. There was $5,770,000 worth of perilla oil imported, and not one cent of duty was paid on it. Since perilla oil comes in free and linseed oil must pay a tax, the proportion of perilla oil which comes in competition with linseed oil has greatly increased, as the Senator from North Dakota has pointed out.

Four years ago the Tariff Commission reported that flaxseed oil which went into the manufacture of paints constituted 75 percent of the oil used for that purpose, and perilla oil, 1 percent. It is quite evident, from the great increase in the importation of perilla oil, that it has been displacing linseed oil in the paint industry. If Senators want to ruin the flax industry let them advocate the importation of perilla oil in greater and greater quantities. There is not a pound of it produced here. It comes from Manchuria or Siberia. It is a peculiar thing that nearly all the oils which come into the United States come from the Orient in competition with the oils produced by the farmers of this country. What is the reason for it?

We were promised when the new tariff policy was voted here that a trade policy would be inaugurated to help agriculture sell its surplus abroad. Thus far the agricultural interests of the Middle West have been discriminated against. I did not vote for the high-tariff policy, but I voted for the tariff-trade policy of this administration because we were told it was going to be used to trade our agricultural products to other countries. The Canadian treaty discriminated against the farmers for the benefit of the automobile industry, the most prosperous industry in the country. The industry which suffered the most from the tariff and from exploitation by the industrial centers, including the automobile industry, was again sacrificed for the benefit of the most prosperous industry we have in this country, the automobile industry.

I am willing to vote at any time to repeal the law giving the State Department the right to negotiate reciprocal-trade treaties as they have been doing at the expense of agriculture in the United States. We have here a chance to save the few farmers who raise flaxseed and to make the importers of perilla oil pay a small tax on their oil which competes with linseed oil.

Mr. FRAZIER. The Senator from Kentucky [Mr. BARKLEY] raised the point that a tax on perilla oil might increase the price of paint. The price of paint does not change with the price of oil unless there happens to be a very great change in the price of oil. For the best quality of paint, white lead and linseed oil, we pay now approximately $4 a gallon.

Mr. BAILEY. Mr. President, may I invite attention to the fact that paints, and oils used in paints, enjoy a 25-percent ad valorem duty at the present time. How does it lie in the mouths of those people to complain if the farmer gets a little help?

Mr. FRAZIER. I thank the Senator. It was the paint men who were witnesses on perilla oil, according to the Senator from Utah [Mr. KING].

Mr. KING. Mr. President, will the Senator yield?

Mr. FRAZIER. Certainly.

Mr. KING. I stated that the evidence before the committee showed and the facts presented indicated that the soybean is becoming a very important crop, I am told, in the United States. If perilla oil is imported and used, it increases the consumption of soybean oil, and to that extent is beneficial to the farmer.

Moreover, the evidence tended to show that perilla oil makes a better paint than any other oil; that it has qualities to promote rapid drying. Taking it by and large, the farmer would receive benefits from the importation of perilla oil far greater than any advantages which might result from its competition with linseed oil.

Mr. FRAZIER. Mr. President, according to the table I have here, the price of soybean oil has gone down during the past few months from a high point of 8.10 to 7.64.

Mr. KING. Was that because of the competition produced by linseed oil?

Mr. FRAZIER. No; perilla oil has gone down to some extent, too.

Mr. KING. Perilla oil is not in competition with soybean oil. It augments the consumption of soybean oil.

Mr. FRAZIER. That is very true, and the tax would not bar perilla oil by any means; but we do need it to protect linseed oil. Linseed oil has gone up a little bit in the past few months because of the scarcity in production last fall.

Mr. President, unless perilla oil is included in this paragraph, it means, according to the Department of Agriculture, that the production of flaxseed in the United States will soon be a thing of the past. I have here letters from the various crushers of flaxseed, the makers of linseed oil, and also from farm organizations, all advocating a tax on perilla oil.

Mr. COPELAND. Mr. President, will the Senator from North Dakota yield to me?

Mr. FRAZIER. Yes.

Mr. COPELAND. How can the Senator possibly say that the production of flaxseed will decrease when we now import more than we produce? There is always a market for it. It can always be crushed; it can always be used; but we are importing more than we produce, so it is perfectly absurd to talk about any advantage coming by reason of the tax.

Mr. FRAZIER. I tried to explain to the Senator from New York that the reason why the production of flaxseed has gone down is because of the climatic conditions in the past few years. The fact that we import some of these products, and do not produce enough for our consumption, is no argument for doing away with what we do produce, and importing it all. That is not an argument in favor of the farmers of this country, at least.

So, Mr. President, I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. FRAZIER] to the amendment of the committee.

On a division, the amendment to the amendment was agreed to.

Mr. MOORE. Mr. President, I offer the amendment which I send to the desk to the committee amendment, and ask to have it stated.

The PRESIDING OFFICER. The Senator from New Jersey offers an amendment to the committee amendment which will be stated.

The CHIEF CLERK. In the committee amendment on page 267, line 21, after the semicolon, it is proposed to strike out the words "olive oil and."

Mr. MOORE. Mr. President, I am very happy that this amendment does not come within the category expressed by the Senator from North Carolina [Mr. BAILEY]. I am not speaking for those who go down to the sea in ships, or for those who own farms. I am speaking for a lot of plain, ordinary persons who buy from those who owns farms, and who buy from those who go down to the sea in ships, and who should be considered in connection with this bill, because they are having gratuitously laid upon them a tax which is not necessary.

Olive oil is not produced in this country. It is not in any way competitive with any other oil for inedible purposes. Its importation does not affect the fish industry, it does not affect the farm, but it does affect the persons employed in making palm-olive or olive-oil soap throughout the Nation.

In my home city—I speak of my own knowledge—there is one company, employing 2,500 persons, which uses olive oil, and cannot use any substitute. I refer to the Palmolive Co. That is the name of their soap. They have spent millions and millions of dollars to make their soap known throughout the world. Senators know it. Everyone knows it. It is more largely purchased than any other soap. In Kansas, in Indiana, in California, the makers of Palmolive soap employ thousands of persons. In my home city, as I have said, they employ 2,500 persons. This excise tax would make the price of olive oil 12 cents a pound, which would be prohibitive. The makers of Palmolive soap could not use it; they could not make their soap, and would have to close their factories, and 2,500 persons in my city would be coming to me as their Senator to know why they were thrown out of employment.

If inedible olive oil interfered with or competed with any other oil, I should not be here urging the Senate to strike it out of the bill; but it is not necessary to tax it, and it is not fair. I know that the Senate is not going to say to these people, "You must go out of business; you must lose your jobs. You cannot buy from the farmer; you cannot buy from the fisherman; you cannot live."

So, I urge, with all the earnestness of my soul, striking out olive oil, because it in no way competes with anything else.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Illinois?

Mr. MOORE. I do.

Mr. LEWIS. May I ask the Senator from New Jersey if it be a safe assumption that olive oil coming into this country for the uses he has just described, and similar uses, comes principally from Italy? Does the Senator refer to the Italian oil?

Mr. MOORE. It comes from Spain, Italy, France, Greece, and many countries. I refer to the inedible oil, the sulphated oil, used for the purpose of making soap.

Mr. WAGNER. Mr. President——

Mr. MOORE. I yield to the Senator from New York.

Mr. WAGNER. Of course I am entirely in sympathy with the protest the Senator from New Jersey has made, and I can add nothing to what he has so very clearly stated; but I desire to ask the Senator whether this is not a case where there is no way in which those who hope to force upon this particular industry the use of a substitute can do so. There is not any substitute that can be used. If this amendment should be adopted, as the Senator has said so convincingly that there is no need of my repeating it, it would simply mean that this industry would have to go out of business.

Mr. MOORE. It would have to go out of business, because the Federal Trade Commission would interfere if the manufacturers should attempt to use a substitute for olive oil.

Mr. WAGNER. Exactly; and this particular oil is not in competition with any oil that is produced in this county.

Mr. MOORE. I went to the Department of Agriculture, and they could not show me wherein olive oil competes with any domestic agricultural oil.

Mr. BARBOUR. Mr. President——

Mr. MOORE. I yield to my colleague.

Mr. BARBOUR. If my colleague will permit just a word, I should like to say, in addition to all he has so ably pointed out so far as the soap industry is concerned, that the textile industry also is vitally interested in the elimination of this item from the bill. The sulphated olive oil, which by the same token is inedible, does not compete in any way with either animal fats, fish oils, or other like commodities which should be protected. It is the only commodity which can be used in the uses to which it is put, in view of its peculiar properties, in connection with the textile industry, particularly the silk industry. In other words, if every drop of it were excluded from this country, not one drop of anything else we are all trying to protect would be used in its place, because nothing else could be used. Certainly the amendment of my colleague should be adopted.

Mr. MINTON. Mr. President——

Mr. MOORE. I yield to the Senator from Indiana.

Mr. MINTON. The situation so clearly outlined by the Senator from New Jersey is entirely applicable to the situation in Indiana. The same industry which has a large factory in New Jersey has a large factory in the State of Indiana. The manufacturers produce there the same well-known Palmolive soap, in which they have invested millions of dollars in developing and advertising. Obviously, Palmolive soap cannot be made out of fish oil. Such soap would be fish soap. Palmolive soap cannot be made out of cottonseed oil. Such soap would be cottonseed-oil soap, and so on down the line. The only oils from which Palmolive soap can be made are olive oil and palm oil, and we do not produce commercially in this country any oil of this kind. It is wholly inedible. It is the residue of the olive pulp that is mixed with a chemical solvent after the edible olive oil is taken out.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. MINTON. I yield, although I do not believe I have the floor.

Mr. BAILEY. What is it the Senator from New Jersey proposes?

Mr. MOORE. To strike out the words "olive oil."

Mr. BAILEY. The Senator would strike out not only the inedible but the edible.

Mr. MOORE. No; because paragraph 1732 of the tariff law applies only to inedible olive oil.

Mr. BAILEY. But there is paragraph 3, relating to sesame oil, provided for in paragraph 1732 of the Tariff Act of 1930.

Mr. MOORE. Mr. President, this is provided for in paragraph 1732 of the tariff act, which paragraph provides only for inedible olive oil. Edible olive oil is already taxed, and it would not be affected by the amendment.

Mr. BAILEY. The Senator takes the view that the word "olive" relates wholly to inedible olive oil?

Mr. MOORE. Yes.

Mr. BAILEY. If that is the case, I am prepared to agree to the amendment.

Mr. MOORE. I thank the Senator.

Mr. BAILEY. I assumed that was the case.

Mr. MOORE. That is the case.

Mr. BONE. Mr. President, it is my recollection that a good many farm organizations in the country have protested the removal of the excise taxes on any substitute for either the vegetable fats produced in this country or animal fats. I have sent to my office for some letters I have received, but it is my recollection there was a protest against the removal of the excise taxes on any of these fats or fat substitutes.

Mr. MOORE. Not olive oil.

Mr. JOHNSON. Mr. President, I confess that I have not as great familiarity with the subject as have the gentlemen who have preceded me, but I congratulate them on the apostrophe to the manufacture of soap. The appeal on behalf of this pungent and beautiful soap for which they speak of course wrings the heart of every one of us and constitutes an ad for their product, beautiful and priceless; but when one of these gentlemen says there is no olive oil manufactured in the State of California he is utterly and absolutely in error. As between the olive groves there and the manufacture of soap in New Jersey, I would not for the world have a clash under any circumstances, but I am not in favor of the particular amendment now pending. While I appreciate all that has been said about Palmolive soap and soaps of every kind and every hue, I can see those green groves out in our territory, with all their magnificence and all their beauty, touched or injured even in behalf of soap,

and I would not take from them any protection which might be accorded them.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. MOORE] to strike out of the committee amendment the words "olive oil and" in lines 21 and 22, page 267.

The amendment to the amendment was agreed to.

Mr. LONERGAN. Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum prepared by F. R. Hoisington, Jr., of Greenwich, Conn., on the effect of the proposed 4½ percent per pound tax on inedible olive oil.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM OF EFFECTS OF PROPOSED 4½ PERCENT PER POUND TAX ON INEDIBLE OLIVE OIL

The principal interested groups to be considered in an analysis of the proposed tax on inedible olive oil would seem to be:

1. The consumers, both immediate and ultimate, of inedible olive oil;
2. Producers of competitive products, if any;
3. Suppliers of inedible olive oil;
4. United States exporters to Spain and other supplying countries;
5. United States investors in Spain and other supplying countries.

1. CONSUMPTION OF INEDIBLE OLIVE OIL—MAINLY IN SOAP

The term "inedible olive oil" includes both the so-called "commercial olive oil" which is expressed from the olive by the use of steam after the edible oil has been extracted by simple pressure, and "olive oil foots" or "sulphured olive oil", extracted by chemical means from the residue of "commercial olive oil." Ninety-nine percent of the sulphured oil, which constituted 75 percent of our imports of inedible olive oil in 1935, is used in the manufacture of soap and a substantial part of the commercial oil is also used in soap manufacture. (See exhibit 1.)

Imports of inedible olive oil in 1935 aggregated 53,540,670 pounds, valued at $3,730,082, the average cost being approximately 7 cents per pound. The tax of 4½ cents per pound is therefore over 60 percent of the average import value. So substantial an increase in cost to the soap manufacturer will, unless olive oil is replaced by some cheaper material, inevitably result in either a higher price to the consumer of soap (or a decrease in the size of the cake or package), a lower price paid to the producer of the olive oil, smaller profits to the manufacturer, or some combination of the foregoing effects. To the extent that the price was raised to the consumer, the general purchasing power of consumers would be reduced and consumption of soap and other products reduced.

2. INEDIBLE OLIVE OIL ONLY SLIGHTLY COMPETITIVE WITH DOMESTIC PRODUCTION

Only an insignificant quantity of olive oil is produced in the United States.

Although a considerable variety of oils and fats, both imported and domestic, is used in the manufacture of soap (see exhibit 2), each raw material has its peculiar use and in practice their interchangeability is limited. Replacement of one type of oil by another, while possible, would produce a different type of soap. Manufacturers are therefore reluctant to change their formula substantially, although the proportions of some of the materials may be varied within limits. As stated in Report 41 of the United States Tariff Commission, page 13:

"The fact that a given quantity of foreign oil is used does not necessarily mean that corresponding quantities of domestic oil would have been used if the foreign oil had not been imported. Nor does the fact that there has been a given increase in the use of foreign oils necessarily indicate that, without the increase, the consumption of the domestic product would have increased by like amount. Under certain conditions imports of a commodity are in the nature of a supplement to, rather than a replacement of, the domestic product. To what extent this is to be considered the situation with respect to the food and soap oils is a question to which no certain answer can be given, for analysis cannot be carried far without getting into matters which in their very nature are speculative.

"* * * in a brief survey the subject may perhaps best be approached by asking what changes would follow from a drastic reduction or elimination of the imports of foreign food and soap oils and oil-bearing materials. These changes might be qualitative or quantitative. From the qualitative standpoint it might be necessary to make important technical changes in the types of products made from oils. From the quantitative standpoint the effects might relate (a) to the total consumption of oil-containing foods and of soap; (b) to the exports of domestic oils, including lard; and (c) to the production of domestic food and soap oils, including lard.

"* * * a great reduction or the entire elimination of foreign oils would necessitate material changes in the character of many domestic products, particularly domestic soaps. It must be a matter of judgment whether so much foreign oil as may be involved in the production, in approximately the present proportions of the various types of products now being made in the United States, is to be considered as replacing domestic oils, assuming that domestic production could be increased correspondingly. The Commission expressed no opinion on this point but merely calls attention to the problem."

In any case inedible olive oil constitutes only about 3 percent of the total oils and fats used in soap manufacture. Moreover, this percentage has been relatively constant for a number of years and as shown in exhibit 2, the actual amount of inedible olive oil imported into the United States has decreased slightly since 1929. Department of Commerce figures for the first 3 months of 1936 show a further decrease to 4,530,876 pounds, or only about one-third of the amount imported in the average 3 months' period of 1935.

3. SPAIN A PRINCIPAL SUPPLIER OF INEDIBLE OLIVE OIL

In 1935 about 14 percent of the inedible olive oil imported into the United States came from Spain, and the amount of dollars involved was $736,598. (See exhibit 3.) Ninety-eight percent of these imports from Spain were commercial olive oil, since the poor crop left practically no sulphured oil available for export. For this reason Spain's share in the United States olive-oil imports was unusually small in 1935; the average proportion coming from Spain during the 3 years 1932–34 was 23 percent.

So far in 1936 imports from Spain, particularly of sulphured oil, have increased somewhat, due to the better crop, despite the sharp decrease in total imports of inedible olive oil. At the present time Spain is one of the largest suppliers of this material, the other important sources being North Africa and Greece.

Although inedible olive oil constitutes one of the less important of United States imports and constitutes only about 3 percent of the raw material used in the single industry of soap making, the importance of inedible olive oil in the export trade of Spain is potentially much greater. Although in 1935, which was a poor crop year, inedible olive oil accounted for only 4 percent of the United States imports from Spain, it has been as high as 8 percent of the total, having at times been exceeded only by olives and edible olive oil in importance.

4. UNITED STATES HAS LARGE FAVORABLE TRADE BALANCE WITH SPAIN

According to the Department of Commerce, United States exports to Spain in 1935 were $41,340,000 against which United States imports from Spain aggregated only $19,901,000, leaving an excess of exports of $21,439,000. The official Spanish statistics show a much larger unfavorable balance of 91,686,000 gold pesetas, equal to about $29,900,000. The difference between the trade balance reported by the United States and that reported by Spain is accounted for mainly by ocean freight, although differences in valuation and in time of shipment probably also affected the comparison. From the point of view of Spain's ability to furnish foreign exchange, the balance was probably nearer $29,900,000 than $21,439,000. The adverse balance of trade with the United States is understood to represent about one-half of the total adverse trade balance of Spain. Due to this fact and to the enforcement of clearing agreements by certain countries with which Spain possesses a favorable balance the delay in furnishing foreign exchange on ordinary applications on account of imports into Spain is now considerably over 1 year, according to advices from the United States commercial attaché in Madrid, published in European Financial Notes. It is clear that unless steps are taken to facilitate the acquisition of dollar exchange by Spain rather than measures tending to restrict the acquisition of dollars, such as it is believed the proposed tax on inedible olive oil would be, American exporters are going to find it increasingly difficult to collect for goods shipped to Spain, and inevitably will be obliged to restrict their exports to that country.

5. AMERICAN INVESTORS' FUNDS BLOCKED IN SPAIN

The plight of the American investor in Spain is particularly unfortunate at the present time. It is impossible under the present Spanish foreign exchange regulations to obtain any transfer of funds on capital account or even any remittances of dividends or interest except through the medium of facilitating "additional exports." The authorities are extremely reluctant to grant additional export permits and undoubtedly any measure tending to reduce imports from Spain to the United States would make it more difficult to obtain such permits and might even have so adverse a psychological effect on Spanish opinion as to result in the cancelation of existing permits.

It should be pointed out that the foreign subsidiaries of American companies provide employment, both abroad and at United States headquarters, for a large number of Americans on their administrative, technical, and clerical staffs. These employees are paid in dollars which, whether received in the United States or abroad, must necessarily be spent for products of American industry and agriculture, or for American services. The ability of the American companies to continue to pay these employees obviously depends on their ability to transfer funds from foreign countries to the United States.

The United States Department of State has been obtaining good results in reducing the barriers against United States export trade, and it is understood that the Department has been endeavoring to negotiate a reciprocal trade and payments agreement with Spain. The difficulties surrounding such negotiations are considerable in view of the difficult foreign exchange position of Spain, and there can be but little question that any action taken by United States tending to reduce American imports of Spanish goods

would magnify such difficulties and might definitely block the conclusion of a Spanish-American treaty designed to aid American exporters to and investors in Spain. In any case, the proposed tax would appear to represent an exorbitant rate in proportion to the value of the product taxed and seemingly ill-advised, considering the essential nature of the product, the probable burden on the American consumer, and a lack of proportionate benefit to other American producers.

"MENACE" OF INCREASED AGRICULTURAL IMPORTS EXAGGERATED

In this connection the remarks of Mr. Lynn R. Edminster are of interest. In the course of an address in Birmingham, Ala., on May 19, 1936, Mr. Edminster explained the increase in agricultural imports, which have unduly alarmed some people, in the following words:

"The unvarnished truth concerning this whole agricultural import matter is that the bulk of the agricultural products which can be produced in this country at less than a prohibitive cost have long since been barred out of our markets by high tariffs. Well over half of our agricultural imports, normally, is comprised of products like rubber and coffee that cannot by the remotest stretch of the imagination be called competitive. Most of the remainder consists either of products, such as sugar and flaxseed, of which we do not produce enough for our needs notwithstanding the high duties we impose on them, or else of products imported because of special considerations of quality or because of seasonal or other special factors.

"The farmers of this country have long had almost complete possession of the domestic market for those agricultural products which could be grown in this country in sufficient quantities and without too great a cost. No one, so far as I know, seriously proposes that it should be otherwise. We could, however, go further and undertake to produce every dollar's worth of imported agricultural products, or substitutes for them, that can be grown at any cost in this country, as some would have us do. But that would certainly not solve the farm problem. It would only aggravate it. We would still have a vast farming area—possible 45,000,000 or 50,000,000 acres—producing for export, and a lot of these acres, I want to remind you, would be cotton acres. Either we must find outlets for these surplus acres or produce less. That explains why the trade-agreements program, far from being a threat to the farmers of this country, is so emphatically calculated to subserve their real interests * * *."

UNEXPECTED EFFECTS OF CERTAIN TAXES

If a tax protects, by excluding the article taxed, it yields no revenue. But often the protection afforded one industry is more than offset by the damage done to another. For example, the tax on whale oil caused a drop in imports of that oil from an average of 50,270,000 pounds in the 5 years 1930–34 to 23,070,000 pounds in 1935. But the Norwegians, instead of reducing their output of whale oil, diverted their exports to other countries, thereby displacing American exports (principally of lard) to those countries. "This oil, used principally in the manufacture of soap in this country, has been diverted to European countries, principally Germany, where the bulk of Norway's whale oil is used largely in the manufacture of margarine and constitutes 50 percent of all oils used, with experiments being made to raise it to 80 percent. This whale oil has helped supply a deficiency in Germany of all oils and fats. The United States in former years shipped large quantities of lard to Germany." Foodstuffs Round the World (Department of Commerce) February 11, 1936.

It is to be hoped that before levying a sales tax at the rate of some 60 percent ad valorem on inedible olive oil the Congress will consider both the burdens which such a tax would impose upon consumers and manufacturers and the danger that the harm to American agricultural and manufacturing producers for export to the countries producing olive oil will far exceed any benefit which may accrue to certain other industries which may derive a small competitive advantage or to the Treasury.

F. R. HOISINGTON, Jr.

JUNE 1, 1936.

EXHIBIT 1.—*Factory consumption of inedible olive oil and proportion used in soap making*

[Quantities in thousands of pounds]

	1931	1932	1933	1934	1935
Sulphured olive oil:					
Total factory consumption	39,676	31,474	32,970	30,738	31,860
Used in soap manufacture	38,970	30,877	31,878	30,411	31,507
Percent used in soap manufacture	98	98	97	99	99
Commercial olive oil:					
Total factory consumption	7,482	6,383	10,217	8,975	10,703
Used in soap manufacture	2,106	1,912	2,001	1,963	1,690
Percent used in soap manufacture	28	30	20	22	16
Total inedible olive oil:					
Total factory consumption	47,158	37,857	43,187	39,713	42,563
Used in soap manufacture	41,076	32,789	33,879	32,364	33,197
Percent used in soap manufacture	87	86	78	82	78

Of the remaining 13 to 22 percent, about two-thirds is reported as consumed by the textile industry.

Source: Department of Commerce, Bureau of the Census.

EXHIBIT 2.—*Factory consumption of oils and fats in soap manufacture*

[Quantities in thousands of pounds]

	1931	1932	1933	1934	1935
Tallow:					
Inedible	523,714	549,186	508,824	662,858	663,002
Edible	1,494	1,969	2,389	1,098	1,431
Grease	129,403	143,724	124,743	142,782	98,086
Marine animal oils	68,669	48,944	44,995	33,996	28,440
Fish oils	58,426	49,091	52,168	64,548	109,970
Other animal oils	532	661	494	622	465
Total animal oils	782,238	793,575	733,513	905,904	901,394
Coconut oil	340,503	353,527	322,264	341,124	229,711
Palm oil	172,228	168,009	187,982	154,704	87,311
Palm kernel oil	28,035	3,565	6,278	16,516	37,173
Sulphured olive oil	38,970	30,877	31,878	30,411	31,507
Commercial olive oil	2,106	1,912	2,001	1,953	1,690
Corn oil	4,104	2,532	3,638	6,268	2,828
Soybean oil	3,816	5,571	4,235	1,354	2,549
Cottonseed oil	1,970	3,583	6,967	2,702	1,857
Other vegetable oils	16,261	12,265	12,527	13,679	16,670
Total	607,993	581,841	577,750	568,511	411,296
Grand total, animal and vegetable oils	1,390,231	1,375,416	1,311,263	1,474,415	1,312,690
Percent inedible olive oil to grand total	3.0	2.4	2.6	2.2	2.5

Bureau of the Census.

EXHIBIT 3.—*Imports of inedible olive oil, 1935*

From—	Sulphured or foots	
	Pounds	Dollars
Algeria and Tunisia	16,622,367	1,031,842
Greece	12,081,065	690,620
Spain	152,603	12,401
Italy	3,877,635	247,642
Portugal	1,063,548	75,439
Total	33,797,218	2,057,944
	Other (commercial)	
Algeria and Tunisia	8,740,425	666,961
Greece	3,196,479	253,197
Spain	7,464,225	724,197
Italy	85,860	7,118
Portugal	115,603	8,642
Other countries	140,860	12,023
Total	19,743,452	1,672,138
	Total	
Algeria and Tunisia	25,362,792	$1,698,803
Greece	15,277,544	943,817
Spain	7,616,828	736,598
Italy	3,963,495	254,760
Portugal	1,179,151	84,081
Other countries	140,860	12,023
Total	53,540,670	3,730,082

Source: Department of Commerce, Bureau of Foreign and Domestic Commerce.

Mr. COPELAND. Mr. President, I am about to present an amendment providing that denatured whale oil for inedible use shall be exempted.

I take at par the statement of the able Senator from North Carolina that he desires to help the farmer. I know he is sincere when he so states and that he is telling the truth. However, I am amazed that the Democratic Party should bring forward at this particular time a tariff bill, because this is nothing short of that.

I suppose I should be the last person in the world to find fault with such action on the part of the committee, because when the Smoot-Hawley bill was before the Senate I was accused of having added as many items of protection as any Senator in the body; and the New York Sun, which was then alive, had much to say in criticism of my attitude and my position, because they said it was violative of all the traditions of the Democratic Party. Yet, Mr. President, the

pending bill, which is called a revenue bill, which is designed to bring in taxes, has in the title and section under discussion language which is in effect the wording of a tariff bill.

How we are going to go before the people next fall and say we are different from the Republican Party is a mystery to me. For once I am going to pose as a free-trader as regard to one item. I am not going to make any pledges beyond that.

Further, my proposal is in the interest of the American farmer. It is particularly in the interest of the butter farmer of my State, the butter farmer of Wisconsin, and butter farmers everywhere. It is in the interest of the lard producers of the country.

Whale oil, strange as it may seem, in Europe is regarded as an edible oil; and the margarine which is made in Germany and in Norway and other of the Nordic countries is made with whale oil as the base. By reason of a prohibitive tariff upon whale oil, we have had a very great loss of business with Europe.

I do not ask the Senate to take anything from me as of any value so far as my statement is concerned; but I wish to show from the departments of the Government that it is considered desirable to admit inedible denatured whale oil free.

In the first place, I have told the Senate that whale oil is used abroad as a basis for margarine, a substitute for butter. I have before me a letter from the Department of Commerce dated May 20, from which I read as follows:

A marked decline in German imports of our lard coincided with the substantial increase in German imports of whale oil.

That is to say, we placed a high tariff upon whale oil, a tariff so high that the oil was sold so cheaply to Germany by Norway that the Germans now use it in preference to our lard; and most of this whale oil, as the Secretary of Commerce said, came from Norway under Norwegian-German clearing agreements to exchange Norwegian whale oil for German industrial goods.

Further, Mr. President, I have here a long letter from the Department of Agriculture, dated May 29. It is so late, and we are all so tired, that I hope it will not be necessary to read the letter, but I must do so if it is necessary to lay a foundation for the request I am making. The Department of Agriculture makes it very clear that European countries use large amounts of whale oil in producing cheap margarines suitable for their taste, and the margarines compete in a considerable degree with our lard. It is therefore felt that there may be some truth in the assertion that by excluding whale oil from industrial use in this country we are cheapening the price of lard substitutes in Europe, and thus curtailing our market for a major agricultural export. No countervailing advantages for our agriculture in the domestic market are discernible.

I have here, Mr. President, a letter from the Secretary of State, and I hope Senators will listen to it, unless the Senator from North Carolina [Mr. BAILEY] will relieve the situation for all of us by accepting the amendment. Would he be willing to do that?

Mr. BAILEY. Mr. President, I shall make my position perfectly plain. I could not personally accept the amendment. I do not think I could ever entertain the thought of accepting it. I like to be agreeable, but if we are going to accept that amendment to the committee amendment we might as well shoot the whole committee amendment to pieces.

Mr. COPELAND. Mr. President, I now read the letter of the Secretary of State. He says:

As stated before, my interest in this matter arises from a very deep concern over the adverse effect which this tax has had upon our trade relations with Norway and other countries. I ask you to consider that I have thoroughly weighed the relative benefits or injuries to all sections or classes in the United States before I came to the conclusion that we would be better off without this tax.

This letter was written after a consultation between the Secretary of State, the Secretary of Agriculture, and the Secretary of Commerce.

I continue reading:

The information which I had gathered during the last session convinced me, as well as the President and the Secretary of Agriculture—

I desire to emphasize that. Certainly the President has just as much interest in the welfare of agriculture as anyone of us can possibly have. The Secretary of State says:

The information which I had gathered during the last session convinced me, as well as the President and the Secretary of Agriculture, that this tax could be removed without injury to American agriculture or dairy interests. I regretted that the information which I gave you was insufficient to convince your committee members of the merits of the bill.

That was the bill of last year. This letter, however, is written this year, with reference to the present bill:

As you doubtless recall, the desired measure was passed as an amendment to H. R. 8974 when introduced by Mr. COPELAND in the Senate. When the amendment was sent to conference it was confronted with contentions by Messrs. Bland, Crittenden, George, and others, that whale oil, if admitted in the same quantities as formerly, would seriously compete with such domestically produced edibles as cottonseed oil, peanut oil, corn oil, and fish oil. There was, of course, no time left to secure accurate information to refute those contentions, or, might I say, dispel those fears, but I am glad to say that I now have information which proves those fears to have been unfounded.

I do not blame these men for objecting. The time was very short. The conference was a hurried one, and there was not time to assemble the facts. It was the right of the conferees to give them the benefit of the doubt.

The Secretary of State continues:

I now have information which proves these fears to have been unfounded. At that very time we were importing vast quantities of all of those products, a fact which alone would show that our industries were producing far less than sufficient to meet our domestic requirements. For instance, in 1935 we imported, in the first 11 months, 157,000,000 pounds of cottonseed oil; in the first 10 months, 72,000,000 pounds of peanut oil; in the first 11 months, 23,000,000 pounds of corn oil; in the first 11 months, 1,119,000 pounds of edible fish oil.

In view of the above would it not seem to you a logical conclusion that a product which in 1934 constituted one-fiftieth of 1 percent of all the fats used for shortening in the United States could not possibly compete with domestically produced edibles?

Conversely, the total of all the cottonseed oil, fish oils, and other domestically produced edible fats which have gone into the soap kettle has never at any time constituted more than 2 percent of all the fats in soap making in this country. Would not this fact alone refute any contention that the importation of a product which has never been extensively used for edible purposes in this country—

And, of course, under my amendment, I am not asking that edible whale oil may come in, but that all the whale oil which is permitted to come into commerce shall be denatured. Yet the Secretary of State said:

Would not this fact alone refute any contention that the importation of a product which has never been extensively used for edible purposes in this country could crowd into the soap kettle any appreciable quantity of domestically produced edibles?

Then the Secretary of State continued:

I stated to you last year that the exclusion of whale oil in its usual quantities had only served to stimulate the importation of inedible tallow to replace it in soap making.

No wonder the New York World Telegram and Evening Post are displaying cartoons showing the tallow dip and an effort of the Congress to place upon it a protective tariff, a more wicked protective tariff than was ever placed in the Smoot-Hawley bill, because of its pernicious and damaging effect upon agriculture of this country.

There are some measures against the importation of farm products from abroad which I would endorse with all my heart; but if edible whale oil should have a tariff placed upon it, instead of being a help to the American farmer it would do him positive harm, in that it would cut off the demand for butter and lard in European countries.

The Secretary of State continues:

Whereas our largest importation of whale oil has been 83,000,000 (average 50,000,000 per annum), we actually imported in the first 11 months of 1935, 236,000,000 pounds of inedible tallow.

Why does not someone get excited about that instead of getting excited about inedible whale oil?

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. BAILEY. We did get excited about it. The Senator will find it in the bill. It is on a parity precisely with whale oil.

Mr. COPELAND. Will the Senator show me where the American farmer is going to be benefited by a tariff on inedible tallow?

Mr. BAILEY. All the oils are fundamentally the same. Under the process of hydrogenation one can take tallow and convert it into some other type of fat. The same thing can be done with whale oil. The Senator's conception is that simply because oil comes from a whale it is entitled to special consideration.

Mr. COPELAND. My contention is that since it comes from a whale and is edible, it is entirely in a different class from inedible tallow. In the old countries of Europe, if inedible tallow is brought in, it is not helping the American farmer by putting a tariff upon it, while, on the other hand, if a tariff is put upon a product which is edible and which is actually consumed in those European countries to the disadvantage and to the exclusion of lard and butter from America, a direct and positive damage has been done the American farmer.

Mr. BAILEY. The Senator seems to think that the American raiser of cattle does not produce inedible tallow, but I imagine it is quite as possible here as elsewhere.

Mr. COPELAND. All the other products which are included in this measure are inedible. It so happens that the oil from a whale is not only edible but is actually eaten and consumed. Every time a ton of whale oil is consumed in Norway or Germany or Sweden or Denmark, the demand is cut off for a ton of lard or butter. That is not the case when we come to inedible tallow or inedible fish oil of any sort.

The removal of the tax on whale oil—

I quote further from the Secretary of State—

could therefore only have the effect of admitting whale oil in its usual quantities at the possible expense of foreign inedible tallow. This would give our soap makers the opportunity to be free to purchase that foreign product which best suited their immediate needs. Moreover, if our own shortage of tallow and such fats can be traced to the accident of drought and/or pestilence, it would seem to be reasonable to state that these stocks of foreign tallow might at some time for the same reason be cut off from our soap makers.

To recapitulate—

The Secretary says—

we were forced to employ in 1935 more than 25 percent of the primary animal and vegetable fats and oils used in the production of compounds and shortening. We perforce imported approximately 40 percent of the fats used in the production of soap. There is no record of any domestically produced edible fats going into the soap kettle, while the amount of whale oil used for edible purposes continued to be negligible.

In answer to a question just asked me by the Senator from Washington [Mr. BONE], I will say that we do not export butter normally to Denmark, of course; they are butter makers; but we do export it to Germany, and we also send lard to these other countries.

The exclusion of whale oil has been definitely injurious to our export trade. First of all, the exchange available to Norwegians for the purchase of American goods has been reduced, and for this, as well as for sentimental reasons, our actual and potential export trade with Norway has been injured. Germany was our second largest market for lard. Norway has been forced to conclude clearing agreements with Germany for the disposition of the whale-oil catch, which our tax made Norway unable to sell here. The greatly increased use of whale oil in Germany for the manufacture of margarine has in part served to reduce our exports of lard to that country from $7,185,000 in 1933 to $1,546,000 in 1934, and to $136,135 in 1935 (11 months).

Mr. BONE. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BONE. I am rather curious about one aspect of this problem.

The Senator from New York has read figures indicating that the imports of the commodities he mentions represent but an infinitesimal part of the needs and uses of the country. There are two aspects of this problem: First, whether the farmer is justified in his fears that this imported product is going to injure domestic prices. The second aspect of the problem is, why should there be imports, even in this trifling amount, if these things can be sufficiently produced by Americans? What do we gain in a practical way by continuing the traffic in a product which we can ourselves produce?

I am rather curious about that aspect of the matter.

Mr. COPELAND. It certainly is desirable for us—and I am sure the Senator from Washington will agree with me—to have just as much of an export market as possible for our farm products. There is not any doubt about that. Whenever we have an exportable surplus, we must get rid of it somewhere.

Mr. BONE. I understand that; but a very palpable contradiction lies in the fact that the people who live in America wish to control the American market, and they ask me and they ask the Senator from New York to protect the American market from the competition of foreign products. I think the Senator will agree with me on that. We are going to have to decide before very long the very practical question whether we wish to protect the American market to the very last degree, and thereby surrender all export trade, or whether we are going to try to hold on to the export trade and at the same time keep exports from foreign countries from coming here.

The Hearst newspapers, for instance, are suggesting very vigorously, day by day, that we "Buy American"; and if we should follow the Hearst technique we should not purchase anything from foreign countries. It might interest the Senator from New York to know that we probably should not need an American merchant marine if we did not have any foreign trade, so probably it would all work out all right; but the fact remains that the discussion we have here time after time—we have had it every year since I have been in the Senate—revolves around the fact that these imports constitute but an infinitesimal part of the consumption in this country. If they are so infinitesimal—one-fiftieth of 1 percent, or whatever the Senator states they are—why the necessity for so much discussion when we can certainly dispense with their use and exclude them, and the American farmer desires to have them excluded?

I do not know whether or not that suggestion appeals to the Senator, but the suggestion is a practical one from the attitude of the person whose letter the Senator is reading.

Mr. COPELAND. It might be as regards the other figures, which apply to inedible products, but here is a product which, if we do not buy some of it, will saturate the small foreign market we have left, to which we wish to carry goods by means of the American merchant marine. I would not ask, and do not ask, that whale oil be made free—I am talking only about the inedible whale oil—in order that we may expect to replace abroad the sales here and take over the market.

Mr. BONE. Section 701 is virtually a tariff.

Mr. COPELAND. There is no doubt about that.

Mr. BONE. It is not so much an excise tax as it is a tariff.

Mr. COPELAND. It is strictly a tariff.

Mr. BONE. I am not enough of an expert to know whether the exclusion of one-fiftieth of 1 percent of any commodity would have a very definite and drastic effect on domestic prices, but evidently the farmers of this country who are producing competitive products, both animal and vegetable, feel that it would have a deleterious effect on domestic market prices, and the question in my mind is whether or not that injurious effect on domestic market prices can be offset in any degree, or to a degree that ought to appeal to us as against the advantage of the foreign trade which they could give us.

Mr. COPELAND. I am trying to show to the Senate and trying to show to the American farmer that he is damaged by the amendment of the Senator from North Carolina [Mr. BAILEY] so far as inedible whale oil is concerned.

Mr. BONE. We are confronted here day after day with the suggestion that imports from foreign countries constitute but a very tiny fraction of the domestic consumption. I have heard the able Senator from Michigan [Mr. VANDENBERG] suggest that there is a constant increase in the amount of imports in certain fields of production in this country; but when we analyze the figures and get a break-down of them, we find that they constitute but a very tiny fraction of the amount of actual consumption in this country.

Obviously, if that be true—it is a digression—I cannot see the object in spending millions and hundreds of millions of dollars on a merchant marine of our own and sweating the taxpayer to carry that infinitesimal fraction of our own local consumption. All of the matter we are discussing here revolves around the use and consumption in this country of but a tiny fraction of what we actually consume, one-fiftieth of 1 percent.

Mr. COPELAND. Would the Senator be willing to build a wall around the country?

Mr. BONE. No; but I certainly desire to know what I am spending money for when I spend it. I should not want to sweat American taxpayers to the extent of hundreds of millions of dollars to build an American merchant marine to carry one-fiftieth of 1 percent of the consumption of this country.

Mr. COPELAND. I suppose, if we had enough products and carried one-fiftieth of 1 percent of each one, we could, after a while, fill a ship.

Mr. BONE. We could fill a ship, and I should be willing to buy one ship; but I should not be willing to spend billions on ships.

Mr. COPELAND. That particular matter is not before us.

Mr. BONE. No; but it is going to be later on.

Mr. COPELAND. I hope it will be before us at some time during the week.

To conclude what the Secretary of State said, I wish to repeat that, in the opinion of the Secretary of State, the Secretary of Commerce, the Secretary of Labor, and the President, the use of whale oil in Europe for making margarine has resulted in the decreased sale of our products. To give again the figures of the Secretary of State, in 1933 the lard sent to Germany was valued at $7,185,000, in 1934 at $1,546,000, and in 1935 at $136,135.

The Secretary continues:

> I am not sure that the shift from lard to whale oil for margarine may not lead to a permanent restriction of some part of our German outlet for lard. It is obvious, therefore, that the tax has not only not benefited American agriculture but has served to react adversely upon our export trade with at least two countries, Norway and Germany.

Mr. BONE. Mr. President, will the Senator yield again?

Mr. COPELAND. I yield.

Mr. BONE. I do not desire to interrupt the Senator's argument, but the Senator comes from a great agricultural State, New York—perhaps one of the greatest in the Union.

Mr. COPELAND. It stands eighth in agriculture.

Mr. BONE. It is a great dairy State, and also produces much fruit. With regard to the statement from the Secretary of Agriculture, to which the Senator has referred, I am wondering whether he feels that the farmers of the United States are in harmony with the view expressed. I doubt whether they are in accord with that view, because a great many farm organizations have written me protesting against the importation of these products. I know the view of the Secretary of Agriculture. He feels that the only way by which the farmer can in the long run make any money is by preserving his foreign market, the market for the things which he is producing on the American farm. But apparently American farmers are not sold on that idea, and they have written to me, and probably to other Members of the Senate, protesting the importation into the United States of these oils and animal fats and substitutes of all kinds.

I am sorry that the farmers and the Secretary of Agriculture are not able to get together on this matter, because obviously—and if I am in error in this, I hope my colleagues will correct me—the farmers of the United States who have written me, and the farm organizations which have written me, have been practically a unit in protesting the importation into this country of these fat substitutes and animal and vegetable fats. Certainly if the farmers themselves are opposed to it, they are placing themselves squarely in the pathway of the logic of the Secretary of Agriculture. As between the two, I confess I should be tempted to follow the farmers.

Mr. COPELAND. Mr. President, what the Senator has said is true. I think several of the large farm organizations are very much in favor of the Bailey amendment. I do not believe they have given any study to the particular matter to which I am addressing myself. I have been trying all afternoon to get hold of Mr. Brenckman, of the Grange. I desire to discuss with him this very matter. I know that the Farm Bureau Federation has taken the view I have set forth.

Mr. BARKLEY. Mr. President, I ask for order in the Senate.

The PRESIDING OFFICER. There must be order in the galleries and on the floor of the Senate.

Mr. COPELAND. I do not blame those concerned. Yesterday I was trying to make some remarks, when a man in the gallery rose and gave me competition. But I have had more competition this afternoon than I had yesterday.

Mr. President, I did not desire to proceed with this matter, and I asked the Senator from North Carolina to accept my amendment and take it to conference, but he would not do that, so I have been forced to make some sort of an argument. Now I desire to continue the argument, and I wish to say to the Senator from Washington that he is right when he states the position of the American Farm Bureau Federation, of which I am a member. The Senator from Washington probably does not know I am a farmer. I live on a farm, and I am a member of the American Farm Bureau Federation. I have a placard on the barn door of my place showing my membership. When I was a boy I went to the Grange picnics on the 22d of every August, so I know about that organization, too, and I have great respect for both organizations. I know the American Farm Bureau Federation in my State is a fine organization, and it deserves well at our hands. But I have known doctors to be mistaken. I perhaps am one who is mistaken today. In every lawsuit there is at least one lawyer who is mistaken, because only one of them wins.

It may well happen that the American Farm Bureau Federation and the Grange have not given attention to this particular matter. It would be strange indeed if we found the Cabinet of the President, beginning with the Secretary of State and going through the departments to the Secretary of Agriculture, to the Secretary of Commerce, and then to the President himself, were all mistaken. I have just tried to read to the Senate from a letter of the Secretary of State pointing out that last year he had failed to impress upon the conferees the importance of what he is doing.

Mr. McNARY. Mr. President, will the Senator yield for an inquiry?

Mr. COPELAND. I yield.

Mr. McNARY. I should like to inquire of the Senator who has the bill in charge whether we cannot come to some agreement regarding a recess about this time.

Mr. KING. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. KING. I had hoped that the Senator from New York would have concluded his argument before this time, and I sincerely trust he will finish it in a short time.

Mr. COPELAND. Mr. President, I cannot promise to finish in a short time, but I am perfectly willing to suspend now and proceed tomorrow.

Mr. McNARY. Mr. President, I am not asking the able Senator to conclude his argument. I hoped I might have an understanding with the Senator from Utah that a recess might be taken at this time. We have made very significant progress with the bill today. We had a very late session last evening, much office work has gone undone, and there is a desire among the Members of the Senate to recess about this time.

Mr. KING. Mr. President, I suggest that we continue for 20 minutes longer, and then meet at 11 o'clock tomorrow.

Mr. McNARY. That cannot be done. We have made unusual strides today in the consideration of the bill. There has been an honest effort to go forward. I appeal to the Senator from Utah, in view of the late session last evening, and the very significant and remarkable progress made today, that we take a recess at this time and meet at 12 o'clock tomorrow, and if we can finish with the bill tomorrow night, which I think is possible, or the next day, we will have done splendidly. I am not speaking alone for myself, but I believe for every Member of the Senate. I know the desire of the Senator to get through with the bill, but let the Senator from New York conclude his remarks tomorrow. We will make progress by taking a recess at this time.

Mr. KING. The Senator from Oregon, who is the leader upon the other side of the Senate, always makes an appealing argument. I suggest that we continue until half past five.

Mr. BARKLEY. Mr. President, will the Senator yield for a suggestion?

Mr. KING. I yield.

Mr. BARKLEY. Mr. President, would the Senator from Oregon be willing to enter into a unanimous-consent agreement to meet tomorrow morning at 11 o'clock?

Mr. McNARY. No, Mr. President. Two or three committees of great importance are meeting, and the members of those committees are also interested in the bill.

Mr. KING. Mr. President, I suggest to the Senator from Oregon that we should have a night session tomorrow. I give notice that, if necessary, I shall ask for a night session tomorrow. Meanwhile, I suggest that we continue in session until 5:30, and then take a recess until 12 o'clock noon tomorrow.

Mr. McNARY. I shall agree that we continue in session until 5:30 today if no session is to be held tomorrow night.

Mr. KING. Mr. President, we shall cross that bridge tomorrow.

Mr. COPELAND. I wish to ask the acting floor leader until what hour tomorrow he proposes that the Senate recess.

Mr. KING. Until 12 o'clock noon.

Mr. COPELAND. There is to be an important meeting tomorrow of the Committee on Commerce.

Mr. BARKLEY. Mr. President, I simply made a suggestion. The action I propose could not be taken now except by unanimous consent, and that cannot be obtained.

Mr. KING. Mr. President, I ask for the regular order.

Mr. COPELAND. Mr. President, why not stop now? I ask the Senator from Utah, if it is proposed to stop 7 minutes from now, why not stop now?

Mr. KING. I supposed the Senator from New York had something on his mind that he desired to say.

Mr. COPELAND. I have a great deal on my mind to say, but I cannot say it in 7 minutes.

Mr. DAVIS. Mr. President, yesterday I asked that Senate bill 4664, Calendar No. 2216, go over until today. It is a bill authorizing the appointment of an additional judge for the eastern district of Pennsylvania. I have just been informed that a similar measure has passed the House. I wish to inform the Senate that I withdraw my objection, and ask unanimous consent that the House bill be considered at this time and passed.

Mr. KING. Mr. President, I have felt compelled to decline to agree to a number of requests of similar character. I think the Senator ought to wait until tomorrow, and at the opportune time the bill may be taken up for consideration.

Mr. BARKLEY. Mr. President, all that the Senator from Pennsylvania desires to do is to withdraw his objection to the consideration of the bill. I think his request should be granted.

Mr. KING. I understood the Senator had withdrawn his objection.

Mr. DAVIS. Yes, Mr. President. I now ask unanimous consent that the bill be taken up for consideration and passed this afternoon.

Mr. KING. I suggest to the Senator that he wait until tomorrow.

Mr. COPELAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The Senator will state it.

Mr. COPELAND. Have I the floor for the purpose of resuming the discussion tomorrow?

The PRESIDING OFFICER. Yes; the Senator from New York has the floor.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Alabama?

Mr. COPELAND. I do.

Mr. BLACK. I ask unanimous consent to have printed in the CONGRESSIONAL RECORD at this point a table of figures which shows the amount of tax which would be paid by a corporation making $100,000 profit on the corporate-tax plan as contained in the House bill, the corporate-tax plan as contained in the bill recommended by the majority of the Finance Committee, and the corporate-tax plan suggested by the Senator from Wisconsin [Mr. LA FOLLETTE] and myself in an amendment.

In addition to that, I ask leave to insert in the RECORD a similar table of figures with reference to corporations making net profits of $30,000, $40,000, and $50,000, which will show the comparative cost to the corporations of the taxes on profits of those amounts.

The PRESIDING OFFICER. Without objection, it is so ordered.

The tables are as follows:

Comparison of proposed plan with plan in House bill and Finance Committee bill

[Income of corporation does not contain interest from Government securities or dividends from other corporations]

CORPORATION WITH NET INCOME OF $100,000

Dividends paid	Total tax, House bill	Total tax, Finance Committee bill	Total tax, Black-La Follette plan
0	$42,500.00	$23,219.20	$28,763.20
$10,000	37,500.00	22,519.20	25,763.20
$20,000	32,500.00	21,819.20	22,763.20
$30,000	27,500.00	21,119.20	19,763.20
$40,000	22,500.00	20,419.20	17,129.60
$50,000	17,500.00	19,719.20	15,129.60
$60,000	13,125.00	19,019.20	14,440.00
$70,000	9,375.00	18,319.20	14,440.00
$80,000	6,000.00	17,619.20	14,440.00
$90,000	2,857.14	17,440.00	14,440.00
$100,000	0	17,440.00	14,440.00

CORPORATION WITH NET INCOME OF $40,000

0	$17,000.00	$8,975.20	$8,543.20
$4,000	15,000.00	8,696.20	7,343.20
$8,000	13,000.00	8,415.20	6,369.60
$12,000	11,000.00	8,135.20	5,569.60
$16,000	9,000.00	7,855.20	5,440.00
$20,000	7,000.00	7,575.20	5,440.00
$24,000	5,250.00	7,295.20	5,440.00
$28,000	3,750.00	7,015.20	5,440.00
$32,000	2,400.00	6,735.20	5,440.00
$36,000	1,142.86	6,640.00	5,440.00
$40,000	0	6,640.00	5,440.00

Mr. WALSH. Mr. President, I have at hand and had intended to ask to have printed in the RECORD in connection with the debate of the tax bill a table identical with one of those submitted by the Senator from Alabama [Mr. BLACK], prepared by experts and showing the amount of money that various corporations would pay under the House bill, under the committee bill, and under the proposed Black-La Follette substitute. In view of the fact that the Senator from Alabama has had the table printed in the RECORD, I shall not, of course, ask that the printing be duplicated.

TRAVEL AND SUBSISTENCE EXPENSES OF CIRCUIT AND DISTRICT JUDGES

Mr. WAGNER. Mr. President, I ask the Chair to lay before the Senate House bill 12329, which came over from the House this morning.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 12329) to reenact section 259 of the Judicial Code, relating to the traveling and subsistence expenses of circuit and district judges, which was read twice by its title.

Mr. WAGNER. Mr. President, this bill, passed by the House, is identical with the bill which was passed yesterday by unanimous vote of the Senate. I ask unanimous consent for the present consideration of the House bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, LA CROSSE, WIS.

Mr. SHEPPARD. From the Committee on Commerce, I report back favorably, without amendment, Senate bill 4680, authorizing the State of Wisconsin to construct, maintain, and operate a free highway bridge across the Mississippi River at or near La Crosse, La Crosse County, Wis.; and I submit a report (no. 2166) thereon.

Mr. LA FOLLETTE. Mr. President, this is a bridge bill which is in the usual form and has been recommended by the Department. It is very important that it should be gotten over to the House of Representatives if action is to be taken at this session, so I ask unanimous consent for its immediate consideration.

There being no objection, the Senate proceeded to consider the bill (S. 4680) authorizing the State of Wisconsin to construct, maintain, and operate a free highway bridge across the Mississippi River at or near La Crosse, La Crosse County, Wis., which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the State of Wisconsin be, and is hereby, authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near La Crosse, La Crosse County, Wis., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the State of Wisconsin all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

TERM OF DISTRICT COURT, EASTERN DISTRICT, KENTUCKY

The PRESIDING OFFICER laid before the Senate the bill (H. R. 12848) to provide an additional place of holding terms of the United States district court in the eastern district of Kentucky, and to amend section 83 of the Judicial Code, as amended, which was read twice by its title.

Mr. BARKLEY. Mr. President, I ask unanimous consent for the present consideration of the bill which has just been laid before the Senate and which came over from the House today.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

MEMORIAL TO HAYM SALOMON

Mr. BARKLEY. Mr. President, from the Committee on the Library, I report back favorably without amendment House Joint Resolution 467, which has come over from the House this afternoon, and I ask for its present consideration.

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 467) authorizing the erection of a memorial to the late Haym Salomon, which was ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. KING. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. TRUMAN in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of the following-named midshipmen to be ensigns in the Navy, revocable for 2 years, from the 4th day of June 1936: Richard R. Bradley, Jr., and Clinton McKellar, Jr.

He also, from the Committee on Finance, reported favorably the nomination of Robert Lincoln O'Brien, of Massachusetts, to be a member of the United States Tariff Commission for the term expiring June 16, 1942 (reappointment).

Mr. KING, from the Committee on Finance, reported favorably the nomination of Arthur J. Mellott, of Kansas, to be a member of the Board of Tax Appeals for a term of 12 years from June 2, 1936 (reappointment).

He also, from the same committee, reported favorably the nominations of John J. Bloomfield, Judson L. Robertson, Jr., and Charles T. Wright to be passed assistant sanitary engineers in the United States Public Health Service.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably Executive H (74th Cong., 2d sess.), being an additional extradition convention between the United States of America and the Republic of France, signed at Paris on April 23, 1936, and submitted a report (Exec. Rept. No. 4) thereon.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

INTERNATIONAL COPYRIGHT UNION CONVENTION

Mr. DUFFY. Mr. President, there are on the calendar two treaties, one of them being the International Convention of the Copyright Union, as revised and signed at Rome on June 2, 1928. This treaty has already been ratified by the Senate, and, at my request, by unanimous consent, was reinstated pending an opportunity being given for the House of Representatives to consider Senate bill 3047, which in some respects deals with the same subject.

Inasmuch as we are now approaching the close of the session, and ample opportunity has been given to the House of Representatives to consider the matter, at the first favorable opportunity I shall call up the treaty, which, as I said, once before was ratified by the Senate. I do not intend to call it up for action tonight; but, in view of the fact that many persons interested may desire to know that the treaty may be taken up, I make the announcement at this time.

POSTMASTERS

The PRESIDING OFFICER. The clerk will state the first nomination in order on the calendar.

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

BOARD OF TAX APPEALS—ARTHUR J. MELLOTT

Mr. KING. Mr. President, Senators are aware of the fact that Arthur J. Mellott, of Kansas, has been a member of the Board of Tax Appeals. He has served with distinction. The President has nominated him for a further term. I am very glad that has been done. His nomination has been favorably reported today. I ask unanimous consent for the immediate consideration of the nomination.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the nomination.

The legislative clerk read the nomination of Arthur J. Mellott, of Kansas, to be a member of the Board of Tax Appeals for a term of 12 years from June 2, 1936.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. KING. I ask that the President be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the President will be notified.

RECESS

The Senate resumed legislative session.

Mr. KING. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 31 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 3, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 2 (legislative day of June 1), 1936

APPOINTMENT IN THE COAST GUARD

Commander Russell R. Waesche, of Maryland, to be commandant, with the rank of rear admiral, in the Coast Guard of the United States, for a term of 4 years, in place of Rear Admiral Harry G. Hamlet.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO AIR CORPS

First Lt. Richard Tide Coiner, Jr., Cavalry, with rank from August 1, 1935.

Second Lt. William Jack Holzapfel, Jr., Corps of Engineers, with rank from June 12, 1934.

Second Lt. Gene Huggins Tibbets, Infantry, with rank from June 12, 1934.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Thomas Charles Spencer, Signal Corps, from June 1, 1936.

Lt. Col. Robert Mercer Cheney, Cavalry, from June 1, 1936.

TO BE LIEUTENANT COLONELS

Maj. Raymond Marsh, Ordinance Department, from June 1, 1936.

Maj. Harold Eugene Small, Coast Artillery Corps, from June 1, 1936.

TO BE MAJORS

Capt. Herman Uth Wagner, Ordnance Department, from June 1, 1936.

Capt. Theodore Leslie Futch, Field Artillery, from June 1, 1936.

Capt. William Innes Wilson, Ordnance Department, from June 1, 1936.

POSTMASTERS

ALABAMA

Leon H. Hinds to be postmaster at Arab, Ala., in place of G. L. Camp. Incumbent's commission expired February 9, 1936.

Martin L. Allen to be postmaster at Ashland, Ala., in place of T. P. Bonner. Incumbent's commission expired February 9, 1936.

George C. Nix to be postmaster at Opp, Ala., in place of I. J. King. Incumbent's commission expired April 4, 1936.

Madge B. Bankhead to be postmaster at Sulligent, Ala., in place of Clyde Oldshue. Incumbent's commission expired April 4, 1936.

ARIZONA

William J. Philipson to be postmaster at Ray, Ariz., in place of G. H. Staiger. Incumbent's commission expired January 7, 1936.

Ettie Owens to be postmaster at Thatcher, Ariz., in place of L. L. Reneer, resigned.

ARKANSAS

Bunyan Gilbert to be postmaster at McRae, Ark. Office becomes Presidential July 1, 1936.

CALIFORNIA

Fred M. Snider to be postmaster at Colton, Calif., in place of D. G. Thomas. Incumbent's commission expired March 17, 1936.

James Clyde Strouss to be postmaster at Mill Valley, Calif., in place of D. L. Burbeck. Incumbent's commission expired January 9, 1936.

CONNECTICUT

John J. Lee to become postmaster at Beacon Falls, Conn., in place of J. W. Cook. Incumbent's commission expired January 9, 1936.

Michael P. Spezzano to be postmaster at Riverside, Conn., in place of L. L. MacDonald. Incumbent's commission expired March 23, 1936.

John J. O'Keefe to be postmaster at Southington, Conn., in place of J. P. McGrath. Incumbent's commission expired January 9, 1936.

Wallace M. Hart to be postmaster at West Cornwall, Conn., in place of A. P. Brush. Incumbent's commission expired January 9, 1936.

DELAWARE

George Henry Litz to be postmaster at Claymont, Del., in place of C. L. Talpey. Incumbent's commission expired April 27, 1936.

Clara C. McVey to be postmaster at Marshallton, Del., in place of G. W. Mullin. Incumbent's commission expired January 9, 1936.

GEORGIA

Dean R. Adams to be postmaster at Boston, Ga., in place of W. E. Davis. Incumbent's commission expired April 27, 1936.

Colquitt G. Russell to be postmaster at Kingsland, Ga., in place of J. C. Perry. Incumbent's commission expired January 7, 1936.

Kate Harris to be postmaster at Leesburg, Ga., in place of Kate Harris. Incumbent's commission expired January 7, 1936.

ILLINOIS

Philip A. Daum to be postmaster at Carrollton, Ill., in place of S. E. Simpson. Incumbent's commission expired April 27, 1936.

William C. Herrin to be postmaster at Cave in Rock, Ill., in place of Richard Tyer. Incumbent's commission expired January 7, 1936.

Albert T. Humrichous to be postmaster at Georgetown, Ill., in place of B. F. Henderson. Incumbent's commission expired February 9, 1936.

Gertrude W. Daub to be postmaster at Williamsfield, Ill., in place of Herbert Tucker. Incumbent's commission expired January 7, 1936.

INDIANA

William Henry Lynch to be postmaster at Boswell, Ind., in place of J. H. Coffelt. Incumbent's commission expired July 13, 1936.

IOWA

Clifford A. Brause to be postmaster at Denver, Iowa. Office becomes Presidential July 1, 1936.

Clifford J. Hayes to be postmaster at Dunkerton, Iowa. Office becomes Presidential July 1, 1936.

Andrew J. Walter to be postmaster at Eldon, Iowa, in place of J. M. Wright. Incumbent's commission expired February 28, 1933.

Hugo O. Micheel to be postmaster at Holstein, Iowa, in place of E. A. Hansen. Incumbent's commission expired March 17, 1936.

Ralph V. Johnson to be postmaster at Hudson, Iowa, in place of A. M. Donnan. Incumbent's commission expired January 12, 1936.

Fritz H. Schulte to be postmaster at Kensett, Iowa. Office becomes Presidential July 1, 1936.

Peter J. MaGrath to be postmaster at Mount Ayr, Iowa, in place of H. H. Tedford. Incumbent's commission expired April 27, 1936.

Anna L. Roberts to be postmaster at Nodaway, Iowa. Office becomes Presidential July 1, 1936.

John L. O'Neil to be postmaster at Oakland, Iowa, in place of C. C. Morris. Incumbent's commission expired January 12, 1936.

Esther M. Olson to be postmaster at Pacific Junction, Iowa, in place of M. K. Moore. Incumbent's commission expired March 29, 1936.

Bernice Herrick to be postmaster at Wapello, Iowa, in place of M. H. Barnes. Incumbent's commission expired April 27, 1936.

KANSAS

Thomas W. Sloan to be postmaster at Garfield, Kans. Office becomes Presidential July 1, 1936.

Guy R. Malin to be postmaster at Macksville, Kans., in place of J. C. Wolf. Incumbent's commission expired February 5, 1936.

KENTUCKY

James H. Bean to be postmaster at Danville, Ky., in place of B. D. Herndon. Incumbent's commission expired March 18, 1934.

James H. Bondurant to be postmaster at La Center, Ky., in place of Gertrude Berry. Incumbent's commission expired June 1, 1936.

William M. Back to be postmaster at Monticello, Ky., in place of G. P. Tate. Incumbent's commission expired January 27, 1936.

Irene S. Fentress to be postmaster at Rockvale, Ky. Office becomes Presidential July 1, 1936.

LOUISIANA

Thomas Wallace McGinn, Jr., to be postmaster at Crowley, La., in place of H. A. Forshag. Incumbent's commission expired January 28, 1936.

Ethel T. Gauthier to be postmaster at Lake Arthur, La., in place of H. A. Hudson. Incumbent's commission expired January 9, 1936.

MAINE

Eleric F. Michaud to be postmaster at Island Falls, Maine, in place of G. A. Young. Incumbent's commission expired April 12, 1936.

MARYLAND

Marjorie E. Williams to be postmaster at Goldsboro, Md., in place of Luther Bennett. Incumbent's commission expired February 9, 1936.

Clayton F. Porter to be postmaster at Greensboro, Md., in place of S. L. Bickling. Incumbent's commission expires July 15, 1936.

Alexander R. Woodland to be postmaster at Marion Station, Md., in place of G. E. Parsons. Incumbent's commission expired June 1, 1936.

MASSACHUSETTS

Alfred L. Little to be postmaster at Marion, Mass., in place of A. A. Hadley, deceased.

Alexander Wylie to be postmaster at Webster, Mass., in place of Alexander Wylie. Incumbent's commission expired February 9, 1936.

MICHIGAN

Benjamin J. Beasley to be postmaster at Britton, Mich. Office becomes Presidential July 1, 1936.

Royce Glen Hayward to be postmaster at Casnovia, Mich. Office becomes Presidential July 1, 1936.

Mabel E. Sbonek to be postmaster at Cedar, Mich. Office becomes Presidential July 1, 1936.

George T. Deline to be postmaster at Columbiaville, Mich. Office becomes Presidential July 1, 1936.

Floyd Harrison to be postmaster at Conklin, Mich. Office becomes Presidential July 1, 1936.

Ross W. Gilliom to be postmaster at McBain, Mich., in place of Mark Boyd. Incumbent's commission expired January 25, 1936.

Wallace Reynolds to be postmaster at Peck, Mich. Office becomes Presidential July 1, 1936.

Charles J. Schmidlin to be postmaster at Rockland, Mich. Office becomes Presidential July 1, 1936.

Jake D. Bowers to be postmaster at Sodus, Mich. Office becomes Presidential July 1, 1936.

Edgar L. Erskin to be postmaster at Vestaburg, Mich. Office becomes Presidential July 1, 1936.

MINNESOTA

Anshelm T. Westrom to be postmaster at Cambridge, Minn., in place of C. W. Patsold. Incumbent's commission expired April 29, 1936.

William P. Tanner to be postmaster at Cannon Falls, Minn., in place of T. R. Ohnstad. Incumbent's commission expired January 25, 1936.

Zelphia Taylor to be postmaster at Hill City, Minn., in place of G. C. Huntley. Incumbent's commission expired March 31, 1936.

Inga O. Berget to be postmaster at Holt, Minn. Office becomes Presidential July 1, 1936.

Herluf E. Jensen to be postmaster at Hutchinson, Minn., in place of L. H. Merrill, removed.

Raymond P. Nolan to be postmaster at Janesville, Minn., in place of F. G. Fratzke. Incumbent's commission expired February 25, 1935.

Edward C. Keefe to be postmaster at Rose Creek, Minn. Office becomes Presidential July 1, 1936.

Tallof T. Hamrey to be postmaster at Trail, Minn. Office becomes Presidential July 1, 1936.

Frances C. Van Vleck to be postmaster at Waverly, Minn., in place of D. T. Mulhern. Incumbent's commission expired June 1, 1936.

Isaac B. Dybdal to be postmaster at Wendell, Minn. Office becomes Presidential July 1, 1936.

MISSISSIPPI

Marguerite J. Crittenden to be postmaster at Greenville, Miss., in place of L. H. Gray. Incumbent's commission expired January 28, 1936.

William W. Armstrong to be postmaster at Leland, Miss., in place of M. E. McLaughlin. Incumbent's commission expired May 19, 1936.

Christine H. Douglas to be postmaster at Maben, Miss., in place of J. L. Cooper. Incumbent's commission expired May 23, 1933.

MISSOURI

Jesse F. Stevenson to be postmaster at Lees Summit, Mo., in place of I. C. Ritter. Incumbent's commission expired March 29, 1936.

Mae B. Whitfield to be postmaster at Oronogo, Mo. Office becomes Presidential July 1, 1936.

NEBRASKA

Anna Martin to be postmaster at Battle Creek, Nebr., in place of E. H. Doering. Incumbent's commission expired May 23, 1936.

Margaret H. Andersen to be postmaster at Belgrade, Nebr., in place of H. R. Babbitt. Incumbent's commission expired May 23, 1936.

James A. Sears to be postmaster at Decatur, Nebr., in place of C. A. Rogers. Incumbent's commission expired May 23, 1936.

Wayne E. Parker to be postmaster at Farnam, Nebr., in place of J. L. Hicks. Incumbent's commission expires June 28, 1936.

Evelyn I. Zuhlke to be postmaster at Gurley, Nebr., in place of L. F. Cunningham, resigned.

George B. McDowell to be postmaster at Hardy, Nebr., in place of C. C. Cramer. Incumbent's commission expired May 23, 1936.

Louis W. Eggert to be postmaster at Newman Grove, Nebr., in place of A. V. Widergren. Incumbent's commission expires July 13, 1936.

Mary B. Farrell to be postmaster at Schuyler, Nebr., in place of H. B. Chronister. Incumbent's commission expired February 5, 1936.

Inez Gail Lidgard to be postmaster at Stockville, Nebr. Office becomes Presidential July 1, 1935.

NEW JERSEY

Robert P. Cosgrove to be postmaster at Madison, N. J., in place of S. A. Gruver. Incumbent's commission expired January 9, 1936.

NEW YORK

Warren Scott to be postmaster at Canajoharie, N. Y., in place of W. A. Jones. Incumbent's commission expired March 23, 1936.

George Leigh Dye to be postmaster at Cuba, N. Y., in place of A. D. Eldred. Incumbent's commission expired January 27, 1936.

Hazel Markle to be postmaster at Minnewaska, N. Y. Office becomes Presidential July 1, 1936.

Peter J. Blake to be postmaster at New Hartford, N. Y., in place of A. D. Eldred. Incumbent's commission expired January 27, 1936.

William F. Parker, Jr., to be postmaster at Watervliet, N. Y., in place to Thomas Wheatcroft. Incumbent's commission expired April 29, 1936.

NORTH CAROLINA

William E. Baldwin to be postmaster at Dunn, N. C., in place of N. S. Green. Incumbent's commission expired January 18, 1936.

Mitchell R. Ingram to be postmaster at Taylorsville, N. C., in place of O. F. Pool. Incumbent's commission expired February 24, 1936.

Charles Fred Moseley to be postmaster at Warrenton, N. C., in place of N. M. Moore. Incumbent's commission expired March 17, 1936.

OHIO

Ferdinand J. Lenhart to be postmaster at Botkins, Ohio, in place of Everett Cole. Incumbent's commission expires July 13, 1936.

Ervin J. Ostermyer to be postmaster at Chatfield, Ohio, in place of H. E. Dornbirer. Incumbent's commission expires July 13, 1936.

Paul E. Harbaugh to be postmaster at Kings Mills, Ohio, in place of I. H. Cline. Incumbent's commission expired March 10, 1936.

Irene Francescon to be postmaster at Leavittsburg, Ohio, in place of Ray Phillips. Incumbent's commission expired April 12, 1936.

Gladys E. Sperry to be postmaster at Middlefield, Ohio, in place of P. C. Brown. Incumbent's commission expired January 7, 1936.

Elwood E. Hardesty to be postmaster at Paulding, Ohio, in place of Oliver Ferrell. Incumbent's commission expired March 10, 1936.

Paul M. Hawn to be postmaster at Pleasant Hill, Ohio, in place of L. A. Schuesselin. Incumbent's commission expires July 15, 1936.

James Spencer Hockenbery to be postmaster at West Jefferson, Ohio, in place of R. A. Borland. Incumbent's commission expired June 1, 1936.

Henry Provo to be postmaster at Wickliffe, Ohio, in place of Louise Lovett. Incumbent's commission expired March 23, 1936.

OKLAHOMA

Mart R. Sargent to be postmaster at Indiahoma, Okla. Office becomes Presidential July 1, 1936.

OREGON

George D. Wood to be postmaster at Brookings, Oreg. Office becomes Presidential July 1, 1936.

Myrtle E. Jackson to be postmaster at Haines, Oreg., in place of F. W. Castor. Incumbent's commission expired January 22, 1936.

Rodrick A. Chisholm to be postmaster at Monroe, Oreg., in place of R. M. Chisholm, deceased.

Joseph R. DeJardin to be postmaster at Taft, Oreg. Office becomes Presidential July 1, 1936.

PENNSYLVANIA

Blair L. Nagle to be postmaster at Birdsboro, Pa., in place of D. K. Miller. Incumbent's commission expired February 10, 1936.

Howard W. Van Matre to be postmaster at Cambridge Springs, Pa., in place of A. R. Bullock. Incumbent's commission expired May 19, 1936.

John P. May to be postmaster at East Brady, Pa., in place of K. L. Petrini. Incumbent's commission expired April 4, 1936.

Faye M. Slavin to be postmaster at Eldred, Pa., in place of G. V. Rice. Incumbent's commission expires July 13, 1936.

Margaret Clifford Schandel to be postmaster at Jefferson, Pa., in place of P. H. Young, resigned.

Daniel F. Guinan, Jr., to be postmaster at Mahanoy City, Pa., in place of H. C. Noakes. Incumbent's commission expires July 15, 1936.

Elmer M. Newton to be postmaster at New Wilmington, Pa., in place of C. B. White. Incumbent's commission expired February 10, 1936.

Morris A. Shappell to be postmaster at Shoemakersville, Pa., in place of Raymond Williams. Incumbent's commission expired January 13, 1936.

William T. Feaser to be postmaster at West Fairview, Pa. Office becomes Presidential July 1, 1936.

Frank E. Plankenhorn to be postmaster at Williamsport, Pa., in place of Philip Shay. Incumbent's commission expired February 10, 1936.

SOUTH CAROLINA

Lottie G. Myers to be postmaster at Pamplico, S. C. Office becomes Presidential July 1, 1936.

SOUTH DAKOTA

Charles P. Corcoran to be postmaster at Miller, S. Dak., in place of A. C. Schroeder. Incumbent's commission expires July 13, 1936.

TEXAS

Oliver P. Ford to be postmaster at Fabens, Tex., in place of V. B. Boone. Incumbent's commission expired February 5, 1936.

Vera Harris to be postmaster at Forsan, Tex. Office becomes Presidential July 1, 1936.

Hugh P. English to be postmaster at Kennard, Tex. Office becomes Presidential July 1, 1936.

William A. Gatlin to be postmaster at Lakeview, Tex. Office becomes Presidential July 1, 1936.

VERMONT

Owen W. McShane to be postmaster at Poultney, Vt., in place of C. W. Humphrey. Incumbent's commission expired February 9, 1936.

WEST VIRGINIA

Maurice C. Carpenter to be postmaster at Reedy, W. Va. Office becomes Presidential July 1, 1936.

Fred F. Robey to be postmaster at Shinnston, W. Va., in place of W. A. Meredith. Incumbent's commission expired January 25, 1936.

WISCONSIN

Christian A. Hoen to be postmaster at Edgerton, Wis., in place of J. A. Dickerson. Incumbent's commission expires June 10, 1936.

H. Shirley Smith to be postmaster at Holmen, Wis., in place of B. O. Wall. Incumbent's commission expired January 18, 1936.

John J. Hanley to be postmaster at Hudson, Wis., in place of E. G. Ross, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 2 (legislative day of June 1), 1936

BOARD OF TAX APPEALS

Arthur J. Mellott to be a member of the Board of Tax Appeals.

POSTMASTERS

CALIFORNIA

Thomas A. Grant, Arcadia.
William D. Parsons, Berdoo Camp.
Minnie Ferretti, Groveland.
Frank G. Kirby, Larkspur.
Howard K. Goodwin, Long Beach.
Volina B. Douglas, McKittrick.
Lewis F. Franklin, North Fork.
Mary K. Davis, San Carlos.
Clarence G. Carratt, Templeton.
Jennie Sanford, Waterford.
Charles E. Stonesipher, Whittier.
Edward Marion Sehorn, Willows.

GEORGIA

Charlie R. Hatcher, Attapulgus.
Fred M. Chandler, Bowman.
John W. Moore, Crawford.
Joseph C. Williams, Lyerly.
Emory Davis, Rutledge.

IDAHO

Emory Olson, Deary.
Arthur I. Dennis, Hagerman.
Dazel B. Howells, Oakley.

ILLINOIS

Alphonse J. Verdick, Annawan.
George R. Bradley, Chatham.
Pearl Barnes, De Land.
Pearle J. Bergland, Galva.
Robert R. Newton, Goreville.
Frank Fischer, Hamburg.
Clyde Hardbarger, Illiopolis.
Margaret Marshall, Ipava.
Mary I. Brown, Little York.
William D. Meier, Meredosia.
Mary R. Wilson, Milan.
Carroll D. Young, Pawnee.
Berryman P. Hurt, Pleasant Plains.
Carney V. Kerley, Simpson.
Rudolph L. Lightfoot, Stonefort.

MINNESOTA

Mary Young, Middle River.

MISSISSIPPI

George T. Mitchell, Guntown.
Thomas L. Guyton, Sallis.
John R. Trimm, Tishomingo.

MISSOURI

Lynn D. Carney, Crane.
Lottie Breedlove, Rogersville.

NEBRASKA

Frank A. Badura, Ashton.
Lyman G. Gake, Beaver Crossing.
Frank W. Fuhlrodt, Fremont.
Roy W. Bruce, Genoa.
Blanche Goodreau, Liberty.
Fredrick F. Thomas, Linwood.
Delbert O. Campbell, Lyman.
Dorothy A. Crawford, Maxwell.
Arthur H. Barstler, Nebraska City.
Frank H. Kroger, Newcastle.
Carolen Augusta Robb, Union.

NEW HAMPSHIRE

Fred M. Boynton, Tilton.

NEW YORK

Henrietta Fairbanks, Bainbridge.
Michael L. Sullivan, Binghamton.
Clifford C. Wenzel, Deferiet.
George A. Wagner, Garden City.

NORTH DAKOTA

William E. Hinkel, Tuttle.

OHIO

Lorenz B. Anderson, Fostoria.
Ohmer R. Stroup, Germantown.
John D. Reed, Green Springs.
Robert Mollett, Lewisburg.
Maynard C. Casey, Mayfield Heights.
Frederick H. Kramer, Millersport.
Fred J. Lawler, Mount Vernon.
Harry A. Marceau, Niles.
Aymer Nye, Orwell.
Claude E. Sourwine, Plymouth.
Leo A. McGaw, Shelby.
Hartley D. Devore, Vinton.
Laurence L. Ehler, West Alexandria.

OKLAHOMA

Mary H. West, Ada.
Elizabeth R. Cunningham, Custer.
Lewis B. Rogers, Fort Gibson.
Howard R. Wynn, Fort Towson.
Fred R. Clement, Haskell.
Ernest R. Davis, Keota.
Hope C. McGinty, Kiefer.
Jasper Hood, Kiowa.
Ada M. Thompson, Mannford.
Julius L. Foster, Taloga.
Henry L. Neal, Wanette.

OREGON

William G. Hoover, Fossil.
Harvey P. DeMoss, Hermiston.
Margaret Daughtrey, Stanfield.
Nealia G. Haven, Sweet Home.
William A. Rankin, Turner.

RHODE ISLAND

Samuel W. Smith, 3d, Jamestown.

SOUTH CAROLINA

Pearl Youmans, Brunson.
Mamie C. Spears, Lamar.

TEXAS

C. Lola Hill, Highlands.

VERMONT

Alfred P. Lonergan, Essex Junction.

VIRGINIA

Grace D. Condon, Goshen.
James David Miller, Newport.

WISCONSIN

John C. Kiley, Fond du Lac.
John W. O'Callaghan, Suring.
Kyle Sowle, Tomah.

WYOMING

Grace E. Lyon, Burns.
Austin R. Craven, Sunrise.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 2, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art the life and the light of the world, the inspiration of good deeds and honest endeavors, guide us that we may not fail to be the true sons of the living God. Use us that we may be fit examples and upright leaders in every situation and under all circumstances. We pray that those inspirational influences which breathe forth from Thy holy bosom may not only touch us but be hastened until the army of the Lord shall have raised the brotherhood of common love. O throne of mystery, where have been clouds and darkness, let the glory of Thy presence break through; cause to be sent forth voices of righteousness and good will and of triumph in all our land. Through Christ our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 190. An act granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years;

H. R. 1997. An act to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State park system, approved March 3, 1933;

H. R. 2479. An act for the relief of Charles G. Johnson, State treasurer of the State of California;

H. R. 2501. An act for the relief of Mrs. G. A. Brannan;

H. R. 2737. An act extending and continuing to January 12, 1938, the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.", approved January 12, 1925;

H. R. 3914. An act for the relief of Oscar Gustof Bergstrom;

H. R. 5722. An act to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia;

H. R. 7025. An act authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes;

H. R. 7825. An act for the relief of Michael Stodolnik;

H. R. 7930. An act to eliminate certain lands from the Craters of the Moon National Monument, Idaho;

H. R. 8039. An act for the relief of John B. Meisinger and Nannie B. Meisinger;

H. R. 8074. An act to amend the act of March 3, 1925, relating to Fort McHenry;

H. R. 8278. An act for the relief of Earl Elmer Gallatin;

H. R. 8312. An act to add certain lands to the Rogue River National Forest in the State of Oregon;

H. R. 8495. An act to amend certain plant-quarantine laws;

H. R. 8884. An act for the relief of Mrs. Ollie Myers;

H. R. 9009. An act to make lands in drainage, irrigation, and conservancy districts eligible for loans by the Federal land banks and other Federal agencies loaning on farm lands, notwithstanding the existence of prior liens of assessment made by such districts, and for other purposes;

H. R. 9170. An act for the relief of Montie Hermanson;

H. R. 9991. An act to extend the time for applying for and receiving benefits under the act entitled "An act to provide means by which certain Filipinos can emigrate from the United States", approved July 10, 1935;

H. R. 10174. An act for the relief of Ezra Curtis;

H. R. 10785. An act for the relief of John B. H. Waring;

H. R. 10849. An act to authorize an appropriation for improvement of ammunition-storage facilities at Aliamanu, Territory of Hawaii, and Edgewood Arsenal, Md.;

H. R. 11006. An act providing for the examination of the Neuces River and its tributaries, in the State of Texas, for flood-control purposes;

H. R. 11052. An act for the relief of Joseph M. Purrington;

H. R. 11164. An act for the relief of Arthur Van Gestel, alias Arthur Goodsell;

H. R. 11616. An act to fix the compensation of the Director of the Federal Bureau of Investigation;

H. R. 11768. An act authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose;

H. R. 11792. An act declaring Bayou St. John, in the city of New Orleans, La., a nonnavigable stream;

H. R. 11821. An act to correct an error in section 16 (e) (1) of the Agricultural Adjustment Act, as amended, with respect to adjustments in taxes on stocks on hand, in the case of a reduction in processing tax;

H. R. 11929. An act granting to the State of Iowa for State park purposes certain land of the United States in Clayton County, Iowa;

H. R. 11969. An act to promote national defense by organizing the Air Reserve Training Corps;

H. R. 12370. An act to authorize a preliminary examination of Big Blue River and its tributaries, with a view to the control of their floods;

H. J. Res. 377. Joint resolution to enable the States of Maine, New Hampshire, New York, Vermont, Massachusetts, Rhode Island, Connecticut, Pennsylvania, West Virginia, Kentucky, Indiana, Illinois, Tennessee, and Ohio to conserve and regulate the flow of and purify the waters of rivers and streams whose drainage basins lie within two or more of the said States;

H. J. Res. 465. Joint resolution to amend the joint resolution of July 18, 1935, relating to the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in September 1936;

H. J. Res. 497. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Petroleum Exposition, Tulsa, Okla., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 499. Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes; and

H. J. Res. 570. Joint resolution authorizing the President of the United States to award posthumously a Distinguished Service Medal to Maj. Gen. Clarence Ransom Edwards.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12624. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. ADAMS, Mr. GLASS, Mr. MCKELLAR, Mr. HALE, and Mr. KEYES to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1392. An act to extend the provisions of certain laws to the island of Puerto Rico;

H. R. 4688. An act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes;

H. R. 5368. An act to provide for the addition of certain lands to the Chalmette National Monument in the State of Louisiana, and for other purposes;

H. R. 5730. An act to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934;

H. R. 5867. An act for the relief of E. C. Willis, father of the late Charles R. Willis, a minor;

H. R. 7690. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y.;

H. R. 8234. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city of Elgin, Ill., and the erection of a heroic Pioneer Memorial;

H. R. 8597. An act to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to maintain discipline on shipboard; and for other purposes;

H. R. 9183. An act to provide for the extension of the boundaries of the Hot Springs National Park in the State of Arkansas, and for other purposes;

H. R. 9485. An act to convey certain lands to Clackamas County, Oreg., for public-park purposes;

H. R. 9654. An act to authorize the purchase by the city of Scappoose, Oreg., of a certain tract of public land revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H. R. 10101. An act to amend the Federal Farm Loan Act and the Farm Credit Act of 1935, and for other purposes;

H. R. 11140. An act to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States;

H. R. 11533. An act to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg;

H. R. 11791. An act to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.;

H. R. 11915. An act to amend the Coastwise Load Line Act, 1935;

H. R. 11920. An act to increase the efficiency of the Air Corps;

H. R. 12168. An act to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Antietam; and

H. J. Res. 179. Joint resolution authorizing the President to present in the name of Congress a Medal of Honor to J. Harold Arnold.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 565. An act for the relief of James L. Barnett;

S. 1636. An act to amend the Interstate Commerce Act, as amended, and for other purposes;

S. 1769. An act for the relief of Percy C. Wright;

S. 1815. An act to require certain documents of vessels not wholly owned by citizens of the United States and navigated in the territorial waters of the United States, its Territories, or its possessions, to regulate vessels engaged in the fisheries, and for other purposes;

S. 2550. An act to incorporate the American National Institute (Prix de Paris) at Paris, France;

S. 3041. An act to authorize the appointment of John Easter Harris as a major, Corps of Engineers, Regular Army;

S. 3143. An act for the relief of the Passaic Valley Sewerage Commissioners;

S. 3238. An act to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works;

S. 3373. An act to credit the tribal funds of the Indians of the Fort Belknap Indian Reservation in Montana with certain sums expended therefrom for the purchase and maintenance of a tribal herd, and for the purchase of horses destroyed during a dourine epidemic;

S. 3627. An act for the relief of Francis Gerrity;

S. 3700. An act for the relief of the State of Massachusetts;

S. 3723. An act granting an annuity to Theresa E. Thoreson;

S. 3733. An act authorizing the issuance of a patent to certain lands in the State of Montana to Florence Kerr Facey;

S. 3736. An act authorizing and directing the appointment of Joseph W. Harrison as a captain in the Chaplain Reserve Corps;

S. 3822. An act to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890;

S. 3866. An act to further extend the period of time during which final proof may be offered by homestead and desert land entrymen;

S. 3869. An act to authorize payment of the amounts due on delinquent homestead entries on certain Indian reservations;

S. 4037. An act to amend the act relating to the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, approved June 10, 1930, and for other purposes;

S. 4094. An act to provide for the transfer from the Treasury Department to the Navy Department of the property in Bremerton, Wash., known as the Navy Yard Hotel site;

S. 4152. An act validating certain conveyances by Kickapoo Indians of Oklahoma made prior to February 17, 1933, providing for actions in partition in certain cases;

S. 4289. An act to correct the military records of DeRosey C. Cabell, McFarland Cockrill, James N. Caperton, Junius H. Houghton, Otto F. Lange, Paul B. Parker, James deB. Walbach, and Victor W. B. Wales;

S. 4293. An act for the relief of George W. Middleton;

S. 4341. An act to give precedence to certain proceedings to which the United States is a party, and for other purposes;

S. 4352. An act to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Clinton, Okla.;

S. 4393. An act to authorize the revision of the boundaries of the Snoqualmie National Forest, in the State of Washington.

S. 4464. An act to authorize the coinage of 50-cent pieces in celebration of the opening of the San Francisco-Oakland Bay Bridge;

S. 4483. An act to authorize the issuance of a special series of postage stamps commemorative of the three hundredth anniversary of the founding of Harvard University;

S. 4488. An act authorizing the Chesapeake Bay Authority to construct, maintain, and operate a toll bridge across the Chesapeake Bay from a point in Baltimore County, Md., over Hart Island and Miller's Island to a point near Tolchester, Kent County, Md.;

S. 4491. An act for the relief of Arthur Lee Dasher;

S. 4519. An act to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments, and for other purposes;

S. 4520. An act to amend the act approved June 29, 1935 (49 Stat. 436–439), entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges";

S. 4528. An act to regulate the conduct of elections in Puerto Rico;

S. 4530. An act to reenact section 259 of the Judicial Code, relating to the traveling and subsistence expenses of circuit, district, and customs judges;

S. 4538. An act providing for an examination and survey for a deep-water channel from New Iberia, parish of Iberia, La., to the Gulf of Mexico;

S. 4546. An act to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes;

S. 4565. An act to authorize the sale, under provisions of the act of March 12, 1926 (Public, No. 45), of surplus War Department real property;

S. 4567. An act to authorize the Secretary of Agriculture to extend and renew for the term of 10 years a lease to the Chicago, Milwaukee & St. Paul Railway Co. of a tract of land in the United States Department of Agriculture Range Livestock Experiment Station, in the State of Montana, and for a right-of-way to said tract, for the removal of gravel and ballast material, executed under the authority of the act of Congress approved June 9, 1926;

S. 4581. An act authorizing the payment of certain salaries and expenses of employees of the General Land Office;

S. 4596. An act to amend section 21 of the Permanent Appropriation Repeal Act, 1934;

S. 4608. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of York County, Maine;

S. 4616. An act for the relief of G. A. Trotter;

S. 4619. An act to amend the Communications Act of 1934, approved June 19, 1934, for the purpose of promoting safety of life and property through the use of wire and radio communications, and for other purposes;

S. 4625. An act for the relief of Vincent Ford;

S. 4632. An act providing for a preliminary examination of the Colorado River, Tex., above the county line between Coke and Runnels Counties;

S. 4643. An act authorizing the Secretary of War to lend certain Army equipment to the diamond jubilee committee, Yankton, S. Dak., for the accommodation of persons attending the celebration to be held by such committee during June 1936;

S. 4648. An act to promote safety at sea in the neighborhood of ice and derelicts, and for other purposes;

S. 4652. An act to provide for the administration of the United States Soldiers' Home;

S. 4656. An act to amend the statutes providing punishment for transmitting threatening communications;

S. 4658. An act to aid the several States in making certain toll bridges on the system of Federal-aid highways free bridges; and for other purposes;

S. 4659. An act to authorize the payment of an annuity to William H. Moran, Chief of the Secret Service Division of the Treasury Department, upon his retirement, in recognition and appreciation of his services to the United States;

S. 4667. An act to prohibit the commercial use of the coat of arms of the Swiss Confederation pursuant to the obligation of the Government of the United States under article 28 of the Red Cross Convention signed at Geneva July 27, 1929;

S. 4671. An act to amend the act approved February 1, 1928, concerning actions on account of death or personal injury within places under exclusive jurisdiction of the United States;

S. 4699. An act to provide a commissioned strength for the Corps of Engineers, United States Army, for the efficient performance of military and other statutory duties assigned to that corps;

S. 4707. An act for the relief of certain purchasers of lots in Harding town site, Florida, and for the relief of the heirs of Lewis G. Norton;

S. 4709. An act authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the Delaware River between points in the village of Barryville, Sullivan County, N. Y., and the village of Shohola, Pike County, Pa.;

S. 4710. An act authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the West Branch of the Delaware River between a point in the vicinity of the village of Hancock, Delaware County, N. Y., and a point in the town of Buckingham, Wayne County, Pa.;

S. 4713. An act validating a town-lot certificate and authorizing and directing issuance of a patent for the same to Ernest F. Brass;

S. 4722. An act to authorize appropriations for construction at military posts, and for other purposes;

S. J. Res. 115. Joint resolution designating the last Sunday in September as "Gold Star Mother's Day", and for other purposes;

S. J. Res. 187. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1936, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski;

S. J. Res. 237. Joint resolution to provide for the appraisal and purchase of certain articles owned by President and Mrs. George Washington;

S. J. Res. 243. Joint resolution authorizing distribution to the Indians of the Blackfeet Indian Reservation, Mont., of the judgment rendered by the Court of Claims in their favor;

S. J. Res. 245. Joint resolution authorizing distribution to the Gros Ventre Indians of the Fort Belknap Reservation, Mont., of the judgment rendered by the Court of Claims in their favor;

S. J. Res. 246. Joint resolution requesting the President to proclaim October 9, 1936, as Leif Ericson Day:

S. J. Res. 267. Joint resolution authorizing the President to invite foreign countries to participate in the New York World's Fair 1939, Inc., in the city of New York during the year 1939; and

S. J. Res. 270. Joint resolution to provide for the appointment of a committee to study the question of Puerto Rican independence.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 8455, entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes."

EMERGENCY FARM MORTGAGE ACT

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act for 1933, as amended, with a Senate amendment, disagree to the Senate amendment, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. KLEBERG, OWEN, PIERCE, GILCHRIST, and ANDRESEN.

IMPROVEMENTS ON AREAS BETWEEN SHORE AND BULKHEAD LINES IN RIVERS AND HARBORS

Mr. MANSFIELD, from the Committee on Rivers and Harbors, submitted a conference report and statement on the bill (S. 3071) providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors.

THE AMERICAN AIRSHIP AND THE AMERICAN PROFESSIONAL ENGINEER

Mr. O'CONNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNELL. Mr. Speaker, in the preparation of several articles published in the CONGRESSIONAL RECORD, I have compiled valuable data which should be printed as a reference for those who may consider the design, construction, and operation of American airships.

When I speak of American airships, I refer to those which shall be designed and constructed by American engineers, upon American engineering principles and not to airships constructed, with Government funds, upon German Zeppelin principles or airships built in Germany.

It is not my thought to censure the great work or the accomplishments of the German Zeppelin organization, which for 30 years have concentrated its efforts upon improving

airship design, construction, and operations. They have demonstrated the fact that large airships are practical and useful, as a means of air transportation. Improvement as the result of their effort cannot decrease the honor of originating the airship and history shall record the distinction due them for their work.

That such distinction is already conceded is shown by the fact the name "Zeppelin" enjoys such present popularity and is so strongly associated with airship construction in the minds of people that, not alone in Germany, it is thought the type of structure employed in the Zeppelin is the only one that will do for an airship.

As to the construction used in the Zeppelin, the criticism is often heard, even in authoritative German quarters, that it is not the most satisfactory solution and that it becomes less so with increase in size of the airship. The structure is an adaptation of the arch-frame bridge and is indeterminate, therefore cannot be calculated upon normal engineering formulas and is "estimated" upon empirical formulas.

In my remarks in the CONGRESSIONAL RECORD, April 14, 1936, I said:

It is interesting to know that the empirical formulas are established only through experience of actual construction and use of what is classed as an indeterminate structure.

Prior to the construction of the *Akron* and *Macon*, the Zeppelin engineering organization was supplied with data for an airship as large as the *Los Angeles* or the *Graf Zeppelin*. They may have desired to construct an airship the size of the new *Hindenburg*, but perhaps had no data to then warrant such construction. What would they do about it?

It has been stated that when Germany believed it would win the war the German Imperial Command considered who would pay Germany. Their opponents were without resources to pay, and if the United States could be forced into war against Germany then the United States could pay Germany, for the United States was a wealthy Nation. The German Imperial Command, therefore, is said to have deliberately ordered certain naval operations which resulted in the United States becoming involved.

If the German Zeppelin engineers wanted definite information that would warrant them to build the *Hindenburg*, which is larger than the *Akron* or *Macon*, and to advance their empirical formulas with construction and operations data they would need to build larger airships or get someone else to pay for the experiment. My opinion is the United States was again chosen to be "the goat." The construction and destruction of the *Akron* and *Macon* undoubtedly supplied valuable data to the German Zeppelin organization for the construction of the *Hindenburg*.

I do not wish to say anything detrimental to our now-valued American citizens of German birth, who may formerly have been Zeppelin-trained engineers and came to our country to aid in the design and construction of the *Akron*.

The fact remains, however, that these engineers perhaps had not acquired the full technical knowledge then possessed by the Zeppelin organization, or, if they had such knowledge, they did not insist that the *Akron* and *Macon* be constructed with certain important reinforcements which I am informed were employed in the construction of previous Zeppelin airships.

I understand that during the Lighter-Than-Air Forum, at Akron, Ohio, July 25 and 26 last year, the Navy Department was charged with responsibility for the loss of the *Akron* and *Macon* because the builders were not allowed to include certain reinforcements which had been considered necessary and were included in previous Zeppelin-constructed airships.

I do not know if an investigation has been made concerning these charges or the result of such investigation, if made.

The loss of the *Akron* and *Macon* is thought to be directly the result of structural failure at a place which in other Zeppelin airships was reinforced, and the operating personnel of these airships were no more to blame than a driver of a new automobile should be blamed when a front axle breaks and the automobile is wrecked.

We should at least learn from the loss of $10,000,000 worth of airships, with the lives of scores of men, that we should now question the advice of those who may be responsible for the structure failure of the *Akron* and *Macon* and of those who now recommend the continued construction of such airships, when the United States has the most competent structural engineers in the world, who have been ignored when American airship construction has heretofore been considered.

Extending this thought further, I am informed that when the *Hindenburg* arrived, upon its first trip to the United States, an article was printed in a New York paper stating one of the officials of the Zeppelin organization explained the use of hydrogen gas, when it had been understood the *Hindenburg* would receive helium gas in America, by the fact the difference of 8 pounds lift per thousand cubic feet in the two gases required they build the *Hindenburg* lighter, like the *Akron* and *Macon*, or build it stronger and heavier.

The *Hindenburg* employs 7,000,000 cubic feet of hydrogen gas, thus will lift 56,000 pounds more than were helium used. An article in the press stated the payload of the *Hindenburg* was 28,000 pounds. Thus with helium gas there might be no pay load, in fact the airship might be 28,000 pounds heavier than the helium gas would lift.

In my letter of February 10, to Members of Congress, I referred to an article published in the New York Times January 19, 1936, detailing "modifications" in the original *Hindenburg* design. These modifications appeared to be of a character disclosed by the report on the Respess design, issued December 28, 1933. An American design that may comprise features of sufficient value to perhaps modify the Zeppelin design, in the construction of the latest German airship, should be valuable in considering American airship construction.

The fact that the United States has a generous supply of helium gas, while other nations have none, and that this nonexplosive gas increases the safety of airships, both in commercial and military service, should influence the United States to build and operate airships for extending our foreign trade and for the defense of our Nation in the event of war.

In order to use this gas, an airship must be strong to resist stresses and provide safe operations, also be much lighter in weight than appears is possible to be when the Zeppelin construction is employed, as in the *Hindenburg*.

These factors of necessary strength for safety and of light weight to use helium gas for increased safety, must necessarily call for a new type of airship frame, especially in view of the fact that even in authoritive German quarters it is recognized that the Zeppelin adaptation of the arch frame is not the most satisfactory solution and it becomes less so with the increase in size of the airship.

The problem is one to be solved by professional structural engineers, of which America has the best in the world.

The selection of the best materials with consideration of their strength-weight factors, creating a design for using these materials in the most efficient manner, removing the possibility of reversal of stress and fatigue which may secretly affect the strength of materials and reduce the life of a structure, distributing the aerodynamic and static loads to avoid localized stresses, all require the ingenuity and experience of the best qualified professional engineers.

These factors have been studied for several years by eminent American engineers, and an improved design for large airship frames has been prepared for the construction of American airships. This design will meet the above specifications with use of the highest grade steel-wire bridge cables for tension and the best aluminum alloy for compression.

Reversal of stress is not possible in this design and aerodynamic or load stresses are received on elastic steel cables in a manner to absorb the stress by "extension" to adjacent elastic members.

The safety factor of this frame is high; it is light in weight; it will provide a long period of useful service, has relatively few parts, and the cost of its construction is low.

I have been very much impressed by the Vow of Service prepared by Dr. D. B. Steinman, president of the National Society of Professional Engineers, published in the February issue of the American Engineer, as follows:

The engineer—he is the master of the laws of Nature. On a sound foundation of mathematics, science, and economics he bends the materials and forces of Nature to his plan and rears the structure of civilization.

With vision, resourcefulness, and ingenuity, he labors to increase the comfort, wealth, and safety of his fellow men.

He attacks his problems with the vision of the pioneer, the integrity of the scientist, the accuracy of the mathematician, the practicality of the businessman, the resourcefulness of the inventor, and the courage of the conqueror.

He is the planner and builder. He builds his visions into enduring realities.

He is the pathfinder of civilization. He breaks down barriers, bridges chasms, establishes communication, and straightens the way for commerce and human progress.

He is the protagonist of efficiency. He reduces effort, eliminates waste, and increases production.

He is the creator of a nation's wealth. He drains the swamps, reclaims the deserts, develops resources, and harnesses power. He builds the machinery of industry, the wheels of commerce, and the structure of business.

He is the great coordinator. He plans and directs the construction of projects representing the investment of millions of dollars and involving the labor of thousands of men.

He investigates with open mind and gets the facts before he makes decisions. He plans with thoroughness and builds with fidelity.

To his rich heritage from the labors of past generations of engineers and scientists he adds his contributions. He continues the work of forcing outward the challenging barriers that separate man's efforts from the impossible.

Dr. Steinman is an eminent consulting engineer in the design and construction of both arch-frame and suspension bridges and is recognized throughout the world as among the leaders in his profession. He has designed many of the great bridges in North and South America, as well as other sections of the world.

He has knowledge and experience that assures his ability to analyze the Zeppelin arch-bridge type frame, the aerodynamic and load stresses imposed on an airship in flight, and to design an airship structure with the application of the suspension-bridge engineering principles for any size airships.

[Copy of citation in Who's Who in America, 1932–33]

Steinman, David Barnard, bridge engr.; b. N. Y. City, June 11, 1886; s. Louis Kelvin and Eva (Scollard) S.; B. S., summa cum laude, Coll. City of New York, 1906 (3 yrs. fellowship in mechanics); C. E. School of Mines, Columbia, 1909 (2 yrs. scholarship in applied science); A. M. Columbia, 1909; Ph. D., 1910; 1 yr. scholarship in engineering; m. Irene Hoffman, of New York, June 19, 1915; children: John Francis, Alberta, David. Engineering work until 1910; professor of civil engineering, Univ. of Idaho, 1910–14; also consulting practice; special assistant to Gustav Lindenthal on design and construction Hellgate Arch Bridge and other notable bridges, 1914–17. Prof. in charge civil and mech. engrg. College of City of N. Y., 1917–20; cons. practice since 1920.

Designing or cons. engr. many notable bridges, including suspension bridge at Florianopolis, Brazil, largest bridge in S. A., 1922–26; Carquines Strait Bridge, Calif., longest Cantilever bridge in U. S., 1923–27; Gen. U. S. Grant Bridge over Ohio River at Portsmouth, Ohio, 1926–27; bridge at Grand Mere, Que., largest suspension bridge in Canada, 1928–29; St. Johns Bridge, Portland, Ore., longest and highest span in the West, 1929–31; Sidney Harbor Bridge, Australia, Cologne Muhlheim Bridge over the Rhine, Germany, Sparrows Point Bridge, Baltimore, Md., and many others in five continents. Inventor of new influence line method and charts for design of railway bridges; improvements in suspension bridge design, new system of design loading for railway bridges, simplified methods of analysis for bridge design. Lecturer on bridge design at univs. and engrg. schools. Fellow Aerial League, America, American Geog. Soc. Mem. Am. Soc. C. E., chmn. Structural div., 1931–33; Am. Assn. of Engrs., pres. 1925–26, New York; State Soc. Prof. Engrs., pres., 1930–32; N. Y. State Bd. of Licensing for Prof., Engrs., and Land Surveyors, vice-chmn. 1931–32; national counsel State Bds. of Examin. Engrs., pres. 1931–32. Am. Engrg. Council Com. on Bridge Legislation, 1930–32. Brooklyn Engrs. Club pres. 1931–32. Am. Ry. Engrg. Assn., Am. Soc. for Testing Materials, Am. Concrete Inst., Am. Military Engineers, Soc. for Promotion of Engineering Edn., A. A. A. S., assoc. alumni council city of New York, Engrg. Inst. of Canada, Internat. Assn. Bridge and Structural Engineers. Phi Beta Kappa, etc. Awarded James R. Crowes Medal, 1919. Normal Medal, 1923. Thomas Fitch Roland Prize, 1929. All by the Am. Soc. C. E. Artistic Bridge Award, Am. Inst. Steel Construction, 1930. Prize American Assn. of Engrs., 1926, for "Vow of Service" adopted by engineering profession.

Clubs: Columbia Univ., Millions Club of Sidney, Australia (hon.); author "Suspension Bridges, Their Design, Construction, and Erection", 1923. "Suspension Bridges and Cantilevers, Their Economic Proportions and Limiting Spans", 1911. "Theory of Arches and Suspension Bridges from Melan", 1913; "Concrete Arches, Plain and Reinforced, from Melan", 1917. "Continuous Bridges in Movable and Long Span Steel Bridges", 1923. "Suspension Bridges in Movable and Long Span Steel Bridges", 1923. "Stress Measurements on the Hell Gate Arch Bridge with Appendix on Secondary Stresses in Hell Gate Arch", 1918. "Locomotive Loadings for Railway Bridges", 1922. "Moments in Restrain and Continuous Beams by the Method of Conjugated Points", 1926. "The Eye-Bar Cable Suspension Bridge at Florianopolis, Brazil", 1927. Also numerous articles and papers in engineering journals. Editor, Engrs. Handbook Library, 1921–23. Home: 305 Riverside Drive. Office: 117 Liberty St., New York, N. Y.

I am informed that Dr. Steinman was consultant on the construction of the George Washington Bridge crossing the Hudson River at New York, is consultant on the design of the Tri-Borough Bridge now under construction at New York, is consultant on the construction of the Golden Gate Bridge at San Francisco, as well as for several other large American bridges completed during the past few years.

One of our American inventors developed the idea of employing the self-anchored suspension bridge principle in the construction of airships. With the cooperation and advice of the Guggenheim School of Aeronautics of New York University, following standard procedure, a scale model was made and tested with very satisfactory results. Robinson & Steinman, consulting engineers, were then employed to design a suspension-bridge frame for an airship, to be constructed upon specifications prepared by the Bureau of Aeronautics of the Navy Department, for the *Akron* and *Macon*.

Upon the completion of this work Messrs. Robinson & Steinman submitted a report in which were the following statements:

Whatever may be said of the performance of the Zeppelin airship will apply equally to the Respess airship, but the Respess airship would have in addition the following advantages:

Greater strength and safety.
Greater inherent strength.
Increased length of life.
Decreased maintenance costs.
More efficient use of material.
Reduction in cost of construction.
Reduction in time of construction.
Ease of construction.
Simplicity, accuracy, and definiteness of calculation.

The stresses in this airship never reverse, thereby removing all fear of failure in the hull through fatigue and crystallization.

The net pay load will be unusually high, facilitating economical commercial operation.

It should be explained that the design referred to was for an airship 147 feet in diameter by 785 feet long. In view of the fact the frame was the chief consideration, Robinson & Steinman was supplied with complete plans prepared by British airship engineers with the cooperation of an eminent American consulting engineer, which plans were made for submitting a bid for the construction of the two naval airships, later named the *Akron* and the *Macon*, but owing to a technicality the bid was not considered in awarding the contract.

It should be noted Robinson & Steinman not only had knowledge of the construction of the Zeppelin-frame airships but were also fully advised on the details of British airship construction. Thus their conclusions of "greater strength and safety" with other enumerated advantages was for the American design as against the best production of other nations which had designed, constructed, and successfully operated large airships.

We do not, however, have to accept the judgment of only one organization of eminent American engineers. During the present session of Congress I have received letters from engineering societies and professional engineers from nearly all States endorsing the structural principles of the American design, endorsing the report and conclusions of Robinson & Steinman, or deploring the fact our Government has neglected the American engineers who are competent to design and construct American airships.

Connecticut Society of Professional Engineers—Respess Airship, May 30, 1936

At a joint meeting last night of the executive board of the Connecticut Society of Professional Engineers with the legislative committee of the society, a detailed report was received from the subcommittee that was appointed at the last meeting of the board of directors to study the relative values of the American designed suspension-bridge-frame airship and the conventional type airship designs. At the committee's request, designs, data, computations and structural details, with a report from Robinson and Steinman, bridge engineers, on the Respess airship was submitted to it. After 2 weeks of independent study, the committee members joined unanimously in their report which was substantially as follows:

The Respess airship design of suspension-bridge type has structural merit over the conventional type of airship because of these evident advantages:

1. Inherently greater strength with less material.
2. Lower cost of building per cubic foot.

3. Greater factor of safety in storms, at anchor, and in maneuvering.
4. Greater pay load.
5. Bow and stern of greater strength.

Representatives from practically all branches of professional engineering, aeronautical, Diesel, structural, electric, mechanical, power plant, civil, metallurgical, were involved in the study, report, and recommendations.

I stand on record as endorsing the American professional engineer as one class of our citizens who merit real consideration in periods of depression and in matters so closely akin to national defense as is the American airship. After all, it is from their initiative and development in new fields of science that employment eventually emanates.

Government appropriations or loans could well be directed into channels that would increase their employment, as in American airship design and construction or other new types of industries, for which no provision for Government aid, in financing, has been made. Failing action by the present Congress, relief funds could be directed into these channels as loans for providing immediate employment and to be repaid over a period of years to the Treasury general funds.

A notable endorsement of the American engineer, for constructing American airships, comes from Dr. Theodor Von Karman, a former leading German lighter-than-aircraft authority, now an American citizen, who is recognized as being a valuable aid in American heavier-than-aircraft development, through his outstanding ability in stress analysis. The Oakland (Calif.) Tribune published the following:

EXPERT URGES UNITED STATES TO PUSH ON WITH DIRIGIBLES—AMERICA SHOULD NOT LEAVE THIS CONSTRUCTION TO GERMANS, SAYS VON KARMAN

PASADENA, March 15.—America should not "leave dirigible construction to the Germans", in the opinion of Dr. Theodor Von Karman, member of the "scientific jury" appointed to decide this country's airship future, and himself a former leading German lighter-than-air-craft authority.

Dr. Von Karman, director of the Guggenheim Graduate School of Aeronautics of the California Institute of Technology, urged that the United States push ahead in commercial airship construction for, he said, trans-Atlantic air service will be accomplished only by dirigibles.

Reticent regarding the course the Navy should take, in the light of the *Macon* and *Akron* disasters, he said: "It appears to me that possibly the technical problems should be cleared up before dirigibles are made a part of routine military work.

Dr. Von Karman, who was director of the German Aeronautical Institute at Aachen before coming to the United States, praised American aircraft builders' skill and said American ships had been subjected to unfair comparisons with German aircraft.

"It is not quite fair", he said, "to compare the Navy's record of three military airship disasters with the successful record of the *Graf Zeppelin*, a commercial transport. Military aircraft present greater problems, both because of their construction and the use." He pointed out that Germany lost more than 50 zeppelins during the World War through enemy bullets and disasters such as those that overtook the *Macon* and *Akron*.

Airplanes will be used for transoceanic-mail service, but not extensively for passengers and freight, Dr. Von Karman predicted.

Opposed to the employment of the American engineer in American design and construction, we have the "Zeppelin" name, coupled with a most efficient organization, that may have been influential in discouraging the consideration of any United States dirigible construction upon American design. This influence is still endeavoring to have us buy airships built in Germany or to buld airships of German design in the United States. I may best illustrate this fact by referring to my remarks in the CONGRESSIONAL RECORD, May 14, 1936, as follows:

It is not my purpose to make any statement that may reflect on the German engineers who constructed the *Hindenburg* or of those in charge of the airship during its successful flight, but as an American citizen and Member of Congress, I feel it my duty to comment on certain statements published in the press.

The Sunday Star, Washington, D. C., May 10, states:

Eckener reveals purpose of trips. United States financial backing is sought. Dr. Hugo Eckener, commodore of the Zeppelin fleet, said in an interview tonight the primary purpose of the *Hindenburg's* cruises to the United States this year was to win financial backing for a German-American trans-Atlantic transport service.

Such an arrangement between the two countries was planned in 1928, he pointed out, but was frustrated by the depression.

Loss of the Navy dirigibles *Macon* and *Akron* has since soured the American public against dirigibles, he said, and lighter-than-air enthusiasts hope to remove that feeling by week-to-week demonstrations of the *Hindenburg's* capabilities.

It is of interest to know where this financial backing is expected to come from. I have a letter signed by a vice president of the Goodyear Tire & Rubber Co., dated April 28, 1936, stating the following:

We are interested in the subject of airships but are not presently considering the erection of a ship. This has to go through the process of authorization by Congress.

The Washington Herald, Sunday, May 10, states:

United States dirigible sought to match *Hindenburg*. Naval experts' hopes rise as officials prepare to greet Eckener. Successful trans-Atlantic flight of the German Zeppelin *Hindenburg* yesterday buoyed hopes of naval and congressional lighter-than-air enthusiasts that the Federal Government would sponsor constructing a twin ship, perhaps to complement the German air liner's North Atlantic schedule.

Senator BULKLEY, Democrat, of Ohio, has introduced a bill authorizing Federal construction of such a ship.

Navy experts have already planned for construction of a giant sky cruiser exceeding the *Hindenburg* dimensions, to replace the U. S. S. *Akron*, lost at sea 2 years ago.

The Navy's scientific advisory committee, following investigation of the *Akron* and *Macon* disasters, in a preliminary report has recommended continuance of the Navy policy of developing the science of lighter-than-air flights and has urged construction of a new superdirigible. The ship would be operated experimentally apart from the fleet.

The Goodyear-Zeppelin Corporation, at Akron, Ohio, staffed with German Zeppelin engineers, has assured the Navy such a ship could be built for about $3,000,000.

The Navy high command maintains such a dirigible would be the equivalent of a $10,000,000 light cruiser in fleet scouting, her higher speed compensating for her greater vulnerability.

The Navy plans call for "belly hangers", housing up to 10 airplanes. Planes would be launched and retrieved by a patented trapeze. An observer could watch an enemy fleet operations from a "subcloud car" suspended from a thousand-foot cable while the dirigible remained hidden from detection above the clouds.

The statement that "Navy experts already have planned for construction of a giant sky cruiser, exceeding the *Hindenburg* dimensions, to replace the U. S. S. *Akron*, lost at sea 2 years ago", again recalls my remarks printed in the CONGRESSIONAL RECORD of April 14, 1936, in which I said I believed the United States was once more chosen to be "the goat."

In reference to the paragraph "the Goodyear-Zeppelin Corporation of Akron, Ohio, staffed with German Zeppelin engineers, has assured the Navy such a ship could be built for about $3,000,000." I am wondering if a Zeppelin-type airship or the American suspension-bridge frame airship is referred to.

On October 29, 1934, the Honorable Ewing Y. Mitchell, then Assistant Secretary of Commerce, presented to the Federal Aviation Commission an airship-construction program endorsed by the Department of Commerce, and which Mr. Mitchell stated was prepared by the National Advisory Committee for Aeronautics. This program called for the construction of two Goodyear-Zeppelin airships, of 7,000,000 cubic feet capacity, which is the size of the *Hindenburg*, the first costing $6,500,000 and the second costing $4,250,000.

Now, according to press reports, the Goodyear-Zeppelin Corporation has assured the Navy a much larger airship "could be built for about $3,000,000." It seems that the past 20 months have reduced the cost of American airship construction very materially.

The demonstration made by the *Hindenburg* is worthy in that it shows the capabilities of large airships in transoceanic commercial service. If American engineers duplicated the *Hindenburg*, except in its frame, what could prevent such airship performing as well as the *Hindenburg*?

If the American airship frame was stronger, the airship would be safer; if American nonexplosive helium gas were used, instead of explosive hydrogen gas, the American airship would be much safer; if the American frame were of less weight, a more profitable pay load could be carried; and were the total engine power increased, the American airship would be faster.

I have introduced the bill, H. R. 12682, May 12, 1936, authorizing the construction and operation of two American

trans-Atlantic airships, through a loan by the Secretary of the Treasury.

The effect of this bill is that Congress provides means for an organization of American engineers and business executives to solve the American airship problem, and to design, construct, equip, and operate American airships in overseas commercial service. This bill is as follows:

That for the purpose of fostering the American airship industry and to promote American overseas trade with use of commercial airships, to be available in time of war, to encourage American design, construction, and operation of airships, to demonstrate the value and profit of overseas airship service thus to promote its extension with private capital, and to provide immediate employment in American airship construction, the Secretary of the Treasury is hereby authorized and directed to lend the sum of $12,000,000 to the Respess Aeronautical Engineering Corporation for the purposes of constructing an American airship plant, an Atlantic operating terminal, and two airships employing the self-anchored suspension-bridge type frame, each airship having not less than 7,000,000 cubic feet of helium-gas capacity, and for operating such airships in commercial service between the United States and England or other European countries.

SEC. 2. The Secretary of the Treasury shall investigate the personnel and engineering organization of the Respess Aeronautical Engineering Corporation and he may require such changes in the present organization as he shall deem to be advisable before such loan is made, and he shall require that full insurance be carried to cover replacement in event of fire, damage, or loss of the airships or other property purchased or constructed with the proceeds of the loan until the full amount is repaid.

SEC. 3. Such loans shall carry interest charges at the rate of 3½ percent per annum, which shall cumulate for a 2-year period, and shall remain a lien on the patents, the patent rights, and all present and subsequently acquired assets of the corporation until paid. The loan, plus accumulated interest, shall be paid in 10 annual payments, the first payment to be made 3 years after the date of the enactment of this act, and any payments on account of the loan shall be deposited in the Treasury of the United States to be credited to miscellaneous receipts.

SEC. 4. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $12,000,000 to carry out the provisions of this act.

This bill is for the purpose of providing a loan through which the development and operations of airships will be delegated by Congress to American engineers. It is a business proposition in which the Government extends its aid in forwarding an activity that is of extraordinary value to our Nation, an activity that has already been delayed too long.

The loan may provide the following:

1. Approximately 80 percent of the loan may be used in direct and indirect employment of labor.

2. It may give employment to great numbers of engineers and highly skilled men for whom it is now difficult to provide work in their respective lines.

3. It may construct two great airports, one being in the South and one on the Atlantic seaboard. These airports should be of great military value in event of war.

4. Within 2 weeks after the money is made available for this work several hundred men may be employed, and within a few months approximately 2,000 men may be employed in direct labor, with perhaps several thousand employed in indirect labor.

5. Many types of established industries would be benefited through orders placed for this activity. Approximately 25 percent of the loan may be expended for orders placed with major industries.

6. It may be the start of a great, new American industry and be the first step toward establishing a major form of overseas transportation through which our commerce with foreign nations may be expedited and increased.

7. With the evidence of Government support, as demonstrated by this loan, it is proposed within the year to arrange private financing for the continued construction of airships.

8. It is proposed, through the employment of three and in some cases four shifts of workers, the construction program may be completed in a period of about 12 months.

9. After a thorough test of the airships it is expected trans-Atlantic service may be established, with each airship making a round trip weekly between our Atlantic coast and England. If the loan is approved by this Congress, these airships may be in regular service before the fall of 1937.

10. Such service may expedite our mails and commerce to other nations of the world, to Europe, and to countries which are now best served by transportation from England or European countries.

11. It may in time establish the United States in a dominating commercial position, through fast and economical transportation direct to overseas commercial centers, including those within the interior of continents where rapid transportation is now unknown.

12. It may provide twice-a-week transportation across the Atlantic in less than 40 hours, which, with later improvement, may be reduced to 30 hours.

13. This may be America's answer in the race for faster ocean vessels, that in other countries are built with large Government-construction loans and are supported by annual operating subsidies of considerable size.

14. It will demonstrate to American inventive genius and skilled engineers the confidence of our Government in their ability to design and construct American airships. It will also demonstrate the superiority of American design and construction of airships.

In view of the fact the borrower must depend upon commercial operations for its profit, the construction would be at the lowest cost and of the best quality. No profit may be added nor any royalty be paid under the patents.

Considering the conditions for this loan, we should also consider estimates submitted on October 29, 1934, by the Honorable Ewing Y. Mitchell to the Federal Aviation Commission in the airship-construction program endorsed by the Department of Commerce. The two Goodyear-Zeppelin airships would cost $10,750,000 and an Atlantic operating terminal to cost $3,000,000, making a total of $13,750,000.

With the loan of only $12,000,000 the Government would have for security two better, stronger, and safer airships of approximately the same size or larger than the Goodyear-Zeppelins, and an Atlantic operating terminal; also an airship construction plant costing approximately $4,000,000, making a total of $17,500,000, with the valuation based on the cost of two airships and a commercial airship terminal, being $13,750,000 in the Department of Commerce proposal. Further, $1,000,000 of the loan is either applied for additional construction or operating capital; also the patents and patent rights and all present and subsequently acquired assets of the borrower would be pledged as security until the full amount of the loan is paid.

The borrower is required to carry full insurance to cover replacement in event of fire, damage, or loss of the airships or other property purchased or constructed with the proceeds of the loan, until full payment is made. Insurance for these airships was taken up with a Lloyd's American representative, and at first 20 percent of the airships' value was required for annual payment. However, when further consideration was given to the suspension-bridge type of frame to be employed, the insurance charge was reduced to 15 percent and it was stated might be reduced to 10 percent.

The cost of insurance aptly illustrated the difference in the proposal submitted by the Department of Commerce and the present proposal for private construction and operation. Twenty percent annual insurance on $10,750,000 for two airships of the Zeppelin type would amount to $2,150,000, while 15 percent annually on the $5,000,000 cost of two American-designed airships would be only $750,000. Quite a difference, and similar differences would be shown by the sums required for depreciation, maintenance, interest, and so forth.

Another comparison is interesting. Mr. Mitchell, in presenting the Commerce Department airship-construction plan, told the Federal Aviation Commission that "Mr. Harpman, representative of the Goodyear-Zeppelin Corporation of Akron, Ohio, stated at our conference on the subject of airships that his company would enter into a contract for operation of the two airships and maintenance for 5 years on the basis of a dollar per year, if the Government desired them to submit a bid." This would seem to establish the value placed by the builders of the

two airships, for which the Government would be required to pay $10,750,000.

Going back 4 years, when bill H. R. 8681 was before the House Commerce Committee, the Goodyear-Zeppelin Corporation offered to build airships and operate them in trans-Atlantic service to Germany if the Government would pay $32 per mile—in both directions but carrying mail in only one direction—for a reservation of 10,000 pounds of mail. This charge of $32 per mile for 8,000 miles, round trip to Germany, would have cost the Government $256,000 for transporting 10,000 pounds of mail across the Atlantic to Germany, or for only 1 pound of mail if only that amount were forwarded.

The Commerce Committee, did, however, recommend a payment of $20 per mile and the bill H. R. 8681 was approved on the floor of the House on June 15, 1932, thus a mail charge of $16 per pound was approved.

With the loan of only $12,000,000 the Respess Aeronautical Engineering Corporation proposes to establish twice-a-week airship service in both directions, carrying passengers, mail, and freight at only $1.50 per pound. They do not require that the Government send any mail on its airships; but if the Post Office Department wishes to use its services the charge per pound is the same as reservation for passengers, $1.50 per pound.

Further, instead of the Government buying airships at a high figure, possibly including a large profit, and leasing them back to the builders at $1 per year rental, the Respess Aeronautical Engineering Corporation shall repay the full amount of the loan plus interest, will maintain the airships in first-class condition, set aside funds to replace the airships when it is deemed necessary to retire same and will carry full insurance to cover replacement if an airship is damaged or destroyed, as well as liability insurance for passengers, mail, and merchandise.

That airships can do this is because the Respess airships will be safer, stronger, have a much longer useful life, be capable of carrying a larger pay load, and because of their simplicity and ease of construction these airships may be built in America at lower cost than Zeppelin airships can be built, with cheaper labor, in Germany.

That Respess airships may be operated at an attractive profit is indicated by an estimate of the probable annual receipts and expenditures for such service, as contemplated for the construction and operation of two 7,000,000-cubic-feet airships, each making a round trip weekly between our Atlantic coast and England or Europe.

Operating charges

Administration and communications	$300,000
Fuel and oil	850,000
Helium gas	300,000
Crew	300,000
Engine maintenance and replacement	500,000
Terminal charges	300,000
Contingencies	400,000
Insurance	750,000
Airship maintenance	500,000
Airship depreciation	500,000
Liquidation of construction loan	500,000
Interest at 3½ percent annually	175,000
Traffic solicitation and handling	660,000
	6,035,000

Estimated income

	Pounds
Total pay load available each trip	48,000
Total load 208 trips	9,984,000
Average 75 percent full loads	7,488,000
Average 80 percent of schedule trips	5,958,400
Income with $1.50 pound charge	$8,937,600
Deduct operating charges	6,035,000
Net profit	2,902,600

These estimates were submitted with realization that no service of this character has ever been operated, and consequently the figures must be taken as approximate. A sincere effort was made to estimate the operating charges high and the prospective income low. It is fair to state also the pay load is believed will be much more than 48,000 pounds.

Airships for commercial operations of this character must be strong and flexible in order to resist unusual or expected stresses during all seasons of the year and in all kinds of weather. They must have speed of at least 100 miles per hour for rapid transportation and to avoid storms so far as may be possible. They must be able to operate at relatively high altitudes if necessary in order to avoid low storms or seek a level of most favorable air currents, and they must have these qualities without reduction of the useful load beyond the point of providing a profitable pay load.

There are two types of thoroughly tested engineering principles that may be employed in designing airship frames. One is that of the arch-type bridge, that requires a structural weight 40 percent greater than that of a suspension bridge of equal strength and capacity. If the arch-frame bridge were reduced 40 percent in weight it would not be capable of carrying the same load, and no bridge engineer could endorse the safety of such bridge for such load.

The suspension-bridge frame not only has the important advantage of reduced weight but receives stress on elastic steel bridge strand wire, and in this type of structure the stresses never reverse, therefore removing all fear of failure in the hull through fatigue and crystallization. In the operation of Zeppelin-frame airships reversal of stress, fatigue, and crystallization of the metal employed cannot be avoided.

That there is a need for safe American overseas airship service and ample opportunity for conducting such service profitably is supported by the House Committee on Commerce in its report on the merchant airship bill, House Resolution 8681, June 15, 1932, from which I take the following extracts:

The Committee on Commerce, to whom was referred the bill (H. R. 8681) to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship, have considered the same and report thereon with amendments and, as so amended, recommend that the bill do pass.

The purpose of the bill is to promote national defense and foreign trade by having suitable American aircraft serving such trade and available for use in time of war. The creation of commercial air-transport services overseas as a supplement to the American merchant marine is a possibility that has only now become practicable by recent advances in applied science. There is ample evidence that the time has now come to use the air as the medium for rapid transport of the urgent portion of our business representatives, samples, and mails to overseas markets.

The speed of steamships has about reached it economical limit. To maintain a speed of more than 24 knots requires vessels of enormous size and cost. Freight and passengers cannot be found to fill such superships except on the North Atlantic, and even there international rivalry supported by governments has only pushed the speed up to 28 knots. Naval architects propose the ultimate ship of 30-knot speed, to cost twice as much as a 24-knot vessel, saving 1 day in the Atlantic crossing. Such ships, flying our flag, will cost approximately $30,000,000 each, of which amount three-fourths is required, under existing law, to be loaned by our Government at low rates of interest.

In the Pacific there is slight possibility of supporting from commercial revenues steamships of much greater speed than are now available. And yet in the Pacific our national and commercial interests may have the greater need for increased speed of transportation. To increase the speed of water transportation materially is usually prohibitive in cost, because the portion of passengers, mails, and goods that really require high speed is too small to fill at increased charges the great vessels needed to provide such speed.

The other side of the picture reveals the air over the sea as an available medium for the very high-speed transport by aircraft of this relatively small portion of the traffic now moving that is able to pay for time saved. Instead of a possible speed increase of 10 or 15 percent offered by steamships at a very great cost, aircraft offer the possibility of a speed increase of several hundred percent over existing means and at moderate cost. In other words, the economical speed for aircraft operations is high compared with that for vessel operations.

Today our trade and manufacture is not simply a matter of domestic industry and exchange. We have developed the principles and practices of quantity production to such an extent that we have become an exporting nation. This export field is new to our generation, but we are in competition with the old, experienced export nations of the world. If our future in this export field is to be a success we must proceed with a definite program of aggressiveness.

Once we had the leading position in the China trade until the Civil War destroyed the American merchant marine. We had the

cream of that carrying trade, because we had the swiftest sailing ships in those days of sail and wooden ships. It was speed that won us the tea and silk cargoes.

In the Atlantic we have no geographical advantage, and if we are to receive our share of trade we must take the lead in securing closer contacts and better relations. Here our problem of maintaining a reasonable position in foreign trade is one demanding the greatest application of American ingenuity.

Europe is fast learning the lesson of mass production from American industry, and with its present almost unchallenged position in the field of steamship transportation, bids fair to assume a commanding lead in the Atlantic trade to the exclusion of her American competitors.

In the Pacific, geography has been more favorable to us. We are in the enviable position of being closest to the largest concentration of population on earth. We must take those steps now which facilitate intercourse and increase accessibility.

It is 6 or 7 days from San Francisco to Honolulu by steamship (one ship only making it in 4 days—the fastest on the Pacific), and approximately 14 days to Japan. It is 3 weeks from California to Manila and even longer to Hong Kong or Shanghai. Two months must pass before the average letter receives a reply. Trade must develop slowly under such conditions. Speed is essential for letters and documents, for samples and high-class express traffic, for orders, for the service of filling these orders, and for the transport of business representatives.

The application of airships of the *Akron* type to trans-Pacific service has been represented to the committee by responsible American business and shipping men as promising a profound alteration in the effects of geographical distance. For example, Hawaii can be brought within 36 hours of California, giving not only obvious trade benefits but also a powerful corrective to the unfortunate effects of the relative inaccessibility of our primary Pacific fortress.

Airship service to Manila can cut the travel time from 3 weeks to 6 days, and bring Shanghai, Hong Kong, and Tokyo as close to our west coast as London, Paris, and Berlin are by steamship from our east coast. Airships on the North Atlantic can deliver passengers, mails, and express in Europe in less than half the time now taken by the faster foreign steamships.

Such overseas air-transport services will be supplemental to the merchant marine, which must continue to carry the bulk of passengers and mails and all of the heavy cargo. The merchant marine is supported by the volume of our foreign trade and will be benefited to the degree that airships succeed in stimulating this trade. Captain Dollar has well said, "When business representatives can visit their foreign customers more quickly they will go more often, get more orders, and our ships will get more cargoes."

The airship as a new vehicle for the service of our foreign trade can give an increase in speed over our existing fast steamers comparable to that following the replacement of sail by steam in the last century.

The volume of traffic now moving across the Pacific and Atlantic is enormous. For example, over 1,000,000 persons crossed the North Atlantic by steamship in 1930. Of these, 100,000 persons each way went first-class, and half of them booked passage at extra fares on the 10 fastest ships. An airship service to Europe, giving a sailing twice a week, would carry the small fraction of this traffic for whom time saving was really worth while.

Across the Pacific the present passenger traffic is very much less than on the North Atlantic. Even in 1929 but 100,000 persons crossed the Pacific. It is obvious that passengers do not travel when ships are slow and distances great. While the traffic available for the trans-Atlantic airship service is more than ample, the need for a speedier service across the Pacific is even more evident.

The weight of all mail dispatched from New York to Europe reaches annually nearly 40,000,000 pounds, of which about 3,850,000 pounds is first class. The weekly shipment of first-class mail by all steamers exceeds 69,000 pounds. With two airships sailing weekly, a large portion of this first-class mail could be expedited, but with a surcharge to the public in the form of an extra stamp the volume actually designated to be sent by air can be controlled by the post office. The post office can in this way adjust the relation between the compensation paid to the carrier and the surcharge paid to the post office.

Across the Pacific, like the passenger movement, the mail movement is less than across the Atlantic, the first-class portion of such mails being about 28 percent of Atlantic first-class mail. This quantity is within the capacity of airships to handle.

There is no international express business, but it is to be expected that a rapid air-transport service will develop such a business analogous to our domestic railway and air express. Newsreel films, machinery parts, style goods, plans, specifications, drugs and cultures, manuscripts, and samples may be counted on for such shipments. Also there will always be a great variety of miscellaneous merchandise which, through special attendant circumstances, must be shipped by the fastest means available regardless of cost. Such shipments may represent the specifications for new construction, a delayed order, machinery repair parts, technical apparatus, and the like.

There appears to be in our foreign trade a large potential volume of passengers, mail, and express that can benefit by time saving. These three classes of business should share in an equitable manner the expense of operating the Air Service.

The United States has in the past established itself as leader in fast overseas transportation, but today other nations have larger and faster ships. The construction and operation of these ships are possible only through very large Government construction loans and operation subsidies.

Rear Admiral H. I. Cone, retired, when chairman of the advisory committee of the United States Shipping Board Bureau, told the Federal Aviation Commission that "the Government should build a series of airships suitable for transoceanic passenger and express service." In that way, he declared, "the United States would assume world leadership in the aircraft industry, enabling us at the same time to recapture our lost position in the field of world shipping", adding "the United States will be left hopelessly behind unless we take steps for building airships to fill out our merchant marine."

In the consideration of building and operating commercial airships, with subsequent construction of additional airships with private capital, the operations as stated must be conducted at a profit. Thus, there are two vital points to be decided: The type and size of the airships to be constructed and the conditions under which the airships shall be operated.

In the choice of airships the type and size that provides the greatest strength and safety, with assurance of rendering the most valuable and commercial and military service, should be selected. The conditions under which the airships may be operated should give assurance of a reasonable profit, after providing for replacements, liquidation of principal, and interests on funds employed in the construction and in establishing the service.

I feel this is a matter of vital importance to our Nation. The airship is destined to become a major form of air transportation, and we will realize this fact within a very few years, perhaps after other nations have become well established, and we may not then obtain the dominating place, in overseas rapid transportation, which we may now achieve by prompt action.

Germany now has a sister ship to the *Hindenburg* under construction, is reported to be designing a larger airship, and is said to have signed a contract with Japan for two airships to be operated by Japan to our Pacific coast.

In conclusion, I desire to present some data concerning the possible value of the airship for military defense.

The *Akron* and the *Macon* had actual flying experience of only 3,257 hours before they met disaster through reported failure of their Zeppelin-type frame. How could such limited service determine the military value of airships?

Dr. William Hovgaard, member of the committee appointed by the Science Advisory Board to review and analyze the past and present situation as to the design and construction of airships, prepared an important article on Airships for Naval Service, published in the United States Naval Institute Proceedings, March 1936, in which the value of the airship for "coastal patrol-submarine detection", "strategic scouting—the airship as an airplane carrier", and "convoy and other services" is briefly but ably set forth.

Here is one outstanding aeronautical authority who appreciates the fundamental military value of airships. Under the section Convoy and Other Services Dr. Hovgaard says:

Rear Admiral W. A. Moffett has stated (before the House Committee on Naval Affairs, "During the World War, as far as we know, no convoy was ever attacked by a submarine when guarded by an airship."

Dr. Hovgaard further states:

It seems safe to say that for a country like the United States, with extensive coast lines, outlying possessions, and a great Navy, there will be, in time of war, a need for airships of all types from the smallest nonrigids to the largest rigid airships."

From a brief on airships, prepared at my request by Mr. Roland B. Respess, Cranston, R. I., inventor of the suspension-bridge airship frame, which was published in the CONGRESSIONAL RECORD July 2, 1935, I extract the following:

A properly designed and constructed commercial airship may be adapted for military service. The military airship would have no passengers; therefore the interior structure, that may be built

in for passenger use, could be removed and its weight, with the weight of the passengers, mail, express, and freight, would represent a very considerable lift that would be available for increasing the power for higher speed, for a larger quantity of fuel and oil for increased range of flight, or for military equipment such as airplanes, rapid-fire guns, ammunition, etc.

We are a commercial Nation. Airships for us should be constructed primarily as commercial carriers. Should we require these airships for military use we should change them, as explained, to be adapted for the particular military service to which they are intended to be employed.

For protecting our cities these great commercial airships could be quickly converted to carry many airplanes, have an airship speed exceeding 100 miles per hour, or be able to cruise slowly at a high altitude, over an area to be protected, sending out scouting airplanes to contact enemy planes, and when such planes are located the scout plane may direct the airships in a course to intercept the enemy planes. Thus, at the proper time, the airship may release a fleet of our most efficient fighting airplanes which may destroy the enemy airplane squadron.

If we had a sufficient number of these great convertible commercial airships, we could patrol and protect the areas surrounding our great centers of population and we could also establish and maintain a constant defense line a thousand miles from our coast, if desired.

The military value of an airship may be judged by its ability to withstand adverse weather conditions, by its useful load which may define its range, its speed, its military equipment, and by its likelihood of receiving serious injury when attacked by other aircraft.

The suspension-bridge structure of an airship is a type to stand adverse weather and is less vulnerable to gunfire than the Zeppelin-type frame. The gas is not under pressure and would leak very slowly, through holes made by bullets. Damage by heavier-than-air craft may occur only provided an airplane could get relatively close to the airship.

For military purposes the airship may be armed with a dozen or more rapid-fire long-range guns, so that at least two of these guns may cover approach to the airship in every direction. These guns could be fired with great accuracy and shoot farther than the guns carried by airplanes; thus in combat the airplane may seldom even puncture the fabric cover of the airship before the plane may be destroyed. In other words, the airship may be able to operate with less danger from enemy heavier-than-air craft than naval vessels.

As to the vulnerability of airships, so often referred to, our Navy ships are vulnerable to mines, submarines, surface vessels, and aircraft; our land forces are vulnerable on land and from the air, while the airship is vulnerable, over our own country, only to air attack. Nothing is safe in war.

LOOKING BACKWARD AT THE UTILITY HOLDING COMPANY BILL

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRISWOLD. Mr. Speaker, almost 1 year has elapsed since passage by the Congress and the signing by the President of the utility holding company bill, which was presumed to be the panacea for all the ills of the consumer of electric power, and was proclaimed as being the bill that would produce cheap gas and electricity. On July 1, 1935, I stated in my remarks that "insofar as my district is concerned, whether they be privately or municipally owned, the 'death sentence' clause written into either the House or Senate bill will have no effect on the utility situation whatsoever, either from the standpoint of the consumer or the investor."

The "death sentence" would make no changes in the operation of the utilities in the Fifth District of Indiana. As it relates to my district, all the talk about the "death sentence" is a tempest in a teapot. It is much ado about nothing. At that time I voted for the bill as reported out by the committee of the House because I felt that it would regulate these utilities, and through such regulation the consumer and the investor would both profit, and I contended continuously that insofar as the "death sentence" in the Senate bill was concerned that while it might help certain districts in the United States by destroying a few companies, that it would not help the consumer one bit or destroy a single company in my district in Indiana; that the bill was so worded that it would specifically prevent any relief to the people in my district in Indiana. Despite my efforts and the efforts of those who felt as I did, the House bill was defeated and the provision of the Senate bill substituted therefor.

I again repeat that 1 year has elapsed since the bill became effective, and insofar as my district is concerned, every company that was doing business before the passage of the bill, either as a privately owned utility or a municipally owned utility, is still doing business at the same old stand, in the same old way, and with the same old rates in effect that were in effect when the bill was passed. The consumer of electricity or gas furnished by these utilities has not received one cent of reduction in their rates or their bills.

I have just received from the public service commission of my State the schedule of rates in effect in my district on the date that the bill was passed and the rates in effect today. In the city of Kokomo, Ind., electric light and power is furnished by the Northern Indiana Power Co. This same utility has given the service in Kokomo, Ind., for a number of years and is the only public utility giving electric light and power service in the city of Kokomo today. Their rates for residential service in effect on the day the bill was passed are as follows: For the first 30 kilowatt-hours per month, 6.5 cents per kilowatt-hour; for the next 30 kilowatt-hours used in the same month, 4.5 cents per kilowatt-hour; for all over 60 kilowatt-hours used in the same month, 2.5 cents per kilowatt-hour. Despite the fact that the bill was passed last session of Congress those rates are still applicable and the residential users in the city of Kokomo are being billed on that basis today. The Kokomo Gas & Fuel Co. supplies gas for lighting, heating, and cooking purposes in the city of Kokomo. Its rates as filed with the public service commission and effective February 1, 1934, to the small family consumers were as follows: First 10,000 cubic feet per month, $1.50 per M cubic feet. This utility makes a minimum charge of $1 per month whether the gas is used or not. If the bill is not paid within 15 days after the due date a collection charge of 6 percent is made on the first $3; 3 percent on the next $60. If the bill is not paid on the 16th day after being rendered the gas may be disconnected and if the consumer on the 16th day after due date pays his bill he must pay this additional percentage for the delay and a $1 charge for reconnection. These rates are still in effect in the city of Kokomo today and the consumer in the city of Kokomo has not profited one single cent through the passage of the utility holding company bill.

In the city of Peru, Ind., gas service is distributed through the Northern Indiana Public Service Co., a subsidiary of the old Insull empire. On the date that the holding-company bill was passed the rates of this public utility in effect in Peru, Ind., were as follows: First 2,000 cubic feet per month, $1.25 per thousand cubic feet ($1.35 gross); next 18,000 cubic feet per month, $1 per thousand cubic feet ($1.10 gross). Under the tariffs filed with and approved by the Indiana Public Service Commission, bills must be paid within 10 days, including the day rendered, to receive the net rate and if not paid in such 10-day period (which, in fact, in this instance, may be a 9-day period) the gross rate is applied. There is a $1 reconnection charge and a $12-per-year meter charge. These rates were made effective July 1, 1927, and despite the passage of the so-called "death sentence" utility holding company bill, are still in effect today, and the citizens of Peru, Ind., who must obtain their gas from this public utility, have not profited a single cent in the reduction of rates or in the reduction of their monthly bills by virtue of this act of Congress. In this same city the municipality owns the electric-light plant and furnishes and distributes electric light and power. The rates in effect for the municipality-furnished electric light to residents on the day that the holding-company bill was passed were: First 50 kilowatt-hours per month, 5 cents per kilowatt-hour; next 50 kilowatt-hours, 3 cents per kilowatt-hour; next 50 kilowatt-hours, 2 cents per kilowatt-hour; over 150 kilowatt-hours per month, 1½ cents per kilowatt-hour.

These rates are still in effect today, and I know of no complaint against these rates as they are far below the rates charged by the privately owned utilities in neighboring cities. The plant is operated efficiently and making money every month of the year, the profits being used to reduce local taxes and applied to projects of benefit to the residents of the city. However, the passage of the utility holding company

bill by the Congress has had no effect whatsoever on the rates of this municipally owned utility, they being the same as were in effect on the date of the passage of the bill.

The Central Indiana Gas Co., a privately owned public utility, furnishes gas to the city of Marion, Ind. The rates in effect April 1, 1935, and still in effect in the city of Marion today, are as follows: First 2,000 cubic feet per month, $1.25 per M cubic feet; next 3,000 cubic feet per month, 90 cents per M cubic feet. All over 5,000 cubic feet per month, 75 cents per M cubic feet. There is a minimum charge of $1.50. If bills are not paid in 15 days from the date of the bill, 10 percent additional for all bills under $3 is charged, and 3 percent on all bills over $3. Despite all the argument of the proponents of the utility holding company bill of the vast advantages in reduced rates that the passage of the bill would mean to the consumer, these same rates for gas are effective in the city of Marion today.

In this same city of Marion, Ind., the Indiana General Service Co., a privately owned utility and a subsidiary of the American Gas & Electric Co., the company that Dr. Splawn and members of the committee held up to the House as the perfect system, supplies electric light and power. The members of the committee, as well as Dr. Splawn, the expert of the committee, stated the truth about this company—they admitted that the "death sentence" clause in the holding-company bill would not affect it in Indiana, and it has not. The rates in effect for residential use on April 1, 1935, in Marion, Ind., were as follows: First 200 kilowatt-hours per month, 7.5 cents per kilowatt-hour; next 300 kilowatt-hours per month, 6.7 cents per kilowatt-hour; the next 300 kilowatt-hours per month, 5.7 cents per kilowatt-hour. All in excess of 800 kilowatt-hours per month, 4.7 cents per kilowatt-hour. There is a $1 per month minimum charge. Five percent is added if bills are not paid in full on or before the 10th day after date of mailing of the bills. These same rates that were in effect in Marion when the bill was passed are still in effect. The passage of the bill has not reduced the price of the stock of this utility. It is worth as much today as it was on the day the bill was passed.

I could give many other examples covering every city, town, or village in my district. To do so would be merely cumulative evidence, piling proof on top of proof. It would merely be corroborative evidence of the truth of my remarks in the RECORD of last session.

Time at last sets all things even. These facts concerning the holding-company bill and its effect on consumers I brought to the attention of the House not as a dilatory matter but in the hope of really obtaining some benefit for the consumer. I was more interested at that time in giving aid to the millions of innocent consumers who suffered from excessive utility rates than I was in wreaking vengeance by punishment of a very few guilty stock promoters. I believe in the maxim that the supreme function of the law is to protect the weak and restrain the strong but with me as in the maxim the protection of the weak comes first. Under the defeated House provisions for which I voted, regulation of the utilities would have been mandatory and the weak consumer protected from excessive rates. When the bill was up for passage, Members had their fancy touched by the phrase "death sentence." The power of oratory and the manipulation of words put judgment to sleep and while reason slumbered this legislation became law. Men were worked into a frenzy of fear by the cry of "wolf" until the protection of the sheep was submerged in the cry for blood. Today we know by the actual rates charged how little the consumer gained by the law. The proof of the futility of a "death sentence" law that does not kill is contained in the utility rates in effect today in the Fifth Congressional District of Indiana.

The only effect that the passage of the holding-company bill with the Senate "death sentence" provision attached has had on the people in that district either favorable or adverse, is that it has reduced the value of the stock of utilities in some other sections of the country, leaving the citizens of the district who had innocently and on the recommendation of their bankers and the approval of the State security commission invested in those stocks and bonds lost. Most of them were people who had invested their life savings obtained through years of toil and who could ill afford to lose the investment. The value of their stock meant to them the difference between a comfortable old age and destitution.

The effect of legislation can always be judged by looking backward. I look back today to the time of the passage of the law. The finding of a court must be predicated upon the evidence presented. The evidence is conclusive that the law has been detrimental to investors in my district who held stock in public utilities doing business in other States and at the same time has not benefited the consumer in the district. The consumer is in status quo. Judgment must be entered on the finding.

FEDERAL AGENCIES HELP TO SAVE OUR EDUCATIONAL SYSTEM

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNYDER of Pennsylvania. Mr. Speaker, the citizenship and Nation-building accomplishments of the P. W. A. are so numerous and varied that time and space will permit me to give a very few of the virtues of this work. Therefore, I shall devote this time to setting forth some accomplishments in the field of education.

We all realize that education in a democracy is absolutely necessary. When President Roosevelt was inaugurated in 1933 we had hundreds of local and county situations similar to this: They were unable to collect taxes, millions of citizens without work, without sufficient clothing, short on food. The States, counties, and municipalities were forced to retrench. Many schools were closed, teachers were discharged, salaries cut, sometimes paid in script or not at all.

The educational system in America was slipping. The retrenchments of all kinds were turning millions of boys and girls out on our highways and byways to join the army of unemployed.

Mr. Speaker, it is when young men and young women see no ray of hope in the future and are out of work that they become dissatisfied. It is such conditions that breed communism and other isms detrimental to a democracy. The idle brain is the devil's workship. The criminal records show that 25 percent of our criminals are under 21 years of age. Thousands of these young men became criminals because they were idle and their activities were not properly guided.

President Roosevelt and the Congressmen of the United States realized that something had to be done to give hope to the youth of our Nation. To establish the C. C. C. camps, taking care of some half million of men and boys was fine, but that was not enough. Something else had to be done, and as a result, through the different agencies set up by Congress, such as the P. W. A., the Federal Emergency Relief Corporation, the Civil Works Administration, and other agencies, funds were provided for rural schools, for adult education, for aid to college students, for assistance in building and repairing school buildings, and so forth.

In 1933 one-half of all the men, women, and children in Fayette County, my district, were either on relief or on the verge of relief. Most of the others were unable to pay taxes, and as a result the education of our youth was being neglected. This was true in a measure throughout the United States.

Mr. Speaker, here are a few of the things accomplished for the education of our youth and our people through the agencies set up by the Seventy-third and Seventy-fourth Congresses:

(a) Added 3,100 classrooms.

(b) Made accommodations for 1,217,000 additional students to public-school facilities.

(c) Four thousand educational buildings constructed. This was 75 percent of all the new construction in the United States.

(d) More than 1,200,000 additional seats were provided for the schools in the United States.

(e) One thousand six hundred and fifty educational buildings were completely overhauled.

(f) Twenty-nine thousand six hundred and thirty-six new classrooms were provided.

(g) One hundred and seventy-six million eight hundred and eighty-one thousand two hundred and ninety-seven dollars was given to build new high schools.

(h) Cost of construction of elementary schools was $139,831,127.

(i) Thirty-two million one hundred and thirty-one thousand one hundred and sixty-six dollars of Federal funds were given to districts for libraries, laboratories, auditoriums, and so forth.

(j) Loans and grants to colleges and universities amounted to $64,411,093.

(k) Thirty million dollars for Indian schools and Naval and Military Academies.

(l) Through P. W. A. aid new schools have been built in every State. For instance: North Carolina, 264; Pennsylvania, 246; New York, 212; Illinois, 165; California, 474.

(m) In 1933–34 the situation in rural schools, as well as district schools, became so acute that something had to be done. Thus, $14,878,385 was allotted by the Federal Emergency Relief Administration to rural school districts throughout the United States to keep the schools open. In 1935 an additional $6,922,000 was allotted for the same purpose.

(n) In the field of adult education, 1,650,000 men and women were enrolled. Five hundred and fifty thousand men and women have been taught to read and write.

(o) Nine-four thousand three hundred and thirty-one students in 1,466 colleges and universities were aided in getting an education.

Mr. Speaker, it would be better if school districts, whether they be townships, boroughs, cities, counties, or States, provided for their own education. However, that seems impossible in many districts. In order to keep open the schools at all, it was necessary to get help from the Federal Government.

If Fayette County, one of the counties in my district, was to pay all of the costs of running their public schools, they would have to levy 60 mills of school taxes each year. That is, they would have to levy it to run the schools as they are run this year. The schools in my district are run as well as the schools in any district in the United States, and better than most of them in the Nation, but we must adjust our educational facilities in order to equip boys and girls to go out into life's work. We must give them training in homemaking, industrial arts, agricultural arts, because most of them will have to make their living with their hands and their head when they get out.

SOCIAL SECURITY ACT

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my own remarks on the Social Security Act.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ASHBROOK. Mr. Speaker, I have asked to extend my remarks that I may briefly refer to the Social Security Act, particularly insofar as it relates to old-age pensions. I was most enthusiastically in favor of this legislation when it was before the House and enacted into law during the last session of the present Congress. I was happy to give it my best support. I am still in favor of this legislation but must confess my enthusiasm is somewhat chilled since I find that the law as now interpreted really brings little added relief to the beneficiaries, except possibly that it may prompt the several States to more liberal allowances.

When the bill was debated in the House it was repeatedly stated that by its passage the Government would match dollar for dollar up to $15 per month old-age pensions paid by the several States. I understood then that this meant a beneficiary who was then receiving or who would hereafter receive a monthly pension of $15 or more per month from the State, that such pensions would be increased up to $15 per month by Federal contribution or $30 per month. In good faith I so informed by letter and by word of mouth many of my constituents the above facts. I was quite happy over the prospects that the old folks who are needy and dependent would receive at least $30 per month, which while not a very generous allowance would help materially to alleviate the plain wants and necessities of their declining days.

When I to my great regret and surprise learned that no increases of pensions had been made in my State, Ohio, although the Federal Government made its contribution to the States beginning February 1, last, I began to make inquiry. I wrote to Hon. John G. Winant, chairman of the Social Security Board, the following letter:

WASHINGTON, D. C., *May 12, 1936.*

Hon. JOHN G. WINANT,
Chairman, Social Security Board, Washington, D. C.

DEAR MR. WINANT: When I voted for the Social Security Act it was with the understanding that the Government was to match dollar for dollar up to $15 per month the amount paid by the States for old-age pensions.

I have had several letters from my State, Ohio, that there has been and would be no increase in the old-age pensions and that the Federal contribution simply pays one-half of the pension which has heretofore been paid to old-age pensioners by the State. This surely must be an incorrect interpretation of the law. I have written many of my constituents that their pensions would be increased up to $15 per month by Federal contribution, which was my understanding of this legislation.

I will thank you very much for illumination on the above.

Very respectfully,

WILLIAM A. ASHBROOK.

I received the following reply from Mr. Winant:

SOCIAL SECURITY BOARD,
Washington, D. C., May 16, 1936.

Hon. WILLIAM A. ASHBROOK,
House of Representatives, Washington, D. C.

DEAR MR. ASHBROOK: This will acknowledge your letter of May 12.

The basis on which Federal grants-in-aid to States for old-age assistance is made is as follows:

The Federal Government will pay to the State having an approved old-age assistance plan one-half of the total amount of money expended by the State for old-age assistance up to an amount which does not exceed $30 per month per individual receiving such assistance.

In other words, if the State plan provides for the payment to needy aged individuals $20 a month, $10 of this amount will come from Federal funds. If the State provides for $30 per month per individual, $15 of this amount will come from Federal funds. Fifteen dollars per month is the maximum Federal contribution authorized by title I of the Social Security Act.

I am attaching copy of information circular no. 1, A Brief Explanation of the Social Security Act.

Sincerely,

Enclosure. JOHN G. WINANT, *Chairman.*

I quote from the information circular no. 1, mentioned in Mr. Winant's letter, the following:

(1) Old-age assistance (immediate payment plan).—A State may submit to the Social Security Board for approval its plan for old-age assistance. The Board is directed to approve such plans as conform to certain requirements as to eligibility, such as age, residence, and citizenship; and to requirements as to State operation and standards of administration, intended to assure proper and efficient State action by the enactment and administration of laws which may reasonably be expected to provide assistance to needy aged individuals without discrimination. After the plan is approved, the State receives from the Federal Government an amount equal to one-half the sum expended for old-age assistance by the State with respect to individuals 65 years or older who are not inmates of public institutions. The Federal Government matches on a 50–50 basis every dollar spent by the State for old-age assistance, but does not contribute more than $15 per month for any individual. In addition the Federal Government pays for administrative expenses an amount equal to 5 percent of the sum granted to the State.

I have capitalized certain lines that they may be more forcibly brought to your attention and account for what now seems to be my misunderstanding of the rather vague law. You will note the specific words which brought about my misunderstanding and I think quite likely many other Members made the same construction of the law. This sentence reads:

The Federal Government matches on a 50-50 basis every dollar spent by the State for old-age assistance, but does not contribute more than $15 per month for any individual.

It was my understanding that the Federal contribution of $15 per month would increase pensions $15 per month up to $30 per month. In other words, a pensioner who received

$15 per month from the State would receive $15 per month additional from the Federal Government, or $30 per month. It now appears that unless the States increase pensions up to $30 per month there will be no increase of pensions, which, to express myself as mildly as possible, is a very great disappointment to me.

I also wrote Hon. H. J. Berrodin, who is the chief of the division of aid for the aged of Ohio, the following letter:

WASHINGTON, D. C., *May 18, 1936.*

Hon. H. J. BERRODIN,
Division of Aid for the Aged, Columbus, Ohio.

DEAR MR. BERRODIN: I am considerably disturbed about the old-age pensions. My understanding was when I voted for the Social Security Act that the Federal Government would match up to $15 per month pensions paid by the several States. I am advised from several sources in my district that there is to be no increase in the old-age pensions and that the State will simply continue to pay the same pensions and use the Federal aid to reimburse itself 50 percent.

If the above is true, I did not know what I was voting for when I voted for this legislation, and it is needless to say that I am hopeful that I have been misinformed. I would thank you to advise me what your interpretation of the law is and what the State will do with the money allocated to it by the Federal Government.

Very respectfully, WILLIAM A. ASHBROOK.

Here follows reply from Mr. Berrodin to my letter:

DEPARTMENT OF PUBLIC WELFARE,
DIVISION OF AID FOR THE AGED,
Columbus, Ohio, May 27, 1936.

Congressman WILLIAM A. ASHBROOK,
Washington, D. C.

DEAR CONGRESSMAN ASHBROOK: I have your letter expressing yourself as considerably disturbed about old-age pensions in Ohio. I believe this is because of your misunderstanding of the intent and purpose of the law. The title of the Ohio law is "Aid for the Aged" and this conforms with the Social Security Act which likewise is entitled "Aid for the Aged."

From the standpoint of the State and Federal Government, there is no such thing as an old-age pension. It is aid for the aged. It is not a dole, but an economic adjustment of unpaid compensation to lawful citizens, known as "Aid for the Aged."

The budget plan, based on actual needs, is followed in arriving at awards. Expenditures for food, shelter, clothing, and miscellaneous items are estimated for the year. Any contributions from responsible relatives is taken into consideration, also if there is income from any source, and after deductions are made, the amount of aid is arrived at. The present maximum award in Ohio is $25 per month. However, when the amended law goes into effect July 16, the maximum award will be $30 per month. The maximum award, of course, will be granted in cases where the recipient's budget indicates that the maximum is needed.

The Federal Government reimburses the State to the extent of one-half the amount of the award. Of the 21 States approved for Federal aid by the Social Security Board, Ohio has the largest number of recipients and is paying out the most money. Ohio and Michigan are the only two States that are paying a funeral award in addition to aid. We now have approximately 90,000 recipients of aid. The total amount of aid paid to recipients for the month of April was $1,350,000. Burial claims paid for the month of March totaled 468 in the amount of $26,308.98. The Federal Government does not reimburse the State for funeral awards.

In order to conform with the Social Security Act, the residence requirements in Ohio have been reduced from 15 years to 5 years in the last 9; and it is estimated that this reduction in the residence requirements alone will increase our rolls by at least 10,000 recipients.

The citizenship requirement of 15 years is also changed to mere citizenship; and this amendment will add a considerable number.

The change in the property requirements will add perhaps another 8,000 or 10,000 recipients to our rolls.

With these additions, Ohio will continue to be confronted with the tremendous problem of raising sufficient funds for payment of awards to the aged. In 1935 the cost of aid was approximately $14,000,000 while the estimated cost for 1936 is $20,000,000. Were we to make a general increase to anywhere near the maximum award under the amended law, it would be necessary to levy new taxes to meet the increased cost, and these would be added to the heavy burden under which the State is already laboring. No doubt the individual average can be raised, but not to the extent of the aid received from the Federal Government.

We believe that the broad general purpose underlying the plan of Federal aid is to assist the States in carrying the heavy load that they have in providing aid for the aged; and this object would be defeated were the States to increase their awards automatically to the extent of the Federal grants. Were this done, the States would be as hard pressed as before, to raise sufficient revenue to meet their share of the aid.

There is another point which must not be overlooked, and that is that the Federal Government has taken off the relief rolls all persons 65 years or more of age who can qualify for old-age assistance; and the average award under the assistance law is higher than that which these same persons were receiving from relief.

Assuring you of our desire to cooperate in every way possible in administering this law so as to confer the greatest benefit upon the greatest number, I remain,

Very truly yours,

H. J. BERRODIN,
Chief, Division of Aid for the Aged.

It will be observed by the letters from both Mr. Winant and Mr. Berrodin that the passage of the Social Security Act by this Congress will mean little or nothing to the old folks back home who have been existing somehow on a small monthly pension, a pittance far from adequate for their most frugal living expenses.

Mr. Speaker, I think everyone who knows much about my record and sympathies, both here and in my district, knows that I have long been an advocate and believer that the fortunate have responsibility to the unfortunate. I am proud to confess that due to my activity for liberal pensions of war veterans and their dependents during my years of service here that I am dubbed "Pension Bill" back home.

I have been for 30 years a member of the Fraternal Order of Eagles, and it is well known that this great fraternal organization is the sponsor of old-age pensions. I believe sincerely and conscientiously in reasonable old-age pensions. I am sure the people quite generally believe today as never before that we are "our brother's keeper", and that the strong must protect the weak. We must look this great question squarely in the face and not shirk from our responsibilities.

I repeat, Mr. Speaker, that I was under the delusion when I voted for the Social Security Act that it meant an increase in old-age pensions, and since I find it means no increase, there are just two things that must and should be done. First, the several States should immediately increase all old-age pensions to at least $30 per month, $15 contributed by the State and $15 by the Federal Government; or, second, in the event that this is not done, Congress, at the next session, should enact legislation making sure and certain further and more liberal relief to all worthy old-age beneficiaries, and to that end I pledge my unswerving support.

I am hopeful that the other provisions of the Social Security Act will not prove to be as disappointing as that which relates to the aid for the aged.

FARM ORGANIZATIONS

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein two short letters and two brief extracts.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, I am extending my remarks and including letters received by me from the American Farm Bureau Federation, the National Grange, the National Cooperative Milk Producers' Federation, the Maryland Farm Bureau Federation, a resolution passed by the Maryland Farm Bureau Federation, and an extract from an article appearing in the National Grange of October 1935:

[American Farm Bureau Federation. General offices, 58 East Washington St., Chicago, Ill. Legislative department, Munsey Building, Washington, D. C.]

WASHINGTON, D. C., *May 1, 1936.*

Hon. T. ALAN GOLDSBOROUGH, M. C.,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN GOLDSBOROUGH: At the approach of the end of the present session of Congress, I know you will permit me to write you to express my personal appreciation and that of the entire American Farm Bureau Federation for your activities in behalf of agriculture during the session and throughout prior years.

I cannot forget also the wonderful speech, mostly devoted to monetary matters, which you delivered at the last annual meeting of the federation in Chicago, Ill., in December 1935, which address made a tremendous impression on our people.

Your activities as a Member of the House of Representatives are always useful from farm points of view, and I constantly find you trying to help us on the legislative projects which relate to the welfare of agriculture.

There are many efforts, however, which lie ahead of us, great as have been some of the triumphs which already we have enjoyed. I feel sure it will be possible in future years, as in the

past, for those of us who represent the federation to continue to work with you in bettering the economic conditions which surround agriculture.

Very truly yours,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

[The National Grange. Fred Brenckman, Washington representative, 1343 H Street NW., Washington, D. C. National Grange officers: L. J. Taber, master, Columbus, Ohio; J. C. Farmer, lecturer, South Newbury, N. H.; R. P. Robinson, treasurer, Wilmington, Del.; Harry A. Caton, secretary, Coshocton, Ohio. Executive committee: F. J. Freestone, chairman, Interlaken, N. Y.; E. A. Eckert, secretary, Mascoutah, Ill.; Ray W. Gill, Portland, Oreg.; L. F. Taber, ex officio, Columbus, Ohio]

MAY 28, 1936.

Hon. THOMAS A. GOLDSBOROUGH,
House Office Building, Washington, D. C.

DEAR MR. GOLDSBOROUGH: Referring to our conversation of yesterday, I want to thank you for the active part you have taken in seeing that the interests of farm cooperative organizations will be adequately safeguarded under the bill to regulate chain stores.

We are, of course, in favor of proper steps to put an end to false brokerage and advertising allowances, unreasonable quantity discounts, and other abuses that this proposed legislation seeks to correct. We are concerned, however, that the rights of legitimate farm cooperative associations shall not be unwittingly impaired. I know that you feel the same way about it.

Assuring you that we appreciate the loyal service to agriculture that has characterized your career as a Congressman, I am,

Very sincerely yours,

FRED BRENCKMAN,
Washington Representative.

[The National Cooperative Milk Producers' Federation, National Headquarters, Washington, D. C. Officers: N. P. Hull, president; John Brandt, first vice president; W. P. Davis, second vice president; George W. Slocum, treasurer; Charles W. Holman, secretary. Office of the secretary, 1731 Eye Street, NW.]

WASHINGTON, D. C., *April 27, 1936.*

Hon. T. ALAN GOLDSBOROUGH,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN GOLDSBOROUGH: As the present session of Congress draws near to adjournment, we want to take this opportunity to thank you for your support in connection with legislation affecting the dairy farmers of this country.

Not only do we appreciate the work that you have done in Congress for dairy farmers, but we also desire to express our appreciation for your leadership in the battle which agriculture is waging for an honest dollar.

Sincerely yours,

CHAS. W. HOLMAN,
Secretary, the National Cooperative Milk Producers' Federation.

[Maryland Agricultural Society, Maryland Farm Bureau Federation, Sherwood Building, North Avenue and Charles, office of the secretary-treasurer. Affiliated organizations: Maryland State Horticultural Society, Maryland State Dairymen's Association, Maryland Crop Improvement Association, Maryland State Beekeepers' Association, Maryland State Vegetable Growers' Association, The Agricultural Corporation of Maryland, Maryland Tobacco Growers' Association, Maryland Stockmen's Association, Maryland State Poultry Association, Maryland Horse Breeders' Association]

BALTIMORE, MD., *March 2, 1936.*

Hon. T. ALAN GOLDSBOROUGH,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN GOLDSBOROUGH: I wish to thank you in the name of the Maryland Farm Bureau for the support you gave the soil conservation bill.

In addition I want to thank you for inserting our resolution in the CONGRESSIONAL RECORD.

We greatly appreciate the fine support you have always rendered the farmers of this State.

Very truly yours,

C. E. WISE, Jr.
Secretary-Treasurer, Maryland Farm Bureau Federation.

The past 6 years have seen the general price level go from the high level of 1929 to the low of 1932.

The experiences of the past have proved that in an abrupt price-level change salaries always lag from 5 to 10 years behind prices. Farm prices today are still out of fair relation to taxes, freight rates, farm machinery, professional services, etc.

During a time that price disparity exists, interchange of goods between farm groups and other groups is greatly decreased. Farmers with low purchasing power meet only necessary obligations, their farm buildings and equipment suffer, education and health are neglected, and millions of idle men walk the street.

Prosperity cannot return when agriculture furnishes one-sixth the Nation's capital, represents one-fourth the gainfully employed labor, and receives only one-tenth the national income.

On May 8 last, Representative ALAN GOLDSBOROUGH, of our State, introduced an amendment to the banking bill which was lost by a vote of 122 to 128. Had this amendment passed, it would have made it mandatory that the price level be raised to the 1926 level. It would have created legislation to prevent violent price-level fluctuations: Be it therefore

Resolved, That we reaffirm our position on backing the A. F. B. F. in their program for monetary reform.

We believe that the right time to enact legislation, to restore price levels, and create a managed currency is now, while the entire Nation knows that the need exists: Be it further

Resolved, That we send a copy of this resolution to President O'Neal, of the American Farm Bureau Federation, and to the committee for the Nation.

[Extract from an article appearing in the National Grange of October 1935 in reference to the Board of Governors of the Federal Reserve System]

Besides securing a direct representative of agriculture on the Board, various agricultural leaders also favor the appointment of Congressman T. ALAN GOLDSBOROUGH, of Maryland. Mr. GOLDSBOROUGH, who is serving his eighth consecutive term as a Member of the House, is one of the most prominent members of the Banking and Currency Committee.

During the recent session of Congress he made an active fight to secure some amendments to the banking and currency bill intended to promote monetary stabilization, in harmony with the declared policies of the major farm organizations of the country.

WAR AND PEACE

Mr. WITHROW. Mr. Speaker, I ask unanimous consent that my colleague [Mr. O'MALLEY] may be permitted to extend his own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. O'MALLEY. Mr. Speaker, no question that can come before a legislative body carries with it such dire possibilities of destruction, sorrow, and disillusionment to a people than the question of war. We as a people are a peace-loving people, and the citizens of our Nation have every right to be informed as to the position of their representatives on war, neutrality, and peace.

During my service in Congress I have consistently tried to carry out my platform and the personal pledges in the interests of peace made to the citizens of my district in the campaigns preceding the honor they have bestowed upon me by electing me to represent them in this legislative body. On all legislation carrying with it decisions of policy of our country in connection with war and peace, I have endeavored to make clear my position and what I believe to be the position of the district I represent.

The demoralizing, disheartening, and destructive effect of America's last participation in armed conflict has been brought home to us so graphically that we cannot or must not soon forget the terrible lessons of war. With these lessons in mind I have sponsored legislation in the House in an endeavor to make the danger of war for our country more remote. Chief of my antiwar bills has been House Joint Resolution 13, providing for a constitutional amendment which, if adopted, would make it impossible for Congress to ever again conscript men for armed service without first conscripting wealth and industry for service without profit.

Another measure introduced by me in the Seventy-fourth Congress and which I believe to be another step in eliminating the possibilities of our country being involved in war is my bill—H. R. 12216—prohibiting the Secretary of War and the Secretary of the Navy from using American armed forces for the protection of private interests located in foreign countries. This measure is designed to prevent a repetition of such use of our Military Establishment as occurred under Republican administrations in the interference of American marines in internal disputes in friendly countries such as Nicaragua and other Latin American countries.

Whenever the opportunity has offered I have endeavored to express to the House my position on the various peace, war, and neutrality measures coming before the House for both debate and vote. It is not only the duty of a representative to cast his vote on all measures of importance which might affect his people, but it also is the duty of that representative to keep his constituents informed not only as to his actions but as to his expressions and opinions upon vital issues. With this in mind I have noted from the pages of the CONGRESSIONAL RECORD those portions of the debates on war and

peace in which I have participated during my service in Congress.

Limitation on the number of copies of the CONGRESSIONAL RECORD available to each Congressman makes it impossible to provide the interested citizens of my district with the record of the daily debates. Because of this limitation and because I believe citizens are entitled to full and complete knowledge of the recorded expressions of their representatives, I call particular attention to those portions of the CONGRESSIONAL RECORD in which that important issue, war or peace, has been discussed and decided upon in the House.

FEDERAL AID HIGHWAY ACT

Mr. CARTWRIGHT. Mr. Speaker, I call up the conference report on the bill (H. R. 11687) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11687) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered (8).

That the House recede from its disagreement to the amendments of the Senate numbered (1) (4) (5) (6) (7) (9) (10) (11) (12) and (13), and agree to the same.

Amendment numbered (2): That the House recede from its disagreement to the amendment of the Senate numbered (2), and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$14,000,000"; and the Senate agree to the same.

Amendment numbered (3): That the House recede from its disagreement to the amendment of the Senate numbered (3), and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$14,000,000"; and the Senate agree to the same.

Amendment numbered (14): That the House recede from its disagreement to the amendment of the Senate numbered (14), and agree to the same with an amendment, as follows: By substituting in lieu of said amendment (14) the following:

"SEC. 10. (a) That all taxes levied by any State, Territory or the District of Columbia upon sales of gasoline and other motor vehicle fuels may be levied, in the same manner and to the same extent, upon such fuels when sold by or through post exchanges, ship stores, ship service stores, commissaries, filling stations, licensed traders, and other similar agencies, located on United States military or other reservations, when such fuels are not for the exclusive use of the United States. Such taxes, so levied, shall be paid to the proper taxing authorities of the State, Territory or the District of Columbia, within whose borders the reservation affected may be located.

"(b) The officer in charge of such reservation shall, on or before the fifteenth day of each month, submit a written statement to the proper taxing authorities of the State, Territory or the District of Columbia within whose borders the reservation is located, showing the amount of such motor fuel not sold for the exclusive use of the United States during the preceding month."

And the Senate agree to the same.

WILBURN CARTWRIGHT,
LINDSAY C. WARREN,
WILLIAM M. WHITTINGTON,
JESSE P. WOLCOTT
(except as to amendment no. 5),
C. MURRAY TURPIN,
Managers on the part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
LYNN J. FRAZIER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11687) to amend the Federal Highway Act approved July 11, 1916, as amended and supplemented, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of said amendments, viz:

Amendments

Amendment no. 1: Authorizes the Secretary of Agriculture to apportion Federal-aid highway funds without matching in any State where the proceeds of all special taxes on motor-vehicle transportation are applied to highway purposes, as proposed by the Senate.

Amendment no. 2: Authorizes $14,000,000 for forest highways, roads, and trails for the fiscal year ending June 30, 1938, instead of the $10,000,000 proposed by the House, and in lieu of the $20,000,000 proposed by the Senate.

Amendment no. 3: Authorizes $14,000,000 for forest highways, roads, and trails for the fiscal year ending June 30, 1939, instead of the $10,000,000 proposed by the House, and in lieu of the $20,000,000 proposed by the Senate.

Amendment no. 4: Contains provisos for the expenditure of funds for foreign highways, roads, and trails, as proposed by the Senate.

Amendment no. 5 provides for an authorization of $10,000,000 for each of the fiscal years ending June 30, 1938, and June 30, 1939, for the construction and maintenance of parkways to give access to national parks and national monuments, over lands to which title has been transferred to the United States, as proposed by the Senate.

Amendment no. 6 provides for an authorization for each of the fiscal years 1938 and 1939 of $4,000,000 for the construction and improvement of Indian reservation roads, as proposed by the Senate.

Amendment no. 7 provides for the necessary change in the number of the section.

Amendment no. 8 strikes out the provision for dealing with county authorities or other subdivisions, as proposed by the Senate.

Amendment no. 9 strikes out the provision for the establishment of a section of rural roads, as proposed by the House.

Amendment no. 10 provides for the necessary change in the number of the section.

Amendment no. 11 provides that the appropriations authorized can only be made for highway and railroad grade-crossing eliminations where safety devices are installed, as proposed by the Senate.

Amendment no. 12 provides for change in the number of the section.

Amendment no. 13 provides for change in the number of the section.

Amendment no. 14: Proposes the collection of all taxes levied by any State, Territory, or the District of Columbia upon gasoline or other motor-vehicle fuels sold through post exchanges, ships service stores, commissaries, filling stations, licensed traders located on United States military or other reservations when not for the exclusive use of the United States, as proposed by the Senate.

WILBURN CARTWRIGHT,
LINDSAY C. WARREN,
WILL M. WHITTINGTON,
C. MURRAY TURPIN,
JESSE P. WOLCOTT
(except as to amendment no. 5),
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. WOLCOTT. Mr. Speaker, I wonder if the gentleman from Oklahoma [Mr. CARTWRIGHT] will yield us such time as is necessary to discuss this matter.

Mr. CARTWRIGHT. How much time does the gentleman desire?

Mr. WOLCOTT. I think perhaps if the gentleman will explain it and give us some time, perhaps 25 or 30 minutes. There is a question as to whether the House should recede and concur in amendment no. 5, and I think, as far as I know, that is the only amendment in controversy.

Mr. CARTWRIGHT. Would 15 minutes be sufficient?

Mr. WOLCOTT. Oh, no. That is not enough. There are quite a number on this side who would like to be heard. Will the gentleman yield me 30 minutes?

Mr. CARTWRIGHT. Cannot the gentleman get along with 20 minutes?

Mr. WOLCOTT. I think perhaps that will be satisfactory.

Mr. TABER. Will the gentleman explain what the conference report does first?

Mr. WOLCOTT. It is agreed that we are yielded 20 minutes?

Mr. CARTWRIGHT. Yes.

The SPEAKER. The gentleman from Oklahoma is recognized for 1 hour.

Mr. CARTWRIGHT. Mr. Speaker, this is the ordinary and regular bill which the Congress has been passing for the past several years. Section 1 provides for $125,000,000, ordinarily called the matching fund.

Section 2 authorizes funds for forest highways, roads, and trails.

Section 3, roads through public lands.

Section 4, roads through national parks.

Section 5 is a new provision, which provides for farm-to-market roads.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. JOHNSON of Oklahoma. Will the gentleman state for the benefit of the House how much money is provided in section 5 for farm-to-market roads? It would also be helpful to advise the amount provided for highway grade crossings.

Mr. CARTWRIGHT. Twenty-five million dollars for farm-to-market roads, but they get more from other sources.

Section 6 provides for grade-crossing eliminations, $50,000,000 a year, which is all they get. However, the provisions about which you ask are not in conference, therefore, are not under discussion here, but I am glad to answer your question.

Section 7 provides for surveys and plans; for the engineering, making blue prints, and so forth.

We had extensive hearings before the Committee on Roads. The Senate also conducted hearings. There were some slight changes made which sent the matter to conference. After several hours in session we have agreed on this report with the one exception which the gentleman from Michigan [Mr. WOLCOTT] wishes to discuss.

I now yield to the gentleman from Michigan.

Mr. TARVER. Will the gentleman permit a question in regard to one portion of the report? Will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. TARVER. I desire to direct the gentleman's attention to Senate amendment no. 8, having to do with the allocation of the money for the improvement of farm-to-market roads during the fiscal years 1936 and 1937. Some Members of the House, including myself, feel that, as a matter of policy, it would be better to have all of the money allocated to farm-to-market roads spent under the jurisdiction of the county authorities. The Senate amendment proposes to permit the Bureau of Public Roads in the discretion of its Director, or Chief, to deal with the county authorities on these farm-to-market roads for the present fiscal year and for the fiscal year 1937. It seems that the conferees have agreed to eliminate the Senate amendment. I should like to know just why that was done and why the conferees were not of the opinion that the county authorities might be trusted to deal with these roads that are under their jurisdiction; why it was thought necessary to have State highway boards, which have control only over State highway systems, exclusively handle this money intended for farm-to-market roads?

Mr. CARTWRIGHT. I may say to the gentleman from Georgia that the conferees gave this matter very careful consideration; and while they would like to help the situation in Georgia, they thought it was too much of a departure from the usual custom of handling Federal funds and would establish a precedent. If the whole United States should do this it would mean that the road funds would be handled by over 3,000 county commissions instead of the 48 State highway commissions.

Mr. TARVER. I made no reference in my question to the situation in Georgia. I addressed myself to the question of general policy, as to whether or not county commissioners rather than State highway boards ought to have control of funds intended for farm-to-market roads which are under the jurisdiction of county commissioners and not of State highway boards.

Mr. CARTWRIGHT. It was the general opinion or the conviction of our committee that it was more appropriate for the State highway commissions who are especially equipped and organized for the building of roads with their engineering departments, and so forth, than county organizations, which could not be compared to them in organization, equipment, and set-up.

Mr. TARVER. County organizations, of course, have the proper facilities with which they do construct and have been constructing farm-to-market roads throughout the years.

Mr. CARTWRIGHT. To a certain extent that may be true.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. WHITTINGTON. If I may be permitted, I may say in further response to the inquiry of the gentleman from Georgia that amendment no. 8 was inserted in the Senate. It required the Bureau of Public Roads to deal directly with the county road commissions in the various counties in the States.

Mr. TARVER. It did not require it; it permitted it.

Mr. WHITTINGTON. Its purpose was for the Bureau of Public Roads to have contact directly with the county authorities. There was an amendment in the House bill for the establishing of a section of rural roads. That is amendment no. 9. Personally, I favor retaining amendment no. 9 as it passed the House. The conferees struck out both these amendments on the theory that it would be most expensive and unnecessary for the Bureau of Public Roads to establish provision for contacting about 3,000 agencies in the United States when, as a matter of fact, some of the roads would be under the supervision of the highway commission. It was thought to be a better policy to provide that the spokesman for the State—that is, the State highway commission, in all Federal-aid funds, should be the spokesman for the various county commissions in the States. There has been established in the Bureau of Public Roads, moreover, a division for the preparation of plans for secondary roads, and it was thought that the matter could be handled a great deal more efficiently by eliminating the provision that was inserted by the House inasmuch as a division of secondary roads, or county roads, had been set up in the Bureau and had permitted the contacts to be made by the State highway commissions representing the various county commissions.

Mr. CARTWRIGHT. I thank the gentleman for his further explanation.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield to the gentleman from Mississippi [Mr. WHITTINGTON] such time as he may need.

Mr. JENKINS of Ohio. I should like to ask the gentleman from Mississippi a question. I think this perhaps is a good bill; it is at least so far as I am concerned; but the gentleman will remember that 3 years ago several of us made a very heroic and successful effort for a line of demarcation between the country roads, the rural roads, and the mail roads.

Mr. WHITTINGTON. I recall that, and I am in favor of it.

Mr. JENKINS of Ohio. I call the gentleman's attention to the fact that the language of this bill states that the sums herein authorized shall be applied to secondary or feeder roads. What does this mean? Does this mean that all amounts provided in this bill shall be applied to these roads, or to what does it refer?

Mr. WHITTINGTON. Answering the gentleman's inquiry, I may say that his inquiry relates only to the $25,000,000 authorized by section 7 for secondary roads. The amount is not in conference. The only thing in section 7 that is in conference that is embraced in the colloquy here is the amendments 8 and 9. The amendment no. 8, in the language of the amendment, temporarily, during the 2 fiscal years 1936 and 1937, gives the Secretary of Agriculture in his discretion authority to deal directly with county road authorities. It was intended primarily to apply to one or perhaps two States; and, inasmuch as there was nothing compulsory about requirement, and inasmuch as we were advised that a division of roads had been set up in the Bureau of Roads, both the amendments 8 and 9, we were advised, were unnecessary.

Mr. JENKINS of Ohio. Is it not true amendment no. 8 was inserted there to take care of amendment no. 9?

Mr. WHITTINGTON. No. Amendment no. 8 is the Senate amendment and amendment no. 9 is the House amendment.

Mr. JENKINS of Ohio. May I ask the gentleman this question, which perhaps has nothing to do with the conference report, but did the conferees apportion the amount appropriated as between country roads and other roads? In other words, what percentage is involved? It seems as if it makes about 25 percent of the appropriation.

Mr. WHITTINGTON. It is the same relative amount that has been carried in emergency appropriations for secondary roads, and we have brought forward the same ratio. The ratio for secondary roads has been from about one-fourth to one-fifth, and it is one-fifth in the pending bill.

Mr. JENKINS of Ohio. It is provided by amendment no. 8 that the Federal Highway Department may have something to do with reference to where improvements shall be made on country roads.

Mr. WHITTINGTON. Amendment no. 8 was stricken out in conference. The Federal Highway Department, as the gentleman terms it, or the Bureau of Roads, has to approve all of these roads, both primary and secondary. We feel that with the Division of Rural Roads the then Bureau of Roads, the rural roads will be amply provided for.

Mr. JENKINS of Ohio. The gentleman does not mean that amendment no. 8 has been stricken out. Amendment no. 8 has been added, page 7.

Mr. WHITTINGTON. That was added in the Senate and stricken out in conference.

Under leave granted to revise and extend my remarks on the conference report I call attention to the fact that the bill as agreed to by the conferees is fully set forth in the conference report and statement of managers, carried in the CONGRESSIONAL RECORD of Monday, June 1. A brief analysis of the bill will serve to show the differences in the act as it passed the House, as it passed the Senate, and as it was agreed to by the conferees.

The conferees agreed to an amendment to section 1 and inserted paragraph (d). It provides that the Secretary of Agriculture may eliminate the requirement for matching Federal aid in the case of any State where he finds that all special taxes on motor-vehicle transportation are applied to highway purposes. The amendment is limited to the fiscal years 1936 and 1937. It does not require any additional appropriation. It does require that all gas and other taxes be applied to road purposes.

Personally, as I stated at the time the bill passed the House, I thought the amendment unwise. I agreed to the conference report because a majority of the conferees supported the amendment.

The conferees agreed to increase the authorization for forest highways, roads, and trails from $10,000,000 to $14,000,000. The authorization for forest highways has been carried in preceding highway acts. Under the act of June 18, 1934, the authorization was $10,000,000. It is not new legislation. Similar authorizations have previously obtained. Personally I favored the amount of $10,000,000. The Senate increased the amount to $20,000,000. They met the House more than halfway and the amount was agreed to in conference as $14,000,000.

The other amendments to section 3 are to provide for more efficient expenditures and to provide that contracts for forest highways shall be on a parity so far as obligations are concerned on the part of the Federal Government with contracts for Federal-aid highways.

Sections 3 and 4 were not in dispute and the authorization for roads through public lands, Indian lands, and the authorization for roads through national parks remain, the aggregate of these two amounts being $10,000,000.

Section 6 provides for an authorization of $4,000,000 for roads through Indian lands. I opposed this authorization in the House and in the conference on the ground that there was an authorization already in existence under the act of May 26, 1928. It is fair to say, however, that a similar authorization obtained in the act of June 18, 1934, known as the Hayden-Cartwright Act, and in previous appropriations.

Section 5 provides for an authorization of $10,000,000 for each of the 2 fiscal years mentioned for the construction and maintenance of parkways to give access to national parks or to become connecting sections of a national parkway plan. I favored the provision and announced when the bill was under consideration in the House that I reserved the right to support this provision. It is an authorization primarily for the construction of the Natchez Trace Parkway in the States of Mississippi, Alabama, and Tennessee, with a total length of 460 miles, and for the Blue Ridge Parkway in the States of North Carolina, Virginia, and Tennessee, with a total length of 490 miles. Provision has previously been made for both the Natchez Trace and Blue Ridge Parkways by the President out of an allocation for the Relief and Emergency Act of 1935 and out of the National Industrial Recovery Act of 1933. The work is already in progress on both of the parkways. The Blue Ridge Park connects the Shenandoah and Great Smoky National Parks. Provision will be made in the Blue Ridge and Natchez Trace Parkways for about 900 miles of highways.

As I have stated, practically all of the national parks are west of the Mississippi River. Substantially 900 or 1,000 miles of park highways have been constructed west of the Mississippi River. The pending bill carries $7,500,000 for roads in parks; it carries $2,500,000 for roads through public lands; it carries $4,000,000 for roads through Indian lands. These amounts aggregate $14,000,000. In addition, the pending bill carries $14,000,000 for forest highways, roads, and trails. National forests have been largely increased in the last 3 or 4 years, but the fact is most of the forests are west of the Mississippi River. While provision is thus made for the expenditure of $28,000,000, largely west of the Mississippi River, the provision for an expenditure of $10,000,000 on parkways east of the Mississippi River is not unreasonable. The fact is the authorizations are substantially on all fours. The aggregate of $28,000,000 for parks, forests, public lands, and Indian lands has obtained in previous highway legislation. An especially generous provision has been made for these improvements under the emergency acts.

The conferees eliminated the amendment to section 7 of the act giving the Secretary of Agriculture, in his discretion, authority to deal directly with counties or other subdivisions of the several States respecting the construction of secondary roads. The conferees also eliminated the provision requiring a section of rural roads to be established in the Bureau of Public Roads. The Director of the Bureau of Public Roads assured the conferees that there was a division of rural roads and there was no occasion for the expense incident to the establishment of a separate section of rural roads.

The State highway commissioners are the spokesmen for States with respect to Federal aid for highways. The authorities in the counties and other subdivisions can better contact the State highway commission than they can the Secretary of Agriculture. Either the States or the counties or road districts must provide for matching Federal aid for secondary roads.

The only argument in behalf of the provision requiring the enormous expenditure of setting up additional agencies to deal with more than 3,000 counties was by one or two States where some were not satisfied with the work of the State highway commissions. The answer is that the State highway commissioners are selected by the State; the State has some rights. If a mistake has been made, the State should correct the mistake. The remedy is not to multiply Federal agencies and increase Federal bureaucracy. Surely the highway commission will give as much consideration to the counties and legal subdivisions as to a bureau in Washington. Moreover, even if the amendment had been retained, the probability is the Secretary of Agriculture would not have exercised the discretion.

All Federal-aid projects, including Federal-aid highways and secondary roads, will have to be approved by the

Director of Public Roads. If the Secretary of Agriculture were given authority to deal direct with local boards, this might indirectly deprive the State highway commission of its privilege of representing the State in the location and selection of the highways.

The amendment proposed by the Senate and agreed to in conference with respect to proper protective safety devices in section 7 embraces no new matter. The conferees were advised that the expenditure of funds allocated under the Relief and Emergency Act had been made upon the conditions proposed. The amendment merely carries forward the policy that now obtains with respect to authority for the elimination of grade crossings.

Amendment 14 is a very important one. In post-exchange stores and on Government reservations gasoline and motor-vehicle fuel is being sold free from local taxes. The conferees believe that all local taxes should be collected except when the gasoline or motor-vehicle fuels are for the exclusive use of the United States. The privilege should not be extended to officials or employees when not in the actual discharge of their official duties. The conferees agreed, therefore, to provide for the collection of all taxes levied by any State, Territory, or District upon the sale of gasoline or other motor-vehicle fuel, except when for the exclusive use of the United States.

The needs for highway constructions are multiplying. The conference report should be approved.

Mr. JOHNSON of Oklahoma. Will the gentleman from Oklahoma [Mr. CARTWRIGHT] yield to me for a question?

Mr. CARTWRIGHT. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. A few minutes ago, I asked the chairman of the Committee on Roads about section 5. I asked the chairman particularly to advise the House the amount carried in this bill for farm-to-market roads as compared with the amount for grade crossings. His response was that $25,000,000 is provided in section 5 for farm-to-market roads. In another section there is provided $50,000,000 for the elimination of highway grade crossings. Was it the consensus of opinion of the members of the Committee on Roads that the elimination of highway grade crossings was twice as important as the building of farm-to-market roads? Permit me to add that I am especially interested in a farm-to-market road program, as my colleague well knows. I am also interested in eliminating dangerous highway grade crossings, but it occurs to me that the items in this bill should be reversed, giving $50,000,000 for a farm-to-market road program, and $25,000,000 for the elimination of highway grade crossings.

Mr. CARTWRIGHT. I deeply appreciate my colleague's interest in farm-to-market roads which he has always shown. But, as I stated before, the farm-to-market roads get much more from other sources. Anyway, this was settled in the passage of the bill, therefore is not involved in the conference.

Mr. Speaker, I yield 20 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, there were two or three things in this conference which were really controversial. The first was that the House committee, when considering this bill, reduced the sum in section 2 to be appropriated for forest highway road trails from $15,000,000 to $10,000,000. We felt that was all that was required. The Senate amended the House bill and provided that $20,000,000 should be appropriated for this purpose. The conferees agreed upon $14,000,000, which is $1,000,000 less than the Bureau asked for.

Mr. TABER. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that this year the bill which has just been approved for the Agricultural Department carries $8,000,000?

Mr. WOLCOTT. I am not sure, but I am willing to take the gentleman's word for it.

Mr. TABER. That is the fact.

Mr. WOLCOTT. Mr. Speaker, it would seem to me that $14,000,000 is not required for this purpose and that the amount which we originally appropriated of $10,000,000 is adequate. Inasmuch as the ranking minority member of the Appropriations Committee has stated we have appropriated $8,000,000, which was undoubtedly done as the result of hearings and at the request of the Bureau, we feel that is sufficient.

I hope it will be borne in mind during the consideration of this conference report that with the exception of amendment no. 9 the House receded on every amendment the Senate wrote into this bill. I want to particularly address myself at this time to amendment no. 5.

Mr. Speaker, if this amendment is agreed to, the Members of the House will go on record as approving the most visionary project that has ever been conceived in the mind of any man. This section, as written into the bill by the Senate, provides there shall be appropriated or authorized as an appropriation $10,000,000 for the fiscal year ending June 30, 1938, and a like amount for the fiscal year ending June 30, 1939, for the construction and maintenance of parkways to give access to national parks and national monuments, or to become connecting sections of a national-parkway plan.

The reason for this section, and the only thing behind it, is a bill which is now pending before this House to authorize the construction of a parkway 800 feet wide, except where it goes through Government forest lands, and then it is to be 200 feet wide, and 477 miles long between the Smoky Mountains National Park and the Shenandoah National Park. If you can contemplate driving over a parkway 800 feet wide seven-eighths of the distance between the Capital City of Washington and the city of Detroit, you have some idea as to what we are doing in accepting Senate amendment no. 5 to this bill.

Mr. Speaker, this $10,000,000 is merely a starter. In fact, it started before the Senate wrote this amendment into the bill. The President authorized an allotment of over a million dollars to this project, and over a million dollars to a comparable project, the Natchez Trace, running across the State of Mississippi, without any authority from this Congress, and without any authority from this House. The President on his own initiative allocated over a million dollars to each of these projects. Now they come in here and want us to put our stamp of approval on a proposition of that kind.

Mr. Speaker, what does this mean? It means that this great superhighway, 800 feet wide and 477 miles long, connecting the great Smoky Mountains National Park and the Shenandoah National Park, will ultimately cost the taxpayers of this Nation $23,500,000.

Also, it would authorize the construction of the Natchez Trace across the State of Mississippi, a survey for which was authorized by the Congress last year, with the idea that the findings would be reported back here and we would have further opportunity to be heard on the feasibility of spending the money for this purpose, which is to cost $25,000,000, and the only justification for it is that it is the route which Jackson took when he marched his army down to take New Orleans. It is a very interesting country and is a very interesting story historically, but it is going to cost us $25,000,000 to give the State of Mississippi a free highway across the State without having to match the appropriation with one dollar of State money.

This other parkway gives the States of Virginia and North Carolina a parkway 477 miles long, including a highway, without the States of Virginia and North Carolina having to match one cent of it.

The Members should know what they are doing when they are voting for amendment 5. You have called Passamaquoddy visionary, you have called the Florida ship canal visionary, you have not known what visionary projects are until you have made a study of the potentialities of amendment no. 5, and I am asking the House to use the logic which it ordinarily uses in these cases and vote down the conference report in order that we may have a separate vote upon

whether we shall recede and concur in Senate amendment no. 5 or not.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Speaker, the House Committee on Roads spent considerable time on this road bill and when we sent the bill to the Senate it was a good measure. We eliminated from the bill the various provisions that have been put back in it by the Senate. The provision that the gentleman from Michigan has just spoken about to construct nearly 1,000 miles of superhighway in four or five Southern States that is to be from 200- to 800-foot right-of-way was eliminated from the bill while it was before the House committee.

Another provision which we eliminated, but which has been now added to the bill at page 6, provides that one particular State of the Union may receive Federal aid without matching such amounts. It has always been, and is now the law, that each State that receives Federal aid shall contribute a similar amount. If we pass the bill with this provision in it, any State in the future may put itself in a position where they will not have to match Federal aid in order to get Federal money. This is amendment no. 1 in the bill and applies particularly to the State of Arkansas.

The gentleman from Michigan [Mr. WOLCOTT] has stated the objections to the other principal amendments, in all of which I concur.

Mr. Speaker, I yield back the balance of my time.

Mr. CARTWRIGHT. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Speaker, the gentleman from Michigan [Mr. WOLCOTT], in opposing amendment no. 5 of this bill, takes particular pains to inveigh against the building of the Blue Ridge Parkway, connecting the Great Smoky Mountain National Park and the Shenandoah National Park, comprising 427,000 acres in North Carolina and Tennessee and 180,000 acres in the State of Virginia. The gentleman referred to another bill, to which he objected yesterday, which he states authorizes the construction of this parkway, showing how little the gentleman knows about the subject. That bill authorizes nothing of the kind. It only authorizes the administration and maintenance of this parkway over the public lands of the United States and does not have a word or syllable in it so far as authorizing the parkway is concerned. The parkway is being constructed under title II of the National Industrial Recovery Act, which the gentleman would know if he would look into the matter.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. WOLCOTT. This amendment provides $10,000 for each of the next 2 years, and the Senate committee hearing bears out the fact that the Government is to spend $23,500,000 on the gentleman's project and $25,000,000 upon the project at Natchez Trace. I would advise the gentleman to read the hearings. When he states I do not know anything about the bill, I may say that I have read them, and I have been very careful in stating the facts correctly. Although the States furnish this land, the maintenance of the parkway after it is donated to the Federal Government will be maintained under the appropriation provided in this amendment.

Mr. DOUGHTON. The States of North Carolina and Tennessee have deeded or ceded to the Federal Government for park purposes the 427,000 acres of land in North Carolina and Tennessee and 180,000 acres in Virginia as a gift. This park land cost the States of North Carolina and Virginia $12,000,000, and I do not know how much it cost Tennessee, and this parkway is being built to connect these two great national parks and will be the property of the United States and will be maintained the same as the other national parks.

Mr. WOLCOTT. We have not authorized them to accept the land for that purpose.

Mr. DOUGHTON. This was authorized under the National Industrial Recovery Act.

Mr. WOLCOTT. That was the purpose of the bill we killed on the floor yesterday.

Mr. DOUGHTON. The parkway is already under construction. About 100 miles has already been let to contract and quite a part of it has already been constructed. The bill objected to yesterday relates only to the maintenance of the parkway and not to any authorization for the building of the roads.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield for a question?

Mr. DOUGHTON. I yield.

Mr. JENKINS of Ohio. Is it my understanding, then, that when this fantastic project is finished you will have 200,000 or 300,000 acres in Virginia and 400,000 acres in North Carolina and a parkway 477 miles long connecting these two parks, which will be 800 feet wide?

Mr. DOUGHTON. No; that is just another sample of the imagination of the gentleman from Ohio. It will be about 40 feet wide in some places and 26 feet wide in others. No 800-foot parkway is proposed.

Mr. WOLCOTT. The gentleman knows better than that.

Mr. DOUGHTON. The gentleman does not know better than that. I do not yield further to the gentleman from Michigan. The gentleman has made a misstatement, but, of course, not intentionally.

Mr. WOLCOTT. In what respect?

Mr. DOUGHTON. About the parkway being 800 feet wide.

Mr. WOLCOTT. All right; we will refer to the bill.

Mr. DOUGHTON. The bill provides for an easement of 800 feet——

Mr. WOLCOTT. I think the gentleman had better read his bill.

Mr. DOUGHTON. The gentleman not only does not confine himself to the facts, but he does not obey the rules of the House. The gentleman is so confused and so bewildered that he violates the rules of the House. [Laughter and applause.]

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Speaker, will the gentleman from Michigan use the rest of his time now?

Mr. WOLCOTT. Mr. Speaker, I yield myself 2 minutes. Now, does the gentleman from North Carolina [Mr. DOUGHTON] dispute the fact that in the bill we had under consideration yesterday he provides that this parkway is to be 800 feet wide, except where it goes through Federal forest lands, and then to a maximum of 200 feet wide?

Mr. DOUGHTON. I deny I provide for anything. It is not my bill. The gentleman does not know what he is talking about.

Mr. WOLCOTT. Has not the gentleman got his name on the bill that we had under consideration yesterday?

Mr. DOUGHTON. That provides for the maintenance, not the construction.

Mr. WOLCOTT. It provides for this parkway, and the money for that is to be appropriated under section 5 of this bill; the gentleman must know that if he knows what he is talking about. If the gentleman will look at the bill that he presented to us for consideration yesterday he will see that on the deeding of this land for that right-of-way 800 feet wide, except where it goes through Federal forest lands, and then 200 feet wide, that then the Government is to maintain it out of this $48,000,000. The gentleman ought to read his own bill if he does not know anything about it.

Mr. DOUGHTON. The gentleman has no business talking about bills that he does not know anything about.

Mr. WOLCOTT. The gentleman says he did not say that yesterday, but if he will be patient for a minute I will read the bill to him and prove that he does not know what is in his own bill.

Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, it seems to me that in considering bills of this kind we must realize that sometime the United States of America has got to come to the point where it ceases to increase the amount it appropriates instead of continually increasing it. In this bill Senate amendment no. 1 is so drawn that it can permit the Secretary of Agriculture, regardless of whether they have any legitimate gasoline taxes or not, to allocate a lot of money to supplement what they refused to raise by gasoline tax, just like the

District of Columbia refuses to do. On page 4 there is a provision which increases the amount that the House allowed for the purpose of forest highways from $10,000,000 to $14,000,000 and yet this year we are appropriating only $8,000,000. It seems to me ridiculous.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. WHITTINGTON. Is it not true—and the gentleman knows that I have opposed the increase—and is it not fair to say that the act of 1934 provides appropriations of comparable amounts for the same purpose?

Mr. TABER. I do not know about that.

Mr. WHITTINGTON. I know it is true.

Mr. TABER. I know it is $8,000,000 for 1937, and this increases the authorized amount to $14,000,000, and I do not like it. Then there is this parkway that the gentleman from Michigan [Mr. WOLCOTT] has told us about. I do not know how much it will cost, but I guarantee it will cost, if you go on on this colossal scale, from $35,000,000 to $40,000,000.

Mr. WHITTINGTON. With respect to the parkway——

Mr. TABER. How much will it cost?

Mr. WHITTINGTON. All the money heretofore expended for parks has been largely expended west of the Mississippi, and this will provide for spending money on parks and parkways east of the Mississippi, and includes only the Shenandoah and the Natchez Trace Parkways.

Mr. TABER. This will cost $200,000,000.

Mr. WHITTINGTON. It will not. The total costs of the two parkways will be about $45,000,000, as shown by the Senate hearings.

Mr. TABER. That is my information.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I cannot yield any more. Section 6, on page 6, now takes the place of an appropriation of three and a half million dollars, and this is an authorization here for $4,000,000.

Mr. WHITTINGTON. That is exactly the amount in the present law.

Mr. TABER. Three and a half million dollars is the amount carried the other day. Go over your other amendments, and the whole thing just means that we are increasing the amount authorized by a tremendous amount of money. I hope that the House will vote down the conference report.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CARTWRIGHT. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. FORD].

Mr. FORD of Mississippi. Mr. Speaker, I rise to urge my colleagues to support the conference report on H. R. 11687 and to correct the impression that some of the membership of the House may have gotten from the erroneous statement of the gentleman from Michigan [Mr. WOLCOTT]. He advised the House a moment ago that this parkway would be 800 feet wide. There is nothing whatever in this law or any other law enacted by Congress that authorizes the construction of a parkway 800 feet wide. The bill referred to by the gentleman from Michigan, introduced by the gentleman from North Carolina [Mr. DOUGHTON], known as H. R. 12455, provides that it shall be 200 feet wide.

Mr. DOUGHTON. Not more than that?

Mr. FORD of Mississippi. That is correct. Not more than 200 feet is the exact language of the bill.

Mr. WOLCOTT. Will the gentleman look at the report on the bill, on the bottom line of the first page? There he will find the following:

> The parkway will be 477 miles long and will be located on a right-of-way averaging 800 feet in width, which is being acquired by the States involved and donated to the United States, except where the location is through national-forest areas.

Mr. FORD of Mississippi. That is the right of way; that does not mean that the road will be 800 feet in width, as the gentleman has indicated.

Mr. WOLCOTT. I do not say the cement road is 800 feet wide, but the parkway is to be 800 feet wide.

Mr. FORD of Mississippi. That may be true, but the gentleman must bear in mind that the States, counties, and local communities through which the parkways run are to furnish the entire right-of-way without any cost to the Federal Government.

Mr. Speaker, the gentleman from New York [Mr. TABER] has stated that the construction of the two parkways will cost the Federal Government $200,000,000. The gentleman is in error when he makes such a statement. The construction of the Natchez Trace Parkway and the Blue Ridge Parkway will not cost anything near that amount. The Natchez Trace Parkway runs from Natchez, Miss., in a northeasterly direction across the State of Mississippi, then across the northwest corner of Alabama, and then to Nashville, Tenn., and covers a distance of approximately 460 miles. It is estimated by the National Park Service that it will cost $50,000 a mile to construct this parkway, thus taking approximately $23,000,000 for its entire construction. The Blue Ridge Parkway runs a distance of approximately 490 miles in the States of North Carolina and Virginia and connects the Shenandoah and Great Smoky Mountain National Parks. It is estimated by the National Park Service that the Blue Ridge Parkway will cost approximately $70,000 a mile, thus making the total cost of this parkway approximately $34,300,000.

Mr. Speaker, both of these parkways are historic from many standpoints. They run through great States, and the construction of these parkways at this time would afford employment to a large number who are now unemployed. I hope that my friends will join me in voting for the adoption of the conference report.

Mr. CARTWRIGHT. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Speaker, my colleague from Michigan has referred to this as a fantastic proposition. I call his attention to the fact that the development of the Shenandoah and Great Smoky parks will put within a half day's motor ride of 30,000,000 people the greatest recreational area in the United States. When this scenic drive is completed, those two parks will in 1 year be visited by more people than all of the other 22 national parks in the United States combined.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON. In just a minute.

Already, when the drive is not built, when our Shenandoah Park has not been completed, we have had more visitors to the Shenandoah National Park than any five parks in the United States combined.

Mr. WOLCOTT. Will the gentleman yield?

Mr. ROBERTSON. I yield.

Mr. WOLCOTT. Then the gentleman admits that the purpose of this bill is to build a parkway and maintain a road through that parkway 477 miles long, connecting these two parks?

Mr. ROBERTSON. Absolutely, and it is a sound proposition, to make available to the Atlantic seaboard, where you have concentration of population, this great recreational area. There those people can find surcease from the strain of our present economic life. Wildlife can be taken care of. There are free camping grounds. There is an opportunity to find healthy recreation and happiness that cannot be found in our smoke-filled cities. It is one of the soundest propositions that has ever been presented to the House.

The gasoline tax that the Government will collect from motorists using this Skyline Drive will not only provide a fund for maintenance of the highway but likewise enough to repay the capital investment. The project will bring indirect returns of a financial character by putting money in circulation. Any economist will tell you that prosperity in the country is more dependent upon the velocity of circulation than upon the amount of the circulating medium.

A few Sundays ago, accompanied by my distinguished colleague from Ohio [Mr. HOLLISTER], I drove over the section of the Skyline Drive in the Shenandoah National Park from Swift Run Gap to Panorama. We were struck not only with the large number of motorists on the drive but likewise with

the fact that at least 90 percent of the cars were from States other than Virginia. As I recall, the largest number was from New York. When a motorist starts from New York to visit an area of this character he puts money in circulation in all of the States through which he passes.

My distinguished colleague [Mr. WOLCOTT] has likewise referred to the requirement of the National Park Service of an 800-foot right-of-way for the drive in question, with a 200-foot right-of-way through property owned by the Federal Government. The metal surface of the road itself is only 30 feet wide. The Government will then acquire—and mind you every foot of it will be donated to the Government—a fee simple title to a 200-foot right-of-way. In addition to that there will be donated to the Government on each side of the right-of-way a scenic easement in an additional 400 feet for the purpose of protecting the scenic drive from unsightly roadside signs.

I, therefore, wish, Mr. Speaker, to impress upon my colleagues the fact that the Government will not spend one red cent for acquiring title to a single acre of land in either the Shenandoah National Park or the Great Smoky National Park nor for one acre of land in any of the right-of-way involved in the construction of the Skyline Drive to contact these two great parks. Everyone knows that a great natural resource is useless unless accessible. Admiral Byrd discovered some great natural resources at the South Pole, but until they are more accessible they will have no commercial value. We have great natural resources in Alaska, and the Government has been subsidizing railroads, steamship lines, and air lines to make them more accessible. When we bought Alaska it was frequently referred to as "Uncle Sam's icebox." Each year we are becoming more and more dependent upon the fisheries of Alaska, and some day we may be dependent upon the mineral resources of that vast domain.

During three seasons of the year, the spring, summer, and fall, there is a charm and beauty in the Shenandoah and Great Smoky National Parks that is not surpassed in the East. By the construction of the drive in question, we can bring within easy reach of some 30,000,000 people the scenic beauty of an Alpine drive, the best of the flora and fauna of the Middle Atlantic States, and, as I have previously indicated, an opportunity for the city dwellers to enjoy cheap and wholesome recreation. For in addition to the recreational opportunities to be offered by the two parks the drive will pass through more than 1,000,000 acres of national forests in Virginia and a large acreage in North Carolina. These national forests do not belong to Virginia and North Carolina—they belong to the Nation to be held in trust for the use and benefit of all the people. They are open to public hunting and fishing, and camping; they are open for a longer period of the year on account of climatic conditions than some of our other national parks and national forests; and lying south of north and north of south they offer not only to the sportsman but to the nature lover whose name is legion an opportunity to make contact with a wide variety of birds and animals. I hope, therefore, Mr. Speaker, that this conference report will be adopted. In addition to providing for the enjoyment of the natural resources I have mentioned, the report likewise provides for a very necessary highway program and for the first time in the history of the Nation carries a direct appropriation for the construction of farm-to-market roads.

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Speaker, there is no difference and no disagreement existing between the two Houses on this report. The gentleman from Michigan [Mr. WOLCOTT] signed the report, except as to amendment no. 5.

I call the attention of the House to the fact that this bill carries $125,000,000 for Federal aid to roads. It carries $25,000,000 for farm-to-market roads. It carries other authorizations for grade crossings, parkways, and Indian trails. If we wish to defeat this whole measure, then we should vote down the conference report, but if we are in favor of this bill, which is an infinitely better measure than when it left the House, we should vote for the adoption of the conference report.

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were ayes 74 and noes 34.

Mr. WOLCOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 238, nays 87, answered "present" 1, not voting 99, as follows:

[Roll No. 116]

YEAS—238

Adair	Dobbins	Kloeb	Richards
Amlie	Dockweiler	Kniffin	Richardson
Ashbrook	Dorsey	Kocialkowski	Robertson
Ayers	Doughton	Kramer	Robsion, Ky.
Bankhead	Doxey	Kvale	Rogers, Okla.
Barry	Drewry	Lambeth	Romjue
Beam	Driscoll	Lamneck	Russell
Beiter	Driver	Lea, Calif.	Ryan
Bell	Duffey, Ohio	Lemke	Sabath
Biermann	Duffy, N. Y.	Lesinski	Sadowski
Bland	Dunn, Pa.	Lewis, Colo.	Sanders, Tex.
Blanton	Eckert	Lewis, Md.	Schneider, Wis.
Bloom	Edmiston	McAndrews	Schuetz
Boehne	Ellenbogen	McClellan	Schulte
Boileau	Evans	McCormack	Scott
Boykin	Farley	McFarlane	Scrugham
Boylan	Ferguson	McGehee	Secrest
Brooks	Fiesinger	McGrath	Shanley
Brown, Ga.	Flannagan	McLaughlin	Sisson
Buchanan	Ford, Calif.	McReynolds	Smith, Conn.
Buck	Ford, Miss.	Maas	Smith, Va.
Buckler, Minn.	Frey	Mahon	Smith, W. Va.
Burch	Fuller	Maloney	Snyder, Pa.
Burdick	Fulmer	Mansfield	South
Cannon, Mo.	Gambrill	Martin, Colo.	Spence
Carmichael	Gasque	Mason	Starnes
Carter	Gassaway	Massingale	Steagall
Cartwright	Gavagan	May	Stubbs
Casey	Gearhart	Mead	Sutphin
Castellow	Gildea	Meeks	Sweeney
Chandler	Gingery	Miller	Taylor, Colo.
Citron	Goldsborough	Mitchell, Ill.	Taylor, Tenn.
Clark, Idaho	Granfield	Mitchell, Tenn.	Terry
Cochran	Greenwood	Monaghan	Thom
Coffee	Greever	Moran	Thomason
Colden	Gregory	Moritz	Thompson
Cole, Md.	Griswold	Murdock	Tolan
Colmer	Haines	Nichols	Tonry
Connery	Hamlin	Norton	Turner
Cooley	Harlan	O'Connell	Umstead
Cooper, Tenn.	Hart	O'Day	Utterback
Costello	Healey	O'Neal	Vinson, Ga.
Cox	Higgins, Mass.	Owen	Vinson, Ky.
Cravens	Hildebrandt	Palmisano	Wallgren
Creal	Hill, Ala.	Parsons	Walter
Crosby	Hill, Knute	Patman	Warren
Crosser, Ohio	Hill, Samuel B.	Patterson	Wearin
Crowe	Hobbs	Patton	Weaver
Cullen	Houston	Pearson	Werner
Cummings	Imhoff	Peterson, Ga.	West
Curley	Jacobsen	Pettengill	White
Daly	Jenckes, Ind.	Peyser	Whittington
Darden	Johnson, Okla.	Pfeifer	Williams
Delaney	Johnson, Tex.	Pierce	Wilson, La.
Dempsey	Johnson, W. Va.	Pittenger	Withrow
DeRouen	Jones	Quinn	Wood
Dickstein	Keller	Rabaut	Woodrum
Dies	Kennedy, Md.	Ramsay	Young
Dingell	Kenney	Rankin	
Disney	Kleberg	Reece	

NAYS—87

Allen	Blackney	Church	Culkin
Andresen	Burnham	Cole, N. Y.	Deen
Arends	Carlson	Collins	Dirksen
Bacharach	Carpenter	Cooper, Ohio	Dondero
Bacon	Cavicchia	Crawford	Eicher
Binderup	Christianson	Crowther	Ekwall

Engel	Kelly	Mott	Taber
Fish	Kinzer	O'Brien	Tarver
Fletcher	Knutson	Polk	Taylor, S. C.
Focht	Lambertson	Powers	Thurston
Gehrmann	Larrabee	Ramspeck	Tinkham
Gifford	Lehlbach	Ransley	Tobey
Gilchrist	Lord	Reed, Ill.	Treadway
Goodwin	Luckey	Reed, N. Y.	Wadsworth
Gray, Ind.	Ludlow	Reilly	Whelchel
Guyer	McKeough	Risk	Wigglesworth
Hancock, N. Y.	Main	Rogers, Mass.	Wilson, Pa.
Hess	Mapes	Sauthoff	Wolcott
Hoffman	Marshall	Seger	Wolfenden
Holmes	Merritt, Conn.	Short	Wolverton
Hull	Michener	Snell	Woodruff
Jenkins, Ohio	Millard	Stefan	

ANSWERED "PRESENT"—1

Smith, Wash.

NOT VOTING—99

Andrew, Mass.	Duncan	Kahn	Parks
Andrews, N. Y.	Dunn, Miss.	Kee	Peterson, Fla.
Barden	Eagle	Kennedy, N. Y.	Plumley
Berlin	Eaton	Kerr	Randolph
Boland	Englebright	Kopplemann	Rayburn
Bolton	Faddis	Lanham	Rich
Brennan	Fenerty	Lee, Okla.	Robinson, Utah
Brewster	Fernandez	Lucas	Rogers, N. H.
Brown, Mich.	Fitzpatrick	Lundeen	Sanders, La.
Buckley, N. Y.	Gillette	McGroarty	Sandlin
Bulwinkle	Gray, Pa.	McLean	Schaefer
Caldwell	Green	McLeod	Sears
Cannon, Wis.	Greenway	McMillan	Shannon
Cary	Gwynne	McSwain	Sirovich
Celler	Halleck	Marcantonio	Somers, N. Y.
Chapman	Hancock, N. C.	Martin, Mass.	Stack
Claiborne	Harter	Maverick	Stewart
Clark, N. C.	Hartley	Merritt, N. Y.	Sullivan
Corning	Hennings	Montague	Sumners, Tex.
Cross, Tex.	Higgins, Conn.	Montet	Turpin
Darrow	Hoeppel	Nelson	Welch
Dear	Hollister	O'Connor	Wilcox
Dietrich	Hook	O'Leary	Zimmerman
Ditter	Hope	Oliver	Zioncheck
Doutrich	Huddleston	O'Malley	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hancock of North Carolina (for) with Mr. Darrow (against).
Mr. Nelson (for) with Mr. Eaton (against).
Mr. Clark of North Carolina (for) with Mr. Ditter (against).
Mr. Barden (for) with Mr. Higgins of Connecticut (against).
Mr. Lundeen (for) with Mr. Andrew of Massachusetts (against).
Mr. Robinson of Utah (for) with Mr. Hollister (against).
Mr. Boland (for) with Mr. Gwynne (against).
Mr. Fernandez (for) with Mr. Martin of Massachusetts (against).
Mr. McMillan (for) with Mr. McLeod (against).
Mr. Merritt of New York (for) with Mr. Hartley (against).
Mr. Bulwinkle (for) with Mr. Stewart (against).
Mr. Sullivan (for) with Mr. Bolton (against).
Mr. Cary (for) with Mr. McLean (against).
Mr. O'Leary (for) with Mr. Plumley (against).
Mr. Hook (for) with Mr. Rich (against).
Mr. Fitzpatrick (for) with Mr. Halleck (against).
Mr. Kee (for) with Mr. Hope (against).
Mr. Somers of New York (for) with Mr. Doutrich (against).
Mr. Hennings (for) with Mr. Andrews of New York (against).

General pairs:

Mr. Corning with Mr. Brewster.
Mr. Lanham with Mr. Fenerty.
Mr. Sears with Mrs. Kahn.
Mr. Green with Mr. Welch.
Mr. Montague with Mr. Marcantonio.
Mr. Wilcox with Mr. Englebright.
Mr. Sumners of Texas with Mr. Dietrich.
Mr. Sanders of Louisiana with Mr. Berlin.
Mr. Gray of Pennsylvania with Mr. Harter.
Mr. O'Connor with Mr. Shannon.
Mr. Celler with Mr. Lucas.
Mr. Duncan with Mr. Maverick.
Mr. Zimmerman with Mr. Faddis.
Mr. McSwain with Mr. Lee of Oklahoma.
Mr. Chapman with Mr. Gillette.
Mr. Huddleston with Mr. Brennan.
Mr. Kennedy of New York with Mrs. Greenway.
Mr. O'Malley with Mr. Brown of Michigan.
Mr. Rayburn with Mr. Claiborne.
Mr. Sirovich with Mr. Montet.
Mr. Stack with Mr. Kerr.
Mr. Sandlin with Mr. Randolph.
Mr. Buckley of New York with Mr. Dear.
Mr. Peterson of Florida with Mr. Rogers of New Hampshire.
Mr. Schaefer with Mr. Cross of Texas.
Mr. Parks with Mr. Oliver.
Mr. Eagle with Mr. McGroarty.

Mr. PETTENGILL changed his vote from "no" to "aye."

On motion by Mr. CARTWRIGHT, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

The doors were opened.

CONTESTED ELECTION—LINCOLN LOY M'CANDLESS v. SAMUEL WILDER KING

Mr. GAVAGAN. Mr. Speaker, by direction of the Committee on Elections No. 2, I call upon a privileged resolution, House Resolution 521.

The Clerk read as follows:

House Resolution 521

Resolved, That Lincoln Loy McCandless was not elected a Delegate from the Territory of Hawaii to the House of Representatives at the general election held November 6, 1934; and

Resolved, That SAMUEL WILDER KING was elected a Delegate from the Territory of Hawaii to the House of Representatives at the general election held on November 6, 1934, and is entitled to his seat.

Mr. GAVAGAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

FEDERAL AID TO HIGHWAYS

Mr. FORD of Mississippi. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point to include some correspondence I have had about the matter.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to is as follows:

Mr. FORD of Mississippi. Mr. Speaker, for many reasons the bill which has just passed for Federal aid to highways is one of vital importance, and it has been a real pleasure for me to actively support its enactment into law.

Authorization is made in this bill for the appropriation of $125,000,000 for each of the fiscal years 1938 and 1939 for Federal aid to States for highway construction, and $25,000,000 per year for 1938 and 1939 is likewise provided for use exclusively in construction of farm-to-market roads.

The importance of farm-to-market roads is everywhere recognized. That our main highways must be constructed is beyond question, but we must not lose sight of the widespread, imperative necessity for improved rural roads. The farmer is entitled to a good road over which to carry his products to market, over which to send his children to school, and over which to travel at any time for any other purposes. Improved farm-to-market roads will mean much in the future of farm progress, and this bill certainly marks a decisive step in the right direction.

I am truly interested in making these benefits available to our people, but I also wish to direct your attention to section 5 of the bill as amended. This section carries an authorization for the appropriation of $10,000,000 for each of the years 1938 and 1939 for the construction of national parkways, including the Natchez Trace Parkway from Natchez, Miss., to Nashville, Tenn.

Mr. A. E. Demaray, Acting Director of the National Park Service, has kindly written me the following letter, which shows that $9,153,685 is to be made available by section 5 of this bill for the construction of the Natchez Trace Parkway in the States of Mississippi, Alabama, and Tennessee, and the sum of $10,846,315 is made available for construction of the Blue Ridge Parkway in the States of North Carolina and Virginia:

WASHINGTON, *May 12, 1936.*

Hon. A. L. FORD,
House of Representatives.

MY DEAR MR. FORD: In compliance with your request of May 9, a table was included in the National Park Service testimony before the Senate Post Offices and Post Roads Committee indicating a division of funds between the two national parkway projects now under construction. On the basis of the Senate amendment to

the Federal road bill, the division of the $10,000,000 annual authorization contained in section 5 of H. R. 11687 for parkway construction for each of the fiscal years ending June 30, 1938, and June 30, 1939, would be as follows:

Name and location of parkway	Total length (miles)	Estimated cost per mile	Estimated mileage and cost of proposed work			
			1938: $10,000,000 authorization		1939: $10,000,000 authorization	
			Miles	Cost	Miles	Cost
Natchez Trace	460	$50,000				
Mississippi			60.5	$3,026,316	67.4	$3,368,421
Alabama			4.7	236,842	6.3	315,790
Tennessee			20.2	1,048,421	22.2	1,157,895
Total			85.4	4,311,579	96.9	4,842,106
Blue Ridge	490	70,000				
Virginia			32.9	2,305,790	34.6	2,421,052
North Carolina			48.3	3,382,631	39.1	2,736,842
Total			81.2	5,688,421	73.7	5,157,894
Grand total	950		166.6	10,000,000	170.6	10,000,000

Sincerely yours,

A. E. DEMARAY,
Acting Director, National Park Service.

The construction of a paved roadway along the historic old Indian trail running 460 miles from Natchez to Nashville is a matter of real importance to the people of my district as well as of similar interest to all those who live anywhere along the route.

On February 20, 1934, Senator Hubert D. Stephens, who was then a United States Senator from Mississippi, introduced a bill (S. 2825) authorizing the appropriation of $50,000 for a survey of the Natchez Trace, and this bill, after passing both the Senate and the House, became a law on May 21, 1934. I found, however, when I came to Congress, over 7 months later, that the survey work for which the Senator's bill had provided had not been begun. In keeping with my official obligation to the people interested in the construction of the parkway, and because of my own personal interest in behalf of this great undertaking, I was happy to take steps immediately to secure early action. After numerous conferences with officials of the Bureau of Public Roads and of the National Park Service, the survey was actually begun in February 1935, with Engineer F. L. Brownell, of the Bureau of Public Roads, in charge.

After the survey work was assured I received the following comments in letters from the persons whose names are signed:

NATCHEZ, MISS., *March 17, 1935.*

We are very deeply grateful to you for introducing the bill for the paving of the Natchez Trace, and we are equally grateful for your efforts to get the survey started.

MRS. FERRIDAY BYRNES,
President, the Natchez Trace Association.

The Natchez Trace Association greatly appreciates the splendid work which you have done in our behalf in getting the Natchez Trace advanced to its present status.

RALPH L. LANDRUM,
Secretary-Treasurer, the Natchez Trace Association.

Mr. Speaker, I have a large number of similar letters on file in my office from people in various counties through which the Natchez Trace runs.

In the meantime, on February 6, 1936, I introduced a bill in the House of Representatives, H. R. 5436, authorizing the appropriation of $25,000,000 for the construction and maintenance of the Natchez Trace Parkway, the construction to be effected along the route to be determined by the survey just being started at the time of the introduction of the bill. Congressman DAN R. MCGEHEE, of Mississippi, introduced a similar bill in the House of Representatives, and Senator HARRISON introduced a bill for the same purpose in the Senate.

In the House my bill went to the Committee on Roads, the same committee that approved and reported the bill which we passed a few minutes ago, containing the authorization of $20,000,000 for national parkway construction. I am happy to see this permanent legislation bearing the same effect as proposed in my bill.

The work of the preliminary survey begun in February was completed early in June, and I began a movement for the allocation of some funds from the $4,880,000,000 works relief appropriation for construction of the Natchez Trace.

When Congress reached adjournment of the session on August 26, the desired allotment had not been secured, although wonderful progress in that direction had been achieved. I was anxious to get home, but I delayed my return to the district because of plans I had made in regard to additional attempts to secure the funds so much desired. At the time I left for home the outlook for securing the funds for the construction of the Natchez Trace Parkway appeared very bright, indeed. I went all over the district, seeing the people and giving them the opportunity to personally discuss with me any matter of importance to them with which I could be of any assistance. After I had visited in every county, I returned to Washington to continue my efforts in behalf of the Natchez Trace and other projects to be paid for with money taken from the $4,880,000,000 works-relief funds.

Success came, Mr. Speaker, on November 20. Just before leaving on a vacation trip to Warm Springs, Ga., the President of the United States directed that $150,000 be set aside for further survey work preparatory to the construction of the Natchez Trace Parkway, and he also directed that $1,350,000 be allotted for actual construction between Natchez and Tupelo, Miss. This money is still available, and will remain available until entirely expended on the Natchez Trace.

At this point I express my thanks, and the thanks of my people, to every member of the Mississippi delegation in this House and to our United States Senators for their generous assistance in behalf of the construction of this parkway. I would not forget to thank our distinguished Speaker and the other Members of the House who have so willingly contributed to the success of this cause.

At this time I ask unanimous consent to insert in the RECORD letters I have received from the Speaker of the House and a member of the Committee on Roads.

WASHINGTON, D. C., *May 23, 1936.*

Hon. A. L. FORD,
House of Representatives, Washington, D. C.

MY DEAR COLLEAGUE: Acknowledging your letter of recent date, I am very happy to bear testimony to your valuable work and assistance in securing an appropriation for the Natchez Trace, in which I am also interested, because it originates in my home city.

You have been active in this matter from the beginning of your service, and I am sure it is very pleasing to you that the work is bearing fruit.

With kindest regards, I am,
Sincerely your friend,

JOSEPH W. BYRNS,
Speaker of the House of Representatives.

WASHINGTON, D. C., *June 2, 1936.*

Hon. A. L. FORD,
House of Representatives, Washington, D. C.

MY DEAR FORD: The conference report has been submitted on H. R. 11687, to amend the Federal Aid Highway Act, etc. It shows an agreement on amendment no. 5, placed in the bill in the Senate, which authorizes $10,000,000 annually for 2 years for the construction and maintenance of parkways to give access to national parks and national monuments over lands to which title has been transferred to the United States. I am confident that the House will adopt the conference report by a large majority.

This parkway amendment will provide funds for the construction of the parkway on the Natchez Trace, and several million dollars will be allocated to this work. As one of the conferees, I wish you to know how deeply I appreciate the invaluable aid and interest that you have shown in this item. You have been most active in presenting this matter from the time that it was inserted in the bill in the Senate, and this satisfactory conclusion I am sure is most pleasing to you.

With all good wishes, I am,
Sincerely,

LINDSAY C. WARREN,
First District of North Carolina.

Including the amount provided in this bill and the amount set aside by order of the President, the sum of $10,653,685

has been definitely authorized for the Natchez Trace since I came to Congress on January 1, 1935.

I am delighted that the efforts in behalf of this important roadway have been so successful. Success now makes all the hard work which was done seem very light, for it will be a happy privilege to go back to my people and tell them that they are certain to have a beautiful paved road along the Natchez Trace.

Mr. GIFFORD. Mr. Speaker, I desire to renew the request I made yesterday.

The SPEAKER. The Chair cannot recognize the gentleman for that purpose until after the special orders are disposed of.

Under the special order heretofore made by the House, the Chair recognizes the gentleman from New York [Mr. DICKSTEIN] for 15 minutes.

Mr. DICKSTEIN. Mr. Speaker, I shall present, without personal prejudice and without malice and without personal grudges against any group in these United States but as a Member of this body, a matter which I think it my duty to present in a calm and dispassionate way and without personal animosity.

I am addressing myself in behalf of a resolution to investigate the Black Legion and other domestic subversive movements in the United States. I am presenting this matter so that the House may pass upon it. The responsibility is not mine but that of this House of the Congress of the United States as to whether that resolution will be adopted before adjournment or not.

In 1933 the House created a committee to investigate foreign and domestic subversive agitation and movements in the United States originating abroad. That committee had for its chairman the gentleman from Massachusetts [Mr. MCCORMACK]. I am sure, Mr. Speaker, the Members will agree with me when I say that committee was responsible for destroying much foreign propaganda within the United States. As a result of that committee's activities, not only were we able to deport many aliens who were advocating foreign movements in this country, but we exposed a lot of foreign subsidized propaganda within our borders.

However, we are faced now with a greater responsibility—that is what to do about the recent exposure of what is known as the "Black Legion."

Mr. Speaker, it is a real menace. It has spread through 11 States, and statements have even been made to the effect that it had extended operations into 15 States. It started as a racketeering group and then developed into a political machine making attacks upon certain Members of Congress and certain people in Washington. It spread so fast that it is almost impossible to keep up with them.

Members of Congress have asked why cannot the Department of Justice take care of the situation? The Department of Justice cannot take care of it because, in the first place, Mr. Speaker, today the investigator in Michigan is investigating the investigator and even a part of the police department are members of the organization; and in the second place, a certain number of fine people in Michigan, including a certain judge or two, are involved in the outfit. It has spread, as I said, into 11 States of the Union and they claim a national membership of 6,000,000, although I do not credit them with such a large membership.

What can the Department of Justice do? Make an investigation, and then what? There is not a Federal law upon which they can prosecute so as to destroy this menace, whether it is black, white, green, brown, or blue.

Oh, I know. Some Members of Congress perhaps resent my getting on this floor because I happen to be of Jewish faith, but I still claim to be an American, just as good as they are, and I want to see that everything that is done shall be done for the welfare of all the people of my country. [Applause.]

This resolution is not directed against one particular group. I warn this Congress now that it is about time we put the searchlight upon every organization in this country that is taking the law into their own hands and seeking to destroy the foundations of this Republic.

Is it serious? It is very serious when you find men in the Reserve Corps of the United States Army, who are officers in the State Militia of Michigan, directing this group. When you find they take cavalry horses from the State troops and Army to use in their night riding, I say it is serious.

The origin of the Black Legion can be definitely traced to correspondence between "John Doe", an officer in the Reserve forces of the United States Army, a Medical Corps officer attached to the National Guard of the State of Michigan. I do not wish to give his name now but I am going to present original documents to the Committee on Rules at the proper time. This correspondence was carried on with the Silver Legion, another so-called patriotic organization with headquarters in Asheville, N. C., and in Oklahoma City, Okla. The intention at that time was to enlarge the scope of the activities of the Ku Klux Klan in Detroit and begin a sort of superklan which eventually became the Black Legion which is now operating in 11 States.

Capt. "John Doe" is now in the Reserve Corps of the United States Army, a high-ranking medical officer in the State militia of Michigan, attached to a cavalry unit of that organization, and the trainer of the night-riding Black Legion. His correspondence with officials at the headquarters of the Silver Legion—William Dudley Pelley; Harry F. Sieber; Maj. L. L. Powell, chief of staff; and Capt. Robert Summerville—reveals a direct hook-up between the Ku Klux Klan, Colonel Hadley's Paul Reveres, Silver Shirts, and the Black Legion. I am going to present this correspondence to the Committee on Rules.

Now, listen to this, my friends. Capt. "John Doe", in writing to Robert Summerville, of the Silver Legion, on October 20, 1933—that is just the time this organization was created—has this to say:

> The Klan is growing with unbelievable rapidity. Inside of a month I predict a membership of 50,000. I am working very closely with them. I wish it was so that you could send an organizer here to work full time. My time is so taken that I do not have time to get more than 4 hours' sleep a night. Hope to have 50 klansmen mounted in 2 weeks' time.

The same Capt. "John Doe" wrote several other letters in which—and there is no question of doubt about it and no Member of this House can contradict it—this same Capt. "John Doe", who is a responsible officer, said he had contacted a number of other officers in the Army and had approached them upon the question of joining this movement. He has gone so far as to state that he is conducting classes and that he has about 20,000 or 50,000 ready to do the night riding any time the call is necessary.

In another letter that I have, without mentioning this officer's name, he told his colleagues in this black, white, blue—whatever you want to call it—organization that when the call for service came, and that it might come very soon, they expected bloodshed in Michigan. In another letter he said it had been decided that the family, especially wives and children, of every member of these particular groups should leave the State of Michigan when the bloodshed was to begin.

In another letter, this Capt. "John Doe" writes—I quote:

> Training of the volunteer Klan cavalry troop continues without interruption.

Now, all that and more appears over the signature and in the handwriting of this particular Capt. "John Doe", and I am prepared to present these original documents to the Rules Committee for consideration.

Mr. Speaker, I am not seeking a chairmanship, or membership, on any committee. I present the facts to the House so that the Committee on Rules may thoroughly examine them and prove to the House that this is a national menace, which is spreading throughout the country. It is stirring up a hatred, intolerance, and resorting to murder, if you please, in order to accomplish its result. Irrespective of the fact that I happen to be of the Jewish faith, I stand upon this floor today and beg of you to throw the searchlight of the Congress of the United States upon all of the "shirt" organizations—the blacks, the blue, the green, and the brown—and let us clean house of them all.

Mr. CONNERY. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Massachusetts.

Mr. CONNERY. It seems to me it does not make any difference to the Members of the House whether a Member is a Jew, Catholic, or Protestant. He is a Member of the House of Representatives, and I do not think any Member of the House should stand for murder or for the outrages mentioned by the gentleman from New York.

Mr. DICKSTEIN. I thank the gentleman.

A letter dated October 24, 1933, within a month after this organization was organized, addressed to the Silver Rangers Organization in Oklahoma, reads in part as follows:

Thursday night I start the Klan cavalry instruction. Have 20 in the first class. That is all the mounts that will be available. They hope to purchase mounts. We anticipate riot duty here before long, at least early in the spring or late winter. The local papers are mentioning the formation of tribunals in connection with the N. R. A. That word chills my bone marrow. Reminds me of the Spanish Inquisition, Russian and French revolts, and now we have them proposed for this country; wonder what next? I am mailing a letter to field headquarters this morning concerning Silver Rangers unit here. Would like to join forces there. Animal instinct, to hunt with the pack, but feel that my first duty is here, although it is very discouraging at times. Succeeded in waking up the battalion commander, and now I'm going after the colonel of the regiment.

He is talking about colonels and commanders within the State Guard as the Reserves of the United States Army.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman may have 10 additional minutes.

The SPEAKER pro tempore (Mr. MURDOCK). Is there objection to the request of the gentleman from Massachusetts?

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object, but do so only because I do not want to take the gentleman's time, may I ask the gentleman from New York [Mr. DICKSTEIN] why he does not place everything he has in his possession in reference to this matter before the War Department and the Attorney General of the United States? If he will do that they will handle this thing in a proper and legal way to stop it. The War Department has control over all of the officers the gentleman has mentioned.

Mr. SADOWSKI. I will answer the question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. SADOWSKI. Mr. Speaker, reserving the right to object, to answer the question asked by the gentleman from Texas [Mr. BLANTON].

The Department of Justice has already been approached on this matter. The Attorney General has already been contacted, and has expressed the view that he does not see how the Department can enter into this case. He states that nothing has been presented which would show a Federal offense of an interstate nature, but if such evidence was presented he would be willing to enter into the case. Nevertheless let us remember that we do know these things which have been stated by the gentleman are facts and exist; that the State police of Michigan were aware of this condition last August when they arrested some of these men with guns or found guns in certain cars. But nothing was done. The Governor of the State of Michigan has known about it. It does not look as if the State police and the Governor of our State are going to do much of anything about the matter.

Mr. BLANTON. Mr. Speaker, still reserving the right to object, only to use my own time and not the gentleman's, I may say if this is wholly within the State of Michigan it is a State matter, and the State authorities of Michigan ought to handle it, and Congress has nothing to do with the matter. If it ever crosses the line from Michigan into another State it becomes a national matter, which the Congress should then look into, and the Attorney General of the United States would then handle it. The War Department has control over the officers whether it is wholly in Michigan, or in some other States also.

Mr. SADOWSKI. I may say to the gentleman from Texas that the reason the State of Michigan, I believe, has not taken any part in this prosecution, or at least the way they ought to, is because of the fact these men have been affiliated with the Wolverine Republican Club and other Republican organizations. They have worked closely with the Republican Party in about four large counties in Michigan, and have been the backbone of the Republican Party in those four counties. For this reason they have not seen fit to interfere.

Mr. BLANTON. The State of Texas was able to handle night riders there and to break it up, and Michigan could do likewise.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman referred to the use of force and violence by this organization. I want to call the attention of the Members of the House to the fact that the special committee reported a bill making it a crime for anyone to knowingly and willingly—and please note those words—advocate the overthrow of the Government of the United States by force and violence. This bill has been reported by the Committee on the Judiciary and is now in the Committee on Rules. I cannot even get a hearing on the matter.

Mr. SHORT. Will the gentleman yield?

Mr. DICKSTEIN. For a brief question.

Mr. SHORT. Does not the distinguished gentleman from Massachusetts [Mr. McCORMACK] feel that every Republican believes in that bill as much as any Democrat?

Mr. McCORMACK. Absolutely.

Mr. SHORT. I am glad he does not agree with his colleague from Michigan that the Republican Party is the sole repository of all the rascality in this country.

Mr. McCORMACK. I do not think the gentleman meant that.

Mr. SHORT. What did he say?

Mr. McCORMACK. Oh, we are not going to impugn anything to a political party. The gentleman said this happened in four counties, where they were associated with a certain organization.

Mr. DICKSTEIN. Mr. Speaker, the matter before the House at this time is a matter of vital interest to both parties in this House, and I hold the Republicans just as much responsible as the Democrats for not throwing the searchlight upon this particular menace in our country.

Now I am talking again of the same Capt. "John Doe", with respect to another letter which he received from the Silver Shirt headquarters. I quote:

I sent a letter by air mail to Captain So-and-So from headquarters. I heartily approve of what you say with respect to the effectiveness of the Klan organization and the Paul Revere organization, paralleling Silver Shirts' work. It is the ultimate principle for which we are working, and it is testimony from all concerned that they can hold the front-line trench in Detroit until we are ready to come in with our organization (the Black Legion). However, I would make it mighty hot for the leader of the Klan in Detroit.

In another letter this Capt. "John Doe" says:

Succeeded in waking up the battalion commander, and now I'm going after the colonel of the regiment. Tonight out to talk with major of third squadron, One Hundred and Sixth Cavalry Regiment, and tip him off to a few practice mobilizations to see how quickly they can get ready for field duty in Michigan. Am springing a trial mobilization in my company. These Army officers are dumb—dumb—dumb.

Now, I want you to listen to this question. I think I read up to the point where they said they would make it hot for the Klan in Detroit for not giving credit where credit belongs:

Emphatically, Capt. "John Doe", there is no organization that is much on the firing line as we are, or working as intensely with espionage officers.

Of where? Espionage officers in the Reserves of the United States Army and men in the State armories of Michigan.

Just thing of it, American Army officers. High-ranking members of that great body of Reserve Officers in the United States Army are a part and parcel of this subversive, domestic, 104-percent superpatriot group to save this country. They say they are going to save this country and, if necessary, use bullets just as they have already demonstrated they will.

In a letter dated September 30, 1933, this same captain says:

> I am in close contact with a large number of Army officers here, and am cultivating their friendship all I can. I also am planning on spending one night a week downtown learning all I can, and, as interesting material appears, I'll send it on to you. I am getting a lot of recruits.

Where is he getting the recruits? From his colleagues in the Reserves of the United States Army—from his colleagues in the State Militia of Michigan.

> I may say I have this under control. I wish to be kept at the present time incognito, because I cannot, at the present time, show my hand.

Yet you want to tell me that the Department of Justice can investigate this activity. After they make an investigation what is going to happen? There is not a law now and we do not know what laws to pass to eradicate this un-American menace.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. For a brief question, yes.

Mr. LESINSKI. The aliens are not involved in this?

Mr. DICKSTEIN. Not one alien. It is all domestic, 110-percent stock of Americans.

Mr. Speaker, I appreciate the opportunity you have given me here today and I am only presenting the facts.

Mr. SADOWSKI. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. SADOWSKI. It has been developed, has it not, that members of the local police departments belong to this organization and for that reason it is difficult to see how you can have the full confidence of the local police in grappling with this problem and therefore it is necessary to get outside help.

Mr. DICKSTEIN. As I started off by saying, they are organized, in my opinion, in 11 States that I have proof of—not 15 States.

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. KRAMER. Does the gentleman know that they are now organizing in southern California?

Mr. DICKSTEIN. They are there now. They did not have to organize in southern California, because they have been there for years.

Mr. KRAMER. I have information that they are organizing in southern California now.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. For a brief question; yes.

Mr. MAPES. I have not had the privilege of hearing all that the gentleman has said or all of the interruptions, but if my memory serves me correctly, I read a long telegram from the prosecuting attorney of the county of Wayne, of which the city of Detroit is the county seat, asking the Attorney General for assistance and as I understand, the request was denied.

Mr. DICKSTEIN. The request was denied by the Attorney General. That is my understanding.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. McCORMACK. I think it is only fair to clear up this situation. The Department of Justice has consistently taken the position that until there is a violation of a Federal law they are not justified in sending Federal authorities into a State. When I was chairman of a special committee we took up the question with the Department of Justice and went into it very thoroughly. The position they take is that until there is a violation of a Federal law, they cannot act, and I think their position is that up to the present time there has been no violation of a Federal law shown.

Mr. DICKSTEIN. Now, Mr. Speaker, I want to refer to just a few more very important quotations from the correspondence of this Capt. "John Doe" which impresses me very strongly.

Under date of October 17, 1933, this Capt. "John Doe", of the Michigan State Militia, a part of the United States Army Reserves, wrote to the headquarters of the Silver Shirt organization as follows, in part:

> Sunday afternoon the Klan are to hold a closed meeting and start a drive for 10,000 membership. There is no doubt but that they will succeed. Out of that number there are to be picked a number and they are to be turned over to me for military drill and training * * *.

Again, under date of October 20, 1933, this Capt. "John Doe" writes to the same Silver Shirts headquarters, "I pledge myself to your cause."

In another letter he wrote:

> I feel that the next Congress will be the last one. What will be our next step as Army officers? Will the Army stay with the dictator or with the people?

Mr. Speaker, I am sure you will agree that the situation is serious, when correspondence of this character passes between a Reserve officer of the United States Army on active duty with a National Guard organization and the officials of a subversive group of native Americans. I say it reveals a very serious state of affairs which Congress should investigate at once.

Now, Mr. Speaker, there is another phase of the present situation as developed in the current agitation in Michigan.

The public press, under dating of May 23, 1936, carried the statement that Officer Edward Johnson, of the State police, stationed at Jackson, Mich., had said the oath subscribed to by new members of the Black Legion reads, in part, as follows:

> I further pledge my heart, my brain, my body, and my limbs never to detray a comrade; that I will submit to all the tortures that mankind can inflict and suffer the most horrible death, rather than reveal a single word of this my oath.
>
> Before violating a single clause or implied pledge of this my obligation, I will pray to an avenging God and an unmerciful Devil to tear my heart out and roast it over flames of sulphur; that my head be split open and my brains be scattered over the earth; that my body be ripped open and my bowels be torn open and fed to the carrion birds; that each of my limbs be broken with stones and then cut off by inches that they may be food for the foulest of birds of the air; and, lastly, that my soul be given into torment; that my body may be submerged in molten metal and stifled in the flames of Hell; and that this punishment may be meted out to me through all eternity.

Now, Mr. Speaker, that is not all in this subversive movement. These people have a military organization under the direction of a leader who is referred to as the commander in chief. They require members of this subversive military organization to take upon themselves a separate oath. According to the public press of May 29, 1936, this military oath of allegiance reads in part as follows:

> I solemnly swear I will obey the orders of Harold Dugas, my commander in chief, and the orders of officers appointed by him.

Mr. Speaker, during the investigation conducted during the Seventy-third Congress by the special committee on un-American activities, a very great deal of evidence was submitted in such form that the committee could not possibly study all of the interlocking of these various movements under different names. But we did secure enough information to satisfy most of the committee members that almost all of these organizations were operating on the same general principle and were attempting to carry out much the same program.

Therefore, in the resolution I have introduced you will find a few of these organizations specifically named as the objects of the proposed investigation.

For the purpose of information to the Members of the House, I will, under the leave granted to revise and extend

my remarks, insert at this point of my remarks the text of House Resolution No. 527, which reads as follows:

Resolution

Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee, to be composed of seven members, for the purpose of conducting an investigation of (1) the extent, character, objects, and sources of revenue of the Black Legion, the Black Shirts, the Christian Party, the A. B. C. Legion, of New York City, the Robert Edward Edmondson Organization, of New York City, and similar organizations which spread un-American propaganda and are engaged in un-American activities in the United States; (2) the extent and methods of diffusion within the United States and the sources of any un-American subversive propaganda that is instigated either from foreign countries or from domestic sources and which attacks the principle of the form of government guaranteed in our Constitution; (3) the source of revenue and method of distribution thereof used within the United States for the propagation of religious, racial, or subversive political prejudices contrary to the American principles; (4) and all other questions in relation thereto that would assist Congress in any necessary remedial legislation, including any necessity for amendments to the postal laws that may be required to bar the publications of these subversive organizations from the United States mails.

Such special committee, when organized, is hereby authorized to have custody for its use all the records, documents, files, and other papers which were in the possession of the special committee of the House of Representatives, which was appointed and operated pursuant to H. Res. 198, H. Res. 199, and H. Res. 424, of the Seventy-third Congress, second session.

Such special committee is authorized to request the fullest cooperation in the conduct of this investigation from the Department of Justice, the Post Office Department, and such other departments of the Government that the committee may deem necessary, including access to all files from such departments pertinent to the investigation, and use of such employees and facilities of such departments as may be advantageous to the conduct of such investigation.

That said special committee, or any subcommittee thereof, is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it may deem necessary.

Subpenas shall be issued under the signature of the Speaker of the House of Representatives at the request of the chairman and shall be served by the Sergeant at Arms of the House or any person designated by him. The chairman of the committee or any member thereof may administer oaths or affirmations to witnesses.

Every person who, having been summoned as a witness by authority of said committee, or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, or who, having been required to produce books, papers, and documents pertinent to the investigation heretofore authorized, fails or refuses to produce such required books, papers, and documents, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States, as amended.

Now, Mr. Speaker, I have concluded my remarks. I trust I have been able to convince the Members of the House that this is a very serious situation concerning the activities of the Black Legion, and I also trust my remarks will contribute to the adoption of this resolution by an overwhelming vote on the floor of this House when the Rules Committee reports the resolution to the House. I thank you.

[Here the gavel fell.]

Mr. MAPES. Perhaps the gentleman from Massachusetts saw the telegram to which I refer.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman from New York may proceed for 5 additional minutes.

Mr. TAYLOR of South Carolina. Mr. Speaker, I object.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman from New York may proceed for 2 additional minutes.

Mr. TAYLOR of South Carolina. I object, Mr. Speaker.

The SPEAKER pro tempore (Mr. MURDOCK). Under the special order of the House, the gentleman from Mississippi [Mr. RANKIN] is recognized for 30 minutes.

Mr. RANKIN. Mr. Speaker, my object in taking the floor at this time is to discuss briefly the power policies of this administration, to answer some of the criticisms that have been advanced, and to refute some of the false and misleading statements that have been made with reference to the Tennessee Valley Authority.

Let me repeat what I have said in this House before, that, measured in real benefits to the American people, the Tennessee Valley Authority is one of the greatest organizations ever connected with this or any other Government. In bringing cheap electricity to the people in that area and supplying a yardstick as a measurement for reasonable light and power rates, thereby forcing a reduction of rates to the ultimate consumers in every State in the Union, the T. V. A. is rendering a service to humanity that simply cannot be overestimated.

ELECTRICITY LIFEBLOOD

Electricity is the lifeblood of an advancing civilization. The lower the rates the more freely it flows, and the more freely it flows the greater are its benefits to mankind.

It is no longer to be regarded as a luxury, reserved for the fortunate few, but it has become a necessity and should be placed within the reach of all, and supplied to them at rates the people can afford to pay.

The great wealth of hydroelectric power in our navigable streams that throughout untold centuries has been running wasted to the sea is more valuable than all the gold fields, oil wells, and diamond mines the world has ever known.

It lights the home, it cooks the meals, it heats the house, pumps the water, runs the radio, washes the clothes, scrubs the floor, heats the iron, grinds the feed, and does a thousand other things to render the home cheerful and attractive and to lift from the shoulders of the housewife the endless burdens of drudgery she has borne since the beginning of time, to say nothing of its value in turning the wheels of industry, operating our transportation system, aiding commerce, and contributing to the advancement and application of science.

It is the greatest home builder of all time. It adds brilliance and luxury to the palaces of the rich and brings cheer and comfort to the cabins of the poor. It is the rightful heritage of all mankind and should be made available to and used for the benefit of all.

The hydroelectric power in our navigable streams and their tributaries is public property, national wealth, and should be used for the benefit of all the American people now living as well as the ones that are yet to come.

The Tennessee Valley Authority, in addition to promoting navigation and controlling floods, is generating electricity to be supplied to the people at rates they can afford to pay—rates based upon the cost of production and distribution.

For more than 2 years now, the T. V. A. has been selling power at wholesale to certain municipalities and cooperative associations in the district which I have the honor to represent in northeastern Mississippi, as well as in northern Alabama and southern Tennessee, while they in turn have been selling at retail to the ultimate consumers at what is called the standard T. V. A. rates. Those rates have been so reasonable and the results so gratifying that they have created a Nation-wide demand for similar developments.

The people throughout the entire country have become aroused and the demand for cheap light and power rates is now sweeping the country with such irresistible force that to argue against it is as futile and as foolish as it would be to stand upon the seashore and argue against the incoming tide.

ANSWER TO PROPAGANDIST

Yet a few paid power propagandists and high-salaried officials of useless holding companies continue their campaign of criticism, vilification, misrepresentation, and abuse, with just about as much effect as if they were attempting to control the change of the seasons or stay the march of time.

Here is a fair sample of their futile efforts. In what he calls his annual report to the stockholders, Mr. Wendell L. Wilkie, president of the Commonwealth & Southern, one of the large utility-holding companies, owning and controlling certain operating power companies throughout the country, makes this ridiculous assertion:

Whenever a citizen of Tupelo, Miss., turns on the electric switch, everybody in the United States helps to pay his electric bill.

Of course, that statement is not true. But it is a fair sample of the false and misleading propaganda with which

the Power Trust has been flooding the country for the last few years in their efforts to hamper the power program of this administration and to discredit the Tennessee Valley Authority.

Mr. Wilkie singles out Tupelo because that city was the first to secure power from the T. V. A., and has been a leader in the movement to provide reasonable light and power rates to the ultimate consumers. His criticism of Tupelo, if it contained any truth in fact, would also apply to Corinth, Iuka, Booneville, Amory, Fulton, Baldwyn, Pontotoc, New Albany, Nettleton, Belmont, Tishomingo, Guntown, Saltillo, Shannon, Verona, Athens, Ala., Pulaski, Tenn., and all the other cities, towns, and rural communities in Mississippi, Alabama, and Tennessee that are now enjoying the use of cheap electric lights and power from Muscle Shoals. I say cheap, because these rates are cheap compared to what these same people were paying the Commonwealth & Southern for lights and power before the T. V. A. Act was passed, and compared to the exorbitant rates now being charged by private power companies throughout the country.

If I wished to retort in kind, I could truthfully say that whenever a citizen of the United States who is compelled to purchase his electricity from a private power company that is owned or controlled by one of these so-called holding companies, such as the Commonwealth & Southern, turns on the electric switch, he pays an extra amount, averaging two or three times that of his legitimate power bill, as tribute to the Power Trust—that gigantic octopus that sprawls over the United States, reaches its loathsome tentacles into every home, every store, every garage, every filling station, every business house, every church, every schoolhouse, and every factory that uses electric energy, and takes from them an overcharge that averages more than $1,000,000,000 a year. [Applause.]

I will prove this statement before I close. I will cite the record and make it so clear that any schoolboy with reasonable intelligence can figure it out for himself. I will make it so plain that the Republican "brain trust" cannot misunderstand it—even with the aid of a Power Trust propagandist, such as Mr. "Windy" Wilkie, of the Commonwealth & Southern.

This program is saving for the people of this country the hydroelectric power of the Nation. It has given us a yardstick for the measurement of light and power rates to show what electricity is really worth, brought about a reduction to the present consumers of hundreds of millions of dollars a year, and for the first time in history made it possible for the people in the rural districts, the farmers of the Nation, to enjoy the use of electric energy at rates they can afford to pay.

But Mr. Wilkie, in the same report, says that—

> Our operating companies in that area could lower their rates at least 25 percent below the Tennessee Valley Authority rates if they were given the same gifts from the Federal Treasury as are given to the Tennessee Valley Authority.

Let us turn to the record and see what the facts are.

Let me again remind the House that in 1929, at the peak of high prices, the heyday of Hoover prosperity, the then president of the Commonwealth & Southern was drawing a salary of $43,790 a year. The panic came on, prices went down, hungry men, women, and children crowded the streets of our towns and cities, while farmers' homes were swept away for debts, or sold to pay their taxes—yet by 1932, the very pit of the depression, in probably the darkest hours this Nation has ever seen, when the values of the stocks of the Commonwealth & Southern, as well as the stocks in all the operating companies they own or control, had sunk to the vanishing point, the salary of the president of the Commonwealth & Southern had been raised from $43,790 a year in 1929 to $130,140 a year in 1932.

The people I represent were helping to pay this graft, which a candidate for President of the United States at that time branded as "theft within the law."

This same Commonwealth & Southern, through its operating companies, was buying power from the Government at Muscle Shoals at that time for 2 mills a kilowatt-hour and selling it to domestic consumers within a few hundred yards of the dam at 10 cents a kilowatt-hour—a profit of 4,800 percent.

Why did not the Commonwealth & Southern sell it to the ultimate consumers then 25 percent below what those consumers are paying for it now, when the Commonwealth & Southern itself was buying it 65 percent below what these municipalities and cooperatives are paying for it now? Instead of selling it 25 percent lower, they were actually selling it to the consumers at an average of from 300 to 800 percent higher, as I shall show in a moment.

As I said a moment ago, the T. V. A. does not sell power at retail, but sells it wholesale to these municipalities and cooperative associations; they in turn retail it to the ultimate consumers.

The T. V. A. does not sell power at retail, but sells it wholesale to these municipalities and cooperative associations; they in turn retail it to the ultimate consumers.

The city of Tupelo, and all the other municipalities and cooperatives that use T. V. A. power, buy it wholesale for about 6 mills a kilowatt-hour and retail it at what they call the standard T. V. A. rates, which I shall give you in just a moment.

If this Commonwealth & Southern was paying the Government a profit, as the Army Engineers' report shows it was, when buying this power at 2 mills a kilowatt-hour, then surely these municipalities and rural cooperatives are paying a profit for it when they buy it at 6 mills a kilowatt-hour.

ACTUAL COST OF ELECTRIC POWER

As I said, the Army Engineers, in charge of Muscle Shoals at the time this power was being sold to these power companies at 2 mills a kilowatt-hour, showed that it was being sold at a profit, and in their report to Congress on March 24, 1930, said:

> The sales prices for Wilson Dam power necessary to obtain in order to pay 4 percent on the investment in plant and transmission lines, and to cover the cost of operation and maintenance (indefinitely) of these are based upon the known cost of the hydro plant to date, a careful estimate of additional installation at costs of the present installation, and upon estimates of the cost of transmission lines, and of operation, depreciation, etc. It is seen, therefore, that these prices are based largely upon known costs, and that an error in the items estimated would affect the sales prices but little. The hydro prices reduced to mills per kilowatt-hour would be as follows:

	Mills per kilowatt-hour
At the switchboard	1.352
Transmitted 100 miles	1.993
Transmitted 200 miles	2.310
Transmitted 250 miles	2.467
Transmitted 300 miles	2.625
Transmitted 350 miles	2.775

In other words, this power can be generated and transmitted 100 miles, which is about the distance of Tupelo from Muscle Shoals, for 1.993 mills, or approximately 2 mills, a kilowatt-hour.

But the city of Tupelo is paying three times that price for it, or about 6 mills a kilowatt-hour, selling it to the ultimate consumers at the standard T. V. A. rates, which I will quote in just a moment, paying all expenses, including taxes, and making a profit of $30,000 a year.

The New York Power Authority made a thorough investigation of the cost of generation and transmission of hydroelectric power on the St. Lawrence River, and in their report of November 10, 1934, they make the following statement:

> The cost of transmitting this power can be estimated with confidence. If used as a base load in a State-wide system at least 80 percent of its full-time output can be absorbed. On this basis it could be generated and transmitted to Utica, a distance of 135 miles from the plant, at a cost of about 2¼ mills. It could be delivered at the end of a 300-mile transmission line for less than 3¼ mills per kilowatt-hour.

If the Army Engineers, after careful investigation, reach the conclusion that this power can be generated and transmitted 350 miles and sold at 2.775 mills a kilowatt-hour and the engineers of the New York Power Authority find that power can be generated on the St. Lawrence River and transmitted

300 miles and sold for 3.25 mills a kilowatt-hour, then surely the T. V. A. is not losing money on power generated at Muscle Shoals, transmitted 100 miles, and sold for 6 mills per kilowatt-hour.

Besides, let me remind you that the public power plant at Tacoma, Wash., generates and sells power at retail to the ultimate consumers at a cost of less than 5½ mills a kilowatt-hour, and that the Ontario power system generates, transmits, distributes, and sells power retail to the ultimate consumers throughout the Province of Ontario at an average of a little less than 5 mills a kilowatt-hour.

I could cite other examples, but these are sufficient. They completely refute the charge of Mr. "Windy" Wilkie, the spokesman of the Power Trust in this instance, to the effect that the T. V. A. is selling this power below the cost of production.

But here is another example that is a complete answer to these charges. The city of West Point, Miss., 50 miles south of Tupelo, purchases its power wholesale from the Commonwealth & Southern, of which Mr. Wilkie is president. It buys it at about the same rate that Tupelo is paying the T. V. A. For instance, in December 1935, West Point purchased 130,300 kilowatt-hours of electric energy from the Commonwealth & Southern through the Mississippi Power Co., for which it paid $908.77. Under the T. V. A. wholesale rates, it would have cost $915.55—or $6.78 more than West Point actually paid the Commonwealth & Southern for it. In March 1936, the city of West Point purchased from the Commonwealth & Southern, through the Mississippi Power Co., 130,200 kilowatt-hours of electricity, for which it paid $915.07. Under the T. V. A. wholesale rates, it would have cost $915.70, or 63 cents more than the city of West Point actually paid for it.

West Point could reduce her retail light and power rates now to the Tupelo rates and make money through the sale of power. She would double the consumption of electric energy in a short time, increase the use of electrical appliances, and enable the people of West Point to enjoy the same liberal use of electric energy and electrical appliances now enjoyed by the people of Tupelo, Amory, Corinth, Okolona, and other municipalities and rural communities throughout the T. V. A. area.

It is true that their present contract with the power company will soon expire, but the T. V. A. is ready to offer West Point the same contract that she has with Tupelo at any time.

COMPARISON OF RATES

Here are the residential rates in effect in the Muscle Shoals area at the time of the creation of the T. V. A., showing what the Commonwealth & Southern was charging for power which it was buying at 2 mills a kilowatt-hour. It was selling it to the ultimate consumers at the following rates:

Ten cents per kilowatt-hour for the first 30 kilowatt-hours per month.
Eight cents per kilowatt-hour for the next 170 kilowatt-hours per month.
Seven cents per kilowatt-hour for the next 300 kilowatt-hours per month.
Six cents per kilowatt-hour for the next 350 kilowatt-hours per month.
Five cents per kilowatt-hour for the excess over 350 kilowatt-hours per month.

Here are the T. V. A. residential rates for this same power—the retail rates. This is what it now costs the ultimate consumers at the present time:

Three cents per kilowatt-hour for the first 30 kilowatt-hours per month.
Two cents per kilowatt-hour for the next 150 kilowatt-hours per month.
One cent per kilowatt-hour for the next 200 kilowatt-hours per month.
Four mills per kilowatt-hour for the excess over 400 kilowatt-hours per month.

I hope every consumer of electricity who reads this record will get his canceled light and power bill and compare these rates with the rates he now pays.

The following table will show the comparative cost to the domestic consumers under the old Commonwealth & Southern rates and the T. V. A. rates up to 1,000 kilowatt-hours per month:

	Former power company rates	Tennessee Valley Authority rates
First 30 kilowatt-hours	$3.00	$0.90
Next 170 kilowatt-hours	13.60	3.60
Next 300 kilowatt-hours	21.00	2.40
Next 350 kilowatt-hours	21.00	1.40
Next 150 kilowatt-hours	7.50	.60
1,000 kilowatt-hours	66.10	8.90

In other words, a householder under the T. V. A. rates pays $8.90 for 1,000 kilowatt-hours a month, which formerly cost him $66.10 under the power company rates in effect in the Muscle Shoals area at the time the T. V. A. was created.

The Commonwealth & Southern wants to destroy the T. V. A. so that it can impose those outrageous rates again.

In Tacoma, Wash., this 1,000 kilowatt-hours a month would cost $8.62. In Ottawa, Ontario, Canada, it would cost $6.17. So it will be seen that the T. V. A. rates are not too low. They are really too high, and will be reduced as time goes on.

In order that the commercial consumers—the merchants, hotel operators, garage and filling-station proprietors, and so forth—may see what overcharges they are paying, I insert at this point a table showing the T. V. A. commercial retail rates now in effect throughout the T. V. A. area.

Available to commercial customers taking service from the municipality's secondary system:

First 250 kilowatt-hours per month at 8 cents per kilowatt-hour.
Next 750 kilowatt-hours per month at 2 cents per kilowatt-hour.
Next 1,000 kilowatt-hours per month at 1 cent per kilowatt-hour.
Excess over 2,000 kilowatt-hours per month at 0.8 cent per kilowatt-hour per month.

Compare the rates your merchants are now paying with these rates and see what the overcharges amount to.

Since I am going to discuss the rates at Tacoma, Wash., and also the Ontario rates, I will give their residential rates now, up to 1,000 kilowatt-hours a month, and compare them with the T. V. A. rates and with the old Commonwealth & Southern rates in effect in that area at the time the T. V. A. was created.

Table of comparative monthly rates

	Monthly consumption						
	25 kilowatt-hours	40 kilowatt-hours	60 kilowatt-hours	100 kilowatt-hours	300 kilowatt-hours	500 kilowatt-hours	1,000 kilowatt-hours
Ontario rates	$0.75	$1.03	$1.54	$1.74	$3.02	$3.92	$6.17
Tacoma rates	1.13	1.52	1.72	2.12	4.12	6.12	8.62
Tennessee Valley Authority rates	.75	1.20	1.70	2.50	5.50	6.90	8.90
Old Commonwealth & Southern rates	2.50	3.80	5.40	8.60	23.00	37.60	66.10

I should like to repeat those figures, if time permitted, especially the last line, showing the old Commonwealth & Southern rates. You will see that, on the whole, the Tacoma rates are lower than the T. V. A. rates, and that the Ontario rates are far below the T. V. A. rates, in every single bracket. These Commonwealth & Southern rates show what the people were paying prior to the creation of the T. V. A., what they would still be paying if it were not for the T. V. A., and what they would be forced to pay again if the Power Trust should succeed in destroying the T. V. A. But that will never happen; the T. V. A. is here to stay. In the words of the French troops at Verdun, "They shall not pass."

RESULT OF LOW RATES

As a result of these cheap rates the people of Ontario are using electricity for all purposes, even to heating their homes. Many of their homes have no chimneys or fireplaces, but depend entirely upon electric heat, which they find much cheaper than either wood or coal. The people of Ontario now refer to electricity as "white coal."

During the year 1935, the city of Tupelo purchased its power from the T. V. A. at approximately the same rates the Commonwealth & Southern is selling it at wholesale to the city of West Point, and sold it at the T. V. A. standard rates above set out. It set aside for taxes $8,240.13, paid all its depreciation on tangible plant equipment, all interest and sinking funds on outstanding indebtedness against its plant and distribution system, and made a net profit of $30,132.38; and at the same time the people of Tupelo saved $150,000 compared with what they would have paid under the old Commonwealth & Southern rates.

At the time the T. V. A. contract went into effect, on February 7, 1934, the average domestic consumption of electricity in the city of Tupelo was 42 kilowatt-hours a month; today it is 157 kilowatt-hours—almost four times what it was under the old rates and more than four times the present average in New York City, where they use only 39 kilowatt-hours a month. At that time domestic consumers of Tupelo were using 195 electric refrigerators and 15 ranges; today they are using 953 refrigerators and 256 ranges. Seventy-two percent of the electric consumers in Tupelo have electric refrigerators, 61 percent of the consumers in Alcorn County, Miss., 59 percent of the consumers in Amory; 52 percent of all the domestic consumers in the T. V. A. area, including the rural areas, have electric refrigerators and 22 percent have electric ranges, to say nothing of the increase in the electrical appliances in the rural districts, such as washing machines, water pumps, and so forth.

The people in the counties of Alcorn, Prentiss, Tishomingo, Lee, Itawamba, and in the northern part of Monroe are saving more than $500,000 a year as compared with what they would have paid under the old Commonwealth & Southern retail rates. Rural power lines are now being built throughout the area, electrifying thousands of farm homes that heretofore never had received any electricity and probably never would have received any at all if it had not been for the T. V. A.

As I said, the people of the city of Tupelo alone are saving $150,000 a year on their light and power bills compared with what they would have paid under the old Commonwealth & Southern rates in effect at the time the T. V. A. was created; and the people in Lee and Itawamba Counties, outside of the city of Tupelo, are saving an additional $100,000 or $125,000 a year—making more than a quarter of a million dollars saved by the people of the two counties every year that rolls round.

The people in Tupelo are already beginning to heat their homes with electricity. It is proving to be the most desirable heat to be had—no dust, no soot, no grease, no moisture, and no janitor.

I have before me the light and power bill of a man who uses electric lights, radio, refrigerator, iron, range, grill, fans, vacuum cleaner, water heater, and who also heats his entire house electrically. During the month of January 1936 he used 2,706 kilowatt-hours of electric energy and his entire bill for the month amounted to $15.72.

Let me call your attention to the fact that Tupelo is not in a tropical climate, as some people seem to think. The temperature at that place went as low as 8° below zero last winter.

RURAL ELECTRIFICATION

But in my opinion, the greatest part of this program is its rural-electrification feature, taking cheap lights and power to the farmers of the country. The following is a schedule of rates those farmers pay, even in the remotest rural sections:

First 50 kilowatt-hours per month 4 cents per kilowatt-hour.
Next 50 kilowatt-hours per month 3 cents per kilowatt-hour.
Next 100 kilowatt-hours per month 2 cents per kilowatt-hour.
Next 200 kilowatt-hours per month 1 cent per kilowatt-hour.
Next 1,000 kilowatt-hours per month 4 mills per kilowatt-hour.

It will be noted that for the first 50 kilowatt-hours per month, these farmers pay 4 cents a kilowatt-hour instead of 3 cents, and for the next 50 kilowatt-hours they pay 3 cents instead of 2 cents a kilowatt-hour. The extra 1 cent per kilowatt-hour goes to amortize their lines and distribution systems. This is all these people will ever have to pay. In the course of a few years their lines will be paid out and then this extra 1 cent will be taken off.

Nothing that has ever come to the farmers of this country has brought so much light and hope or relieved so much drudgery as cheap electric energy. I have before me large numbers of answers to questionnaires which I sent to these farmers, showing the amount of electricity they used per month, the amount paid for it, and the appliances employed.

I find here one who uses lights, radio, electric iron, fans, washing machine, water pump, electric range. One month he used 83 kilowatt-hours of electricity energy, which cost him $2.99.

Here is another who uses lights, radio, iron, fans, and washing machine. He used 50 kilowatt-hours of electricity one month, which cost him exactly $2.

Here is one who uses lights in his home and in his barn, radio, refrigerator, iron, fans, water pump, and electric range. He used 116 kilowatt-hours of electricity one month, which cost him $3.72.

Here is one who uses lights, radio, refrigerator, iron, heater, range, chicken brooder, and washing machine. He used 124 kilowatt-hours a month, which cost him $3.19.

This cheap electricity is literally bringing to these farmers, to their wives and children, a new civilization. Something of which they had scarcely dreamed a few years ago.

We have electric power associations organized in every county in the district, and it is my purpose to keep up the drive until we electrify every farm home in the district at T. V. A. rates. Nor do I propose to stop there, but I expect to continue this drive as long as I live, whether in public or in private life, or until we electrify every farm home in America at rates the farmers can afford to pay.

Mr. HOUSTON. Mr. Speaker, will the gentleman yield for a question?

Mr. RANKIN. I yield.

Mr. HOUSTON. Is it not a fact that the Power Trust is charging rates that are prohibitive in the rural sections over and above the city rates?

Mr. RANKIN. Oh, yes; their rural rates are so high as to be prohibitive.

A BILLION-DOLLAR OVERCHARGE

Some time ago I stated on this floor that the people of this country were being overcharged $1,000,000,000 a year for electric lights and power. That statement has never been seriously challenged. I now find that my figures were too conservative, and that they are overcharged approximately $1,500,000,000 a year—or enough to pay the national debt in 20 years.

I am going to break this overcharge down by States and show the amount the people of each State have to pay. I want each of you to observe the overcharges for your own State, and then tell me how any honest representative of the American people can vote against the power policies of this administration that would cure this evil and bring justice to these helpless consumers of electric energy.

Now, let us make some comparisons and see just how much the American people are being overcharged annually for electric energy. Let us first compare the amount the people in the United States are paying for electricity with what the people in the Province of Ontario, Canada, pay.

In 1934 the Ontario Power Commission generated and sold 6,420,000,000 kilowatt-hours of electric energy for $31,970,000 delivered to the ultimate consumers, which averaged a little less than 5 mills per kilowatt-hour. In other words, the Ontario Power Commission delivered power to the ultimate consumers, retail, for less than the city of Tupelo is paying the T. V. A. wholesale. Remember, too, that this Ontario power was invariably transmitted hundreds of miles, and sometimes into the remotest rural precincts.

The power propagandists in this country have attempted in every conceivable way to discredit the Ontario Power Commission and to mislead the American people as to what it is doing for the people of Ontario. It is a nonprofit cooperative organization, representing the municipalities, rural power districts, and so forth, of the Province of Ontario. Its object is to generate and supply power to the people of Ontario at cost.

It was fostered by Sir Adam Beck, one of the great men of Canada, and started operations about 1910. Mr. Beck remained at the head of the commission until his death in 1926.

The annual report of the Ontario Power Commission for 1934 shows the capital invested in the entire system, including the municipal and rural distribution system, amounted to $398,224,762.11, while the total reserves of the commission and the municipal electric utilities, for sinking funds, renewals, contingencies, insurance, and so forth, amounted to $138,392,201.38.

The capital investment of the Ontario Hydro-Electric Power Commission proper at the present time is $295,784,660.81, against which they have a reserve for sinking funds alone amounting to $35,482,281.67, leaving a balance of $260,312,379.14.

The municipal electric utilities, which are also a part of this system, have total liabilities at the present time amounting to $43,210,000, against which there are liquid assets, such as bank and cash balances, securities and investments, accounts payable, inventories, sinking funds on local debentures, and other assets, amounting to $20,550,000, leaving the actual liabilities for these municipal electric utilities amounting to $22,660,000. This, added to the actual liabilities of the Ontario Hydro-Electric Power Commission, make the liabilities of the entire system, including the municipal utilities, amount to $282,972,379.14.

In the course of 25 years this organization has built one of the greatest power systems on earth, which it is gradually paying out, and at the same time affording to the people of Ontario the cheapest light and power rates on the Western Hemisphere. At the time this commission was organized the domestic consumers of Canada were paying from 9 cents to 20 cents per kilowatt-hour for electric energy. The number of domestic consumers at that time was very small, and the average consumption ranged from 10 to 30 kilowatt-hours per month. Today they enjoy the lowest rates and the highest per-capita consumption of electricity to be found on this continent.

In 1935, the record shows that the people of the United States consumed 77,555,000,000 kilowatt-hours of electric energy, for all purposes, for which they paid $1,921,000,000. In 1934, the people of Ontario consumed 6,420,000,000 kilowatt-hours of electricty, for all purposes, for which they paid $31,790,000. In other words, the people of the United States used 12 times as much electric energy in 1 year as was used in the Province of Ontario in 1 year, and paid 60 times as much for it—or an average of 5 times the rates paid by the people of Ontario.

If the people of Ontario had consumed the same amount of electricity as did the people of the United States, it would have cost them 12 times $31,790,000, or $381,480,000. Take $381,480,000, the amount they would have paid under the Ontario rates, from $1,921,000,000, the amount they actually did pay, and you will see that the people of the United States were overcharged $1,539,520,000 for electric lights and power a year, compared with the Ontario rates—more than enough to pay off the national debt in 20 years, including all the obligations incurred for relief and rehabilitation since March 4, 1933.

How on earth can the American people continue to stagger under such burdens?

But the power companies tell you that the Ontario Power Commission pays no taxes. A thorough investigation made in the State of Washington, where the power companies have boasted most about the taxes they pay, showed that the taxes paid by the power interests in that State, for all purposes—Federal, State, county, and municipal—amounted in the aggregate to not more than 1 mill per kilowatt-hour of the power actually sold. This would make all the taxes paid by the power interests in the United States amount to not more than $77,555,000 a year. Take that amount from this overcharge of $1,539,000,000 a year and it will still leave an overcharge of $1,461,000,000 a year, on the basis of the present consumption.

But owing to their low rates, the people of Ontario consume more than three times as much electricity per capita as do the people in the United States. If we consumed as much electricity per capita, for all purposes, in this country as do the people of Ontario, and paid the rates now charged in the United States, this overcharge would amount to $4,383,000,000 in 1 year, even after allowing for taxes. That would pay the national debt in less than 10 years.

But the power companies have made the claim that their taxes, for all purposes, amounted to 10 percent of the gross sales. Of course, that is an exaggeration. But suppose they did; that would make their taxes in the whole United States amount to $192,100,000 for the year, which, taken from this $1,539,520,000, would still leave the American people paying an overcharge of $1,347,420,000 a year when compared with the Ontario rates. If the people in this country consumed as much electricity per capita as do the people in Ontario, and paid the rates they are now paying in the United States, this overcharge, after deducting 10 percent for taxes, would amount to $4,042,000,000 a year, which would be sufficient to pay off the national debt in less than 10 years, including all obligations for relief and rehabilitation since 1933.

These figures cannot be denied; they are based upon the record.

Now, let us compare these rates with the rates in Tacoma, Wash. Tacoma has a public plant, a cooperative system that is entirely separate and distinct from the city government. Their entire plant and distribution system is valued at $23,038,147, and the indebtedness against it has been paid down to $7,343,000. At the rate they are going the plant will soon be paid out, and then further reductions in rates will be possible.

Although Tacoma is a city of only 106,000 people, they have the lowest electric light and power rates in the United States. In 1934 they generated and sold 244,650,127 kilowatt-hours of electric energy, for all purposes, which they sold for $2,055,195. After paying all operating expenses, including interest and sinking fund, and after paying taxes to the amount of $145,575, they had a net profit of $744,531. Since these consumers own the system, this net profit went back to them in payment of their indebtedness on the plant. Take this net profit from the $2,055,195, the amount of the gross sales, and it will leave $1,310,664 as the amount this electricity actually cost the ultimate consumers, retail, after paying all expenses, interest on the investment, sinking funds, and taxes.

Therefore, this electricity cost the ultimate consumers in Tacoma on an average of a little less than 5½ mills a kilowatt-hour for all purposes, or less than we are paying the T. V. A. for power, wholesale, in the Tennessee Valley area.

The 77,555,000,000 kilowatt-hours of electricity for which the American people paid $1,921,000,000 in 1935 would have cost $414,000,000 under the Tacoma rates, or $1,507,000,000 less than the people of this country actually paid for it.

But suppose the American people used as much electricity per capita as do the people in Tacoma; then the annual consumption in the United States would be 293,707,000,000 kilowatt-hours. The cost to the ultimate consumers of that amount of electricity, under the Tacoma rates, would be $1,573,200,000. If they used that amount and paid the rates now paid throughout the United States the cost to the ultimate consumers would be $7,299,800,000, or $5,726,600,000 more than if they paid the Tacoma rates. In other words, if the people of this country used as much electricity per capita as do the people of Tacoma and paid the rates they are now paying, the overcharge, compared with the Tacoma rates, would amount to $5,726,600,000 a year.

Yet the public plant at Tacoma pays taxes, just the same as if it were a private power company, or a private individual, is rapidly paying off its indebtedness and will soon be making additional reductions.

While we are trying to make it possible for the American people to enjoy a more liberal use of electricity, in order that they may be able to use more of those electrical appliances necessary for the comforts and conveniences of the home, the private power companies are discouraging a liberal use of electricity by imposing upon the consumers the very highest rates the traffic will bear.

COMPARISON OF INVESTMENTS

Now, let us compare the investments. According to the 1934 statistical bulletin of the Edison Electric Institute, the investment of private power companies in the United States amounted to $12,124,817,425; while the municipal companies have invested $539,569,527, making a total of $12,664,376,952. As pointed out before, they produce and sell only 77,555,000,000 kilowatt-hours of electric energy a year, or 12 times the amount produced and sold in Ontario, where they have investments amounting to $398,224,000. It would take 12 such power systems as they have in Ontario, operating as they do, to produce the same amount of power sold in the United States. That would mean an investment of 12 times $398,224,000, or $4,778,688,000. That is what the investment would amount to if the Ontario system were expanded on the present basis to where it would produce the same amount of power now produced and sold in the United States, where the investment is alleged to be $12,664,376,000, or $7,885,688,000 more than would be necessary under the Canadian system.

The Power Trust has poured something like $7,000,000,000 or more of water into its capital structure, floated watered stocks and sold them out to unsuspecting, innocent purchasers in every State in the Union, and your constituents in every State are now being compelled to pay light and power rates based upon these fictitious and dishonest valuations. Was there ever a more consummate example of "thievery within the law"?

What does this $7,000,000,000 represent?

It represents mostly paper, printers' ink, and Power Trust rascality.

But the power companies say they have many elements of expense the Tennessee Valley Authority does not have to meet. That is true; here are some of the items of cost to the Power Trust that the T. V. A. does not have to meet:

First. Dividends on watered stocks—such as the $7,000,000,000 to which I have just referred.

Second. Tributes to useless holding companies such as the Commonwealth & Southern.

Third. Enormous salaries which grasping officials and directors pay themselves, ranging all the way from $25,000 to $250,000 a year.

Fourth. Bonuses and other rake-offs, sometimes running into the millions.

Fifth. Money spent to employ high-priced lawyers for their political influence—invariably relatives or business partners of public officials, such as members of the legislature, governors, Congressmen, and Senators.

Sixth. Expenses of propaganda such as the power interests have been spending by the millions, on telegrams, letters, and so forth, trying to browbeat Congress into defeating the administration's bill to put an end to racketeering through useless holding companies.

Seventh. Then there is money spent to buy up newspapers and magazines. They used to buy advertisements in newspapers. Then they began to buy headlines, news columns, and editorials. Now they just buy the papers or a controlling interest in them and hire their own editors and reporters. Sometimes they just buy the editor.

Eighth. Then there are their expensive lobbyists around Congress and the various State legislatures, to say nothing of the campaign expenses they have to put up for their favorite candidates for office.

Ninth. Campaign contributions which they are now pouring out, in an indirect and insidious effort to defeat this administration or destroy its power policies, so that they may continue to wring the economic lifeblood from the American people with these enormous overcharges, or to plunder the unsuspecting investors through the sale of worthless watered stocks.

The T. V. A. does not have to meet all these expenses, therefore it can sell power wholesale to these municipalities and cooperative associations at something like what it is worth.

These municipalities and cooperative associations do not have these expenses to meet, and therefore they can sell power retail to the ultimate consumers at something like what it is worth.

Neither the Tacoma Power Commission nor the Ontario Power Commission have any of these enormous burdens to meet, therefore they can afford to sell power to the ultimate consumers at something like what it is worth.

A little more than a year ago I had compiled and published the amount of overcharges for electricity in this country for 1934, and broke it down by States. I am going to reproduce those figures here. While they show that the American people, in every State in the Union, are carrying a staggering burden in these overcharges, yet if you will compare them with the overcharges for 1935, which I have just quoted, you will find that these 1934 figures are extremely conservative. Any 10-year-old school boy or girl can figure this proposition out for themselves. Applying the rates and overcharges for 1935 to the amount of electricity consumed in each State in 1934, and assuming that they use the same amount of electricity in each State in 1935 as they used in 1934, the overcharges for the year 1935 were far greater than these figures show they were in 1934.

If you will divide the overcharges in your State by the number of congressional districts, then you will see what portion of this burden is borne by the people you are sent here to represent.

You cannot escape responsibility. The people of your State have a right to expect you to help protect them. The responsibility for this condition, if it is permitted to continue, will rest upon the Congress of the United States.

OVERCHARGES BY STATES

Here are the overcharges by States. Look over them carefully and you will see what part of this billion-dollar overcharge the people of your State have to pay.

MAINE

In 1934 the people of the State of Maine consumed 575,506,000 kilowatt-hours of electricity, for which they paid $10,761,000.

Under the T. V. A. rates, the cost would have been $5,675,000, a saving of $5,086,000.

Under the Tacoma rates, the cost would have been $5,432,000, a saving of $5,329,000.

Under the Ontario rates, the cost would have been $4,431,000, a saving of $6,330,000.

NEW HAMPSHIRE

In 1934 the people of the State of New Hampshire consumed 183,274,000 kilowatt-hours of electric energy, for which they paid $6,791,000.

Under the T. V. A. rates the cost would have been $3,349,000, a saving of $3,442,000.

Under the Tacoma rates the cost would have been $3,332,000, a saving of $3,459,000.

Under the Ontario rates the cost would have been $2,778,000, a saving of $4,013,000.

VERMONT AND RHODE ISLAND

In 1934 the people in the two small States of Vermont and Rhode Island together used 481,171,873 kilowatt-hours of electric energy, for which they paid $17,300,221.

Under the T. V. A. rates the cost would have been $9,078,221, a saving of $8,222,000 a year.

Under the Tacoma rates the cost would have been $8,933,221, a saving of $8,367,000.

Under the Ontario rates the cost would have been $7,096,867, a saving of $10,203,354.

MASSACHUSETTS

In 1934 the people in the State of Massachusetts consumed 1,993,560,000 kilowatt-hours of electric energy, for which they paid the sum of $75,499,187.

Under the T. V. A. rates the cost would have been $38,315,000, a saving of $37,184,000.

Under the Tacoma rates the cost would have been $37,942,187, a saving of $37,557,000.

Under the Ontario rates, the cost would have been $30,112,730, a saving of $45,386,457.

CONNECTICUT

In 1934, the people in the State of Connecticut used 811,158,000 kilowatt-hours of electric energy, for which they paid the sum of $30,123,083.

Under the T. V. A. rates, the cost would have been $15,672,083, a saving of $14,451,000.

Under the Tacoma rates, the cost would have been $15,726,086, a saving of $14,397,000.

Under the Ontario rates, the cost would have been $12,352,492, a saving of $17,770,594.

NEW YORK

The people of the State of New York, in 1934, used 8,295,012,000 kilowatt-hours of electric energy, for which they paid the sum of $255,454,676.

Under the T. V. A. rates, the cost would have been $129,755,676, a saving of $125,699,000.

Under the Tacoma rates the cost would have been $127,836,676, a saving of $127,618,000.

Under the Ontario rates the cost would have been $101,306,539, a saving of $154,148,137.

No wonder the Power Trust is opposing the development of the St. Lawrence project, which would give to the people of the State of New York and adjoining States lights and power at reasonable rates and save them from having to pay this enormous overcharge.

NEW JERSEY

In 1934 the people of the State of New Jersey used 1,839,677,000 kilowatt-hours of electric energy, for which they paid $76,487,173.

Under the T. V. A. rates the cost would have been $37,364,173, a saving of $39,123,000.

Under the Tacoma rates the cost would have been $36,924,173, a saving of $39,563,000.

Under the Ontario rates the cost would have been $29,724,156, a saving of $46,763,017.

PENNSYLVANIA

In 1934 the people of the State of Pennsylvania used 5,591,808,000 kilowatt-hours of electric energy, for which they paid the sum of $152,567,854.

Under the T. V. A. rates, the cost would have been $81,398,854, a saving of $71,169,000.

Under the Tacoma rates the cost would have been $77,660,854, a saving of $74,907,000.

Under the Ontario rates the cost would have been $63,313,688, a saving of $89,254,166.

In the State of Pennsylvania, in addition to this enormous overcharge imposed upon the consumers of electric energy, the utilities have been powerful enough in years past to exempt their real-estate holdings from taxation by statute through their control of the State legislature.

Today they own $100,000,000 worth of real estate in Pennsylvania that is escaping all taxes—State, county, and municipal. That burden is passed on to the unprotected people of Pennsylvania, although these utilities own large office buildings, space in which is rented to the public, thus bringing them additional revenues, while they escape the burden of taxation which the small-business man and the home owners pay.

OHIO

In 1934 the people of the State of Ohio used 3,418,060,000 kilowatt-hours of electric energy, for which they paid $98,215,219.

Under the T. V. A. rates the cost would have been $51,372,219, a saving of $46,843,000.

Under the Tacoma rates the cost would have been $50,686,219, a saving of $47,529,000.

Under the Ontario rates the cost would have been $40,198,328, a saving of $58,016,891.

Ohio is a great wheat-growing State, producing around 35,000,000 bushels a year. Yet if every grain of wheat grown in Ohio in 1934 were sold at the highest price on today's market, it would lack from $15,000,000 to $20,000,000 of bringing enough money to pay this overcharge in the State of Ohio alone.

INDIANA

In 1934 the people of the State of Indiana used 1,209,459,000 kilowatt-hours of electric energy, for which they paid $39,861,716.

Under the T. V. A. rates the cost would have been $20,677,716, a saving of $19,184,000 a year.

Under the Tacoma rates the cost would have been $20,672,716, a saving of $19,189,000 a year.

Under the Ontario rates the cost would have been $16,219,967, a saving of $23,641,749.

ILLINOIS

In 1934 the people of the State of Illinois used 3,918,305,000 kilowatt-hours of electric energy, for which they paid $122,506,776.

Under the T. V. A. rates the cost would have been $64,032,776, a saving of $58,474,000.

Under the Tacoma rates the cost would have been $63,245,776, a saving of $59,261,000.

Under the Ontario rates the cost would have been $50,002,211, a saving of $72,504,565.

MICHIGAN

In 1934 the people of the State of Michigan used 2,589,125,000 kilowatt-hours of electric energy, for which they paid $69,958,547.

Under the T. V. A. rates the cost would have been $35,933,547, a saving of $34,025,000.

Under the Tacoma rates the cost would have been $36,190,547, a saving of $33,768,000.

Under the Ontario rates the cost would have been $28,235,230, a saving of $41,723,317.

WISCONSIN

In 1934 the people of the State of Wisconsin used 1,188,207,000 kilowatt-hours of electric energy, for which they paid $37,026,068.

Under the T. V. A. rates the cost would have been $19,133,068, a saving of $17,893,000.

Under the Tacoma rates the cost would have been $19,239,068, a saving of $17,787,000.

Under the Ontario rates the cost would have been $15,025,274, a saving of $22,000,794.

MINNESOTA

In 1934 the people of the State of Minnesota used 891,683,000 kilowatt-hours of electric energy, for which they paid $29,895,355.

Under the T. V. A. rates the cost would have been $15,435,355, a saving of $14,460,000.

Under the Tacoma rates the cost would have been $15,984,355, a saving of $13,911,000.

Under the Ontario rates the cost would have been $12,133,336, a saving of $17,762,019.

IOWA

In 1934 the people of the State of Iowa used 672,600,000 kilowatt-hours of electric energy, for which they paid the sum of $25,258,621.

Under the T. V. A. rates the cost would have been $12,778,621, a saving of $12,480,000.

Under the Tacoma rates the cost would have been $13,450,621, a saving of $11,808,000.

Under the Ontario rates the cost would have been $10,115,975, a saving of $15,142,646.

MISSOURI

In 1934 the people of the State of Missouri used 1,416,997,000 kilowatt-hours of electric energy, for which they paid the sum of $42,521,922.

Under the T. V. A. rates the cost would have been $21,453,922, a saving of $21,068,000.

Under the Tacoma rates the cost would have been $22,272,922, a saving of $20,249,000.

Under the Ontario rates the cost would have been $16,952,246, a saving of $25,569,676.

NORTH DAKOTA

In 1934 the people of the State of North Dakota used 70,816,000 kilowatt-hours of electric energy, for which they paid $4,354,173.

Under the T. V. A. rates the cost would have been $2,170,173, a saving of $2,184,000.

Under the Tacoma rates the cost would have been $2,494,173, a saving of $1,860,000.

Under the Ontario rates the cost would have been $1,724,702, a saving of $2,629,471.

SOUTH DAKOTA

In 1934 the people of the State of South Dakota used 88,336,000 kilowatt-hours of electric energy, for which they paid $5,001,302.

Under the T. V. A. rates the cost would have been $2,521,302, a saving of $2,480,000.

Under the Tacoma rates the cost would have been $2,656,302, a saving of $2,345,000.

Under the Ontario rates the cost would have been $1,996,863, a saving of $3,004,439.

NEBRASKA

In 1934 the people of the State of Nebraska used 383,685,000 kilowatt-hours of electric energy, for which they paid $13,799,571.

Under the T. V. A. rates the cost would have been $6,643,571, a saving of $7,156,000.

Under the Tacoma rates the cost would have been $7,029,517, a saving of $6,770,000.

Under the Ontario rates the cost would have been $5,500,587, a saving of $8,298,984.

KANSAS

In 1934 the people of the State of Kansas used 583,507,000 kilowatt-hours of electric energy, for which they paid $18,835,232.

Under the T. V. A. rates the cost would have been $9,661,232, a saving of $9,174,000.

Under the Tacoma rates the cost would have been $9,881,232, a saving of $8,954,000.

Under the Ontario rates the cost would have been $7,609,114, a saving of $11,226,118.

DELAWARE, DISTRICT OF COLUMBIA, MARYLAND, AND WEST VIRGINIA

In 1934 the people of the State of Delaware, the District of Columbia, and the States of Maryland and West Virginia together used 2,119,605,000 kilowatt-hours of electric energy, for which they paid $52,659,441.

Under the T. V. A. rates the cost would have been $27,789,441, a saving of $24,870,000.

Under the Tacoma rates the cost would have been $27,897,441, a saving of $24,762,000.

Under the Ontario rates the cost would have been $21,674,366, a saving of $30,985,075.

VIRGINIA

In 1934 the people of the State of Virginia used 735,802,000 kilowatt-hours of electric energy, for which they paid $20,049,222.

Under the T. V. A. rates the cost would have been $10,449,222, a saving of $9,600,000.

Under the Tacoma rates the cost would have been $10,351,222, a saving of $9,698,000.

Under the Ontario rates the cost would have been $8,189,768, a saving of $11,859,454.

NORTH CAROLINA

In 1934 the people of the State of North Carolina used 1,239,893,000 kilowatt-hours of electric energy, for which they paid $23,396,108.

Under the T. V. A. rates the cost would have been $12,754,108, a saving of $10,642,000.

Under the Tacoma rates the cost would have been $11,743,108, a saving of $11,653,000.

Under the Ontario rates the cost would have been $9,858,206, a saving of $13,537,902.

SOUTH CAROLINA

In 1934 the people of the State of South Carolina used 736,552,000 kilowatt-hours of electric energy, for which they paid $12,407,190.

Under the T. V. A. rates the cost would have been $6,840,190, a saving of $5,567,000.

Under the Tacoma rates the cost would have been $6,115,190, a saving of $6,292,000.

Under the Ontario rates the cost would have been $5,250,539, a saving of $7,156,651.

GEORGIA

In 1934 the people of the State of Georgia used 876,614,000 kilowatt-hours of electric energy last year, for which they paid $20,194,417.

Under the T. V. A. rates the cost would have been $10,528,417, a saving of $9,666,000.

Under the Tacoma rates the cost would have been $10,294,417, a saving of $9,900,000.

Under the Ontario rates the cost would have been $8,229,248, a saving of $11,965,169.

FLORIDA

In 1934 the people of the State of Florida used 404,425,000 kilowatt-hours of electric energy, for which they paid $18,206,511.

Under the T. V. A. rates the cost would have been $9,065,511, a saving of $9,141,000.

Under the Tacoma rates the cost would have been $9,741,511, a saving of $8,465,000.

Under the Ontario rates the cost would have been $7,206,617, a saving of $10,999,894.

KENTUCKY

In 1934 the people of the State of Kentucky used 712,619,000 kilowatt-hours of electric energy, for which they paid $17,303,256.

Under the T. V. A. rates the cost would have been $9,076,256, a saving of $8,227,000.

Under the Tacoma rates the cost would have been $8,905,256, a saving of $8,398,000.

Under the Ontario rates the cost would have been $7,094,794, a saving of $10,208,322.

TENNESSEE

In 1934 the people of the State of Tennessee used 946,883,000 kilowatt-hours of electric energy, for which they paid $20,764,172.

Under the T. V. A. rates the cost would have been $10,912,172, a saving of $9,852,000.

Under the Tacoma rates the cost would have been $10,563,172, a saving of $10,201,000.

Under the Ontario rates the cost would have been $8,512,517, a saving of $12,251,655.

ALABAMA

In 1934 the people of the State of Alabama used 634,292,000 kilowatt-hours of electric energy, for which they paid $12,978,651.

Under the T. V. A. rates the cost would have been $6,815,651, a saving of $6,163,000.

Under the Tacoma rates the cost would have been $6,634,651, a saving of $6,344,000.

Under the Ontario rates the cost would have been $5,322,608, a saving of $7,656,043.

MISSISSIPPI

In 1934, the people of the State of Mississippi used 324,590,000 kilowatt-hours of electric energy, for which they paid $8,386,241.

Under the T. V. A. rates the cost would have been $4,405,241, a saving of $3,981,000.

Under the Tacoma rates the cost would have been $4,269,241, a saving of $4,117,000.

Under the Ontario rates the cost would have been $3,438,882, a saving of $4,947,359.

ARKANSAS

In 1934 the people of the State of Arkansas used 255,988,000 kilowatt-hours of electric energy, for which they paid $8,667,560.

Under the T. V. A. rates the cost would have been $4,510,560, a saving of $4,157,000.

Under the Tacoma rates the cost would have been $4,456,560, a saving of $4,211,000.

Under the Ontario rates the cost would have been $3,532,381, a saving of $5,135,179.

LOUISIANA

In 1934 the people of the State of Louisiana used 557,718,000 kilowatt-hours of electric energy, for which they paid $15,460,717.

Under the T. V. A. rates the cost would have been $8,059,717, a saving of $7,401,000.

Under the Tacoma rates the cost would have been $7,983,717, a saving of $7,477,000.

Under the Ontario rates the cost would have been $6,312,264, a saving of $9,148,453.

OKLAHOMA

In 1934 the people of the State of Oklahoma used 551,388,000 kilowatt-hours of electric energy, for which they paid $18,305,275.

Under the T. V. A. rates the cost would have been $9,666,275, a saving of $8,639,000.

Under the Tacoma rates the cost would have been $9,359,275, a saving of $8,946,000.

Under the Ontario rates the cost would have been $7,538,678, a saving of $10,766,597.

TEXAS

In 1934 the people of the State of Texas used 1,683,558,000 kilowatt-hours of electric energy, for which they paid $51,403,516.

Under the T. V. A. rates the cost would have been $26,491,516, a saving of $24,922,000.

Under the Tacoma rates the cost would have been $26,481,516, a saving of $24,922,000.

Under the Ontario rates the cost would have been $20,789,117, a saving of $30,614,399.

MONTANA AND UTAH

In 1934 the people of the States of Montana and Utah together used 536,139,000 kilowatt-hours of electric energy, for which they paid $13,630,783.

Under the T. V. A. rates the cost would have been $7,084,783, a saving of $6,546,000.

Under the Tacoma rates the cost would have been $7,041,783, a saving of $6,589,000.

Under the Ontario rates the cost would have been $5,550,944, a saving of $8,079,839.

IDAHO

In 1934 the people of the State of Idaho used 292,135,000 kilowatt-hours of electric energy, for which they paid $5,750,348.

Under the T. V. A. rates the cost would have been $2,989,348, a saving of $2,761,000.

Under the Tacoma rates the cost would have been $2,961,348, a saving of $2,789,000.

Under the Ontario rates the cost would have been $2,342,323, a saving of $3,408,025.

WYOMING

In 1934 the people of the State of Wyoming used 79,225,000 kilowatt-hours of electric energy, for which they paid $2,745,869.

Under the T. V. A. rates the cost would have been $1,427,869, a saving of $1,318,000.

Under the Tacoma rates the cost would have been $1,422,869, a saving of $1,323,000.

Under the Ontario rates the cost would have been $1,119,126, a saving of $1,626,743.

COLORADO

In 1934 the people of the State of Colorado used 441,982,000 kilowatt-hours of electric energy, for which they paid $13,339,906.

Under the T. V. A. rates the cost would have been $6,934,906, a saving of $6,405,000.

Under the Tacoma rates the cost would have been $6,878,906, a saving of $6,461,000.

Under the Ontario rates the cost would have been $5,432,769, a saving of $7,907,137.

ARIZONA AND NEW MEXICO

In 1934 the people of the States of Arizona and New Mexico used 264,057,000 kilowatt-hours of electric energy, for which they paid $8,929,686.

Under the T. V. A. rates the cost would have been $4,642,686, a saving of $4,287,000.

Under the Tacoma rates the cost would have been $4,585,686, a saving of $4,344,000.

Under the Ontario rates the cost would have been $3,635,904, a saving of $5,293,782.

NEVADA

In 1934 the people of the State of Nevada used 94,760,000 kilowatt-hours of electric energy, for which they paid $2,154,764.

Under the T. V. A. rates the cost would have been $1,120,764, a saving of $1,034,000.

Under the Tacoma rates the cost would have been $1,108,764, a saving of $1,046,000.

Under the Ontario rates the cost would have been $897,430, a saving of $1,257,334.

WASHINGTON

In 1934 the people of the State of Washington used 1,576,070,000 kilowatt-hours of electric energy, for which they paid $24,615,571.

Under the T. V. A. rates the cost would have been $12,427,571, a saving of $12,188,000.

Under the Tacoma rates the cost would have been $12,954,571, a saving of $11,661,000.

Under the Ontario rates the cost would have been $9,825,735, a saving of $14,789,836.

OREGON

In 1934 the people of the State of Oregon used 637,926,000 kilowatt-hours of electric energy, for which they paid $13,833,329.

Under the T. V. A. rates the cost would have been $6,904,329, a saving of $6,929,000.

Under the Tacoma rates the cost would have been $7,323,329, a saving of $6,510,000.

Under the Ontario rates the cost would have been $5,478,029, a saving of $8,355,300.

CALIFORNIA

In 1934 the people of the State of California used 4,325,505,000 kilowatt-hours of electric energy, for which they paid $107,606,211.

Under the T. V. A. rates the cost would have been $54,103,211, a saving of $53,503,000.

Under the Tacoma rates the cost would have been $56,659,211, a saving of $50,947,000.

Under the Ontario rates the cost would have been $42,816,608, a saving of $64,789,603.

CONCLUSION

How long will our people continue to stagger under such burdens?

That is a matter for them to decide. They can get relief at any time if they will only demand that every public official represent them and their cause in this great battle for human justice, this battle of the century.

As for my part, I have enlisted for the duration of the conflict. I expect to continue in this fight as long as I live, or until we get electric lights and power supplied to the people in every State in the Union at rates based upon the actual cost of production and distribution, and until we electrify every farm home in America at rates the farmers can afford to pay. [Applause.]

[Here the gavel fell.]

Mr. MASSINGALE. Mr. Speaker, I ask unanimous consent that the gentleman may be allowed to proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. GIFFORD. Mr. Speaker, reserving the right to object——

Mr. RANKIN. Mr. Speaker, I withdraw the request, and I thank the House for its attention. [Applause.]

CORRECTION OF THE RECORD

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, as a part of my remarks on the long- and short-haul bill on March 20, 1936, I included a list of two or three hundred organizations which

favor the bill. Among them I listed the American Newspaper Publishers' Association.

My authority for including the American Newspaper Publishers' Association among those favoring the bill was the first report of Hon. Joseph B. Eastman, as Federal Coordinator, to the Interstate Commerce Commission, under date of March 10, 1934. I quote from page 134 of the original mimeographed copy of that report as follows:

> The fourth section has from the beginning been a subject of bitter controversy. * * * On the whole, sentiment favors modification or repeal. Of the important responses on the question, filed with the Coordinator, 82 favored some modification, 46 favored repeal, and 47 were against any change.
>
> Among those favoring repeal are the National Industrial Traffic League, the American Newspaper Publishers Association.

And so forth. I am now advised by the American Newspaper Publishers Association that they were incorrectly reported in the above statement by the Federal Coordinator.

I acted in good faith, relying upon an official Government report, but in view of representations now made to me by the American Newspaper Publishers Association, I am glad to correct the statement in my speech of March 20, 1936.

This correction is not to be construed as placing the American Newspaper Publishers Association in opposition to the bill. As I understand their position, they have taken no action either for or against change or repeal of the fourth section.

OHIO FARMERS MAKE MONEY

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FLETCHER. Mr. Speaker, cash receipts from the sale of principal farm products in Ohio rose from $155,468,000 in 1932 to $262,213,000 in 1935, including $15,210,000 in rental and benefit payments.

This is an increase of 69 percent.

For Ohio, cash receipts represent approximately 93 percent of the total farm cash income from production.

Price changes on certain selected commodities, which brought about a considerable share of the increased cash receipts indicated above, are shown in table 1.

TABLE 1.—*Average prices received by Ohio farmers for commodities listed on dates specified*

Commodity	Aug. 15, 1932	Mar. 15, 1933	Dec. 15, 1935
Wheat (per bushel)	$0.46	$0.45	$0.88
Corn (per bushel)	.28	.22	.45
Oats (per bushel)	.17	.16	.26
Barley (per bushel)	.24	.23	.39
Rye (per bushel)	.29	.30	.45
Buckwheat (per bushel)	.41	.41	.49
Potatoes (per bushel)	.65	.46	.55
Hay (all loose, per ton)	4.30	4.40	6.30
Apples (per bushel)	.55	.90	.75
Hogs (per hundredweight)	4.60	3.60	9.30
Beef cattle (per hundredweight)	5.00	4.10	7.60
Veal calves (per hundredweight)	5.40	5.40	9.90
Milk cows (per head)	36.00	30.00	50.00
Chickens (per pound)	.127	.092	.167
Butter (per pound)	.20	.18	.32
Eggs (per dozen)	.147	.096	.292
Wool (per pound unwashed)	.09	.11	.26

For the United States as a whole, the yearly average price of all groups of farm products increased from 65 percent to 108 percent of the pre-war level during the period 1932–35, an increase of 66 percent.

The low point occurred in March 1933, when prices were only 55 percent of the pre-war level, whereas in December 1935 they averaged 110 percent of that level.

These figures do not include rental and benefit payments.

The gain in exchange value of farm products per unit was somewhat less than the gain in farm prices, since prices farmers pay for commodities used in living and production also advanced about 17 percent during the period.

The exchange value per unit of farm products increased from 61 percent of the pre-war level in 1932 to 86 percent in 1935, a gain of about 41 percent.

FARMERS GET MORE MONEY FOR THEIR FARMS

A new appreciation of farm real estate in Ohio has been one result of increased farm income.

The number of forced farm sales per thousand declined from 34.1 for the year ending March 1933, to 19.5 for the year ending in March 1935.

Voluntary sales and trades of farms, during the same period, increased from 16 per thousand to 19.1 per thousand.

For the first time since 1920 the decline in value of farm real estate per acre halted in the year ending March 1933, when it stood at a low of 59, the State average value from 1912 to 1914 being 100.

From this low of 59 in 1933, the estimated value per acre rose to 66 for the year ending March 1935.

WORKERS GET 18 PERCENT MORE PAY

On January 1, 1933, estimates by the Bureau of Agricultural Economics indicate the demand for farm labor in Ohio was 47 percent below the standard accepted as normal and the supply 31 percent above.

At the same time the average farm wage rate per person, with board, was $16.75.

Three years later, on January 1, 1936, the farm-labor demand was only 20 percent below normal and supply was 9 percent below normal.

The average farm-wage rate per person, with board, stood at $19.75, having advanced 18 percent above their 1933 level.

ROOSEVELT SOIL-CONSERVATION PLAN AIDS FARMERS

The programs of agricultural adjustment, from their launching in the spring of 1933, were concerned with good use of the land of cooperating farmers as well as with adjustment of crop acreage in line with effective demand.

Farm leaders and administration officials recognized from the start that relieving a proportion of farm land from the soil-exhausting burden of major-crop production created an unprecedented opportunity for putting this land to the soil-conserving uses which farm specialists for many years had been advocating.

IMPROVING FARM LIVING CONDITIONS

Adjustment contracts included provisions encouraging beneficial uses for acreage taken out of surplus crops.

The first corn-hog contract, offered farmers in 1934, authorized use of the rented acreage only "for planting additional permanent pasture; for soil-improving and erosion-preventing crops not to be harvested; for resting or fallowing the land; for weed eradication; or for planting farm wood lots."

The cotton contracts for 1934–35 specified use of the rented acres only for "soil-improving crops; erosion-preventing crops; food crops for consumption by the producer on his farm; feed crops for the production of livestock or livestock products for consumption or use by the producer on his farm; or fallowing; or such other uses as may be permitted by the Secretary of Agriculture or his authorized agent."

Food and feed crops for home use were authorized on rented acres in the South, because it was recognized that the standard of farm living in this region, which contains half of the farm population of the country, might thereby be improved.

The tobacco contracts carried similar provisions.

A GAIN OF 800,000 ACRES FOR PASTURE

In the 1934 crop year, the first in which the adjustment programs were in full swing, farmers agreed to shift their production on nearly 36,000,000 acres.

These acres represented 1 out of every 9 of cultivated land in the country.

Farmers in Ohio shifted 590,000 acres from corn, wheat, and tobacco production. Of the 36,000,000 shifted acres in the United States, it has been estimated that about one-third was put in pasture or meadow crops, one-third in acres of emergency forage crops and in crops that supplied food and feed for home use, and the remaining one-third was fallowed to conserve moisture and control weeds, planted

to farm wood lots, or left idle. The acreage left idle was very small.

DAIRY CATTLE DISEASE ERADICATION

Milk has been an important source of farm income in Ohio.

For the past few years more than $42,000,000 in cash has been returned to milk producers annually.

In 1934 alone they received a cash income of over $52,000,000. They are therefore interested in steps taken by the Government to safeguard the health of their herds.

Approximately $50,000,000 of Agricultural Adjustment Administration funds have been made available for cattle disease eradication in the United States, primarily bovine tuberculosis, Bang's disease, and mastitis.

This work is being done in cooperation with the Bureau of Animal Industry.

As of December 31, 1935, some 943,916 cattle in Ohio had been given the tuberculin test, and about 297,837 cattle in Ohio had been given the agglutination test for Bang's disease.

Of the $178,000 allocated for the eradication of bovine tuberculosis in this State, $177,575.61 had been expended in operating expenses and indemnities at the close of 1935.

Of the $1,700,000 allocated the State for the eradication of Bang's disease, $937,211 had been spent in indemnities and operating expenses through December 1935.

EXTENT OF FARMER PARTICIPATION IN ADJUSTMENT PROGRAMS

From the inauguration of the adjustment programs in 1933 through January 6, 1936, approximately 209,648 adjustment contracts signed by Ohio farmers were accepted by the Agricultural Adjustment Administration.

Of this number of contracts, 110,479 were corn-hog, 69,928 wheat, 23,741 tobacco, and about 5,500 sugar.

Ohio farmers have evidenced their cooperation in A. A. A. programs by their votes in four referenda on these and related measures.

During the first 2 weeks of October 1934 corn-hog producers were asked whether they favored an adjustment program for 1935.

In this referendum Ohio producers numbering 16,753 voted for a program, while 12,704 voted against.

A Nation-wide wheat referendum was conducted on May 25, 1935, in which producers were asked, "Are you in favor of a wheat-production program to follow the present one, which expires with the 1935 crop year?"

In Ohio 20,407 votes were cast, all but 5,719 of which favored such a program.

Last summer producers of flue-cured, burley, fire-cured, dark air-cured, and cigar-leaf tobacco were asked whether they favored a production-adjustment program to follow the one which expired with the crop year 1935.

Burley producers in Ohio favored a program for 1936 by a vote of 3,332 to 510.

Ohio cigar-leaf growers favored a 1936 program by a vote of 2,360 to 218.

The last referendum in this State was that conducted on October 26, 1935, in which corn-hog producers were asked whether they favored a corn-hog program for 1936.

Official returns indicated that 35,116 favored such a program, while 6,237 opposed.

RENTAL AND BENEFIT PAYMENTS IN OHIO

As of December 31, 1935, rental and benefit payments in Ohio aggregated $27,885,711.07.

Of this amount cooperating corn-hog farmers received $20,913,765.10; wheat growers, $4,534,493.41; tobacco producers, $1,790,519.98; and sugar raisers, $646,932.58.

Until January 6, 1936, funds to provide these rental-benefit payments were raised through processing taxes.

As of December 31, 1935, processing-tax collections made in Ohio totaled $30,616,213.03.

Processing taxes were collected through the medium of first processors, or converters of the raw agricultural products—millers, packers, cotton and tobacco manufacturers—wherever these processing establishments were located.

They were paid by consumers throughout the country wherever the processed articles were sold.

FARMERS' MONEY GOES TO TOWN

The increased income of cotton, wheat, and corn-hog farmers did not remain out in the country, where those products were raised.

The farmers' money found its way to town and to the industrial centers of the country, where it put people to work.

The extent to which increased farm income during the past 3 years enabled farmers to increase their purchases of city-made goods and services reflected in several ways.

New automobile registrations in Ohio were approximately as follows: 73,714 in 1932; 112,363 in 1933; 148,932 in 1934; 203,160 in 1935. The increase from 1932 to 1935 was 176 percent.

According to Automobile Facts and Figures, a publication of the Automobile Manufacturers' Association, the 1934 retail automobile-sales gain in Ohio was greatest in small towns and on farms. From 1933 to 1934 new passenger-car registrations on farms and in towns under 10,000 in population increased 40 percent, whereas in cities over 10,000 the increase was 23 percent.

New automobile purchases, among other things, have meant an increased gasoline consumption.

Consumption in Ohio rose from 886,640,000 gallons in 1933 to 955,470,000 gallons in 1934 and to 1,014,926,000 gallons in 1935.

From 1933 to 1935 the increase amounted to 14 percent.

Increased sales of new, ordinary life insurance in Ohio have been another indication of bettered conditions.

The value of sales for 1935 aggregated $370,114,000, an increase of 13 percent over the 1933 figure of $328,910,000.

Improved banking conditions are further indications of increased business activity.

Monthly statements issued by the Federal Reserve System indicate that debits to individual accounts increased greatly from 1932 to 1935.

For 1932 debits in the Cleveland district amounted to $15,427,413,000, and for 1934 they rose to $16,474,873,000.

Preliminary figures indicate that for 1935 they increased to $19,028,067,000, or 23 percent over the 1932 figure.

Savings, including time deposits and postal savings deposited in banks in Ohio, aggregated $895,105,000, an advance of $113,890,000, or 15 percent for the year closing June 29, 1935, in comparison with the year ending June 30, 1933, according to reports received by the savings division, American Bankers Association.

A recent study of freight waybills on carlot shipments of industrial products over 4 railroads, from 16 industrial States of the Northeast to 10 agricultural States of the Southeast, shows that shipments in the year ending June 30, 1934, were greater by 816,302,238 pounds, or 38.8 percent than in the preceding 12 months.

Shipments from the State of Ohio, excluding coal, totaled 316,716,439 pounds in the year ending June 30, 1933, whereas during the following year ending June 30, 1934, after the farm program and other recovery measures went into effect, the total was 417,633,148 pounds, an increase of 48.9 percent.

Mr. CONNERY. Mr. Speaker, yesterday I asked unanimous consent that the gentleman from Massachusetts [Mr. GIFFORD] may be permitted to address the House tomorrow, but the request was objected to. I notice that the gentleman from Georgia [Mr. TARVER] has received permission to address the House for 15 minutes tomorrow. I therefore renew my request that the gentleman from Massachusetts [Mr. GIFFORD] may have 10 minutes to address the House after the gentleman from Georgia [Mr. TARVER], and that following the gentleman from Massachusetts [Mr. GIFFORD] I may have 10 minutes in which to address the House.

The SPEAKER pro tempore. The Chair would ask the gentleman to present that request a little later.

The SPEAKER pro tempore. Under the previous order, the gentleman from Montana is recognized for 10 minutes.

Mr. AYERS. Mr. Speaker, at the outset I admonish you and the Members of the House that nothing I shall say is to be interpreted to mean that I am not in favor of the three

branches of Government as provided in the Constitution. I believe in the Constitution and in the operation of the three branches of Government as provided by it. However, Mr. Speaker, the invalidating of New York's minimum-wage law by the Supreme Court of the United States yesterday was so far reaching that it presents a new issue for the people of these United States.

Some 2 weeks ago the Supreme Court decided in the Guffey coal case that the Congress had no authority to regulate wages in undertakings pertaining to States only, and in yesterday's case denied the States such rights.

Now, without discussing the merits or demerits of either case, but just the principles of law laid down, where is labor under this condition of affairs so far as those two decisions are concerned?

In the first instance the Court invoked the rule of States' rights, and in the second instance it invokes the "due process of law" clause.

Now, with these two decisions confronting us, labor's left leg is knocked out if it does and its right leg is knocked out if it does not. So, with both of these decisions and without a constitutional amendment, labor is flat on its back and at the mercy of its exploiters.

This condition forces upon the people of this Nation the constitutional-amendment issue at this time.

With this decision yesterday holding that the States cannot regulate, right on the heels of the Guffey coal case holding that the Congress cannot regulate, organized labor generally throughout the Nation, and especially in the States having regulatory, minimum hours, maximum hours, age limits, and minimum-wage laws, took a blow that can only be corrected by a constitutional amendment.

Mr. Speaker, I am not one of those who believe that the Constitution can be amended by congressional act. I am a supporter of the Constitution in its every word, and I believe that the only way it can be amended is in accordance with its own terms; that is, by submitting an amendment or amendments to the legislatures of the various States for ratification. That is the issue we are confronted with now. That is the way the drafters of the Constitution made the will of the people supreme.

In my opinion, it is not the Constitution that is at fault, but those who interpret it, and when it is misinterpreted or interpreted contrary to the will of the people and that interpretation becomes the law by judicial decision, then the Constitution provides how the will of the people rather than the whim of a divided court may predominate.

Mr. CONNERY. Will the gentleman yield?

Mr. AYERS. I yield to the chairman of the Labor Committee.

Mr. CONNERY. I heartily agree with the gentleman, but I should like to call his attention to one fact. The question of licensing corporations in interstate commerce and making them do certain things as a precedent to getting that license has not been acted upon by the Supreme Court. That is the entire basis of the Connery 30-hour-week law.

Mr. AYERS. I agree with the gentleman and thank him for his statement, and as he has always known, I am for his bill. [Applause.]

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. AYERS. I yield to the gentleman from Oregon.

Mr. MOTT. I agree with a great deal that the gentleman has said, but I do not quite understand his statement that this has now become an issue. I take it the gentleman means a political issue or does he mean an issue between the parties?

Mr. AYERS. No; I mean an issue between the masses of the people of this country, the toilers and those who produce, if you please, all the wealth of this Nation, on the one side, and the predatory interests and the exploiters that are grinding them underfoot on the other side.

Mr. MOTT. Then the gentleman did not mean to infer that the question of amending the Constitution has now become an issue between the Republican and Democratic Parties?

Mr. AYERS. I do not know whether it will become an issue between the Republican and Democratic Parties, but if the Democratic Party which has always fought for the common masses and for the laborers and the toilers and the "under-dogs" of this Nation, does not put a plank of this kind in its platform at Philadelphia, then I say it is up to you Republicans to do it; however, I have faith that the Democrats will do it, because they have always been for the toiling, laboring, and producing masses of this Nation. [Applause.]

Mr. MOTT. The gentleman does not suggest that the President or the Democratic Party as yet has suggested such an amendment to the Constitution as an issue.

Mr. AYERS. I will say to my friend from Oregon that I am suggesting it now as an issue, and I am pitting the Democratic Party as the friend of the masses.

The phrase in the Constitution upon which the Court's five-member opinion is based reads as follows: "Nor shall any State deprive any person of life, liberty, or property without due process of law." This five-member decision held that the right of the employees to bargain with their employer is a violation of the liberty guaranteed to the employer under this "due process" clause.

Did you ever hear of a judicial interpretation going that far? This is the issue that we are confronted with. The Court has made the issue. Blowing hot and cold on the same subject at the same time made the issue. The reasoning of the two decisions is not consistent.

I just cannot see it. Four of the members of that Court could not see it either, and surely the great masses of this country will be unable to see it. They may look until doomsday and yet they never will see how so much was read into the four words, "due process of law."

So far as the requirements of "due process" are concerned, and in the absence of other constitutional restrictions, a State surely is free to adopt whatever economic policy may reasonably be deemed to promote public welfare, and to enforce that policy by legislation adopted for that purpose. If State laws passed have a reasonable relation to a proper legislative purpose, and are neither arbitrary nor discriminatory, the requirements of the "due process" provision are satisfied.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. AYERS. I am glad to again yield to my friend from Massachusetts, the chairman of the Labor Committee.

Mr. CONNERY. Was it not a rather sharp indictment of the Court when Justice Stone at least implied that the economic opinions of the majority members of the Court were swaying their decision rather than their legal opinion in the matter?

Mr. AYERS. It surely was, and Justice Stone's dissenting opinion was concurred in by Chief Justice Hughes in a special dissenting opinion, and also by two other Justices of the Supreme Court. You know this was a 5-to-4 decision.

In my State—Montana—we have regulatory laws and maximum-hour statutes which, by this 5-to-4 decision, are in jeopardy. If the Supreme Court can nullify minimums it can nullify maximums and other regulatory laws. The same condition exists in all other States having such laws.

In addition to these State laws this Congress and the last Congress wrote into many acts regulatory provisions, prevailing-wage scales, and the collective-bargaining clause, all of which, by these two decisions, have and will come to naught. In each instance I am proud to have supported and voted for each regulatory provision, each prevailing-wage scale provision, and each collective-bargaining clause. I know the good that they have done and I know the good that they can and will do, and I am not willing to assume that labor in general, and organized labor in particular, in the Nation and in the States is whipped. I believe that the friends of the toilers of this Nation will organize at once and demand a constitutional amendment making all such laws possible and effective. [Applause.]

The President has at all times stood firmly for the rights of the toilers, the laborers, and the producers of this Nation.

The Democratic Party has always been for them, and I feel that in its national convention at Philadelphia, that great party of the people will adopt a resolution demanding a constitutional amendment whereby these great humanitarian laws may be reenacted.

The time is ripe. The great rank and file of the people demand it, and since the Democratic Party has always been the party of the people and not a party of the interests, let us progress as usual, for the interest of the people. [Applause.]

Labor should have the right to collectively bargain; the right to these wage scales; the right to hour limitations; the right to protect women and children from the sweatshop, and the right generally to protect all laborers from exploiters. So now that the death knell has been rung, let us, the Democratic Party, go forward in an orderly manner and correct the wrong with a constitutional amendment. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, the gentleman realizes that yesterday we had a program for today which included the Private Calendar and some rules. We have lost an hour today, and yesterday we objected to the request of other Members who wanted to speak today. I hope the gentleman will defer his request.

Mr. HOUSTON. I made the request for yesterday and then put it off until today.

Mr. O'CONNOR. If the gentleman's request is granted, there will be other similar requests, and I am sure the gentleman from Kansas, as well as other Members, are interested in the rules that are to be called up.

The SPEAKER. Objection is heard.

THE NATIONAL YEOMEN F

Mr. CONNERY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1687) to incorporate The National Yeomen F.

The Clerk read the title of the bill.

Mr. MAPES. Mr. Speaker, reserving the right to object, will the gentleman from Massachusetts explain what the bill does?

Mr. CONNERY. Yes. The report of the Committee on the District of Columbia is very short, and states:

The Committee on the District of Columbia, to whom was referred the bill (S. 1687) to incorporate The National Yeomen F, having considered the same, report favorably thereon and recommend that the bill do pass.

Members of the organization which is seeking this national charter were the first women in history to enter the armed forces of our country in time of war, and it seems fitting that Congress should give them the recognition conferred by the provisions of the bill here reported.

The Yeomen F are entitled to all the benefits of the American Legion and the Veterans of Foreign Wars with respect to the bonus and things of that sort, that goes with being sworn into the military service of the United States, and they simply want to be incorporated just as the American Legion and the Veterans of Foreign Wars.

Mr. MAPES. Mr. Speaker, may we have the bill read?

The Clerk read the bill, as follows:

Be it enacted, etc., That Eva H. Clarke, Beatrice Brown Dwyer, and Mary J. O'Donnell, of Arizona;

Ruby Busse Anglim, Lottie Sessions Barrett, Philome Lucy Cavanagh, Stella Austen Clark, Pearl Bonham Clerk, Lillian Koeber Deamer, Harriet Jane Dodson, Alma Simmermacher Dreyer, Stella Neumann Elberson, Ola Belle Emmner, Edna Crumpler Estes, Mirian Mathews Everett, Katherine Driscoll Fallon, Kathleen Vance Hatch, Eva Wilson Hay, Ellen Keefe Heady, Ruth Hemphill, Myrtle Kinsey, Anna Geisler Kirkpatrick, Katherine Brown Lightner, Margaret Dannagger Lovelace, Lillian Catherine McCarthy, Gladys Farmer McCool, Laura Landes Metcalf, Louise Vickery Mowers, Ruth Manahan Neal, Gladys D. Nelson, Madeline O'Leary Peggs, Caroline Peirce, Sara Craddock Sasser, May Gesner Schaefer, Billie Browne Schank, Rita Beauton Schaub, Etienne V. Schier, Louise Williams Sears, Anne Williams Shumway, Florence Kelly Sparrow, Laura V. Waldron, Agnes L. Walker, Gladys Spaulding Wheless, Evelyn Lyon Wiberg, and Muriel Andrews Zerangue, all of California;

Gladys Yeager Briggs and Blanche Marion Curry, of Colorado;

Grace Pascoe Agard, Julie Sternberg Aichler, Mary Sweeney Alling, Sara Hinchey Barry, Anna Kilroy Bean, Kathleen Moriarity Begley, Anna Lyons Bergin, Ethel Cornet Bolles, Anna McDowell Brown, Mary MacKenzie Carson, Lucy Galvin Cavanaugh, Rose Reiger Chapman, Dorothy Sara Clifford, Monica Cecelia Clifford, Sadie Connelly, Marjory Murray Cormack, Martha Swirsky Cotton, Marion McEntee Cox, Ione Disco Cunningham, Katherine Lyng Donovan, Margaret Bess Dordelman, Marguerite Driscoll, Mae Sheehan Dwyer, Ruth Lawson Euster, Katherine Frances Fagan, Ethel Clendenen Fargo, Gertrude Selesnitzky Feinberg, Elisabeth Tagliabue Fields, Helen Buckley Fitzgerald, Irene Catherine Fitzgerald, Anna Campbell Forsythe, Anna J. Gaughan, Mary Penders Gillis, Mary Agnes Grady, Theresa Madeleine Hamill, Alice Mary Harrington, Florence Hulbert Hermanus, Ella Veronica Houlihan, Deborah Pickett Kane, Frances Walsh Keenan, Margaret O'Brien Kennedy, Hazel Merwin Lander, Elizabeth Mallon Leighton, Agnes Carlson Lukens, Catherine Gertrude MacKenzie, Clara Armstrong MacKenzie, Edna Murray Manchester, Mary Driscoll Markham, A. Regina Martin, Josephine McAuliffe Martin, Bellerose Meunier, Mazie Rogers Miller, Elsie Reichert Moon, Winnifred Patricia Nagle, Isabelle Dickson Peterson, Lucy Riley Pfannenstiel, Jewel Perkins Pitt, Eleanor Donahoe Reilly, Elizabeth Kepes Reynolds, Ida Reed Sanders, Alice Savage, Mildred Mabel Schwartz, Margaret Hogan Seaman, Ida Selesnitzky Stone, Agusta Strand, Caroline Wyllie Waterman, Juliana Augusta Weske, Helen Wienhusen, Louise Arnold Wiley, Selina Lee Winter, Margaret Hardiman Wrisley, Mary Connors Wundrack, and Marie Deering Yeager, all of Connecticut;

Norma M. Albers, Lucille Loveless Allan, Gladys Elizabeth Allen, Sarah Jarvis Andrus, Edith Ober Armstrong, Mary Hough Barber, May A. Barrett, Nettie Neitzey Beach, Mary Munday Becker, Esther Hall Beckett, Anne Curtin Belt, Charlotte Louise Berry, Jeannette L. Bishop, Alice Boland Bloomfield, Amelia Boberg, Beulah Holtzscheiter Bosworth, Jane M. Breen, Kate Knight Briggs, Eloise Broaddus, Helen Sprague Brown, Lola Carlisle Strallman Browning, Rose Flood Buice, Annette Louise Burton, Gertrude Bange Butts, Mary Callen, Daisy House Campbell, Ella Echols Chambers, Emma S. Collie, Maude V. Cowan, Jane Regina Cox, Catherine Crowley, Reva S. Darrell, F. Pearl Delaplaine, Eleanor Marie Downey, Alice M. Downie, Cora Laughlin Drake, Anna Cecelia Dunn, Emma Schroder Dyer, Bessie London Faine, Elizabeth Waters Fallis, Anna Schultz Frame, Barbara Spence French, Agnes Monia Gallagher, Annie Ellen Gilson, Eleanor Mary Griffith, Mary Derouda Hall, Amy F. Hammond, Adelaide Ruth Harbers, Dorothy B. Harper, Carolyn Hardesty Herman, Nellie Grant Hinson, Mary E. Jones, Claire Keefe, Kathryn Gallagher Kendrick, Ann Kilmartin, Hope Knickerbocker, Louise Elender Koester, Mary Beall Kolhos, Helen Lucinda Leonard, Edith Kite Lewis, Mary Dove Loughrey, Marie B. Luebkert, Lillian Allen Brubaker Luther, Helen Horigan Maisel, Laura Garcia Martin, Louise Greenwald Matthews, Helen C. McCarty, Geraldine Clark McGovern, Lois B. McRae, Ellen Russell McWilliams, Eloise Sanford Davison Miller, Mary Kurth Moler, Alice Alford Morgan, Anna Lochte Murphy, Margaret Elma Naylor, Edna Meier Nielson, Margaret Broderick Nolan, Alice F. O'Neal, Helen Geraldine O'Neill, Helen Linkins Opitz, Netty Baxter Parker, Blanche C. Paul, Anna Viola Phelps, Annie Skidmore Powers, Sue Gould Prentiss, Edith Warren Quinn, Lillian Louise Reagan, Edna Marie Robey, Estelle Richardson Ruby, Ethel Clark Rule, Louise MacDonnell Ryan, Elizabeth Ivey Sage, Marion Trumbo Skinner, Jessica Randolph Smith, Margaret Grady Smith, Mabel F. Staub, Emily Steele, Nellie Rollins Stein, Edith Herndon Summerson, Mary Sullivan Tatspaugh, Marion Crawford Thur, Mary Kililea Tracey, Margaret Mills Vaughan, Eva Young Virtue, Olive Wrenn Walter, Genevieve F. Wedding, Mary Z. Weide, Lena Kathryn Willige, Pansie Casanave Willson, Ethel M. Wilson, Faith Clements Windsor, Amy Owen Wood, Lena Rigby Woolford, Myrtle Stephens Wright, and Mary Crook Yates, all of the District of Columbia;

Marie Roberts Bevis, Zella Prunty Byrd, Lamonte Oliver Cates, Demerise Labbe Cleveland, Ida Matthews Eichenberger, Loyce Davis Hackett, Mabel Williamson Jacobs, Madeline A. Jacobson, Idele Torrance Jamison, Adele Mead Kendrick, Josephine Mack Miller, Lois Clappison Morse, Almeda Fink Murphy, Roxana Anne Post, Agnes Towson Shelton, Daisy Ruth Westerlund, and Elsie Tuttle Wright, all of Florida;

Anna Elizabeth O'Connell, of Georgia;

Alta Sebree Wardwell Donovan, of Idaho;

Elsie Ericksen Biever, Nora Pomeroy Darling, Grace Alma Dunbar, Anne Rourke Durst, Virginia Stoddert Moore Grottee, Nell Weston Halstead, Edna Benton Hann, Cornelia M. Huennekens, Elizabeth Ann McCoy, Mary Louise Minton, Josephine MacFarland Moran, Mable Vander Ploeg Pease, Hester Smith Rasmussen, Agnes Foertsch Rohlfing, Marie Healy Simpson, Evelyn Jackson Skavlan, Constance Strong, and May Gilligan Sutherland, all of Illinois;

Donna Zimmer Akin, Bessie Fisher Bogwell, Hortense Lee Goldsmith, Mary Parker Harris, and Minnie Tryon Ryan, all of Indiana;

Maud Lowell Ayers, of Kentucky;

Sarah Flaherty Gallagher and Gladys Ilsley McKnight, of Maine;

L. Dorothy Devey Brunken, Lucille Bonita Garrett, Fannie Grigat Laut, Grace Ryder Mead, Katherine Marie Page, Lillian Deters Tabor, Effie Van Horn Thomas, Edna Josephine Yorker, and Anna Kaer Yust, all of Maryland;

Mary Lee Aylward, Marion L. Bain, Florence K. Barry, Anna E. Beers, Helen I. Blake, Mary C. Breslow, Adelaide Mary Bresnahan, Gladys Bruce, Isabel Kehoe Burk, Aileen J. Burke, Elizabeth Helen Burke, Dorothy Leighton Cady, Alice Elinor Carey, Helen Carman, Mary A. Carroll, Mary Chisel, Mary Warner Colombo, Mazie Conley, Kathryn J. Connor, Anita Ryan Connors, Mary M. Conroy, Ellen Bernadette Corbett, Catherine A. Corcoran, Winifred Burns Cox,

Lizzie Glidden Crowley, Madeleine Galvin Delano, Elinor Kyle Devine, Sally Ryan Devlin, Mary F. Doherty, Jane E. Dolsen, Mary Dowd, Eleanor Marion Drew, Alice Driscoll, Mary Joyce Duggan, Mollie Catherine Dundon, Margaret Murphy Faherty, Helen Farrell, Helen Mary Farrell, Catherine Woodward Feeney, Bernice W. Fortin, Patricia Gleason, Marion E. Grady, Mary E. Grady, Anna Mary Hegarty, Ethel Hickey, Dorothy Drew Horan, Elizabeth A. Horgan, Marie Lambert Johnson, Anna Riley Joyce, Agnes Keanneally, Ellen E. Kearns, Bessie Josephine Kelly, Violet Elizabeth Kirkland, Ethel Lally, Genevieve Adrienne Lane, Lucy Marshall Lanigan, Ellen A. Lannigan, Leonore Learson, Julia B. Lehan, Marie Alice Long, Gertrude Lorton, Emma Macaulay Lyle, Helen Stolba Macbeth, Gertrude Catherine Macdonald, Margaret Mehlman Maguire, Anna Marie Mahan, Genevieve A. Maher, Mary Louise Marcille, Marie Kathryn McAuliffe, Anna McCarthy, Helen F. McDonald, Catherine McDonough, Marion Mary McElaney, Anna Marie McGuire, Esther McCall McLaughlin, Agnes Murphy McLean, Anna L. McNulty, Ruth Desmond McSweeney, Bertha Erickson Mead, Irene Florence Michel, Yvonne Michel, Margaret Isabelle Mitchell, Margaret Louise Murphy, Helen Adelaide Murray, Elizabeth McDonald Myers, Helen Barr Nickerson, Eleanor Teresa O'Brien, Margaret Catherine O'Brien, Ria Minehan O'Brien, Margaret Lonergan O'Brion, Helen O'Brien O'Connor, Elizabeth M. O'Donnell, Mary Bull Owens, Olive T. Parsons, Mary Fielding Rawling, Mary McGunigle Redmond, Elizabeth Foley Regan, Mary Lane Regan, Ellen Riley, Helen O'Brien Riley, Anita Roberts, Mary Myers Robinson, Alice Mahan Saunders, Gladys Mary Saxton, Mary Elizabeth Scalley, Julia E. Shine, Elizabeth Stander, Mary Catherine Sughrue, Madeline O'Brien Sullivan, Harriet Mussinan Swearingen, Mary Gross Thayer, Grace M. Tomasello, Madeline Robillard Treloar, Isabel Catherine Wall, Lulu Veronica Walsh, Ethel May Ward, Agnes O'Brien Welch, Esther Marie Werme, Margaret Gertrude Wholly, Alice M. Williams, Lillian Everette Williams, Lucy M. Winn, and Maud C. Young, all of Massachusetts;

Theresa Bean Ballenger, Lilla Mary Bellinger, Gertrude M. Camp, Pauline Cassidy, Grace Schoenhur Conway, Marie Rossley Kalt, Gladys Webster Mallett, Helen Moran, and Margaret Morton Mullaney, all of Michigan;

Ethyl Ryan Maly and Gertrude O'Connor Trestrail, of Minnesota;

Gladys Thames Hubbard, of Mississippi;

Sophie Polenska Coleman, of Missouri;

Davidson, Edyth Plummer, and Dorothy Mauck Wehrman, of Nebraska;

Christina Sander Anderson, Anna Elizabeth Conroy, Gertrude O'Neil DeBrunner, A. May Erwin, Alice Catherine Fairbrother, Kathleen Mary Field, Anne Pedersen Freeman, Marguerite B. Geiger, Lillian Helena Hannold, Julia Hicks, Anna V. Kane, Dorothy May Lee, Corrine Dextroze Mahanna, Ann Marie McCormick, Mina Klein Morrison, Marie Burke Oetmann, Ann B. Shinnick, and Catherine Waters, all of New Jersey;

Sarah Russell Imhof, of New Mexico;

Mary Ducey Archer, Laura Dayton Ball, Esther Berkowitz, Rose Brancato Biagi, May Anne Blazina, Ruth Nethaway Bouck, Harriet Eldridge Robins Brandt, Josephine Mitchell Brosseau, Irene Malito Brown, Regina Burke, Frances Pedicka Campbell, Rowena Margaret Campbell, May Flaherty Carroll, Veronica Marie Cherry, Mary L. Clark, May Cecilia Collins, Ada Howe-Webster Dallinger, Julia Flynn Dorner, Alice Leahy Everard, Dorothy Winifred Ferrier, Elinor Valentine Foley, Marie McElroy Forte, Anna Gallagher, Margaret Katherine Garland, Florence Wilson Goulden, Alice Miriam Govenor, Elizabeth Anna Gridley, Mildred Berryman Hall, Mary Mahoney, Halwartz, S. Dorothy First Hayes, Alice Gieseking Johnson, Angela Lyons Johnson, Marie Elizabeth Kelly, Carrie Klinger, Leonore Lawson Koellsted, Lucile Alzamora Lacey, Mary Gray Langford, Esther Martins Law, Hortense Lersner, Gertrude Long, Isabel Margaret Lynch, Nellie Mahoney, Ruth Evelyn Manning, Matilda Foeth McDonald, Agnes Murphy McGovern, Mary McMahon, Lillian Forsberg Miller, Maud Amelia Mittern, Blanche Babbitt Moeller, Frances Donahue Molloy, Mina Walden Mullen, Lulu Muller, Mary Elizabeth Noel, Lillie May Nohowec, Mabel Dorothy O'Connell, Betty A. Peifer, Frances L. Phair, Anna Reisman, Julia White Robbins, Marion Flannery Savage, Gertrude Evelyn Sawyer, Margaret Faglon Schutt, Mae E. Shuttleworth, Ethel Lynwood Sickles, M. Grace Siegmann, Alice Clyde Stafford, Jeannette Gartland Sturla, May Agnes Sullivan, Lilian Browne Swanson, Dorothy Bradford Thomson, Irene M. Tynan, Rita Regan Wallis, Florence Kelley Walters, Irene Hallan Webb, Julia Woodroff Wheelock, Sally R. Wolf, Sarah Gibbon Yeoman, and Henrietta Yunker, all of New York;

Cooper Miller Correll, Willa Tritt Coward, Virginia Dockery Crow, Lassie Kelly Cunningham, Ethel Harwood Fuller, Estelle D. Gordon, Velma Moody Horne, Annie L. Londeree, Arabella Johnson Milligan, Rebecca Adams Nichols, Mary Allen Pearce, Kathleen Rogers Tate, and Edith Singer Weibel, all of North Carolina;

Neita Russell Christian, Evelyn Evans, Mary Pow Hartman, and Mae E. Hickey, all of Ohio;

Helen Jane Bringier and Bessie Hittie Groff, of Oklahoma;

Anna Lenz Seaton and Evelyn B. Youngs, of Oregon;

Marie R. Ahern, Mary Kemp Anthony, Laura Anderson, Sue Rohland Arishoff, Lillian Young Armour, Minnetta Collies Bentz, Lillian LeVene Blackman, Maybelle M. Bond, Anna D. Boyle, Gertrude Margaret Bracken, Winifred Brooks, May McCormick Bullock, Emma Engel Bunte, Margaret Rebecca Burdell, Mary Gallagher Campbell, Margaret M. Collins, Mae McConnell Conlin, Mary E. Cross, Mrs. James Crumlish, Anna Maguire Culliton, Mary Cavanaugh Daly, Claire Dougherty Dever, Helen M. Devery, Anna Marie Devine, Elizabeth Gray Doran, Helen Dunne, Helen Coty Easterby, Anna Viola Edmonds, Dorothy Elma Evans, Florence Monberger Fedor, Sylvania Israel Garner, M. Cecilia Geiger, Gertrude White Gilkes, Fanny Goldscheider, Blanche Miller Grimes, Catherine Stanfield Gutenberger, Emily Hacker, Beatrice B. Hamer, Agnes E. Hamill, Marion Manahan Hammill, Claire V. Harkins, Bertha M. Harris, Mary English Harvey, Freda Forster Hawsey, Kathryn Johnston Hazzard, Charlotte King Hedden, Jane Orr Heilig, S. Elizabeth Holmes, Effie C. Innes, Sue Altemus Jones, Anna Elizabeth Jourdan, Marie A. Kelly, Marie V. Klase, Emma Edith Lapeus, Sophia Levin, Mary M. Long, Laura Harrison Love, Anna Elizabeth Magee, Helen Marshall, Esther Nichols Martin, Cecilia McHale, Elizabeth Marie McNamee, Anna J. Meara, Mary Burton Morris, Rosaline K. Moscony, Helen Hannigan Myers, Sara Myers, Florence Fischer Nicholson, Vesta Kaufman Niedt, Sylvania W. Oberholtzer, Anna Florence O'Connor, Constance O'Hara, Catharine G. O'Neill, Margaret Elizabeth Paul, Anne M. Perry, Cora Felter Phillips, Molly Dever Purcell, Mary A. Raith, Sara Ada Rice, Isabel E. Rosenfeldt, Anna M. Ross, Lillian White Schumacher, Prudence McCullin Sheperla, Rachel Emily Shultz, Aida Holz Skelly, Mabel Melville Slifer, Marjorie L. Slocum, Mary T. Smith, Caroline Steinbock, Mary M. Taylor, Agnes Finley Tieman, Ida Carver Townsend, Gertrude Martin Voigt, Katherine Frances Walsh, Mary Warren, Elsie E. Weaver, Amy Maria Weems, Annette Kirby Weirbach, Margaret Rowena Wellbank, Joanna Ferguson Wittman, and Elsie Richards Whitmore, all of Pennsylvania.

Jennie Carter Aldred, Elisabeth Louise Baxter, Lydia York Brown, Lylian Annette Callis, Lillie Reeves Campbell, Olive Mather Clark, Theresa Margaret Dunphy, Helen MacDonald Garnett, Matilda Eglinton Grady, Dora Bucklin Helwig, Catherine Freeman Hunt, Monica Monaghan Keenan, Margaret Ruane McCartin, Effie Crowther Meeker, Mary Littlefield O'Mara, Jennie Cavanaugh Peffer, and Agnes Wheeler Smith, all of Rhode Island;

Bertha Avaunt Frischkorn, Sara Quinn Harrington, Rosa Wade Holland, Florence Idella Larasey, Mary Sinkler de Saussure McQueen, Ida Marie Stoesen, and Mamie Elizabeth Verdier, all of South Carolina;

Antonio Shuster Bunger, Sue Lou Rutledge Corbin, and Louisa Daniell Shepherd, all of Texas;

Esther Laubach, of Utah;

Nellie Leland Cutler and Minnie Bliss Sweetser, of Vermont;

Bertha Tyler Carwithen, Columbia Taylor Conway, Mary Anne Eike, Janet Rishell English, Dorothy Knight Fannon, Pauline Taylor Groves, Peggy Oakes Marable, Ethel Ward Montagne, Rose Nelson O'Hara, Anna Smith Reynolds, Josephine M. Senerchia, Maude Lois Smith, Mayme E. Smith, Mary Phillips Spiers, Margaret C. Thomas, and Ulla Rathbun Tracy, all of Virginia;

Sadie Conely Babcock, Margaret Powell Bidlake, Calla Layton Henly, Betty L. Reynolds, Emma Rogers Shriver, Lillian M. Squier, and Agnes Bell Williams, all of Washington;

Elsie Jane Beaty, Beulah Bess Carper, Ada Drown Childers, Mabelle W. Clinton, Alberta Herren Davis, Selma Price Deyo, Cora Byrnside Haynes, Mabel Claire Heslep, Hazel Hodge, Pauline Miller Howard, Tillie Haley Hull, Elizabeth Van Hoose Hurt, Helen Southworth Lanterman, Hope Parker Oesterle, Naoma Hawkes Parsons, Mary Louise Price, Kathaleen Dellinger Ridgley, and Wafie Calebaugh Robinson, all of West Virginia;

Mrs. Wallace A. Giffen, Laura V. Hall, Eleanore Walters Herdrich, Ada Hosford, and Sophia Keller Ormond, all of Wisconsin;

Susan Barnes Turney, of Wyoming;

Wilhelmina Mezger Farvin Woofter, of Alaska;

Katherine Patee MacMillian, of Canada;

Rose O'Connell Shaefer, of China;

Laura Finnegan Cheatham, Margaret MacEachern Edwards, Marie Murray Grant, Lillian Cooper Harrington, and Julia Weber, all of Hawaii;

and their associates and successors are hereby created a body corporate and politic, in the District of Columbia, by the name of "The National Yoemen F", for patriotic, historical, and educational purposes; to foster and perpetuate the memory of the service of Yoemen (f) in the United States Naval Reserve Force of the United States Navy during the World War; to preserve the memories and incidents of their association in the World War by the encouragement of historical research concerning the service of Yoemen (f); by the promotion of celebrations of all patriotic anniversaries to cherish, maintain, and extend the institutions of American freedom; to foster true patriotism and love of country, and to aid in securing for mankind all the blessings of liberty.

SEC. 2. That said organization is authorized to hold real and personal estate in the United States so far only as may be necessary to its lawful ends, to an amount not exceeding $50,000, and may adopt a constitution and bylaws not inconsistent with law, and may adopt a seal.

SEC. 3. That said organization shall report annually to the Secretary of the Smithsonian Institution concerning its proceedings, and said Secretary shall communicate to Congress such portions thereof as he may deem of national interest and importance. The regents of the Smithsonian Institution are authorized to permit said national organization to deposit its collections, manuscripts, books, pamphlets, and other material for history in the Smithsonian Institution or in the National Museum, at their discretion, upon such conditions and under such rules as they shall prescribe.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL GOLD MEDAL TO LINCOLN ELLSWORTH

Mr. PARSONS. Mr. Speaker I ask unanimous consent for the present consideration of S. 3770, to award a special gold medal to Lincoln Ellsworth.

The SPEAKER. Is there objection?

Mr. MAPES. Reserving the right to object, will the gentleman state what this bill is?

Mr. PARSONS. It is a bill authorizing a special gold medal to Lincoln Ellsworth for his discovery of new land in the Antarctic region. It has been reported unanimously by the committee, with an amendment to the Senate bill correcting the language.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the committee amendment, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the President of the United States is authorized to present a gold medal of appropriate design, with accompanying distinctive ribbon, to Lincoln Ellsworth, noted American explorer and outstanding pioneer in exploratory aviation in the Arctic and in Antarctica, for claiming on behalf of the United States approximately 350,000 square miles of land in Antarctica between the eightieth and one hundred and twentieth meridians west of Greenwich, representing the last unclaimed territory in the world, and for his exceptionally meritorious services to science and aeronautics in making a 2,500-mile aerial survey of the heart of Antarctica, thus paving the way for more detailed studies of geological, meteorological, and geographical questions of world-wide importance and benefit. There is hereby authorized to be appropriated such sum as may be necessary to carry out the provisions of this act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REFORESTATION

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 8271) to amend the act entitled "An act to insure adequate supplies of timber and other forest products for the people of the United States, to promote the full use, for timber growing and other purposes, of forest lands in the United States, including farm wood lots and those abandoned areas not suitable for agricultural production, and to secure the correlation and the most economical conduct of forest research in the Department of Agriculture, through research in reforestation, timber growing, protection, utilization, forest economics, and related subjects, and for other purposes", approved May 22, 1928.

The SPEAKER. Is there objection?

Mr. MAPES. Reserving the right to object, I dislike to make a point of order, but the rule provides that the Private Calendar shall be taken up today immediately after the disposition of matters on the Speaker's table and the conclusion of the special orders. It seems to me out of order to take this bill up at this time. Many Members are away from the Chamber and have the right to assume that nothing but private bills will be taken up.

Mr. DIRKSEN. Was this bill on the Consent Calendar yesterday?

Mr. LUCKEY. Yes; but it was not reached. It is at the end of the calendar and cannot be reached at this session.

This bill simply provides for a reclassification of the forestry stations. At present there are 12, and this reorganization will make 13. It is a bill that is sponsored by the Agricultural Department, the Forest Department and has the endorsement of the Committee on Agriculture.

Mr. JENKINS of Ohio. How much will it cost?

Mr. LUCKEY. There is no appropriation called for at all. It reclassifies the Forestry Divisions or experiment stations.

Mr. JENKINS of Ohio. It makes a new station.

Mr. LUCKEY. It is a reclassification; it calls for no money at this time.

Mr. MAPES. Has the gentleman consulted the ranking member of the committee as to calling it up?

Mr. LUCKEY. Yes.

Mr. MAPES. And he knows that the gentleman intends to call it up?

Mr. LUCKEY. He is in favor of it; yes.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of May 22, 1928 (45 Stat. 699; U. S. C., Supp. VII, title 16, sec. 581a), be, and the same is hereby, amended by adding thereto the following paragraph:

"The Secretary of Agriculture is further authorized to establish and maintain a forest experiment station in the Great Plains and prairie States, to be known as the "Great Plains Forest Experiment Station", and to acquire by purchase, condemnation, donation, or otherwise such real property or interest therein as in his judgment is required for the use of said station, including the making of necessary expenditures in examining, appraising, and surveying any such property and in doing all things incident to perfecting title thereto in the United States. There is authorized to be appropriated annually such additional sums as may be required for the purposes of this paragraph."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYING CERTAIN LANDS TO SOLANO COUNTY, CALIF.

Mr. WELCH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 10356, authorizing the Secretary of the Navy to convey a right-of-way over certain lands situated in Solano County, Calif., to the State of California for State highway purposes. This bill was on the Consent Calendar yesterday, it is approved by the gentlemen in charge of calendar on either side of the aisle.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Without objection, the Clerk will report the committee amendment.

There was no objection.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"That there is hereby granted to the State of California, under such terms and conditions as the Secretary of the Navy may prescribe, an easement of right-of-way for highway purposes only and for no other purposes, over a strip of land 150 feet in width and lying and being 75 feet on either side of the center line of a certain privately operated toll road known as the Sears Point Toll Road, as said road is now laid out, used, and operated, and running from the Napa River in the county of Solano, State of California, to Sonoma Creek in said county and State.

"Said grant is for the purpose of permitting the State of California to locate and maintain at its expense along the route hereinbefore mentioned a free public highway, which shall be a portion of the State highway system of the State of California. *Provided, however*, That upon abandonment of said highway by the State of California for the purposes aforesaid the easement granted to the said State of California under this act shall cease and terminate.

"SEC. 2. Whenever in the judgment of the Secretary of the Navy or his duly authorized representative it is necessary or desirable, he may, in behalf of the United States, assume for a temporary period exclusive control, management, and regulation of the use for any purpose of said highway; or the Secretary of the Navy may, in behalf of the United States, at any time he deems the interests of the United States so require, permanently terminate such easement on the whole or any part of the said lands, and thereupon all rights hereby granted to the State of California shall terminate forever. Upon a permanent termination of the said easement by the act of the Secretary of the Navy, the United States shall thereafter pay to the State of California the reasonable value of the highway improvements constructed by the State of California on the land described herein and upon said right-of-way at the time of such termination, such value to be determined by the Secretary of the Navy.

"SEC. 3. The Secretary of the Navy is hereby authorized and directed to execute and deliver to the State of California such conveyance as is necessary to effectuate the terms of this act."

The committee amendment was agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ORDER OF BUSINESS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection?

Mr. COSTELLO. Mr. Speaker, it is now 3 o'clock, and we have been waiting 3 hours for the call of the Private Calendar. I feel I shall have to object to any further addresses or to the bringing up of any more bills at this time.

The SPEAKER. Objection is heard.

FIRST DEFICIENCY APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 12624, the first deficiency appropriation bill, together with the Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate; also that the managers on the part of the House, notwithstanding the provisions of clause 2, rule XX, be authorized to agree to any and all Senate amendments, with or without amendment.

The SPEAKER. The gentleman from Texas ask unanimous consent to take from the Speaker's table the bill H. R. 12624, the first deficiency appropriation bill, together with the amendments of the Senate thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate; also that the managers on the part of the House, notwithstanding the provisions of clause 2, rule XX, be authorized to agree to any Senate amendments, with or without amendment. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. I would be willing myself to agree to a complete report on everything except certain projects. There are certain projects in that bill which I think should come back for a separate vote in the House. For instance, there is the Florida ship canal proposition, then the public-works revolving fund proposition, and the reclamation projects item. I would not want to agree to a complete report without that reservation.

Mr. BUCHANAN. Mr. Speaker, as to the first two, amendments 41 and 49, I should be willing to bring them back to the House. These others involving a whole raft of amendments, under the reclamation law, can easily be rejected by the managers on the part of the House, and not over one or two, perhaps not one, included in the report if it is authorized by law. If it is not authorized by law, we will be compelled to bring it back to the House, anyway, under the rules of the House. I shall agree to bring the other two back for a vote.

Mr. TABER. I think the reclamation project items for the time being should be reserved.

Mr. MAPES. Mr. Speaker, for the time being I object to the last part of the request, which waives the rules of the House.

The SPEAKER. Objection is heard.

Mr. TABER. The gentleman would not object to the bill going to conference?

Mr. MAPES. No; I would not object to the bill going to conference.

Mr. CONNERY. Mr. Speaker, the gentleman has objected to the last part of the request. Does that mean that the bill goes to conference?

The SPEAKER. The gentleman from Texas has abandoned his request, as the Chair understands.

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

JAMES PHILIP COYLE

The Clerk called the bill (H. R. 681) for the relief of James Philip Coyle.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors James Philip Coyle, who enlisted in the United States Navy on June 16, 1898, as a fireman, second class, serving on the U. S. S. *Franklin* (service no. 122–95–88), shall hereafter be held and considered to have been honorably discharged from the naval service of the United States on September 21, 1922: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SEKIGO TAKAHASHI

The Clerk called the joint resolution (H. J. Res. 504) to authorize the issuance to Sekigo Takahashi of a permit to reenter the United States.

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That the Secretary of Labor is authorized and directed to issue to Sekigo Takahashi a permit to reenter the United States after a temporary visit to Japan, notwithstanding his ineligibility for admission for permanent residence, and to readmit him if he applies for readmission during the validty of the permit to reenter.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DR. HAROLD W. FOGHT

The Clerk called the next bill, H. R. 12622, for the relief of Dr. Harold W. Foght.

The SPEAKER. Is there objection?

Mr. COSTELLO. Mr. Speaker, I object.

The SPEAKER. Is there a further objection?

There being no further objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit to Harold W. Foght, superintendent of the Cherokee Indian Agency, N. C., for the sum of $377.40, which amount was expended from appropriated funds for the transportation of the household effects of Dr. Foght to his new post of duty at Cherokee, N. C.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUTH EDNA REAVIS

The Clerk called the next bill, S. 4374, for the relief of Ruth Edna Reavis (now Horsley).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the statutory period of entry in the case of Buffalo, Wyo., 030423, Ruth Edna Reavis (now Horsley), is extended 2 years to permit the fulfillment of necessary residence and improvement requirements on the land.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK P. HOYT

The Clerk called the next bill, S. 1464, for the relief of Frank P. Hoyt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefit upon honorably discharged soldiers Frank P. Hoyt, who was a member of Troop D, Eighth Regiment United States Cavalry, shall hereafter be held and considered to have served for more than 90 days during the Philippine Insurrection and to have been honorably discharged on the 1st day of June 1900: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act: *And provided further*, That the rights, privileges, and benefits conferred upon Frank P. Hoyt by reason of the enactment of this act shall be limited to admission to a soldiers' home under the regulations governing such admissions.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A. J. WATTS

The Clerk called the next bill, S. 3067, for the relief of A. J. Watts.

The SPEAKER. Is there objection?

Mr. CLARK of Idaho. Mr. Speaker, I object.

The SPEAKER. Is there a further objection?

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon persons who have served in the military forces of the United States, the disabilities of A. J Watts, formerly a private, Battery B, Georgia Volunteer Light Artillery, shall be held and considered to have been incurred by him in the active military service of the United States during the Spanish-American War: *Provided*, That no compensation, retirement pay, back pay, or other benefit shall be held to have accrued by reason of this act prior to its enactment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DANIEL YATES

The Clerk called the next bill, S. 3128, for the relief of Daniel Yates.

Mr. CLARK of Idaho, Mr. HOPE, and Mr. HANCOCK of New York objected, and the bill, under the rule, was recommitted to the Committee on Military Affairs.

WILLIAM CONNELLY, ALIAS WILLIAM E. CONNOLEY

The Clerk called the next bill, S. 3663, for the relief of William Connelly, alias William E. Connoley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon honoraby discharged soldiers William Connelly, alias William E. Connoley, late of Company H, Eighteenth Regiment United States Infantry, in the Indian wars, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on May 23, 1883: *Provided*, That no pension, back pay, bounty, or other allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIG. GEN. C. E. NATHORST

The Clerk called the next business, Senate Joint Resolution 110, authorizing Brig. Gen. C. E. Nathorst, Philippine Constabulary, retired, to accept such decorations, orders, medals, or presents as have been tendered him by foreign governments.

There being no objection, the Clerk read as follows:

Resolved, etc., That Brig. Gen. C. E. Nathorst, Philippine Constabulary, retired, be, and he is hereby, authorized to accept such decorations, orders, medals, or presents as have been tendered him by foreign governments.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OFFICERS AND ENLISTED MEN OF THE UNITED STATES ARMY—AUTHORIZATION TO ACCEPT MEDALS, ORDERS, ETC.

The Clerk called the next bill, S. 4391, authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following-named officers and enlisted men of the United States Army are hereby authorized to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered:

Maj. Gen. George S. Simonds, Maj. Gen. Thomas Q. Ashburn, Brig. Gen. Alfred T. Smith, Lt. Col. Joen E. Ardrey, Lt. Col. David E. Cain, Lt. Col. John A. Considine, Lt. Col. Roland L. Gaugler, Lt. Col. Hans R. W. Herwig, Lt. Col. Dennis E. McCunniff, Lt. Col. Troy H. Middleton, Lt. Col. Lathe B. Row, Lt. Col. Clinton W. Russell, Lt. Col. Otis K. Sadtler, Lt. Col. Clemens W. McMillan, Maj. Elbridge Colby, Maj. Charles H. Corlett, Maj. John A. Weeks, Capt. Robert M. Eichelsdoerfer, and Capt. James H. Walker.

With the following committee amendment:

After line 9, on page 1, insert "Col. Charles H. Morrow (posthumously)."

The committee amendment was agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: On page 2, line 11, strike out all of line 11 and insert in lieu thereof "Capt. James H. Walker and Lt. Taliesin Waters."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERCY C. WRIGHT

The Clerk called the next bill, H. R. 12567, for the relief of Percy C. Wright.

The SPEAKER. Is there objection?

There was no objection.

Mr. KLOEB. Mr. Speaker, I ask unanimous consent that S. 1769 be substituted for the bill H. R. 12567.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to place First Lt. Percy C. Wright, Army Air Corps Reserve, upon the retired list of the Army with three-fourths of the active-duty pay of his grade: *Provided*, That a duly constituted Army retiring board finds that the said Percy C. Wright is incapacitated for service by reason of physical disability incurred in the line of duty: *Provided further*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

BARBARA JAECKEL

The Clerk called the next bill, S. 4400, for the relief of Barbara Jaeckel.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Barbara Jaeckel, widow of Theodore Jaeckel, late consul general, Victoria, British Columbia, the sum of $8,800, being 1 year's salary of her deceased husband, who died while in the Foreign Service; and there is hereby authorized to be appropriated a sufficient sum to carry out the purposes of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERNEST E. DAILEY, DECEASED

The Clerk called the next bill, S. 3369, providing for the posthumous appointment of Ernest E. Dailey as a warrant radio electrician, United States Navy.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to appoint, posthumously, Edwin E. Dailey, late a radioman, first class, United States Navy, a warrant radio electrician, United States Navy, and to deliver to the widow of said Edwin E. Dailey the warrant of such appointment. Such appointment shall be effective as of February 11, 1935.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ODA HERBERT PLOWMAN

The Clerk called the next bill, H. R. 11984, for the relief of Oda Herbert Plowman.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to accept for enlistment in the Navy, without regard to physical or other qualifications, Oda Herbert Plowman, formerly chief gunner's mate, United States Navy, in the rating held by him when last discharged therefrom, and to transfer him immediately to the Fleet Naval Reserve in that rating: *Provided*, That the said Oda Herbert Plowman shall be entitled, upon such transfer to the Fleet Naval Reserve, to receive the pay, allowances, and other benefits accorded enlisted men of that rating transferred to the Fleet Naval Reserve after 16 years' service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. LAURENCE V. HOUSTON, RETIRED

The Clerk called the next bill, S. 3992, for the relief of Capt. Laurence V. Houston, retired.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is hereby authorized to transfer Capt. Laurence V. Houston from the retired to the active list of the United States Army and to place him on the promotion list in the position he would have occupied had he not been involuntarily transferred to the retired list on December 9, 1929: *Provided*, That no back pay or allowances shall accrue to Capt. Laurence V. Houston by reason of this transfer.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM A. M'MAHAN

The Clerk called the next bill, H. R. 1367, for the relief of William A. McMahan.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William A. McMahan, of El Paso, Tex., the sum of $10,000 for permanent disability resulting from disease contracted in line of duty while in the employ of the Federal Government.

With the following committee amendment:

Strike out all the wording of the bill after the enacting clause and insert in lieu thereof the following:

"That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of William A. McMahan, of El Paso, Tex., for disability alleged to have been incurred by him during the period from September 1923 through February 1924, while in the employment of the Post Office Department as postmaster at Sidon, Ark., and to determine said claim upon its merits under the provisions of said act: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act: *Provided further*, That no benefits shall accrue prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEAN SCOTT

The Clerk called the next bill, H. R. 2323, for the relief of Dean Scott.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized and directed to grant compensation and medical treatment to Dean Scott for a disability incurred while employed at the Army Transport Pier, Newport News, Va., in July 1914, and as able seaman on the United States ship *A. T. Huckey* at Staten Island, N. Y., in December 1919, such benefits to be granted from the date on which disability began, in accordance with the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916.

With the following committee amendment:

Strike out all of the bill after the enacting clause and insert in lieu thereof the following:

"That the limitations of time in sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of Dean Scott, of Winchester, Mass., and the United States Employees' Compensation Commission is hereby authorized to receive and consider his claim, under the remaining provisions of said act, for injury to his right elbow, right side, and his head, alleged to have been sustained while a civilian employee of the United States Army transport *Tacony* on or about December 19, 1919: *Provided*, That claim hereunder shall be made within 6 months after the approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIRST DEFICIENCY APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I again ask unanimous consent to take from the Speaker's table the bill H. R. 12624, the first deficiency appropriation bill, together with the amendments of the Senate thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate; also that the managers on the part of the House, notwithstanding the provisions of clause 2, rule XX, be authorized to agree to any statement with or without amendment. I will except from this request the Florida ship canal and the public-works amendments.

Mr. TABER. Mr. Speaker, reserving the right to object, will not the gentleman also include the reclamation projects?

Mr. BUCHANAN. I would rather not; there are too many of those.

Mr. TABER. I think we ought to do that.

Mr. BUCHANAN. There are too many of those amendments.

Mr. TABER. I think we ought to put the reclamation items in the list, too. That will only make three, nos. 41, 49, and 88.

Mr. BUCHANAN. But my colleague understands there are a great many different projects in that amendment. I do not have any intention of agreeing to those projects, and my colleague knows I have no intention of doing so. There may be one project in the whole list I might agree to, and it may be authorized by law. Why not, then, leave it to the conferees?

Mr. TABER. It would not require a consent to include it in the conference report if it were authorized. I think we ought to except this amendment also, and I shall have to insist on excepting it.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. TABER. I shall have to object unless the gentleman from Texas will include the reclamation projects in his exceptions.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I object.

THE PRIVATE CALENDAR

The SPEAKER. The Clerk will call the next bill on the Private Calendar.

INTERNATIONAL-GREAT NORTHERN RAILROAD CO.

The Clerk called the next bill, H. R. 2932, for the relief of the International-Great Northern Railroad Co.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the International-Great Northern Railroad Co. the sum of $43,187.54 to compensate the said company for said sum of money for and on account of the United States as paid by the company in the following items: Customs inspection, $18,500.63; Health Department, $3,515.74; Department of Agriculture, State of Texas, $17,630.04; United States Department of Labor, $3,541.13.

With the following committee amendment:

Strike out the wording of the bill after the enacting clause and insert in lieu thereof the following:

"That jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment upon, notwithstanding the lapse of time or any provision of law to the contrary, the claim of the International-Great Northern Railroad Co., for compensation in the amount of $43,187.54 for expenses and losses incurred and paid to the United States as follows: Customs inspection, $18,600.63; Health Department, $3,515.74; United States Department of Labor, $3,541.13; and to the Department of Agriculture, State of Texas, $17,630.04, all between September 1929 and

November 1933, on account of salaries and overtime pay of customs and health inspectors, and incidentals in connection therewith and resulting from the inauguration of a new international train service between this country and Mexico. The Court of Claims shall not have jurisdiction under this act unless the said company files a petition setting forth their claims for such compensation in such court within 1 year after the date of enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title of the bill was amended to read: "A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of the International-Great Northern Railroad Co. against the United States."

LUCRETIA NORRIS

The Clerk called the next bill, H. R. 7822, for the relief of Lucretia Norris.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lucretia Norris the sum of $600, in full settlement of all claims against the United States for injuries sustained when she was struck by a vehicle operated by an employee of the Government and in the service of the Post Office Department, in Baltimore, Md., on January 1, 1931.

With the following committee amendment:

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REV. HARRY J. HILL

The Clerk called the next bill, H. R. 7947, for the relief of Rev. Harry J. Hill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rev. Harry J. Hill, of Burbank, Calif., the sum of $500 in full settlement against the Government for damages sustained in a collision between his automobile and a Government-owned truck driven by a Civilian Conservation Corps employee on June 8, 1934, in Yosemite National Park, Calif.

With the following committee amendments:

Page 1, line 6, strike out "$500" and insert "$250."

Page 2, line 1, after "California", insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

V. P. JOHNSON

The Clerk called the next bill, H. R. 7970, for the relief of V. P. Johnson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to V. P. Johnson, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to compensate him for loss by fire of motorboat on April 24, 1927, while said boat was leased by the United States Engineers and in the service of the United States.

With the following committee amendments:

Page 1, line 4, after "Johnson", insert "of Vicksburg, Miss."; in line 6, strike out "$1,000 to compensate him" and insert "$500 in full satisfaction of his claim against the United States"; and in line 10, after the word "States", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. FRANK DALEY

The Clerk called the next bill, H. R. 8643, for the relief of Mr. and Mrs. Frank Daley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Frank Daley, of Somers, Mont., the sum of $21,750. Such sum shall be in full settlement of all claims against the United States on account of the death of their son, Donald Daley, and the serious injuries sustained by the said Mr. and Mrs. Frank Daley when the automobile in which they were riding collided with a truck of the Civilian Conservation Corps.

With the following committee amendments:

Page 1, line 5, strike out "Mr. and Mrs. Frank Daley, of Somers, Mont., the sum of $21,750. Such sum" and insert "Frank Daley, of Somers, Mont., the sum of $5,000, and to Mrs. Frank (Margaret E.) Daley the sum of $2,500. Such sums".

Page 2, line 4, after the words "corps", insert "on October 25, 1934."

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 1, line 8, strike out "$5,000" and insert "$2,500"; and in line 9, strike out "$2,500" and insert "$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTELLE MARY MAC DONALD AND MARILYN MAC DONALD

The Clerk called the next bill, H. R. 8841, for the relief of Estelle Mary MacDonald and Marilyn MacDonald.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Estelle Mary MacDonald and Marilyn MacDonald, of Chehalis, Lewis County, Wash., a total sum of $10,920.92, of which amount $920.92 represents the expenses incurred at the time of the injuries and death of Kenneth Malcolm MacDonald, late husband and father, respectively, of the claimants, Estelle Mary MacDonald and Marilyn MacDonald. Such sum shall be in full settlement of claims against the United States on account of the death of Kenneth Malcolm MacDonald, December 30, 1934, growing out of injuries which occurred December 24, 1934, when an automobile in which he was riding was struck by a Civilian Conservation Corps truck negligently driven by Joe Flannigan: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$10,920.92" and insert "$45,920.92."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BARBARA JEAN MATTHEWS

The Clerk called the next bill, H. R. 8898, for the relief of Barbara Jean Matthews, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Ellen Matthews, guardian of Barbara Jean Matthews, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 in full settlement against the Government for injuries received when her hands were crushed by a falling piano at Yosemite National Park, Camp No. 15, July 24, 1932: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000" and insert "$2,500."

Mr. COSTELLO. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO to the committee amendment: Strike out "$2,500" and insert "$1,000."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNIE E. HYLAND

The Clerk called the next bill, H. R. 9237, for the relief of Annie E. Hyland.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Annie E. Hyland, of San Francisco, Calif., the sum of $821.40 for injuries sustained on September 4, 1933, when she was struck by an Army fire engine.

With the following committee amendment:

Page 1, line 6, after "$821.40" insert "in full satisfaction of her claim against the United States", and in line 9, after "engine", insert a colon and the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EDWARD L. GOCKELER

The Clerk called the next bill, H. R. 9418, for the relief of Edward L. Gockeler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the requirements of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in the case of Edward L. Gockler, of Saranac Lake, N. Y., formerly employed as a clerk by the Committee on Public Information, Washington, D. C., and the United States Employees' Compensation Commission is authorized and directed to consider and act upon any claim filed by him under the provisions of such act, as amended, within 1 year after the date of enactment of this act, for compensation for disability resulting from disease contracted by him while in the performance of his duties as such employee, but compensation, if any, shall be paid from and after date of enactment of this act. Such payments of compensation shall be made out of funds heretofore or hereafter appropriated for the payment of awards under the provisions of such act of September 7, 1916, as amended.

With the following committee amendments:

Page 1, line 8, strike out "Gockler" and insert "Gockeler"; in line 9, after the word "employed" insert "from September 18, 1917, to January 1, 1918."

Page 2, line 4, strike out "1 year" and insert "6 months"; line 5, strike out "resulting from disease" and insert "alleged to have resulted from tuberculosis" and in line 9, after the word "act" strike out the remainder of the bill.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ANDREW DOWD

The Clerk called the next bill, H. R. 9896, for the relief of Andrew Dowd.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Andrew Dowd, of Muskegon, Mich., the sum of $1,800, such sum representing the damages to him caused by injuries sustained in an automobile accident while engaged in the duties of his office as a deputy United States marshal for the western district of Michigan:

With the following committee amendments:

Page 1, line 6, after "$1,800", strike out "such sum representing the" and insert "in settlement of all claims against the United States for"; and in line 11, after the word "Michigan", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

L. M. CRAWFORD

The Clerk called the next bill, H. R. 10169, for the relief of L. M. Crawford.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to L. M. Crawford the sum of $66,906.66, as payment for damages sustained by him as a result of the fixing of a boundary line between New Mexico and Texas under a decision of the Supreme Court of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to L. M. Crawford, of Wichita, Kans., the sum of $15,281.60, in full satisfaction of his claim against the United States for the loss of 382 acres of land in the Rio Grande Valley about 10 miles northwest of El Paso, Tex., title to which he obtained under a patent issued by the United States to his predecessor in title, and the loss of which reulted from the fixing of the boundary line between the States of New Mexico and Texas by the decision of the Supreme Court of the United States in the case of *State of New Mexico* v. *Texas* (275 U. S. 279; 48 Sup. Ct. 126): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SARAH E. PALMER

The Clerk called the next bill, H. R. 10222, for the relief of Sarah E. Palmer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,098 in full settlement of all claims against the Government for injuries suffered as the result of her car having been struck by an Army truck in Baltimore on October 10, 1932, and for expenses and losses resulting therefrom: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$4,098" and insert "$3,500."

The committee amendment was agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 1, line 4, after the word "pay", insert "to Sarah E. Palmer."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRIS BROS. PLUMBING CO.

The Clerk called the next bill, H. R. 10527, for the relief of Harris Bros. Plumbing Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Harris Bros. Plumbing Co., St. Paul, Minn., the sum of $3,150 in full settlement of all claims against the United States on account of the necessity of employing two additional engineers during the construction of the new post-office building, St. Paul, Minn., September 1933 to September 1934; the Harris Bros. Plumbing Co. having to employ two additional men as assistant engineers for a period of 9 months each at the rate of $2,100 per annum.

With the following committee amendment:

Page 1, line 8, after the word "States", strike out the remainder of page 1 and lines 1, 2, and 3 down to the word "annum" on page 2, and insert: "for the furnishing of additional employees as subcontractor of contract no. Tisa-4352, dated April 5, 1933, during the construction of the new post-office building at St. Paul, Minn., from the period of November 1, 1933, to July 1, 1934, on account of the Government moving into the building prior to its completion and not furnishing sufficient help adequately to heat the building: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORA FULGHUM AND BEN PETERSON

The Clerk called the next bill, H. R. 10677, for the relief of Cora Fulghum and Ben Peterson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) Cora Fulghum the sum of $10,000, and to (2) Ben Peterson the sum of $10,000. The payment of such sums to such persons shall be in full settlement of their respective claims against the United States for damages sustained on account of the death of their sons, Arnall Fulghum and C. J. Peterson, respectively, who were fatally injured on August 30, 1935, near Waycross, Ga., in a collision involving the truck on which they were riding and a Government vehicle in the service of the Civilian Conservation Corps: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with the said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$10,000" and insert "$5,000", and in line 7, strike out "$10,000" and insert "$5,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE HOUSTON

The Clerk called the next bill, H. R. 10697, for the relief of George Houston.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., 1934 ed., title 5, secs. 767 and 770), are hereby waived in favor of George Houston, who sustained an injury on February 4, 1931, while employed as a rural mail carrier from the post office at Wood Lake, Minn., which resulted in permanent physical disability, and his case is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if he files a claim for compensation with the United States Employees' Compensation Commission not later than 60 days after the date of enactment of this act.

SEC. 2. Notwithstanding any provision of law to the contrary, the receipt of compensation by the said George Houston under the provisions of this act and such act of September 7, 1916, as amended, shall not prevent his receiving an annuity under the Civil Service Retirement Act of May 29, 1930, as amended.

With the following committee amendments:

Page 1, line 3, strike out "That sections 17 and 20" and insert "That the limitations of time in sections 15 to 20, both inclusive."

In line 9, after the word "who", insert "is alleged to have."

Page 2, line 6, strike out "60 days" and insert "6 months", and in line 7, after the word "act", insert a colon and the following: "*Provided*, That no benefits shall accrue prior to the approval of this act."

Strike out all of section 2.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDREW SMITH

The Clerk called the next bill, H. R. 11203, for the relief of Andrew Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Andrew Smith, Hot Springs, Ark., the sum of $5,000. The payment of such sum shall be in full settlement of all claims against the United States for injuries and damages sustained by Louise Smith, Eula May Smith, and R. L. Smith, minor children of Andrew Smith, when the vehicle in which they were riding was struck, near Hot Springs, Ark., on June 22, 1935, by a vehicle in the service of the Civilian Conservation Corps.

With the following committee amendment:

Page 1, line 6, strike out "$5,000" and insert "$2,000."

Page 2, after line 2, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATES OF N. G. HARPER AND AMOS PHILLIPS

The Clerk called the next bill, H. R. 11461, for the relief of the estates of N. G. Harper and Amos Phillips.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. F. Watlers, administrator of the estate of N. G. Harper, deceased, and to Sim Phillips, administrator of the estate of Amos Phillips, deceased, the sum of $1,000 each. The payment of such sums shall be in full settlement of all claims against the Government of the United States for the death of N. G. Harper and Amos Phillips when the vehicle in which they were riding was struck, on Arkansas State Highway 167, near Sheridan, Ark., November 1, 1934, by a vehicle in the service of the Civilian Conservation Corps.

With the following committee amendment:

Page 2, line 3, at the end of the line insert: : *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BROOK HOUSE, LTD., SYDNEY, AUSTRALIA

The Clerk called the bill (H. R. 11868) for the relief of Brook House, Ltd., of Sydney, Australia.

The SPEAKER. Is there objection?

Mr. YOUNG. I object.

The SPEAKER. Is there further objection?

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture be, and he is hereby, authorized and directed to pay to Brook House, Ltd., of Sydney, Australia, from the appropriation "34303—Salaries and expenses, Bureau of Agricultural Economics, 1934", a sum equivalent at the rate of exchange current at the time of payment to £101 8s., Australian currency, in full settlement of its claim against the United States on account of rental of space for the period of July 1 to December 31, 1933, inclusive, in connection with a lease of quarters to the agricultural commissioner of the United States at Sydney, New South Wales, Australia, said lease dated April 17, 1931.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM W. BRUNSWICK

The Clerk called House Joint Resolution 522, for the relief of William W. Brunswick.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas William W. Brunswick in 1932 was a member of the United States Foreign Service stationed at Lisbon, Portugal; and

Whereas William W. Brunswick was recalled by the Department of State and returned to the United States before July 1, 1932; and

Whereas some 10 weeks later William W. Brunswick was retired from the Foreign Service; and

Whereas when William W. Brunswick returned to the United States before July 1, 1932, his wife accompanied him, paying her own expenses; and

Whereas the law provides that an officer or clerk shall be entitled to reimbursement for transportation expenses of his family when returning under orders from his post to the United States as provided in paragraph 1, Department of State Supplement to the Standardized Government Travel Regulations dated December 29, 1927: Therefore be it

Resolved, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William W. Brunswick the sum of $454.12 to reimburse William W. Brunswick for travel expenses for his wife, Evangeline McCarty Brunswick, in returning to the United States from Lisbon, Portugal.

With the following committee amendment:

In the next to the last line on page 1, before the word "law", insert the word "present."

On page 2, line 2, strike out "as provided in paragraph 1, Department of State Supplement to the standardized Government Travel Regulations, dated December 29, 1927" and insert "to remain permanently."

Page 2, line 6, strike out the words "to reimburse William W. Brunswick for" and insert in place thereof "in full settlement of all claims against the United States for reimbursement of."

And at the end of the bill insert the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALASKA COMMERCIAL CO.

The Clerk called the bill (S. 3861) for the relief of the Alaska Commercial Co. of San Francisco, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Alaska Commercial Co., of San Francisco, Calif., the sum of $4,408.21 in full and final settlement of any and all claims against the United States for damages caused to the wharf of said company at Dutch Harbor, Alaska, by the United States Coast Guard cutter *Tahoe*, on May 20, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY L. PARKER

The Clerk called the bill (S. 4358) for the relief of Harry L. Parker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 601 of the Merchant Marine Act of May 22, 1928 (45 Stat. 697), the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Harry L. Parker, of the Department of Agriculture, in a sum not in excess of $117.48, representing the amount paid by him for transportation on a vessel of foreign registry and per diem in lieu of subsistence while traveling on said vessel, during the period September 7 to 11, 1934.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. D. REED

The Clerk called the bill (S. 4359) for the relief of W. D. Reed.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 601 of the Merchant Marine Act of May 22, 1928 (45 Stat. 697), the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle, out of the available balance in the appropriation "34373.27—Salaries and expenses, Bureau of Entomology (household and stored products insects), 1934", the claim of W. D. Reed, of the Department of Agriculture, in the amount of $220, representing the amount paid by him from personal funds to the Italian Line in settlement for transportation accomplished on a vessel of foreign registry, secured on transportation request no. A-642907, and covering official travel, authorized by and in the interest of the Government, from New York to Athens, Greece, during the period July 14 to July 29, 1933.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL UNION INSURANCE CO., DISTRICT OF COLUMBIA

The Clerk called the bill (H. R. 11522) to amend the charter of the National Union Insurance Co. of Washington, in the District of Columbia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the charter of the National Union Insurance Co. of Washington, granted by an act of Congress approved February 14, 1865, and amended by an act of Congress approved May 11, 1892, is hereby further amended to permit the said insurance company to insure and reinsure risks in all the various forms authorized by section 3 of an act of Congress approved March 14, 1922, entitled "An act to regulate marine insurance in the District of Columbia, and for other purposes."

With the following committee amendment:

Page 1, line 9, strike out the figures "14" and insert "4."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADELE FOWLKES

The Clerk called the bill (H. R. 10876) for the relief of Adele Fowlkes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Adele Fowlkes, the sum of $5,000, being the amount of her claim for personal injuries incurred July 1, 1933, when a bridge gave way over Chasm Falls at Estes Park, Rocky Mountain National Park, Colo.

With the following committee amendment:

Page 1, line 6, strike out the words "being the amount of her claim" and insert in lieu thereof "in full settlement of all claims against the United States."

At the end of the bill insert: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. COSTELLO. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 6, strike out "$5,000" and insert "$3,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CATHERINE HARKINS

The Clerk called the bill (H. R. 8418) for the relief of the estate of Catherine Harkins, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Catherine Harkins, deceased, the sum of $10,000, in full settlement of all claims against the Government for the fatal injury to Catherine Harkins as the result of her being struck and knocked down by the United States mail truck (Ford) no. 1844, operated by James H. Leonard, a substitute carrier, the accident occurring at 7:20 p. m., October 16, 1930, at the corner of Dorchester Avenue and St. Marks Road, Dorchester, Mass., the said Catherine Harkins, as a result of the injuries received, having died at 9:30 p. m., at the Boston City Hospital, Boston, Mass., on October 16, 1930.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$5,000."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

BERTHA M. HARRIS

The Clerk called the bill (H. R. 8274) for the relief of Bertha M. Harris.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bertha M. Harris, in full settlement of all claims against the Government of the United States, the sum of $685.96, being reimbursement for clerk hire, rental of fixtures, and salary of Bertha M. Harris, who acted as postmistress at Windfall, Ind., from September 14 to December 30, 1932, both dates inclusive.

With the following committee amendments:

Page 1, line 7, strike out "$685.96, being reimbursement for clerk hire, rental of fixtures, and salary of" and insert in lieu thereof "$431.98, representing salary earned by", and at the end of the bill strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM L. JENKINS

The Clerk called the bill (H. R. 11869) for the relief of William L. Jenkins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $481.50 to William L. Jenkins, formerly American Consul at Trebizond, Turkey, in full settlement of his claim against the United States for his failure to receive a like amount appropriated for his relief in Public Law No. 519, approved July 3, 1930 (46 Stat. 886), such sum representing the value of personal property lost by him during 1919 as a result of civil disturbances at Trebizond, and which sum was used by the General Accounting Office as a set-off against his then-existing indebtedness to the United States in the amount of $2,000, but subsequently credited to his accounts by authority of Private Law No. 30, approved May 8, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

REIMBURSEMENT OF CERTAIN OFFICERS AND ENLISTED MEN

The Clerk called the bill (H. R. 11860) to provide an additional sum for the reimbursement of certain officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $2,573, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe pursuant to the provisions of Private Law No. 373, Seventy-fourth Congress, approved January 21, 1936, certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps, for losses of and damages to reasonable and necessary personal property resulting from the earthquake which occurred at Managua, Nicaragua, on March 31, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall

be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

CLARK F. POTTS AND CHARLES H. BARKER

The Clerk called the bill (H. R. 11863) for the relief of Clark F. Potts and Charles H. Barker.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clark F. Potts, chief boatswain's mate (L), United States Coast Guard, the sum of $150.26, and to Charles H. Barker, surfman, United States Coast Guard, the sum of $125.73, in all $275.99, in full settlement of their claims against the United States for loss or destruction of, or damage to, personal property and effects as a result of the fire which occurred at the Big Sandy Coast Guard Station, Woodville, N. Y., on November 3, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

BOOTH & CO., INC.

The Clerk called the bill (H. R. 10504) for the relief of Booth & Co., Inc., a Delaware corporation.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to Booth & Co., Inc., a Delaware corporation, the sum of $42,856.10, on account of the requisitioning from the said corporation by the United States of section D of pier 4, Bush Terminal, in New York Harbor, and of the possession and control thereof from May 19, 1918, to and including April 30, 1919.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

P. L. ANDREWS CORPORATION

The Clerk called the bill (H. R. 12311) for the relief of the P. L. Andrews Corporation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear and adjudicate, without regard to existing statutes of limitations, the claim of the P. L. Andrews Corporation for just compensation, arising out of the service upon said company of United States Navy Commandeer Order No. N-3255, dated June 18, 1918, with the same right as in other cases to either party to apply to the Supreme Court of the United States for writ of certiorari to review any judgment that may be rendered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FEDERAL ENAMELING & STAMPING CO.

The Clerk called the bill (H. R. 12144) for the relief of the Federal Enameling & Stamping Co.

There being no objection, the Clerk read the bill, as follows:

Whereas Federal Enameling & Stamping Co., a corporation organized and existing under the laws of the State of Pennsylvania, was the owner of a plant and property located in McKees Rocks, Pa., the temporary use and occupancy whereof was taken for the public use by the United States on September 13, 1918, under Army requisition no. 738 B/C, ordinance no. 609; and

Whereas the War Department Board of Appraisers, by its award no. 634, under date of February 18, 1919, awarded to the said Federal Enameling & Stamping Co., in just compensation for the use and occupancy of said plant and property and the damages arising out of the taking thereof as aforesaid, the sum of $12,847.19; and

Whereas said Federal Enameling & Stamping Co., under date of September 13, 1919, certified that said award was not satisfactory and did not accept the same in full payment of the claim arising out of the taking of said property by virtue of said requisition, and demanded payment of 75 percent thereof as provided in section 10 of an act entitled "An act to provide for the national security and defense, etc.", known as the Food and Fuel Act, approved August 10, 1917, and reserved the right to prosecute any further claim it might have against the United States arising out of the taking of its said property; and

Whereas in compliance with said demand the Government of the United States paid to said Federal Enameling & Stamping Co. on April 2, 1919, the sum of $9,635.39 and retained the balance of said award, to wit, the sum of $3,211.80; and

Whereas said Federal Enameling & Stamping Co. did not prosecute any further claim against the United States, and the United States has not paid the aforesaid balance of $3,211.80: Therefore

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $6,827.38 to the Federal Enameling & Stamping Co., the balance due under award no. 634 by the War Department Board of Appraisers, together with lawful interest thereon, which award was made in order to compensate said Federal Enameling & Stamping Co. for the use of its property by the United States and damages arising therefrom.

With the following committee amendments:

Page 2, in the third whereas, strike out the figure "10" and insert "12."

Page 2, line 5, strike out "$6,827.38" and insert "$3,211.80."

Page 2, line 8, strike out "together with lawful interest thereon."

The committee amendments were agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CHARLES D. BIRKHEAD

The Clerk called the next bill, S. 4115, for the relief of Charles D. Birkhead.

The SPEAKER pro tempore. Is there objection?

Mr. RISK and Mr. HANCOCK of New York objected and the bill, under the rule, was recommitted to the Committee on Military Affairs.

BENJAMIN H. SOUTHERN

The Clerk called the next bill, S. 823, for the relief of Benjamin H. Southern.

Mr. GAVAGAN and Mr. McKEOUGH objected and the bill, under the rule, was recommitted to the Committee on Military Affairs.

WILLARD R. COOK & CO. ET AL.

The Clerk called the next bill, S. 4444, directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States.

The SPEAKER pro tempore. Is there objection?

Mr. YOUNG. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there a further objection?

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Court of Claims of the United States be, and it is hereby, authorized and directed to reopen the following just-compensation cases on its docket, heretofore disposed of by said court, to wit: Willard R. Cook & Co., Inc., against United States (no. 33984); A. E. Krise, receiver of the Fidelity Land & Investment Corporation (formerly Fidelity Land & Investment Corporation) against United States (no. 33988); Pine Beach Hotel Corporation (now represented by Charles H. Consolvo and A. E. Campe, its receivers) and others against United States (no. 34049); Harry L. Lowenberg and others against United States (no. 34727); Norfolk-Hampton Roads Co. against United States (no. 34751) (all of Norfolk, Va.); William G. Maupin, Jr., and others (now represented by George W. Maupin, as administrator and in his own right, E. Griffith Maupin, S. Dawson Maupin, Alliene Maupin, and Ruth Maupin, all of Portsmouth, Va.) docket no. 34681; and to ascertain and determine from the special findings of fact as therein made and recorded by said court, and with due regard to the requirements of the act applicable thereto under which such properties were taken and the fifth amendment to the Constitution of the United States, as defined by the Supreme Court in the case of *Seaboard Air Line Railway* v. *United States* (261 U. S. 299), and other like cases, the amount of just compensation by way of interest, if any, at the rate of 6 percent per annum, alleged to be due and owing by the United States to the parties plaintiff from the date of taking to the time of the payment to them of the original judgments in each of said

cases for their lands situate at Hampton Roads, Va., and taken for public use by the United States on June 28, 1917, by authority of the act of Congress of June 15, 1917 (ch. 29, 40 Stat. 207–208), and taken for public use by the United States on September 20, 1918, by authority of acts of Congress of May 16, 1918 (40 Stat. 550–551), and June 4, 1918 (40 Stat. 595), and an Executive order of the President dated June 18, 1918.

SEC. 2. If said court in such determination from the record in said cases shall find that it failed to include in its judgment in said cases the item of interest at a proper rate, or the equivalent thereof, as an element or part of just compensation then due said parties plaintiff for their said property, then it shall correct the same and adjudge to said parties plaintiff and against the United States in each of the above-specified cases such additional sum of money as may be determined by the court under section 1 of this act, with interest thereon at the rate of 6 percent per annum from the date of payment of the several judgments therein, until March 5, 1925, and the amounts so ascertained shall bear interest at the rate of 4 percent per annum from March 5, 1925, until finally paid by the United States, irrespective of any delay upon the part of the executive departments to see that just compensation is accorded to said landowners in respect of the premises, or any existing statute of limitation, or any other law to the contrary notwithstanding, except that either party litigant shall have the right to petition the Supreme Court of the United States for a writ of certiorari, as in other cases in the Court of Claims.

SEC. 3. The said court shall promptly proceed in said causes, each and all, upon motions filed therein by the parties plaintiff with the clerk of said court, if so filed within 4 months after the date of the approval of this act.

SEC. 4. Before any money shall be paid to any of the parties plaintiff designated herein in satisfaction of a judgment obtained against the United States under the provision of this act, the Attorney General of the United States shall certify that all actions at law or suits in equity instituted by any such party plaintiff against the United States, or any officer of the United States, have been dismissed and a quitclaim deed has been delivered, conveying and releasing to the United States all the right, title, and interest of such party plaintiff in the said property taken for public use by the United States on June 28, 1917, and September 20, 1918, respectively.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 3, line 16, after the figures "1925", strike out all down to and including the words "United States" in line 19.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERNARD KNOPP

The Clerk called the next bill, H. R. 864, for the relief of Bernard Knopp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard Knopp, New York City, the sum of $1,708.27 as settlement in full on account of extra work performed by such Bernard Knopp in making alterations of the Grand Central Palace Building, New York City, for the use of the United States Veterans' Bureau.

With the following committee amendment:

Page 1, line 9, after the word "Bureau", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OSCAR L. M'CALLEN

The Clerk called the next bill, H. R. 890, for the relief of Oscar L. McCallen.

Mr. COSTELLO and Mr. CLARK of Idaho objected, and the bill, under the rule, was recommitted to the Committee on Claims.

MR. AND MRS. CHARLES F. CARTER

The Clerk called the next bill, H. R. 2120, for the relief of Mr. and Mrs. Charles F. Carter, parents and guardians of Louise Marie Carter, a minor.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,151.42 to Mr. and Mrs. Charles F. Carter, parents and natural guardians of Louise Marie Carter, a minor, in full settlement of all claims of said guardians and minor against the Government of the United States for injuries received by her on the 4th day of November 1927, when she was severely and permanently injured as a result of the carelessness and negligence of an agent of the Columbia Institute for the Deaf: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "appropriated", insert "and out of any money in the Treasury for the support of the District of Columbia, one-half each."

Page 1, line 7, strike out the figures "$10,151.42" and insert "$2,500."

Page 1, line 9, after the word "minor", insert "all of San Diego, Calif."

Page 2, strike out all of lines 5 and 6 and insert "a negligent failure both on the part of a teacher of the public schools of the District of Columbia and on the part of agents of the Columbia Institution for the Deaf, a Government corporation."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLOYD GATTON

The Clerk called the next bill, H. R. 5618, for the relief of Floyd Gatton.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Floyd Gatton, the sum of $900, under an agreement by which the Government exercised an option to rent certain property to be used as a landing field, although the project was abandoned by the Government, and this sum as accrued rental recommended by the Department of Commerce for payment.

With the following committee amendment:

Page 1, line 6, after the word "of", strike out the remainder of line 6 and all of lines 7, 8, 9, and 10, and insert: "$500, in full settlement of all claims against the United States for losses sustained by him as a result of his agreeing to lease to the Government certain property to be used as a landing field, which lease was not accepted by the Government due to the Government's decision to locate the landing field at a different site: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIE B. NEALE

The Clerk called the next bill, H. R. 5759, for the relief of Marie B. Neale.

Mr. COSTELLO and Mr. CLARK of Idaho objected, and the bill, under the rule, was recommitted to the Committee on Claims.

DANIEL J. HAGERTY

The Clerk called the next bill, H. R. 5829, for the relief of Daniel J. Hagerty.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government of the United States, to Daniel J. Hagerty, the sum of $2,500, said sum being the amount of bond placed for the appearance of a defendant in the United

States District Court, District of New Hampshire, for prosecution under the National Prohibition Act, which defendant was duly tried and convicted, but the sum mentioned was erroneously ordered deposited in the Treasury of the United States, by decree of the court, to apply on unpaid fines and costs in the said criminal case: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 2, line 1, after the word "but", insert "after"; page 2, line 2, after the word "was", strike out the word "erroneously."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NANNIE D. HARDING

The Clerk called the next bill, H. R. 7209, for the relief of Nannie D. Harding.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. COSTELLO and Mr. YOUNG objected, and, under the rule, the bill was recommitted to the Committee on Claims.

MARY W. CARSON

The Clerk called the next bill, H. R. 7361, for the relief of Mary W. Carson.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $405 to Mary W. Carson, Spartanburg, S. C., mother of Flying Cadet James W. Carson, who was killed in an airplane crash at Kelly Field, Tex., on March 13, 1934, this sum being equal to 6 months' pay of Cadet Carson.

With the following committee amendment:

Strike out all of the bill after the enacting clause and insert in lieu thereof the following:

"That the Chief of Finance of the Army is hereby authorized and directed to pay, out of the current appropriation "Pay of the Army", the sum of $405, to Mary W. Carson of Spartanburg, S. C., in full satisfaction of her claim against the United States as mother of Flying Cadet James W. Carson, who was killed in an airplane crash at Kelly Field, Tex., on March 13, 1934, said sum being equal to 6 months' pay: *Provided*, That said Mary W. Carson shall first show to the satisfaction of the Secretary of War that she was actually dependent upon her son, James W. Carson, at the time of his death, and the determination of such dependency by the Secretary of War shall be final and conclusive upon the accounting officers of the Government."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM E. JONES ET AL.

The Clerk called the next bill, H. R. 7496, for the relief of William E. Jones, Walter M. Marston, William Ellery, Richard P. Hallowell, Second, and Malcolm Donald as executors under the will of Frank W. Hallowell; and Malcolm Donald as executor under the will of Gordon Donald.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioner of Internal Revenue be, and he is hereby, authorized and directed to receive, consider, and determine, in accordance with law, but without regard to any statute of limitations, any claims filed not later than 6 months after the passage of this act by William E. Jones, of Newton, Mass.; Walter M. Marston, of Newton, Mass.; William Ellery, of Brookline, Mass.; Richard P. Hallowell, 2d, and Malcolm Donald as executors under the will of Frank W. Hallowell, late of Newton, Mass.; and Malcolm Donald as executor under the will of Gordon Donald, late of Wellesley, Mass., for the refund of Federal income and excess-profits taxes collected from the said William E. Jones, Walter M. Marston, William Ellery, Frank W. Hallowell, and Gordon Donald for the year 1917 in excess of the amounts properly due; and any claim so filed shall be regarded and treated for all purposes as if it had been duly filed within the period fixed by any statute of limitations which, except for the passage of this act, would be applicable thereto: *Provided*, That in the settlement of any claim so filed there shall be no allowance of interest.

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to the said William E. Jones, Walter M. Marston, William Ellery, Frank W. Hallowell, and Gordon Donald any amount allowed in the determination of any claim filed in accordance with this act.

With the following committee amendment:

Strike out all of section 2 of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CATHERINE T. M'NALLY

The Clerk called the next bill, H. R. 8257, for the relief of Catherine T. McNally.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. HOPE, Mr. HANCOCK of New York, and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Claims.

JAMES B. KILEY

The Clerk called the next bill, H. R. 9191, for the relief of dependents of James B. Kiley.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the limitations of time in the first paragraph of section 10 of the Federal Employees' Compensation Act of September 7, 1916, as amended, be, and they are hereby, waived in favor of dependents of the late James B. Kiley, whose death resulted from an injury sustained while employed as a clerk at the post office, Cooperstown, N. Y., and the United States Employees' Compensation Commission is authorized and directed to act, in accordance with the remaining provisions of that act, upon any claim filed in their behalf within 6 months after the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER T. KARSHNER ET AL.

The Clerk called the next bill, H. R. 9390, for the relief of Walter T. Karshner, Katherine Karshner, Anne M. Karshner, and Mrs. James E. McShane.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) Walter T. Karshner, Columbus, Ohio, the sum of $1,000; (2) Katherine Karshner, Columbus, Ohio, the sum of $150; (3) Anne M. Karshner, Columbus, Ohio, the sum of $596.26; and (4) Mrs. James E. McShane, Columbus, Ohio, the sum of $1,500. The payment of such sums to such persons shall be in full settlement of their respective claims against the United States for damages sustained by such persons when the car in which they were riding was hit by a Government truck in the service of the Civilian Conservation Corps.

With the following committee amendment:

Strike out all of the bill after the enacting clause and insert in lieu thereof the following:

"That jurisdiction is hereby conferred upon the United States District Court for the Southern District of Ohio to hear, determine, and render judgment, as if the United States were suable in tort, upon the claims of Walter T. Karshner, Katherine Karshner, Anne M. Karshner, and Mrs. James E. McShane, all of Columbus, Ohio, for damages resulting from personal injuries and property damage received by them on January 29, 1935, at Columbus, Ohio, by reason of an automobile collision involving a Civilian Conservation Corps truck: *Provided*, That the judgment, if any, shall not exceed, in the case of Walter T. Karshner, $1,000; in the case of Katherine Karshner, $150; in the case of Anne M. Karshner, $596.26; and in the case of Mrs. James E. McShane, $1,500.

"SEC. 2. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, appeals therefrom, and payment of any judgments thereon, shall be in the same manner as in the cases over which such court has jurisdiction under the provisions of paragraph 20 of section 24 of the Judicial Code, as amended."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended to read: "A bill conferring jurisdiction upon the United States District Court for the Southern District of Ohio to hear, determine, and render judgment upon the claims of Walter T. Karshner, Katherine Karshner, Anne M. Karshner, and Mrs. James E. McShane."

A motion to reconsider was laid on the table.

W. J. NOLAN

The Clerk called the next bill, H. R. 9502, to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of W. J. Nolan, L. Jacobson, J. A. Higuera, C. H. Damsted, R. Galleguillo, F. G. Grigsby, K. H. Johnson, R. Dupouy, C. J. Degen, W. L. Nolan, R. C. Jensen, M. J. Roderick, L. K. Moore, C. Lederer, M. Kelley, R. Dinkel, A. J. Mouchou, C. R. Taylor, M. Knull, S. W. Ligon, C. C. Johnson, W. P. Brennan, C. F. Siebert, and J. T. Weeks.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of W. J. Nolan, L. Jacobson, J. A. Higuera, C. H. Damsted, R. Galleguillo, F. G. Grigsby, K. H. Johnson, R. Dupouy, C. J. Degen, W. L. Nolan, R. C. Jensen, M. J. Roderick, L. K. Moore, C. Lederer, M. Kelley, R. Dinkel, A. J. Mouchou, C. R. Taylor, M. Knull, S. W. Ligon, C. C. Johnson, W. P. Brennan, C. F. Siebert, and J. T. Weeks, all of Vallejo, Calif., for extra labor over and above the regular day of 8 hours performed at Mare Island Navy Yard, Calif., in accordance with the order of the Secretary of the Navy, dated December 1, 1920: *Provided*, That the action in the Court of Claims to establish such losses and damages may be instituted within 1 year from the date of the approval of this act, and the same right of appeal to the United States Supreme Court from the judgment of the Court of Claims shall be had as in other causes in that court.

With the following committee amendments:

On page 2, line 6, strike out the words "regular day of 8 hours" and insert in lieu thereof the words "16-hour period of duty per day required to be."

Page 2, line 7, after the word "California", insert the words "which extra labor over said period was not."

Page 2, lines 11, 12, 13, and 14, strike out the words "and the same right of appeal to the United States Supreme Court from the judgment of the Court of Claims shall be had as in other causes in that court" and insert in lieu thereof the words "without regard to any statute of limitations."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD A. FOOTE, JR., AND OTHERS

The Clerk called the next bill, H. R. 11123, for the relief of Edward A. Foote, Jr., and others.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward A. Foote, Jr., the sum of $153.25; Durham E. Allen, $150.80; Daniel L. Boland, $215.65; Eugene A. Bond, $37.45; Emanuel Bublick, $152.20; W. Earle Butler, $150; James J. Caffrey, $101.36; Bernard B. Carraher, $136.85; E. Hubert Cashion, $124.77; John Darsey, $260.10; A. W. DeBirney, $178.75; Charles D. Dimmock, $330.65; George Foulkes, $129.45; C. A. Giblin, $27.50; W. H. Griffin, $297.30; Frank Hursey, $157.80; James W. Irwin, $407.28; Fred M. Ivey, $151.65; Arthur F. McCarthy, $130.10; Edward A. Mag, $138.65; Reuben J. Martin, $195.15; L. W. C. Mather, $177.15; Daniel J. Murphy, $137.75; William L. Pencke, $118.75; Edgar W. Pharr, $129.45; Earle Boyd Pierce, $146.25; James F. Pinkney, $150; James I. Rooney, $131.80; J. Carlisle Stuckey, $67.75; Morris Weinfeld, $340.34; Patrick A. Conway, $162.50; Samuel E. Ewing, Jr., $167.05; Richard W. Fuchs, $302.90; Robert S. Keebler, $157.50; Dallas C. Kirby, $165; Robert W. Strange, $114.38; Fred A. Weller, $180.09; Thomas R. Vaughan, $81.70; and John Grigsby, $197.10. Such sums represent amounts to which such persons would be entitled for traveling and subsistence expenses during the period from December 1934 to June 1935, in accordance with the Standardized Government Travel Regulations, as amended, in connection with their transfers and assignments to field offices, and the discharge of their duties while stationed at such offices, as employees of the National Recovery Administration. Vouchers submitted to cover such expenses were refused certification on preaudit by the Comptroller General on the ground that such employees were not properly placed in a travel status in connection with such transfers, assignments, or discharge of duties, although it was intended and considered by the administrative officers of the National Recovery Administration that such employees should be and were properly placed in a travel status in such connection.

SEC. 2. In case there has been heretofore withheld or deducted from any amounts otherwise payable out of Government funds to any person hereinabove named any amount on account of any item paid or allowed for transportation charges in connection with the transfer and assignment hereinabove referred to, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to such person a sum equal to the amount so withheld or deducted.

SEC. 3. Each person named in section 1 of this act is hereby released from any liability to refund or pay to the Government, or otherwise discharge, any item paid or allowed for transportation charges in connection with the transfer and assignment referred to in such section, and no deductions on account of any such item shall be made from any amount due or payable out of Government funds to any such person.

With the following committee amendments:

After the enacting clause, strike out all of section 1 of the bill, and insert in lieu thereof the following language:

"That the Comptroller General of the United States be, and he is hereby, authorized and directed to receive and settle the claims of Edward A. Foote, Jr.; Durham E. Allen; Daniel L. Boland; Eugene A. Bond; Emanuel Bublick; W. Earle Butler; James J. Caffrey; Bernard B. Carraher; E. Hubert Cashion; John Darsey; A. W. DeBirney; Charles D. Dimmock; George Foulkes; C. A. Giblin; W. H. Griffin; Frank Hursey; James W. Irwin; Fred M. Ivey; Arthur F. McCarthy; Edward A. Mag; Reuben J. Martin; L. W. C. Mather; Daniel J. Murphy; William L. Pencke; Edgar W. Pharr; Earle Boyd Pierce; James F. Pinkney; James I. Rooney; J. Carlisle Stuckey; Morris Weinfeld; Patrick A. Conway; Samuel E. Ewing, Jr.; Richard W. Fuchs; Robert S. Keebler; Dallas C. Kirby; Robert W. Strang; Fred A. Weller; Thomas R. Vaughan; John Grigsby; and Curley C. Hoffpauir for transportation, travel, and subsistence expenses during the period from December 1934 to June 1935, upon their transfer and assignment to temporary or permanent stations and to allow, if otherwise correct, per diem not exceeding 30 days after arrival at station, notwithstanding the travel orders were not issued by proper authority and the change of stations was permanent and not temporary. All such claims allowed shall be payable under the appropriation otherwise available for such expenditures for the fiscal year in which the obligation was incurred: *Provided*, That there shall be a sufficient sum available under such appropriation to settle such claims which may be found allowable; otherwise, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum of money to meet the difference."

On page 3, in line 10, strike out the words "Secretary of the Treasury" and insert in lieu thereof "Comptroller General of the United States."

On page 3, in lines 11 and 12, strike out the wording "out of any money in the Treasury not otherwise appropriated" and insert in lieu thereof "in accordance with the same provisions as outlined in section 1."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVERETT P. SHERIDAN

The Clerk called the next bill, H. R. 11668, to credit the account of Everett P. Sheridan.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General be, and he is hereby, authorized and directed to credit the account of Everett P. Sheridan, former postmaster at Warren, Mass., in the amount of $37.74, entered on the accounts of the said Everett P. Sheridan, former postmaster at Warren, Mass., by reason of his deposit of postal funds of the United States in the First National Bank of Warren, Mass., and the subsequent failure of such bank.

With the following committee amendment:

Strike out the wording of the bill after the enacting clause and insert in lieu thereof the following language:

"That in the final settlement of the accounts of Everett P. Sheridan, deceased, former postmaster at Warren, Mass., credit is hereby authorized in the sum of $37.74, being the difference between the amount of war-savings funds on deposit to his official credit in the First National Bank of Warren, Mass., when said bank closed in 1923 and the aggregate amount thereafter received by the Government as dividends in the liquidation of the bank's affairs."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRIER-LOWRANCE CONSTRUCTION CO., INC.

The Clerk called the next bill, H. R. 12522, for the relief of Grier-Lowrance Construction Co., Inc.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the claim of Grier-Lowrance Construction Co., Inc., for losses and damages suffered under contract no. AMB 28, dated May 18, 1929, for the construction of the foundation for the several structures of the Arlington Memorial Bridge project be, and the same is hereby, referred to the United States Court of Claims with jurisdiction to hear the same to judgment, said claim to be adjudicated upon the basis of all losses or damages suffered by the said company due to acts of the Government or to delays caused by the Government or subsurface conditions unknown to the contractor and not disclosed by the Government before contract was entered into, notwithstanding failure on the part of the claimant company to file written protests, or any lapse of time or any provisions of the statute of limitations: *Provided*, That suit hereunder is instituted within 4 months from the approval of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH KURAU

The Clerk called the next bill, S. 1435, conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of Elizabeth Kurau.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the District of Connecticut to hear, determine, and render judgment, as if the United States were suable in tort, upon the claim of Elizabeth Kurau, of Torrington, Conn., for damages resulting from injuries received by her on April 2, 1934, near Torrington, Conn., by reason of an automobile collision in which a Civilian Conservation Corps automobile truck was involved: *Provided*, That the judgment, if any, shall not exceed the sum of $5,000.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from and payment of any judgment thereon, shall be in the same manner as in the cases of claims over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN WALKER

The Clerk called the next bill, S. 3371, for the relief of John Walker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Walker, of Hays, Mont., or his heirs, the sum of $200 in full settlement of his claim against the United States for destruction of a 1-room log house and equipment located on the Fort Belknap Reservation in Montana, during a diphtheria epidemic on said reservation.

With the following committee amendment:

Page 1, line 10, after "reservation", insert "in the winter of 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. T. HIRD

The Clerk called the next bill, S. 3441, for the relief of C. T. Hird.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. T. Hird, of Dubuque, Iowa, the sum of $839.22, in full satisfaction of the claim of said C. T. Hird against the United States for a refund of income taxes erroneously assessed against him and paid by him under protest, which claim was disallowed on the ground of failure to file within the statutory period of limitation: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 8, after the word "him" insert "for the year 1920"; line 11, after the word "limitation" insert "although his claim had previously been timely made and rejected by the Bureau of Internal Revenue pending decision of the legality of the tax by several circuit courts of appeals which found it illegal."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

T. H. WAGNER

The Clerk called the next bill, S. 3607, for the relief of T. H. Wagner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to T. H. Wagner, the sum of $273, in full satisfaction of his claim against the United States for damages on account of personal injuries suffered by him when he was struck on the head by a rock thrown by a dynamite blast set off by members of the Civilian Conservation Corps at Lake Mary, near Flagstaff, Ariz., on August 26, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VINSON & PRINGLE

The Clerk called the next bill, S. 3608, for the relief of Vinson & Pringle.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Vinson and Pringle, the sum of $301 in full satisfaction of their claim against the Buff mountain-type transit, belonging to them, which was lost United States for damages arising out of the loss of a Bluff and while in the custody of the Civil Works Administration, in Arizona, under a rental agreement: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAUD KELLEY THOMAS

The Clerk called the next bill, S. 3824, for the relief of Maud Kelley Thomas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the current appropriation, "Pay, subsistence, and transportation, Navy", to Maud Kelley Thomas, sister of Orloff Allen Kelley, late chief machinist's mate, United States Navy, an amount equal to 6 months' pay at the rate said Orloff Allen Kelley was receiving at the date of his death: *Provided*, That the said Maud Kelley Thomas establish to the satisfaction of the Secretary of the Navy that she was actually dependent upon her brother, Orloff Allen Kelley, at the time of the latter's death, and the determination of such fact by the Secretary of the Navy shall be final and conclusive upon the accounting officers of the Government.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. D. GANN

The Clerk called the next bill, S. 4052, for the relief of W. D. Gann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. D. Gann the sum of $2,180 in full settlement against the Government for property loss sustained by him as a result of his airplane being damaged by a Navy Department motorcycle: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney, on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, after the word "motorcycle", insert "on April 14, 1935, at Floyd Bennett Field, Brooklyn, N. Y."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOMER BRETT

The Clerk called the next bill, S. 4140, for the relief of Homer Brett, Esq., American consul at Rotterdam, Netherlands, as a result of money stolen from the safe of the American consulate.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to Homer Brett, Esq., American consul at Rotterdam, Netherlands, the sum of $116.58, such sum representing the unrecovered amount stolen from the safe of the American consulate at Rotterdam, Netherlands, on the night of September 27, 1935.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Homer Brett, American consul at Rotterdam, Netherlands, the sum of $116.58 in full settlement of his claim against the United States for the unrecovered amount of Government funds stolen from the safe of the American consulate at Rotterdam, Netherlands, on the night of September 27, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "An act for the relief of Homer Brett, American consul at Rotterdam, Netherlands."

WILLIAM H. BROCKMAN

The Clerk called the next bill, S. 4233, for the relief of William H. Brockman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to cancel the charges entered on the pay accounts of William H. Brockman, lieutenant (junior grade), United States Navy, in the amount of $317.34, and to pay to said William H. Brockman, out of money appropriated for the pay of Navy personnel, any amount heretofore deducted from his pay on account of such charges; such charges having been entered on the accounts of said William H. Brockman by reason of extra pay received by him for the performance of duty at submarine escape training tanks, and a subsequent ruling that he was not entitled to such extra pay because such duty was not actually performed on board a submarine.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INDIANA LIMESTONE CORPORATION

The Clerk called the next bill, S. 4379, for the relief of the Indiana Limestone Corporation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Indiana Limestone Corporation the sum of $5,976.93. Such sum represents additional costs incurred by such corporation as a subcontractor for the James Stewart Co., general contractors, for work performed in connection with carving of metopes in the Interstate Commerce Commission, Labor, and connecting-wing building in performance of a contract with the Department of the Treasury dated June 18, 1932 (contract no. T-1-SA-3271): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "represents" and insert "shall be in full satisfaction of its claim against the United States for".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM H. MORAN

The Clerk called the next bill, H. R. 12730, to authorize the payment of an annuity to William H. Moran, Chief of the Secret Service Division of the Treasury Department, upon his retirement, in recognition and appreciation of his services to the United States.

Mr. HANCOCK of New York, Mr. MOTT, and Mr. YOUNG objected, and, under the rule, the bill was recommitted to the Committee on the Civil Service.

MICHAEL E. SULLIVAN

The Clerk called the next bill, H. R. 11867, for the relief of Michael E. Sullivan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of Michael E. Sullivan, postmaster at Park Ridge, Ill., with the sum of $14,679.29, representing the amount of public funds and property lost in the burglary of the post office at Park Ridge, Ill., on March 6, 1935, such loss having resulted from no fault or negligence on the part of said postmaster, as determined by the Postmaster General under a provision in volume 39, United States Code, section 49.

With the following committee amendment:

Page 1, line 11, strike out "volume" and insert "title."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAROLD R. WOOD

The Clerk called the next bill, H. R. 10509, authorizing the President to present in the name of Congress a Medal of Honor to Harold R. Wood.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to present, in the name of Congress, a Medal of Honor to Harold R. Wood, formerly a corporal of the United States Marine Corps, for conspicuous bravery on the night of October 31–November 1, 1919, as an officer in the Gendarmerie d'Haiti.

With the following committee amendments:

Page 1, line 3, after the word "present", strike out "in the name of Congress, a Medal of Honor" and insert "Distinguished Service Medals to Col. James J. Meade, United States Marine Corps, and".

Page 2, line 1, strike out "an officer" and insert "officers."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill authorizing the President to present Distinguished Service Medals to James J. Meade and Harold R. Wood."

MOJO SCHEY CO., INC.

The Clerk called the next bill, H. R. 6743, for the relief of Mojo Schey Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mojo Schey Co., Inc., the sum of $306 for reimbursement of that amount paid to the collector of customs at the port of New York as balance of customs duty on certain cotton hosiery imported in November 1926; said amount was collected and paid as the result of an error made in the office of the collector of customs, which error was not discovered within the period for formal protest as provided by law (sec. 514, Tariff Act of 1922).

With the following committee amendments:

Page 1, line 6, strike out "for reimbursement of that" and insert "in full satisfaction of its claim against the United States for an."

On page 2, after line 3, insert: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DAVID C. STAFFORD

The Clerk called the next bill, H. R. 7743, for the relief of Mrs. David C. Stafford.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. David C. Stafford, Kingsland, Ga., the sum of $5,000. The payment of such sum shall be in full settlement of all claims against the United States for damages sustained by the said Mrs. David C. Stafford on account of the death of her husband, David C. Stafford, who was fatally injured on December 14, 1934, at Kingsland, Ga., in a collision involving a car in which he was a passenger and a Government vehicle in the service of the Civilian Conservation Corps.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert "$3.500."

Page 2, after line 3, insert: "*Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALLEN HOLMES

The clerk called the next bill, H. R. 9006, for settlement of claim of Allen Holmes.

There being no objection, the clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Allen Holmes, of Birmingham, Ala., the sum of $493.70 in full settlement of a claim against the Government for illegal detention in, and services at, Camp McClellan, Ala., for the period from September 6, 1918, to March 15, 1919.

With the following committee amendments:

Page 1, line 6, strike out "$493.70" and insert "$262."

Page 1, line 9, strike out "March" and insert "January."

Page 1, line 10, after "1919" insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILO MILLISER

The Clerk called the next bill, H. R. 9008, for the relief of Milo Milliser.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Milo Milliser, of Barron, Wis., the sum of $5,000 as compensation for permanent personal injuries received at the hands of a Federal officer of the Lac du Flambeau Reservation on October 9, 1933.

With the following committee amendments:

Page 1, line 6, strike out "$5,000 as compensation" and insert "$1,000 in full settlement of all claims against the United States."

In line 10, after the figures "1933", insert: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVANELL DURRANCE

The Clerk called the next bill, H. R. 9111, for the relief of Evanell Durrance.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Evanell Durrance the sum of $15,000 in full settlement of all claims against the Government of the United States for the death of her parents, Samuel E. Townsend and Elizabeth Townsend, who were killed in a collision between an automobile in which they were passengers and a truck owned by the Department of Agriculture, the same having occurred a short distance east of Greenville, Madison County, Fla., November 9, 1930: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That jurisdiction is hereby conferred upon the United States District Court for the Southern District of Florida to hear, determine, and render judgment as if the United States were suable in

tort, upon the claim of Evanell Durrance, of Jacksonville, Fla., for damages resulting from the death of her parents, Samuel E. Townsend and Elizabeth Townsend, who were killed in a collision between an automobile in which they were passengers and a truck owned by the Department of Agriculture, the same having occurred a short distance east of Greenville, Madison County, Fla., on November 9, 1930."

Mr. COSTELLO. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 2, line 25, after the figures "1930", insert a colon and the following: "*Provided*, That the judgment rendered against the United States, if any, shall not exceed the sum of $5,000."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A. D. HAMPTON

The Clerk called the next bill, H. R. 10258, for the relief of A. D. Hampton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to A. D. Hampton, father of Adam D. Hampton, Jr., a minor, who died from injuries sustained by the said Adam D. Hampton, Jr., when the car in which he was a passenger was sideswiped by a Government vehicle operated in connection with the Civilian Conservation Corps, while said vehicle was on official business, on October 7, 1934, on United States Highway No. 64, near London, Ark.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment, as if the United States were suable in tort, upon the claim of Adam D. Hampton, of Russellville, Ark., for damages resulting to him by reason of the death of his minor son, Adam D. Hampton, Jr., who was killed when the vehicle in which he was a passenger was sideswiped by a Civilian Conservation Corps truck on United States Highway No. 64, near London, Ark., October 7, 1934.

"SEC. 2. In the determination of such claim, on questions relating to contributory negligence of a minor, contributory negligence of a parent for the injury or death of a minor, and the proper measure of damage, if any, accruing to a parent as the result of the wrongful death of his minor child, the said district court is hereby empowered to consider and determine such questions in accordance with the laws of the State of Arkansas, as well as the decisions of its courts: *Provided*, That the judgment rendered against the United States, if any, shall not exceed the sum of $5,000.

"SEC. 3. Suit upon such claim shall be instituted within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, except as otherwise provided in section 2 of this act, appeals therefrom, and payment of any judgment thereon shall be in the same manner as in the cases of claims over which such court has jurisdiction under the provisions of paragraph 20 of section 24 of the Judicial Code, as amended."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill conferring jurisdiction upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment upon the claim of Adam D. Hampton."

GEORGE E. WILSON

The Clerk called the bill (H. R. 10277) for the relief of George E. Wilson.

At the request of Mr. COSTELLO, an identical Senate bill, S. 3652, was substituted for the House bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George E. Wilson the sum of $300, representing the amount paid by him on December 12, 1928, to the United States District Court for the Southern District of Mississippi as surety on the forfeited appearance bond of one Ed Ward, who willfully defaulted on a charge of violation of the liquor law but who was subsequently rearrested and convicted through the efforts of the said George E. Wilson: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARL HARDIN

The Clerk called the bill (H. R. 10916) for the relief of Carl Hardin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $1,000 to Carl Hardin for damages as the result of personal injuries suffered when the vehicle in which he was riding on a public highway in Missouri was struck and damaged by a Government Forest Service truck on the 11th day of August 1934, near Steelville, Mo.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, atttorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Strike out all after the enacting clause and insert the following:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Carl Hardin, of Steelville, Mo., the sum of $500; and to W. E. Payne, of Steelville, Mo., the sum of $350; in all, $850, in full settlement of their respective claims against the United States for personal injuries sustained when the vehicle in which they were riding was struck by a truck of the Forest Service, Department of Agriculture, on Missouri State Highway No. 8, near Steelville, August 11, 1934."

At the end of the bill insert: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELBERT ARNOLD JARRELL

The Clerk called the bill (H. R. 10995) for the relief of Elbert Arnold Jarrell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elbert Arnold Jarrell the sum of $8,211 in full settlement of all claims against the United States for damages suffered by reason of being struck and seriously injured by a Government truck which was driven by an enrollee of the Civilian Conservation Corps, and the result of which has resulted in his being unable to provide for himself, his wife, and his six children.

With the following committee amendment:

At the end of the bill insert ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents,

attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BROOKS-CALLAWAY CO.

The Clerk called the bill (H. R. 11262) for the relief of Brooks-Callaway Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to investigate the claim of Brooks-Callaway Co., of Atlanta, Ga., for losses growing out of a contract with the War Department (no. W-1092 Eng. 3061) on account of the National Industrial Recovery Act, and make recommendations to the Congress for a fair and equitable settlement of it.

With the following committee amendment:

Page 1, line 8, strike out the words "make recommendations to the Congress for a fair and equitable settlement of it" and insert in lieu thereof "report to the Congress for consideration as an equitable claim, such losses as may be found to have been caused directly or indirectly by the operation of said act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLEVELAND L. SHORT

The Clerk called the bill (H. R. 11861) for the relief of Cleveland L. Short.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Cleveland L. Short, the sum of $1,572.50, in full settlement of all claims against the United States for permanent injuries sustained by him on June 14, 1909, while employed by the Isthmian Canal Commission: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY DALEY

The Clerk called the bill (H. R. 12166) for the relief of Mary Daley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Daley, the sum of $550 in full satisfaction of all claims against the United States, for damages sustained by her as a result of a collision of a Government-owned and operated motor vehicle with her automobile on or about August 19, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "Daley", insert "of Syracuse, N. Y."
Page 1, line 6, strike out "$550" and insert "$225."
Page 1, line 7, strike out the word "damages" and insert "personal injuries."
Page 1, line 9, strike out "Government-owned and operated" and insert "Civilian Conservation Corps."
Page 1, line 10, strike out "or about" and insert "Highbridge Road near Lyndon, N. Y."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FLOOD CONTROL

Mr. WILSON of Louisiana. Mr. Speaker, I present a conference report and statement upon the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control and for other purposes, which I send to the desk for printing under the rule.

MATTHEW A. HENSEN

The Clerk called the bill (H. R. 12388) to provide for the recognition of the heroic conduct and devotion to duty of Matthew A. Hensen, one of the survivors of the polar expedition of Admiral Peary, and to provide a life pension for the said Matthew A. Hensen.

There being no objection, the Clerk read the bill as follows:

Whereas Matthew A. Hensen acted as aide to the late Admiral Robert E. Peary in quest of the North Pole, and in company with Admiral Peary discovered the North Pole on foot; and

Whereas Matthew A. Hensen accompanied Admiral Peary in all his polar expeditions, facing unknown perils with unflinching devotion to duty, and at the risk of his own life saved that of Admiral Peary, thereby making the discovery of the North Pole possible in 1909; and

Whereas it is fitting and proper that recognition be accorded to Matthew A. Hensen for the loyalty, bravery, and valor displayed by him in aiding Admiral Peary to discover the North Pole: Therefore

Be it enacted, etc., That the Director of the United States Mint be, and he is hereby, authorized to prepare a suitable die and to strike a suitable gold medal to commemorate the heroic service rendered by Matthew A. Hensen on the polar expedition of Admiral Peary, and that said medal be presented by the President of the United States to Matthew A. Hensen.

SEC. 2. That the Secretary of the Treasury is hereby authorized to provide, from moneys not otherwise appropriated, the sum of $500 to cover the cost of designing and producing said medal in the manner provided in this act.

SEC. 3. That, in further recognition of the service rendered to Admiral Peary which terminated in the discovery of the North Pole, Matthew A. Hensen shall be paid an annual pension of $2,500, said pension to be paid monthly by the Administrator of Veterans' Affairs and commence immediately upon Matthew A. Hensen's resignation from the United States Customs Service.

With the following committee amendments:

Page 1, strike out the whereases.
Page 2, strike out all of section 2 and insert:
SEC. 2. There is hereby authorized to be appropriated such sum as may be necessary to carry out the provisions of this act.
Strike out all of section 3.

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read:

A bill to provide for the recognition of the heroic conduct and devotion to duty of Matthew A. Hensen, one of the survivors of the polar expedition of Admiral Peary.

A motion to reconsider the vote by which the bill was passed was laid on the table.

AMELIA EARHART PUTNAM

The Clerk called House Joint Resolution 123, to provide for the coinage of a medal in commemoration of the achievements of Amelia Earhart Putnam.

Mr. YOUNG and Mr. TABER objected, and the joint resolution was recommitted to the Committee on Coinage, Weights, and Measures.

GEORGE M. COHAN

The Clerk called the bill (H. R. 4641) authorizing the President to present a gold medal to George M. Cohan.

The SPEAKER pro tempore. Is there objection?

Mr. TABER. I object.

The SPEAKER pro tempore. Only one objection is heard. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to present, but not in the name of Congress, a gold medal of appropriate design to George M. Cohan, in recognition of his services during the World War in composing the patriotic song Over There, and prior thereto that thrilling song A Grand Old Flag.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN OFFICERS OF THE FOREIGN SERVICE

The Clerk called the bill (H. R. 10440) for the relief of certain officers of the Foreign Service of the United States, who, while in the course of their respective duties, suffered losses of personal property by reason of war or other causes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following sums of money:

To Ernest L. Harris, formerly American consul general at Irkutsk, Siberia, the sum of $1,899, such sum, in addition to the sum heretofore appropriated, representing the value of reasonable and necessary personal property lost as a result of warlike conditions in Russia in 1918 and 1919.

To T. Brooks Alford, formerly vice consul at Moscow and other posts in Russia, the sum of $276.01, such sum representing the value of reasonable and necessary personal property lost as a result of warlike conditions in Russia between the years 1916 and 1918.

To Oscar S. Heizer, formerly American consul general and interpreter at Constantinople, Turkey, the sum of $456, such sum representing the value of reasonable and necessary personal property lost as a result of warlike conditions in Turkey between the years 1915 and 1918.

To Thomas M. Powell, American vice consul at Nogales, Sonora, Mexico, the sum of $268, such sum representing the value of reasonable and necessary personal property lost as a result of a fire which destroyed the American consulate at Nogales, on October 10, 1935:

Provided, That no part of the amount appropriated in this act in excess of 10 percent of any claim thereof as allowed shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with any such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated for any claim in this act in excess of 10 percent of such claim as allowed on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000. The aforesaid amounts shall be considered in full settlement of the aforesaid claims.

SEC. 2. That if the Secretary of State shall find that any payment on account of any individual loss herein set forth has been made to or on behalf of any of the claimants herein named by any foreign government, the amount of such payment shall be deducted from the amount herein authorized to be paid to such claimant: *Provided*, That any payment which hereafter may be made on account of any of the aforesaid losses, to or on behalf of any of the aforesaid claimants by any foreign government through the Department of State, in an amount not to exceed the amount actually paid to any of the aforesaid claimants, shall be paid into the Treasury of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GARFIELD ARTHUR ROSS

Mr. HANCOCK of New York. Mr. Speaker, I ask unanimous consent for the reconsideration of the bill (H. R. 4079) for relief of Garfield Arthur Ross, and in connection with that ask unanimous consent to proceed for 3 minutes.

The SPEAKER pro tempore. What is the calendar number?

Mr. HANCOCK of New York. Two hundred and thirty-nine.

The SPEAKER pro tempore. Is it on the calendar?

Mr. HANCOCK of New York. It is not now.

The SPEAKER pro tempore. The Chair cannot recognize the gentleman for that purpose.

JOHN E. T. CLARK

The Clerk called the bill (H. R. 7244) for the relief of John E. T. Clark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit the accounts of John E. T. Clark, postmaster at Coalgate, Okla., in the sum of $6,236.92, on account of the loss of postal, Treasury, savings, money-order, war-revenue, and other funds resulting from the failure of banks in Coalgate, Okla.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of John E. T. Clark, former postmaster at Coalgate, Okla., in the sum of $6,113.93 on account of the loss of postal, Treasury-savings, postal-savings, money-order, and war-revenue funds, resulting from the failure of the City National Bank of Coalgate, Okla., on November 5, 1923, and the First National Bank of Coalgate, Okla., on January 8, 1924."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM BLAKLEY

The Clerk called the next bill, H. R. 8330, for the relief of William Blakley.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to pay to William Blakley any sum of money on deposit to the credit of Joseph Blakley in the ship's bank of the U. S. S. *West Virginia*. The said Joseph Blakley, first electrician's mate, was in service on the said steamship at the time of his death and left no person qualified to take from his estate under the laws of the State of his domicile, but he was an adopted son of the parents of the said William Blakley, with whom the said Joseph Blakley made his home after the death of his foster parents.

With the following committee amendment:

Strike out all of lines 3 to 11, on page 1, and lines 1 and 2, on page 2, and insert the following:

"That the Comptroller General of the United States be, and he is hereby, authorized and directed to pay to William Blakeley, or Blakley, as administrator of the estate of Joseph Blakeley, late chief electrician's mate, United States Navy, the sum of money credited to the account of said decedent in the ship's bank of the U. S. S. *West Virginia*, or elsewhere if it shall have been transferred therefrom, constituting pay and allowances due and unpaid on the date of his, the said Joseph Blakeley's, death on May 13, 1926, the naval hospital, San Diego, Calif., and all cash found in his personal effects on or subsequent to said date: *Provided*, That the said William Blakeley, or Blakley, shall first file an affidavit with the Comptroller General of the United States showing the correct spelling of his, the claimant's surname: *Provided further*, That the sum so paid under this act shall be in full settlement of all claims against the United States for pay and allowances and cash from the personal effects of said decedent, Joseph Blakeley: *And provided further*, That no part of the payment authorized and directed to be made in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the settlement of this account, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill for the relief of William Blakeley, or Blakley, as administrator of the estate of Joseph Blakeley, deceased."

A motion to reconsider was laid on the table.

ESTATE OF JOHN E. CALLAWAY

The Clerk called the next bill, H. R. 10330, for the relief of the estate of John E. Callaway.

Mr. COSTELLO and Mr. CLARK of Idaho objected, and the bill, under the rule, was recommitted to the Committee on Claims.

FLORIDA HURRICANE RELIEF, WORLD WAR VETERANS, ETC.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file minority views on the bill (H. R. 12869) to liberalize the provisions of Public Law No. 484, Seventy-third Congress, to effect uniform provisions in laws administered by

the Veterans' Administration, to extend the Employees' Compensation Act with limitations to certain World War veterans and other persons and for other purposes.

The SPEAKER. Is there objection?

There was no objection.

PRIVATE CALENDAR

MATT BURGESS

The Clerk called the next bill, H. R. 10746, for the relief of Matt Burgess.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $7,500 to Matt Burgess, which sum was paid by him to the United States District Court at Charleston, W. Va., by reason of the forfeiture of his bail bond on June 1, 1926.

With the following committee amendments:

Page 1, line 5, strike out "$7,500" and insert "$6,500."

Page 1, line 6, after the word "Burgess", strike out the words "which sum was paid by him to the United States District Court at Charleston, W. Va.", and insert "in full settlement of all claims against the United States because of a judgment rendered against and paid by him."

Page 1, line 11, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

L. A. PEVELER

The Clerk called the next bill, H. R. 11597, for the relief of L. A. Peveler.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to L. A. Peveler, Granbury, Tex., the sum of $5,000. The payment of such sum shall be in full settlement of all claims against the United States for damages sustained by the said L. A. Peveler on account of the loss of his minor son, Hollis Peveler, who was killed on June 20, 1918, near Granbury, Tex., by a piece from the propeller of a United States Army airplane.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert "$2,500."

Page 2, at the end of the bill insert: "*: Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN W. HUBBARD

The Clerk called the next bill, S. 3080, conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard.

There being no objection the Clerk read as follows:

Be it enacted, etc., That jurisdiction is conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard, of Pittsburgh, Pa., against the United States for damages for injury to the steamboat *Senator Cordill* and its cargo on February 5, 1934, when such steamboat struck a submerged wicket of United States dam no. 14, on the Ohio River and sank.

SEC. 2. Such claim may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitation. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

S. C. EASTVOLD

The Clerk called the next bill, S. 3600, for the relief of S. C. Eastvold.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to S. C. Eastvold, pastor of the First Lutheran Church, of Eau Claire, Wis., the sum of $100, in full satisfaction of his claim against the United States for the refund of a deposit made by him upon application for the entry and classification of a parish paper as second-class mail matter, such application having been denied: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. W. JERMARK

The Clerk called the next bill, S. 3768, for the relief of E. W. Jermark.

There being no objection the Clerk read as follows:

Be it enacted, etc., That the Comptroller General be, and he is hereby, authorized and directed to allow credit in the accounts of E. W. Jermark, former superintendent and special disbursing agent for the Lac du Flambeau Indian Agency, Lac du Flambeau, Wis., in the sum of $268.45, representing payments made by him to G. B. Aschenbrenner, credit for which was disallowed by certificate of settlement no. G–42484–In, dated July 19, 1933.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. FOSTER M'LYNN

The Clerk called the next bill, S. 3850, for the relief of Mrs. Foster McLynn.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Foster McLynn, of Portland, Oreg., the sum of $110, in full satisfaction of her claim against the United States arising out of damages to her summer home in Mount Hood National Forest, which was struck by rocks thrown by blasting operations carried on by members of the Civilian Conservation Corps in connection with the Lady Creek water project, in March or April 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

JACOB KAISER

The Clerk called the next bill, S. 3956, for the relief of Jacob Kaiser.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Jacob Kaiser the sum of $500 in full and final settlement of any and all claims against the Government of the United States for injuries suffered by him as a result of an accident involving a Government vehicle operated in connection with the Civilian Conservation Corps, on United States Highway No. 10, at a point approximately 12 miles east of Billings, Mont., on October 8, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent

thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment.

Page 1, line 7, strike out "$500" and insert "$350."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANT ANDERSON

The Clerk called the next bill, S. 4116, for the relief of Grant Anderson.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Grant Anderson, Crow Creek Reservation, S. Dak., the sum of $226.67, such sum representing the remainder of a refund due the said Grant Anderson from the estate of Julia White Cloud or Julia Voice, deceased heir of Philip His Day, on account of a certain canceled contract entered into between the said Grant Anderson and the Department of the Interior on December 11, 1920, relating to the purchase of 160 acres of land owned by the heirs of Philip His Day, deceased Crow Creek allottee no. 929. The said Grant Anderson shall execute and deliver to the Secretary of the Interior an assignment, satisfactory to the Secretary, assigning to the United States all his right, title, and interest in and to the remainder of such refund. All sums recovered from the estate of Julia White Cloud or Julia Voice by the United States under such assignment shall be covered into the Treasury as miscellaneous receipts.

With the following committee amendments:

Page 1, line 7, strike out the words "such sum representing" and insert in lieu thereof the words "in full satisfaction of his claim against the United States for."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERNARD F. HICKEY

The Clerk called the next bill, S. 4119, for the relief of Bernard F. Hickey.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard F. Hickey, a major, United States Marine Corps, retired, the sum of $1,587.25 in full satisfaction of all his claims against the United States for the loss of certain of his personal property on September 1, 1923, in the earthquake and fire at Kamakura, Japan, while serving as an assistant attaché of the American Embassy at Tokyo, Japan.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MERRITT-CHAPMAN & SCOTT CORPORATION

The Clerk called the next bill, S. 4542, authorizing the Comptroller General of the United States to settle and adjust the claim of the Merritt-Chapman & Scott Corporation.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the Merritt-Chapman & Scott Corporation for an amount not exceeding $4,790.53 for services and material furnished at the request of the Secretary of the Navy under contract no. Nod–210, dated May 19, 1934, in connection with salvage of the steamship *Morro Castle*. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $4,790.53 for payment of the claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TAMPICO MARINE IRON WORKS ET AL.

The Clerk called Senate Joint Resolution 61, to repeal an act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", and to provide for the relief of William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.

The SPEAKER. Is there objection to the consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", being Private Act No. 209, Seventy-second Congress, be, and the same is hereby, repealed; and be it further

Resolved, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co. for the Tampico Marine Iron Works, a foreign corporation, the sum of $1,500 in full settlement of all claims due the Tampico Marine Iron Works by the Government of the United States to work on, repairing, raising, and furnishing material for the United States Shipping Board vessel *Latham*, during the year 1920: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERNEST F. BRASS

The Clerk called the next bill, H. R. 12904, validating a town-lot certificate and authorizing and directing issuance of a patent for the same to Ernest F. Brass.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 4713) validating a town-lot certificate and authorizing and directing issuance of a patent for the same to Ernest F. Brass may be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That on payment of $63 in addition to the $135 already paid the town-lot certificate which was issued to Ernest F. Brass April 23, 1936, for lots 1, 2, 3, and 4, block 100; lots 1 and 2, block 102; and lots 6, 7, and 8, block 87, in the town site of Ketchum, Idaho, be, and the same is hereby, validated, and the Secretary of the Interior is hereby authorized and directed to issue a patent thereon.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill (H. R. 12904) were laid on the table.

CIVIL WAR PENSIONS

The Clerk called the next bill, H. R. 12908, granting pensions and increase of pensions to certain widows, former widows, and helpless and dependent children of soldiers of the Civil War.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws—

The name of Jamaica Taylor, widow of Charles D. Taylor, late of Company D, Fourteenth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Mary Tiger, helpless and dependent daughter of Nathan L. Tiger, late of Battery D, First Regiment United States Artillery, and pay her a pension at the rate of $20 per month.

The name of Edward Armel, helpless and dependent son of William Armel, late of Company K, One Hundred and Thirty-third Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Fannie J. Mann, widow of William J. Mann, late of Company D, Twenty-sixth Regiment United States Colored Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Bettie L. Patterson, widow of Thomas F. Patterson, late of Company D, Eighty-fifth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Wilhelmine Skilling, widow of Edward Skilling, late of Company G, Second Regiment Wisconsin Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Elizabeth Fosket, widow of William M. Fosket, late of Company B, Second Regiment Illinois Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Margaret Teed, widow of Edward Teed, late of Company G, Fourteenth Regiment Missouri Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Effie Wilson, widow of Nathan Wilson, late of Company E, Forty-sixth Regiment Missouri Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Clara Dempsey, widow of James Dempsey, late of Company B, Nineteenth Regiment Pennsylvania Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Sarah C. Cary, widow of John Cary, late of Company H, One Hundred and Seventh Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Sarah C. Wythe, widow of James Wythe, late of Company A, One Hundred and Twenty-ninth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Henrietta F. Lowry, widow of Walter Lowry, late of Company K, One Hundred and Twenty-seventh Regiment United States Colored Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Julian A. Myers, helpless and dependent son of Hiram A. Myers, late of Company D, Eleventh Regiment Kansas Volunteer Cavalry, and pay him a pension at the rate of $20 per month.

The name of Dona Samples, former widow of William Conkin, late of Company E, First Regiment Tennessee Volunteer Light Artillery, and pay her a pension at the rate of $20 per month and increase the rate to $30 per month from and after the date she shall have attained the age of 60 years, which fact shall be determined by the submission of satisfactory evidence by the beneficiary to the Veterans' Administration.

The name of Mary Ann Holland, widow of Adolphus Holland, late of Company I, Third Regiment Indiana Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Nancy S. Oldham, widow of William P. Oldham, late of Company F, One Hundred and Thirty-third Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Rebecca Patterson, widow of Charles T. Patterson, late of Company G, Seventh Regiment Michigan Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Nancy A. Russell, widow of Cornelius Russell, late of Company H, One Hundred and Ninety-fourth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Josephine Dolen, widow of Henry Dolen, late of Company A, Second Regiment Wisconsin Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Rebecca Aubrey, widow of William Aubrey, late of Company K, Eighty-first Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Laura Alice Hammaker, widow of Adam Hammaker, late of Company B, Twelfth Regiment Maryland Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Susan Wells, widow of Marcus Wells, late of Company K, Fifty-fifth Regiment Massachusetts Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Estline Baker, widow of William D. Baker, late of Company D, One Hundred and Fifty-fourth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Annie A. Alexander, widow of James H. Alexander, late of Company E, Fifth Regiment, Indiana Volunteer Cavalry, and Eleventh Company, Second Battalion, Veteran Reserve Corps, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Fannie Davis, widow of John E. Davis, late of Company G, Second Regiment Missouri State Militia Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Princess May Stone, widow of Joseph Stone, late of Company C, One Hundred and Thirty-sixth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Amanda Trafford, widow of James H. Trafford, late of Company F, Eighty-ninth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Sophia M. Webster, former widow of Eleazer B. Howard, late of Company H, Twenty-fourth Regiment Michigan Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Emma C. Andrews, widow of James M. Andrews, late of Company D, Thirty-third Regiment New York Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Florence A. Clarkson, widow of Abraham Clarkson, late of Company C, One Hundred and Eighty-ninth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Susan A. Westbrook, widow of Charles Westbrook, late of Company K, First Regiment New York Volunteer Mounted Rifles, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Hattie B. Roberts, widow of Daniel M. Roberts, late of Company G, Ninety-fourth Regiment Ohio Volunteer Infantry, and Company C, Fifteenth Regiment Veteran Reserve Corps, and pay her a pension at the rate of $30 per month.

The name of Harriett M. Hughes, widow of John W. Hughes, late of Company I, Seventeenth Regiment Illinois Volunteer Cavalry, and pay her a pension at the rate of $20 per month and increase the rate to $30 per month from and after the date she shall have attained the age of 60 years, which fact shall be determined by the submission of satisfactory evidence by the beneficiary to the Veterans' Administration.

The name of Mary C. Hoyt, widow of William L. Hoyt, late of Company F, Tenth Regiment New York Volunteer Heavy Artillery, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Glennie Edwinson, widow of Christopher Edwinson, late of Company G, Sixty-fourth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $20 per month and increase the rate to $30 per month from and after the date she shall have attained the age of 60 years, which fact shall be determined by the submission of satisfactory evidence by the beneficiary to the Veterans' Administration.

The name of Ella May Faris, helpless and dependent daughter of Finley Faris, late of Company H, One Hundred and Thirty-eighth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Delia Porter, widow of Luke Porter, late of Company D, Ninety-eighth Regiment, and Company F, Seventy-eighth Regiment, United States Colored Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Keturah O. Donnels, widow of George Lindon Donnels, late of Company A, One Hundred and Eleventh Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Clara E. Huffman, former widow of Sylvester T. Bryan, late of Company G, One Hundred and Eighteenth Regiment, and principal musician, One Hundred and Eighteenth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Marion M. Luther, helpless and dependent daughter of Aldrich S. Luther, late of Company I, Tenth Regiment New York Volunteer Heavy Artillery, and pay her a pension at the rate of $20 per month.

The name of Leona J. Strickland, widow of Theodore Strickland, late of Company B, One Hundred and Sixty-ninth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Mary Catherine Green, former widow of Irwin H. Rose, late of the band, Third Brigade, Second Division, Twentieth

Army Corps, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary E. Pooler, widow of William J. Pooler, late of Company D, Twentieth Regiment New York Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Henrietta M. Peavey, widow of George S. Peavey, late of Company B, One Hundred and Eighty-fourth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendment to the bill (H. R. 9484) entitled "An Act to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two houses thereon, and appoints Mr. GLASS, Mr. ADAMS, Mr. MCADOO, Mr. STEIWER and Mr. CAREY to be the conferees on the part of the Senate.

APPOINTMENT OF ADDITIONAL UNITED STATES JUDGES

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 528.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order for the Committee on the Judiciary to call up for consideration, without the intervention of any point of order, the following bills:

S. 3389. An act to provide for the appointment of two additional judges for the southern district of New York.

S. 2075. An act to provide for the appointment of additional district judges for the eastern and western districts of Missouri.

S. 2137. An act to provide for the appointment of one additional district judge for the eastern, northern, and western districts of Oklahoma.

S. 2456. An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia.

H. R. 11072. A bill authorizing the appointment of an additional district judge for the eastern district of Pennsylvania.

H. R. 3043. A bill to provide for the appointment of an additional district judge for the northern district of Georgia.

Each such bill when called up shall be considered in the House as in the Committee of the Whole. After general debate on each such bill, which shall continue not to exceed 20 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is a bill for the consideration of a number of judgeship bills.

Mr. Speaker, there have been reported out a number of bills providing for additional Federal judgeships. Application was made to the Rules Committee to bring out a rule for the consideration of these bills because objection had been made to them when they appeared on the Consent Calendar. After thorough consideration for nearly 3 days the Rules Committee granted a rule for the consideration of only those judgeship bills which were approved by the Judicial Council, composed of the senior circuit judges of the Federal courts and the Chief Justice of the United States. All of these bills were reported unanimously by the Committee on the Judiciary and a number of bills presented to the Rules Committee were not reported. After thorough analysis these bills were considered important enough to be brought up before the House.

The situation is that should Congress adjourn and Federal judges be appointed there is no provision to pay their salaries until they are confirmed in the next Congress. The matter is an emergency one, therefore.

Mr. Speaker, I reserve the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield 20 minutes to the gentleman from New York [Mr. FISH].

NEW YORK MINIMUM-WAGE LAW

Mr. FISH. Mr. Speaker, it seems to me that this is a proper and appropriate time, when we are considering an omnibus bill to increase the number of Federal judges, to discuss the 5-to-4 decision which was handed down by the Supreme Court yesterday holding unconstitutional the minimum-wage law for women and children in the State of New York.

I doubt if there is any Member of the House who feels more strongly and who has spoken more often in defense of the Constitution, the powers of the Supreme Court, and against the delegation of legislative powers by the Congress and the invasion of State rights by congressional action. I doubt if there is any Member of Congres who has made more speeches throughout the country in defense of our capitalistic and our American system, based upon private initiative and reasonable profit. In the years I have been in public life I have always stood for social and industrial justice under the Constitution. I agree with Abraham Lincoln that labor is prior to capital and that human rights are superior to property rights. I believe that the best way to combat socialism and communism is to provide a square deal for labor and social and industrial justice for all American wage earners. I am frankly shocked by this unfortunate 5-to-4 decision that compels millions of loyal Americans to work for wages that will not secure for them the common necessities of life.

Mr. BLANTON. Mr. Speaker, a point of order. If the gentleman is going to make an attack upon the Supreme Court, he ought not to do it out of order.

Mr. FISH. I have not the slightest intention of doing that.

Mr. BLANTON. Especially when the gentleman is a candidate for the Presidency of the United States.

Mr. FISH. I assure the gentleman from Texas I do not propose under any circumstances, no matter what decision the Supreme Court may hand down, to make an attack at any time upon the Supreme Court.

I must confess, however, that I am proud of the vote cast by Chief Justice Hughes and Justices Stone and Cardozo, all three from New York State, to sustain the New York State minimum-wage law and the reasons presented for their vote.

I propose to offer a constitutional amendment to permit the States to set up a minimum wage scale for women and minors. When the Congress has no such power conferred upon it by the Constitution and when the Supreme Court holds that the States have no power, then that power is reserved to the people, and the people have the right to amend the Constitution. I know of no Member of Congress who has ever claimed that the people have not the right to amend the Constitution in an orderly and proper way; that is, by a two-thirds vote of the Congress and ratification by three-fourths of the State legislatures.

When the Dred Scott case was passed upon by the Supreme Court, Abraham Lincoln publicly opposed the decision, yet Lincoln believed the Constitution was all the law and the prophets. He criticized the decision, but he did not resist it, and no one should resist this 5-to-4 verdict. The decision of the Supreme Court is the supreme law of the land, and it stands as such until amended in an orderly way. However, the Supreme Court has presented the American people with a new Dred Scott decision condemning millions of Americans to economic slavery, and the issue will not down until it has been righted in the public interest.

Mr. Speaker, there is no recourse now for these 3,000,000 wage earners, women and children, who come under the minimum-wage laws of the various States, until a constitutional amendment has been ratified giving the States the power to protect women and minors from exploitation by chiselers and human rats who squeeze the economic lifeblood out of women, young girls, and children in my State and other States, and I speak for the greatest industrial State in the Union. Women and children in the city of New York and upstate receive $8, $9, and $10 a week, far below a living wage scale, and are the prey of human vultures who exploit them. They do not receive enough to buy adequate food and milk, to say nothing of the other common necessities of life.

Mr. Speaker, I am not here to criticize the Supreme Court, and I do not propose to do it. However, I am going to try to remedy the situation so that the women and children, and if necessary underpaid men, may be protected so that they

will receive a minimum and fair wage scale. Every civilized country in Europe for years has had minimum-wage standards. Now, the Supreme Court has ruled that the States have no right to protect women and children from economic exploitation and pauperized labor.

I am thoroughly consistent when I stand here making this plea, because I have upheld the Supreme Court on every occasion it has held legislation unconstitutional as being a delegation of power or an invasion of State rights. The Republican Party back in 1860 emancipated 3,000,000 colored slaves. The time has come now for both parties, irrespective of partisanship, to emancipate 3,000,000 white American slaves, women and children who are destitute and in need, because they are being exploited by our industrial system. Now, without any protection whatsoever in 18 industrial States there will be further exploitation, and naturally an appeal should be made in the Congress of the United States because we alone can initiate a constitutional amendment. We do not propose to condemn a large part of our people to perpetual poverty, squalor, undernourishment, and destitution through inaction or neglect.

I have an amendment here which I introduced today:

House Joint Resolution 618

To amend the Constitution empowering each State to fix minimum rates of wages of women and minors employed in industry

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed in addition to, and amendment of, the Constitution of the United States of America, which, when ratified by the legislatures of three-fourths of the several States, shall be valid to all intents and purposes as a part of the Constitution:

"ARTICLE —

"Each State shall have power to fix fair minimum rates of wages for women and minors employed in industry for service of equivalent value."

Also, I have introduced another resolution (H. J. Res. 620) providing for an amendment to the Constitution empowering each State to fix minimum rates of wages for all persons, including men, women, and children employed in industry.

That is all that is necessary. From my long service in this House I know that any constitutional amendment which I suggest or offer will not be adopted by the majority Members of the House, but I hope some Democrat will introduce it tomorrow and make a fight for such a constitutional amendment. I hope immediate hearings will be held, and that an effort will be made to pass a joint resolution during the present session of Congress.

I say to my Republican friends if you lend or express any sympathy for this decision of the Supreme Court or try to evade it, it will mean a million votes for the Democratic Party. As far as I am concerned, I propose to go before the national convention of the Republican Party at Cleveland or the proper committee to urge that such an amendment be incorporated in their national platform and try to take this proposed amendment out of politics by having both parties endorse it.

This was not a New Deal measure. The minimum-wage law has been advocated by Republican Congresses and Republican legislatures for years. It should not be brought into politics at all, and it is up to the Republicans to see that it is not confused with recent unconstitutional measures that have been passed by Congress and so held by the Supreme Court.

Mr. EKWALL. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Oregon.

Mr. EKWALL. May I say to the gentleman from New York that I think he will not find a dissenting voice on the Republican side of the House if he introduces such a measure.

Mr. FISH. I am introducing it today.

Mr. BLANTON. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Texas.

Mr. BLANTON. If the Congress should fix a minimum wage, that would become the maximum, would it not?

Mr. FISH. It would not.

Mr. BLANTON. Let me ask the gentleman one further question: Suppose business or industry cannot stay in operation and pay the minimum wage that might be fixed by a legislature or by the Congress, but could stay in business by paying some less than the minimum wage fixed by the legislature, would the gentleman rather have the employers in business and have the people in employment earning something or be out of employment and have the employers also go out of business?

Mr. FISH. Since you ask me that question, I will go much further and say that I am not only advocating in this amendment a minimum wage for women and children, but I personally favor a minimum wage for all individuals—men, women, and children—for the States to pass upon themselves. If I thought it could be adopted I would go much further and put in a constitutional amendment giving Congress the right to enact a Federal minimum-wage law. I would like to vote for a Federal living wage of not less than $20 in order to keep up our American standard of wages and make America a place worth living in for all of our people.

Mr. BLANTON. Mr. Speaker, if my distinguished colleague from New York will yield a moment further, the gentleman knows from long business experience that we cannot have employees without having employers, and whenever you enact a law that puts employers out of business you put both of them—employers and employees—out of business and fix it so that employees do not have jobs.

Mr. FISH. I am pleased that the gentleman has asked that question, and I know he did so sincerely, and there is a very definite answer to it, which is simply this: The employers are not opposing this law; it is only the cutthroats or the chiselers, and not the big employers of labor, and not even the smaller employers of labor. It is just the bloodsuckers; and I may say to the gentleman that you would find that 90 percent of the employers of labor in favor of a minimum-wage scale in the industrial States of the Union. It does not affect agriculture. I cannot speak for the other States, but I do know that in New York State, so far as the employers of labor are concerned, over 90 percent of them would favor a minimum-wage scale law in the States, and a good many of them would favor such a Federal law. You would thereby raise your standard of living; you would pay more wages to labor and give them money to spend, so they could buy the products of agriculture—milk, meat, foodstuffs, dairy products, and other necessities of life.

Mr. GREENWOOD. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. GREENWOOD. And is it not a further answer to the question of the gentleman from Texas that if any employer finds he cannot conduct a business and pay a living wage in America he ought to get out of business?

Mr. FISH. Now, you raise a question that I did not want to answer, as it brings up the tariff issue.

Mr. BLANTON. That is the main trouble now. We have been passing laws that have forced hundreds, and even thousands, of employers to go out of business, and when they closed shop it left millions of employees without jobs.

Mr. FISH. There is another objection that could be raised by the gentleman from Texas, and that is that the foreigners then would dump their goods into the United States. I am in favor of protecting the American market for the products of American wage earners. I am for high enough protection to prevent any such dumping in the United States. I would be in favor of preserving the home market for American labor and employing American labor at American standard of wages.

Mr. KOPPLEMANN. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes; I yield.

Mr. KOPPLEMANN. Would not a constitutional amendment calling for the same terms to be applied to all employers in a competitive market for labor answer the question that has been raised by the gentleman from Texas?

Mr. FISH. Certainly; the whole idea is to have honest competition and not cutthroat competition.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. BOILEAU. I would like to commend the gentleman for his statement that he believes we should have an amendment to the Constitution of the United States permitting Congress to fix minimum wages and fix hours of employment.

Mr. FISH. Let us take one step at a time.

Mr. BOILEAU. Does not the gentleman think that this is too important an issue to compromise by offering the amendment in a narrow form?

Mr. FISH. No; because I have been in politics long enough to know that it is better to get half a loaf rather than nothing at all or waiting for years and years.

Mr. BOILEAU. Once that provision went into the Constitution, it would take a good many years before the people would agree to accept a real amendment of the Constitution.

Mr. FISH. I do not agree with that philosophy at all. I think there is need in the country today for this minimum-wage amendment, and if the Democratic majority took up my proposed amendment or any similar amendment, they could put it through before we adjourned and put it up to the States, and it would go through automatically and be ratified within a comparatively short time.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the majority leader.

Mr. BANKHEAD. Does the gentleman agree with the principle, along the line of the argument he is making, that there ought to be an amendment of the Federal Constitution that would give the Congress the right and the authority to regulate wages and working conditions?

Mr. FISH. No; I never said that.

Mr. BANKHEAD. Well, what is the gentleman's attitude on that proposition?

Mr. FISH. That is an entirely different issue, and I have not favored that and I do not favor it now; but I will make this statement: If there are many more decisions of the kind that was handed down yesterday by the Supreme Court, naturally I would be compelled to change my views.

Mr. FORD of California. There does not need to be any more such decisions.

Mr. FISH. Up to this time I have been absolutely against such a proposition, because I think the States ought to regulate such matters. I still believe this; but if the Supreme Court comes along and holds that the States have no power to regulate their own wages and working conditions, then we will have to do something about it; but we have not as yet reached that stage.

Mr. BANKHEAD. If the gentleman will yield, what is the difference in the logic of the situation? If the States should be given the power, as the gentleman has indicated in his proposed amendment, why should not the power be conferred upon the Congress to regulate matters affecting interstate commerce with reference to labor conditions? What is the difference of reasoning?

Mr. FISH. I am in favor of giving the States power to establish minimum wages, and that is the issue, and it will be easy to put through. I say to you as the leader of your party in the House that if you take this up you could put it through. You would not dare to take up your other proposal to confer power on Congress to regulate wages and labor conditions, as that is an invasion of State rights.

Mr. BANKHEAD. Under the last decisions of the Supreme Court are there any State rights left?

Mr. FISH. It only decided this one issue. If you believe, as I believe, that men, women, and children are being systematically exploited in America and we can help them, it is our duty to help them. But if we do not help them we will be playing into the hands of the Communists, Socialists, and other radicals, who say that the Constitution is a scrap of paper, merely representing wealth, reaction, and special privilege.

Mr. O'CONNOR. Will the gentleman yield?

Mr. FISH. I yield to the chairman of the Rules Committee.

Mr. O'CONNOR. I agree with the gentleman that something should be done about it. At the moment I do not go any further than to say that the State should be authorized to deal with the question, because I am one of the sole survivors of the State-rights doctrine.

Mr. FISH. There are plenty on the Republican side.

Mr. O'CONNOR. The gentleman will admit that in the Legislature of the State of New York, of which the gentleman was a distinguished member and I was a mere member, that the Democratic Party in that State has led the fight and done everything in its power to pass this legislation, which was signed by a Democratic Governor.

Mr. FISH. I admit that and I commend you; but, in all fairness, there was a Republican legislature. However, it is all the more reason why you should proceed now to help put through an adequate constitutional amendment.

Mr. RAMSAY. Will the gentleman yield?

Mr. FISH. I yield.

Mr. RAMSAY. I believe the gentleman is supporting the Borah candidacy for President. What about the Borah amendment, which would require a decision by seven judges to two to set aside an act of Congress?

Mr. FISH. I do not know anything about Senator BORAH offering any such amendment. I will say that there is no stronger supporter of the Constitution or the powers of the Supreme Court and against bureaucracy than Senator BORAH.

Let me go a little further, and give you a constitutional yardstick.

It does not make any difference whether a man is in the Republican Party, the Democratic Party, the Socialist, or the Communist Party, there is a real test for radicalism. When you find a man like Senator BORAH, who upholds the Constitution and the powers of the Supreme Court and is against the delegation of powers by Congress and is in favor of State rights, that man is not a radical. When you find a man trying to destroy the Constitution, to undermine it and the powers of the Supreme Court, no matter whether he be a Republican, a Democrat, or what not, you can classify him as a radical—and half my Republican friends today believe Senator BORAH is a radical, and most unjustly and to their own great disadvantage, as he would otherwise be the Republican candidate for President and would be elected.

The fight for a constitutional amendment to give the States the right to enact minimum-wage laws has just begun. The American people will not permit the continuation of sweatshop wages in our American system or admit the fact that our Government is powerless to help solve this social and economic problem in an orderly way. They do not propose that American wage earners shall be crucified on a cross of economic slavery and human bondage without striving to correct this evil and wiping out this national disgrace by adopting a sound and sane constitutional amendment.

The best and easiest way to curb the growing power of monopoly and pass prosperity around among the underpaid wage earners by increasing their purchasing power is to expedite ratification of a constitutional amendment permitting the States to establish minimum-wage laws for men, women, and children on their own terms and volition, but most emphatically for women and children.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. HOUSTON].

REPRESENTATIVE RANDOLPH CARPENTER

Mr. HOUSTON. Mr. Speaker, I am sorry that the Kansas bill for an additional judgeship is not included in the rule before the House at this time. The Kansas bill has the endorsement of the Judicial Council and has passed the Senate. It is now going to die in the Rules Committee. But then I am rather glad that it did not come up now, because probably next session, if we come back, we may have a chance to recommend the appointment to a new Kansas Federal judgeship of our colleague, RANDOLPH CARPENTER, to whom I want to pay a tribute at this time.

CONGRESS LOSES

Mr. Speaker, our colleague the gentleman from the Fourth Congressional District of Kansas [Mr. CARPENTER] paid this body a very high tribute a few days ago, when announcing

his sincere regret upon retiring from the Halls of Congress to take up his duties as a lawyer and a private citizen in his native State of Kansas, by saying that it has been a great privilege to serve among us; and it is proper to say here and now that no man among us has served his district, his State, and the Nation with more unswerving devotion to duty, higher purpose, and more rugged honesty than RANDOLPH CARPENTER throughout his distinguished career of public service. It has been my privilege to closely associate and work with him during the past 2 years, and I am under lasting obligation to him for the always courteous, kindly advice and counsel given readily and freely. [Applause.]

He has been in every sense a national legislator. With him the welfare of the Nation as a whole outweighed the temporary welfare of any section or class. Yet, ever mindful of the welfare of his constituents at home, he is recognized as a man of exceptional ability and has the confidence and respect of Democrat and Republican alike. Through his exacting service as a conscientious Member of Congress he has maintained that human relationship of a genuine Representative which is as intimate as that of the doctor, the lawyer, the priest, or the minister.

He enlisted and fought in the World War and upon his return from France enlisted and fought in the public service. He will continue to carry on his high ideals, and I am confident that should he ever desire to serve as a public servant again, the people of Kansas will gladly and enthusiastically place him in any office to which he may aspire. He has won their admiration for the courage, fidelity to duty, and ability displayed in his work here under trying circumstances, and I know the Members of this body who, during the past 4 years, have enjoyed his bright, magnetic smile and sunny influence and unfailing kindness will long remember this stalwart Kansan for his high sense of duty, courage, and sterling character.

His record is one of faithful service to country in war and in peace. We bid him au revoir; we shall hear more of this distinguished colleague in the years to come whenever duty to friend and country calls. His retirement is a distinct loss to Kansas and the Nation; may it be only a temporary one, and may long-continued health, happiness, and prosperity be the lot of RANDOLPH CARPENTER, one of the most outstanding Representatives from the State of Kansas ever sent to Washington. [Applause.]

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. HOUSTON. Yes.

Mr. JOHNSON of Oklahoma. If the gentleman will permit, I would like to make the observation that I feel that the gentleman's tribute to his colleague from Kansas is certainly a splendid one. But it is no greater tribute than our colleague who is leaving us deserves. I feel sure that the gentleman in paying this wonderful tribute to his colleague has expressed the sentiment of all Members of this House, irrespective of their political affiliations. RANDOLPH CARPENTER is not only a good lawyer, a splendid legislator, and a Christian gentleman, but he has demonstrated over and over again that his great heart beats in sympathy with the toiling masses. [Applause.]

Mr. HOUSTON. I thank the gentleman.

Mr. EKWALL. And I rise to say that any time Kansas does not want RANDOLPH CARPENTER, just send him to Oregon and we will take him up there.

Mr. HOUSTON. And I thank the gentleman from Oregon. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

TWO ADDITIONAL JUDGES FOR THE SOUTHERN DISTRICT OF NEW YORK

Mr. WALTER. Mr. Speaker, I call up the bill (S. 3389) to provide for the appointment of two additional judges for the Southern District of New York, which I send to the desk and ask to have read.

The Clerk read the bill as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, two additional judges of the District Court of the United States for the Southern District of New York.

Mr. WALTER. Mr. Speaker, in an endeavor to meet the objection raised by the gentleman from Michigan, that more time should be given to the consideration of bills of this sort, the Committee on the Judiciary sought a rule which would permit the consideration of bills for the appointment of nine Federal judges throughout the United States. In each instance the committee very carefully examined the needs, together with the report of the Judicial Council, and it was decided that the nine bills for which a rule was sought were the ones most needed throughout the United States. In every case the committee reported these bills unanimously.

In this particular bill, S. 3389, to provide for two additional judges for the southern district of New York, the former district attorney, Mr. Martin Conboy, and two of the judges from New York, appeared before our committee last year and pointed out conclusively the need for additional judges. I call the attention of the House to the fact that there are pending in that district, or were pending on June 30, 1935, 3,542 private cases, 913 civil cases in which the United States is a party, 499 criminal cases, aside from approximately 3,000 cases in bankruptcy.

It was utterly impossible to get a criminal case to trial in New York within 2 years, and I feel that the passage of this bill is absolutely necessary in order to see that justice is properly administered in New York. Each of the other bills provides for the appointment of judges where the condition of the trial lists, while not as congested as that in the southern district of New York, is such that the proper administration of justice is impossible. The Committee on the Judiciary very carefully inquired into the need for the creation of these additional judges and was guided by the report of the Judicial Council, recommendations of bar associations, judges, and litigants themselves. A great deal of very careful consideration was given every bill in an endeavor to present for the consideration of the House only those measures which provide for the appointments of judges where, in the opinion of the committee, the business of the courts can no longer be conducted promptly and properly without an increase in the number of judges.

The SPEAKER. The Clerk will report the bill for amendment.

The Clerk again reported the bill.

Mr. YOUNG. Mr. Speaker, I move to strike out the last word. I do this to make the observation that it appears, when Congress has nothing else to do, we meet here and create some more inferior Federal judgeships in this country, when for the welfare of the country it would be far better that we adjourn and go back to our homes. In regard to the bill under consideration providing for the appointment of two additional judges for the southern district of New York, it is very likely that there is greater need for two additional judges there than in certain other sections of the country.

Let me call attention to the fact that in this resolution an additional judgeship is created for Missouri. Missouri at the present time has a population of 4,000,000 and has four district judges. The State of Ohio, which I represent as Congressman at Large, has a population of 7,000,000 and has five district judges. There has been no complaint in Ohio that our Federal judges are overworked.

Oklahoma has a population of 2,000,000, and they have three district judges and are asking for an additional judge, as against 7,000,000 people in Ohio and five district judges; but I appreciate the fact that in Oklahoma they have Indian problems that we do not have in the State of Ohio.

In West Virginia, where they do not have any Indian litigation—which my colleague from Oklahoma would be giving

as the reason for an additional judge in Oklahoma, and there may be some merit to his claim—they are asking for an additional judge.

Mr. ROGERS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. YOUNG. I decline to yield.

In West Virginia they have a population of 1,700,000, and they have two United States district judges at the present time. This bill, if enacted into law, will increase the district judges for the State of West Virginia and give them three district judges, with a population of less than 2,000,000.

Then in Georgia there are three district judges at the present time and there is a population of 3,000,000. This bill gives them an additional district judge.

In Pennsylvania, where they have eight district judges at the present time as against Ohio's five district judges, they have a population of 10,000,000 as against 7,000,000 in Ohio. This bill increases the number to nine district judges in Pennsylvania, and the reason given is that they have a judge there who is about 80 years old and who is not capable of transacting business but still insists upon holding court there.

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. CANNON of Missouri. I thank the gentleman from Ohio for his courtesy in yielding. In response to his suggestion that the number of Federal judges for Missouri is disproportionate to her population, may I call attention to the fact that litigation and the business of the courts, and the corresponding number of judges required for any particular State, is not determined by its population, but by the amount and character of its business and commerce. Missouri is not only a great manufacturing State but is also an important transportation center, as indicated by the heavy rail, highway, and river traffic converging at St. Louis, Kansas City, Hannibal, and St. Joseph. It is one of the notable banking and commercial centers of the Nation, and is the only State which has within its confines two Federal Reserve cities. Out of the 12 Federal Reserve cities in the United States, Missouri has 2, while only 10 other cities in the Union have 1 each. In addition to the large volume of business of the State, an additional burden has been thrown on the local Federal courts by the recent bankruptcy law. The railroad receiverships alone monopolize a large part of the time and attention of its courts, and the amount of business pressing upon the Federal judges of the State for administration and adjudication is so large that Judge Stone considers two additional judges for Missouri imperative and at least one indispensable. I ask that the bill S. 2075, to provide for the appointment of an additional district judge for the eastern and western districts of Missouri, be called up next. It has been reported favorably by the Committee on the Judiciary and approved by the Rules Committee, largely through the interest and efforts of our colleague, Congressman COCHRAN of Missouri, and on that account I am certain will have the unanimous approval of the House.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. WALTER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1937—CONFERENCE REPORT

Mr. TAYLOR of Colorado, from the Committee on Appropriations, submitted the following conference report and statement on the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 24, 53, and 54 to the bill (H. R. 10630) "making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

The committee of conference report in disagreement amendments numbered 24, 53, and 54.

EDWARD T. TAYLOR,
B. M. JACOBSEN,
JED JOHNSON,
J. G. SCRUGHAM,
Managers on the part of the House.

CARL HAYDEN,
KENNETH MCKELLAR,
ELMER THOMAS,
GERALD P. NYE,
FREDERICK STEIWER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate (Nos. 24, 53, and 54) to the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, submit the following statement in connection with the action of the conferees on such amendments:

The committee of conference report in disagreement the following amendments:

On no. 24: Relating to the construction and repair of certain irrigation systems on Indian reservations.

On no. 53: Authorizing the construction of various reclamation projects.

On no. 54: Making an appropriation for the construction of various reclamation projects.

EDWARD T. TAYLOR,
B. M. JACOBSEN,
JED JOHNSON,
J. G. SCRUGHAM,
Managers on the part of the House.

ADDITIONAL DISTRICT COURT JUDGE FOR MISSOURI

Mr. WALTER. Mr. Speaker, I call up the bill (S. 2075) to provide for the appointment of an additional district judge for the eastern and western districts of Missouri.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, one additional United States district judge, who shall be an additional district judge for the eastern and western districts of Missouri. The judge so appointed shall at the time of his appointment be a resident and citizen of the State of Missouri.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ADDITIONAL DISTRICT JUDGE FOR OKLAHOMA

Mr. WALTER. Mr. Speaker, I call up the bill (S. 2137) to provide for the appointment of one additional judge for the eastern, northern, and western districts of Oklahoma.

The Clerk read as follows:

Be it enacted, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, one additional United States district judge, who shall be an additional district judge for the eastern, northern, and western districts of Oklahoma. The judge so appointed shall at the time of his appointment be a resident and citizen of the State of Oklahoma.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ADDITIONAL DISTRICT COURT JUDGE FOR WEST VIRGINIA

Mr. WALTER. Mr. Speaker, I call up the bill (S. 2456) to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia.

The Clerk read as follows:

Be it enacted, etc., That the President of the United States, by and with the advice and consent of the Senate, is hereby authorized to appoint an additional district judge for the northern and southern districts of West Virginia, who shall, at the time of his appointment, be a resident and a citizen of the State of West Virginia; and who, when appointed and qualified as provided by law, shall exercise all the powers conferred by existing law upon judges of the District Courts of the United States; and who shall, as to all business and proceedings arising in said northern and southern districts of West Virginia, as now constituted or which may be transferred thereto, succeed to and possess the same powers and perform the same duties within said districts that are now possessed and performed by the district judges heretofore appointed for and now serving therein, respectively.

The present district judge for the northern district of West Virginia shall hold regular terms of court in said northern district, at the following places and times, that is to say:

(a) At the city of Martinsburg on the first Tuesday in April and the third Tuesday in September in each year;

(b) At the city of Wheeling on the first Tuesday in May and the third Tuesday in October in each year;

(c) At the city of Elkins on the third Tuesdays in June and November in each year;

(d) Said judge shall also hold such special terms as may be necessary for the orderly dispatch of the business of said court; the same to be held at said places and at such times as he shall appoint.

The present district judge for the southern district of West Virginia shall hold regular terms of court in said southern district at the following places and times, that is to say:

(a) At the city of Bluefield on the third Tuesdays in January and June in each year;

(b) At the city of Lewisburg on the first Tuesday in March and the third Tuesday in September in each year;

(c) At the city of Charleston on the third Tuesdays in April and November in each year;

(d) Said judge shall also hold such special terms as may be necessary for the orderly dispatch of the business of said court; the same to be held at said places and at such times as he shall appoint.

The district judge for the said northern and southern districts of West Virginia, to be appointed under this act, shall hold regular terms of court in said northern and southern districts at the following places and times; that is to say:

(a) At the city of Clarksburg, in said northern district, on the second Tuesdays in January and September in each year;

(b) At the city of Parkersburg, in said northern district, on the third Tuesday in March and the second Tuesday in October in each year;

(c) At the city of Huntington, in said southern district, on the second Tuesdays in May and November in each year;

(d) Said judge shall also hold such special terms as may be necessary for the orderly dispatch of the business of said court; the same to be held at said places and at such times as he shall appoint.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the President of the United States is authorized to appoint, by and with the advice and consent of the Senate, one additional United States district judge, who shall be an additional district judge for the northern and southern districts of West Virginia. Whenever a vacancy shall occur either in the office of the district judge for the northern district of West Virginia or in the office of the district judge for the southern district of West Virginia, whichever vacancy shall first occur, the judge appointed pursuant to the authority granted by this act shall become the district judge for the northern district of West Virginia or the district judge for the southern district of West Virginia, as the case may be, and no successor shall be appointed to the vacancy thus occurring in the position created by this act."

The committee amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. YOUNG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. YOUNG. Mr. Speaker, I withdraw the point of order.

Mr. SHANNON. Mr. Speaker, I renew the point of order.

The SPEAKER. The Chair will count.

Mr. SHANNON. Mr. Speaker, I withdrew the demand for a quorum, but I ask unanimous consent that each Member be given permission to extend his remarks on the bills considered under the rule.

Mr. YOUNG. Mr. Speaker, to that I object.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

APPOINTMENT OF ADDITIONAL DISTRICT JUDGE, EASTERN DISTRICT OF PENNSYLVANIA

Mr. WALTER. Mr. Speaker, I call up the bill (H. R. 11072) authorizing the appointment of an additional district judge for the eastern district of Pennsylvania.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States is authorized and directed, by and with the advice and consent of the Senate, to appoint an additional district judge of the District Court of the United States for the Eastern District of Pennsylvania, who shall possess the same powers, perform the same duties, and receive the same compensation as the present district judges of the said district.

SEC. 2. That when a vacancy shall occur in the office of district judge for the eastern district of Pennsylvania, by the retirement, disqualification, resignation, or death of a district judge at present in commission, such vacancy shall not be filled, and thereafter there shall be but three district judges in the said district.

SEC. 3. That this act shall take effect upon its approval by the President.

Mr. WALTER. Mr. Speaker, I move the previous question on the bill to final enactment.

The previous question was ordered.

The bill was ordered to be engrossed, read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. YOUNG) there were—ayes 67, noes 11.

Mr. YOUNG. Mr. Speaker, I object to the vote on the ground there is not a quorum present and make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. MAPES. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion of the gentleman from Michigan that the House do now adjourn.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 234, nays 55, not voting 136, as follows:

[Roll No. 117]

YEAS—234

Adair	Clark, Idaho	Dondero	Goodwin
Allen	Cochran	Dorsey	Granfield
Andresen	Colden	Doughton	Gray, Pa.
Arends	Cole, N. Y.	Doxey	Greenwood
Bacharach	Cooley	Drewry	Greever
Bankhead	Cooper, Ohio	Driscoll	Gregory
Barry	Cooper, Tenn.	Driver	Griswold
Beam	Costello	Duffey, Ohio	Guyer
Bell	Cravens	Duffy, N. Y.	Haines
Blackney	Crawford	Duncan	Hancock, N. Y.
Bland	Creal	Dunn, Pa.	Hart
Blanton	Crosby	Eckert	Healey
Bloom	Crosser, Ohio	Edmiston	Hess
Boehne	Crowther	Ekwall	Higgins, Mass.
Boileau	Culkin	Ellenbogen	Hildebrandt
Boland	Cullen	Engel	Hobbs
Brewster	Curley	Evans	Holmes
Brooks	Daly	Farley	Hope
Buck	Darden	Ferguson	Houston
Burch	Deen	Fiesinger	Imhoff
Burdick	Delaney	Flannagan	Jenckes, Ind.
Burnham	Dempsey	Focht	Jenkins, Ohio
Cannon, Mo.	DeRouen	Ford, Calif.	Johnson, Okla.
Carpenter	Dickstein	Frey	Johnson, W. Va.
Cartwright	Dies	Gassaway	Jones
Cavicchia	Dingell	Gavagan	Kahn
Chandler	Dirksen	Gilchrist	Keller
Chapman	Disney	Gildea	Kennedy, Md.
Citron	Dockweiler	Gingery	Kenney

Kinzer	Monaghan	Robsion, Ky.	Taylor, Tenn.
Kocialkowski	Moran	Rogers, Mass.	Terry
Kopplemann	Mott	Rogers, Okla.	Thom
Kvale	Murdock	Romjue	Thomason
Larrabee	Nichols	Russell	Thompson
Lea, Calif.	Norton	Ryan	Tonry
Lehlbach	O'Brien	Sadowski	Turner
Lesinski	O'Connell	Sanders, Tex.	Turpin
Lewis, Colo.	O'Connor	Sauthoff	Umstead
Lewis, Md.	O'Day	Schuetz	Utterback
McClellan	O'Neal	Schulte	Vinson, Ga.
McCormack	Parsons	Scrugham	Vinson, Ky.
McGehee	Patman	Secrest	Wallgren
McKeough	Patton	Seger	Walter
McLaughlin	Pearson	Shanley	Warren
McLeod	Peyser	Shannon	Weaver
McReynolds	Pfeifer	Short	Welch
Maas	Pierce	Sisson	Whelchel
Mahon	Pittenger	Smith, Conn.	Whittington
Mapes	Powers	Smith, Va.	Wigglesworth
Marcantonio	Rabaut	Smith, Wash.	Williams
Marshall	Ramsay	Smith, W. Va.	Wilson, La.
Martin, Colo.	Ramspeck	South	Wilson, Pa.
Mason	Rankin	Spence	Wolcott
Massingale	Reece	Starnes	Wolverton
Maverick	Reed, Ill.	Steagall	Wood
May	Reed, N. Y.	Stubbs	Woodruff
Meeks	Rich	Sumners, Tex.	Zimmerman
Michener	Risk	Sutphin	
Millard	Robertson	Sweeney	

NAYS—55

Amlie	Crowe	Kelly	Peterson, Ga.
Ashbrook	Eicher	Kloeb	Pettengill
Bacon	Fish	Kniffin	Polk
Biermann	Fletcher	Knutson	Ransley
Binderup	Ford, Miss.	Lambertson	Reilly
Brown, Ga.	Fulmer	Lambeth	Scott
Buchanan	Gehrmann	Lamneck	Stefan
Buckler, Minn.	Gifford	Lemke	Taber
Carlson	Gray, Ind.	Luckey	Tarver
Castellow	Hill, Knute	Ludlow	Taylor, S. C.
Christianson	Hoffman	McFarlane	Thurston
Church	Hull	Main	Wearin
Collins	Jacobsen	Mitchell, Tenn.	Young
Colmer	Johnson, Tex.	Patterson	

NOT VOTING—136

Andrew, Mass.	Doutrich	Kerr	Quinn
Andrews, N. Y.	Dunn, Miss.	Kleberg	Randolph
Ayers	Eagle	Kramer	Rayburn
Barden	Eaton	Lanham	Richards
Beiter	Englebright	Lee, Okla.	Richardson
Berlin	Faddis	Lord	Robinson, Utah
Bolton	Fenerty	Lucas	Rogers, N. H.
Boykin	Fernandez	Lundeen	Sabath
Boylan	Fitzpatrick	McAndrews	Sanders, La.
Brennan	Fuller	McGrath	Sandlin
Brown, Mich.	Gambrill	McGroarty	Schaefer
Buckley, N. Y.	Gasque	McLean	Schneider, Wis.
Bulwinkle	Gearhart	McMillan	Sears
Caldwell	Gillette	McSwain	Sirovich
Cannon, Wis.	Goldsborough	Maloney	Snell
Carmichael	Green	Mansfield	Snyder, Pa.
Carter	Greenway	Martin, Mass.	Somers, N. Y.
Cary	Gwynne	Mead	Stack
Casey	Halleck	Merritt, Conn.	Stewart
Celler	Hamlin	Merritt, N. Y.	Sullivan
Claiborne	Hancock, N. C.	Miller	Taylor, Colo.
Clark, N. C.	Harlan	Mitchell, Ill.	Tinkham
Coffee	Harter	Montague	Tobey
Cole, Md.	Hartley	Montet	Tolan
Connery	Hennings	Moritz	Treadway
Corning	Higgins, Conn.	Nelson	Wadsworth
Cox	Hill, Ala.	O'Leary	Werner
Cross, Tex.	Hill, Samuel B.	Oliver	West
Cummings	Hoeppel	O'Malley	White
Darrow	Hollister	Owen	Wilcox
Dear	Hook	Palmisano	Withrow
Dietrich	Huddleston	Parks	Wolfenden
Ditter	Kee	Peterson, Fla.	Woodrum
Dobbins	Kennedy, N. Y.	Plumley	Zioncheck

So the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Corning with Mr. Snell.
Mr. Sears with Mr. Darrow.
Mr. Lanham with Mr. Guyer.
Mr. Fuller with Mr. Ditter.
Mr. McAndrews with Mr. Eaton.
Mr. Taylor of Colorado with Mr. Andrew of Massachusetts.
Mr. Sullivan with Mr. Hollister.
Mr. Woodrum with Mr. Plumley.
Mr. Cox with Mr. Treadway.
Mr. Sabath with Mr. Lord.
Mr. Clark of North Carolina with Mr. Halleck.
Mr. Cary with Mr. Wadsworth.
Mr. Huddleston with Mr. Bolton.
Mr. Patton with Mr. Doutrich.
Mr. Rayburn with Mr. Andrews of New York.
Mr. Green with Mr. McLean.
Mr. Wilcox with Mr. Martin of Massachusetts.
Mr. Montague with Mr. Tinkham.
Mr. Mansfield with Mr. Stewart.
Mr. Kleberg with Mr. Merritt of Connecticut.
Mr. Miller with Mr. Hartley.
Mr. Cole of Maryland with Mr. Carter.
Mr. McMillan with Mr. Fenerty.
Mr. Mead with Mr. Gearhart.
Mr. Celler with Mr. Tobey.
Mr. Hill of Alabama with Mr. Wolfenden.
Mr. Hancock of North Carolina with Mr. Higgins of Connecticut.
Mr. Boykin with Mr. Englebright.
Mr. Fernandez with Mr. Lundeen.
Mr. Maloney with Mr. Withrow.
Mr. Bulwinkle with Mr. Schneider of Wisconsin.
Mr. Nelson with Mr. Stack.
Mr. Harlan with Mr. Carmichael.
Mr. Palmisano with Mr. Beiter.
Mr. Schaefer with Mr. Kramer.
Mr. Connery with Mr. Snyder of Pennsylvania.
Mr. Duncan with Mr. Tolan.
Mr. West with Mr. Merritt of New York.
Mr. Quinn with Mr. Boylan.
Mr. Gambrill with Mr. O'Leary.
Mr. Caldwell with Mr. Rogers of New Hampshire.
Mr. Hennings with Mr. Coffee.
Mr. Barden with Mr. Somers of New York.
Mr. McGrath with Mr. Dietrich.
Mr. Montet with Mr. Werner.
Mr. Dear with Mr. Fitzpatrick.
Mr. Terry with Mr. Sandlin.
Mr. Faddis with Mr. Claiborne.
Mr. Hook with Mr. O'Malley.
Mr. Berlin with Mr. Peterson of Florida.
Mr. Brennan with Mr. Randolph.
Mr. Kennedy of New York with Mr. Cummings.
Mr. Sirovich with Mr. Richards.
Mr. Gasque with Mr. Owen.
Mr. Buckley with Mr. Harter.
Mr. Robinson of Utah with Mr. Brown of Michigan.
Mr. Goldsborough with Mr. Lucas.
Mr. Lee of Oklahoma with Mr. Kee.
Mr. Kerr with Mr. Gillette.
Mr. Richardson with Mr. McSwain.
Mrs. Greenway with Mr. Oliver.
Mr. Ayers with Mr. Parks.
Mr. Sam B. Hill with Mr. Sanders of Louisiana.
Mr. Cross with Mr. McGroarty.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

APPOINTMENT OF ADDITIONAL DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF GEORGIA

Mr. WALTER. Mr. Speaker, I call up the bill (H. R. 3043) to provide for the appointment of an additional district judge for the northern district of Georgia.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized and directed to appoint, by and with the advice and consent of the Senate, an additional judge of the District Court of the United States for the Northern District of Georgia.

Mr. WHELCHEL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHELCHEL: Page 1, line 7, add the following: "That said additional judge shall be a resident of either Rome, Newnan, or Gainesville division of said district."

Mr. WHELCHEL. Mr. Speaker, some time ago I introduced a bill for the purpose of creating an additional district to be known as the northeastern district of Georgia, but my bill did not receive the approval of the Department of Justice. My colleague the gentleman from Georgia [Mr. RAMSPECK] some time in May introduced a bill for the purpose of creating not an additional district but an additional judgeship. His bill received the approval of the Department and is the one now under consideration.

The purpose of my amendment is simply to restrict the selection of the judge to north Georgia, because I think north Georgia should be so recognized. I think just as good judges could be selected from Atlanta as from north Georgia, and it is not my purpose to fight this bill, but I think the selection should be made from the divisions set forth in my amendment.

It also appears to me that there is sufficient precedent for this request. I shall not, however, take the time of the House to read the precedents, but on numerous occasions restrictions have been written into similar bills, such as the requirement that the additional judge shall not live in the same county or the adjoining counties to that of the presiding judge.

I think that the matter may be better understood by referring to my amendment. I am not opposing the bill. I think we need some additional assistance in north Georgia, and that is why I introduced by bill, H. R. 10127. I hope, however, my amendment to H. R. 13042 will be adopted. Certainly I want an additional judge appointed for north Georgia, but I think from whence he shall come or be chosen should be restricted, and that is the purpose of my amendment.

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. WHELCHEL. I yield to the gentleman from New York.

Mr. HANCOCK of New York. Does the gentleman mean that a candidate, in order to be eligible for appointment, must live in one of these three places or after appointment he must take up his residence in one of these three places?

Mr. WHELCHEL. There are four divisions in this district. Atlanta now has the judge from Fulton County, and I am asking in this amendment that the judge be required to reside now and maintain his residence in one of the other three divisions.

Mr. HANCOCK of New York. In order to be eligible for appointment, must he live at one of those three places?

Mr. WHELCHEL. Yes.

Mr. HANCOCK of New York. Does the gentleman think the President ought to be restrained in that way?

Mr. WHELCHEL. I would not make this request if there were not precedents for it.

Mr. HANCOCK of New York. Is there a precedent for such amendment?

Mr. WHELCHEL. Here it is. There was an additional judgeship created in the western district of New York by an act of Congress dated March 3, 1927, Forty-fourth Statutes, 1370, and there is contained therein this language: "That the official residence of such judges shall not be in the same or adjoining counties."

Mr. HANCOCK of New York. Residence is one thing and eligibility for appointment is another.

Mr. WHELCHEL. Not only is it true in that instance, but here is another proposition having to do with an additional judgeship being northern district of New York, March 3, 1927, chapter 338, Forty-fourth Statutes, 1374, which reads as follows: "That the official residence of said judges shall not be in the same or adjoining counties." If I have not made myself clear, may I say that the selection of the judge may be from one of the other three districts, not from the district where the present judge now resides.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. WHELCHEL. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. I think there is some confusion.

[Here the gavel fell.]

Mr. WHELCHEL. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes to answer my most distinguished friend.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. SUMNERS of Texas. May I suggest to the gentleman from Georgia [Mr. WHELCHEL] there is a difference between limiting the discretion of the President in the selection of a judge and fixing the official residence of the judge who may be selected. Does not the gentleman think he will get into some constitutional difficulties if he undertakes to territorially limit the President with regard to an appointment?

Mr. WHELCHEL. I would not attempt to advise the gentleman from Texas, because he knows so much more about that than I do.

Mr. SUMNERS of Texas. May I suggest to the gentleman, and I am trying to help him, that his amendment, with all deference, should provide that the judge shall live in some territory rather than that he shall be selected from a particular territory.

Mr. WHELCHEL. Here is the amendment as I had it originally prepared:

The official residence of the said additional judge and the present judge for said district shall not be in the same or adjoining counties.

What is the difference? I may be entirely wrong about this matter. I am open to conviction.

Mr. COCHRAN. Will the gentleman yield?

Mr. WHELCHEL. I yield to the gentleman from Missouri.

Mr. COCHRAN. Does not the gentleman fear he will be endangering this bill with reference to the constitutionality feature by restricting the power of the President?

Mr. WHELCHEL. No. That is not the purpose of the bill. The purpose is to attempt to get a judge appointed from one of these three districts instead of from Atlanta, Ga. That is the whole purpose.

Mr. COCHRAN. Are we creating a judgeship for an individual to get a job, or because an additional judge is needed?

Mr. WHELCHEL. There are four divisions in the northern district of Georgia, and I think it fair and equitable the additional judge should be selected from some place other than Atlanta, and certainly I have no candidate for the job.

Mr. Speaker, I ask that my amendment be adopted. It is equitable, and I think justifiable under the circumstances.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, we are having a little illustration this afternoon of old-fashioned Georgia politics. Atlanta happens to be the capital of the State of Georgia, and about one-tenth of the population of the State lives there. Seventy-five percent or more of the lawyers who practice in this judicial district reside in Atlanta, and more than 75 percent of the business that the court has in this judicial circuit comes from Atlanta.

I have no objection to the gentleman from Georgia [Mr. WHELCHEL] offering this amendment. Frankly, I think the gentleman from Texas has directed attention to the principal point. This is an unconstitutional limitation upon the power of the President and what the gentleman from Georgia [Mr. WHELCHEL] is seeking to accomplish is to keep an Atlanta lawyer from being appointed.

Mr. Speaker, I have no candidate for this office, and I will not be consulted with reference to the matter. Senators are the only ones consulted about these things. Atlanta is the point where the business is transacted; it is the point where the business originates, and it is the point where we need the services of this additional judge, and where he would have to be located if appointed from some other section of the State.

Presiding Circuit Judge Foster has stated that seven times in the last year it has been necessary for him to assign visiting judges to Atlanta to serve in this judicial circuit.

I therefore hope the Members of the House will not put this limitation in the bill. I do not think the President ought to be restricted or limited. I think if he finds the best lawyer in another county of the judicial circuit he ought to have the right to go there and get him, whether it be Gainesville, Rome, or Atlanta. I do not think the lawyers in my district ought to be discriminated against in favor of those residing in the district represented by the gentleman from Georgia [Mr. WHELCHEL], or the district represented by Mr. TARVER, or any other district. I think the President should not be limited in his power to select the best man he can get.

Mr. WHELCHEL. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Georgia.

Mr. WHELCHEL. May I ask the gentleman if the present judge was not a resident, at the time he was selected for his position, of the gentleman's district?

Mr. RAMSPECK. Yes. He was appointed by President Hoover, and he was a resident of the district which I represent. But let me call the gentleman's attention to the fact that his predecessor, Judge Sibley, now on the circuit court of appeals, was not from Atlanta.

Mr. WHELCHEL. I have no candidate for the job, but I think it is just an equitable situation that should be agreed to. One man should come from one end, and one from the other.

Mr. RAMSPECK. The last one before Judge Underwood, came from Union Point, Ga., which is now in the district of my friend, the gentleman from Georgia [Mr. BROWN], and he made a splendid judge, and if the President sees fit to go outside of Atlanta, I have no objection, but I do not propose to stand idly by and see the lawyers in my district discriminated against, and I do not think it is good practice for the President to be limited in his selection of a Federal judge. The Lord knows we need some better ones than we have been getting in the past. I hope the House will vote down the amendment.

Mr. TARVER. Mr. Speaker, I move to strike out the last two words of the amendment.

While I am in sympathy with the idea that my colleague is seeking to have incorporated in the bill by this amendment, I am not of the opinion that the amendment is properly worded or in line with the precedents to which he has referred.

For 2 months I have been in conference with the chairman of the Judiciary Committee at various times and with other members of the committee in an effort to secure a hearing by the subcommittee which reported this bill in order that there might be worked out by this subcommittee a limitation in proper language with regard to the official residence of the judge. Through misunderstanding, for which the chairman of the full committee is in no way to blame, the bill was reported without such a hearing.

I do not think we can require that the appointee shall be a resident of any particular area at the time of appointment. I do think that under the precedents referred to by my colleague, we can require that his official residence shall be in a certain division or in an area composed of certain counties and the President would doubtless accept this as a suggestion by Congress that when appointed the judge should be a legal resident of that area. This is important not only from the standpoint of furnishing an opportunity for lawyers from every part of the district to receive consideration in the filling of positions of this sort rather than that residents of one large city in the district should receive preferential consideration, but in order that the citizens of every part of the district may be as conveniently located as possible with reference to the official residence of a judge of the district. But I believe the matter ought to be carefully worked out. The precedents referred to by my colleague, the gentleman from Georgia [Mr. WHELCHEL], and set out at page 1225 of the Code of the United States, contains limitations as to the official residence of the appointees and not as to their legal residence at the time of appointment. The requirement is—

> The official residences of the two judges in the western district of New York shall not be in the same or adjoining counties (U. S. Code, title 28, pt. 1, ch. 1, sec. 1).

I am very much impressed with the opinion that this bill will not be enacted into law during the present session of the Congress. I have every reason to believe it will not be passed by the Senate. It is not necessary to go into a discussion of the reasons which lead me to this conclusion, but I think the proper thing to do at this time would be to vote down this amendment in order that when the bill is reintroduced next year, the Committee on the Judiciary may afford a hearing to those of us who are interested in the incorporation in the bill of an amendment carrying into effect the idea of my colleague from Georgia [Mr. WHELCHEL] and may work out a proper amendment in line with the precedents that exist in other judicial districts in the country.

So I hope the amendment in its present verbiage will be rejected by the House in order that the matter may be left open for disposition next year, upon the justified assumption that this particular legislation will not be finally enacted during the present session.

Mr. YOUNG. Mr. Speaker, I rise in opposition to the pro-forma amendment.

Mr. Speaker, I am going to speak briefly and to the point, and I am not going to advert to Georgia politics. I am sure that practically all of us would like to have both of our colleagues pleased and render them helpful service in helping some fine, outstanding lawyer in their respective constituencies receive a lifetime job at the public trough and then, upon retirement at the age of 70, receive a pension of $10,000 as long as he lives; but my study of this proposal leads me to the certain knowledge that there is no necessity for an additional district judge for the northern district of Georgia.

Georgia has three district judges at the present time, with a population approaching 3,000,000. My own State of Ohio, a great industrial and agricultural State, with a population of 7,000,000, has only five district judges; and back in 1932, for the year ending June 30, 1932, there were pending in the United States Court for the Northern District of Georgia 1,029 cases. At the same period for the year ending June 30, 1935, in the same district, there were pending only 517 cases, or approximately one-half the number. In 1932 there were pending at the end of the year 225 lawsuits of a private character, 219 civil cases in which the United States was a party, and 585 criminal cases, while at the end of the year 1935 there were pending only 133 private cases, as against 225; 156 civil cases to which the United States was a party, as against 219 3 years before; and of criminal cases there were only 228, as compared with 585 for the period ending in 1932.

Hence there would seem absolutely no reason whatever for this Congress in its closing hours to be called upon to supply at the public trough and at the expense of the taxpayers of this country an additional judge for the northern district of Georgia.

It would seem to those of us who have given careful consideration to bills of this character that there is absolutely less merit to this section of the bill we are voting on today, this particular bill, than any other bill we have voted on.

Personally, I am opposed to the inferior Federal judiciary. If I had my way, I would do away with the inferior Federal judges and have all constitutional questions taken directly to the Supreme Court of our country.

But probably I am prejudiced. I am opposed to these tyrannical Federal district judges who pay no attention to anyone, who are judges, jurors, and executioners combined in one individual.

But, Mr. Speaker, looking at this in an impartial way, when I consider the population of Georgia and the present number of United States district judges and all the surrounding sections, it would seem to me that the proper thing would be to vote against the amendment and then vote against the bill.

Mr. SCOTT. Mr. Speaker, I move to strike out the last three words. During the discussion of the previous bill I was told a story by one of the Representatives from a Midwestern State. He said there was a bill up for the appointment of another judge in that State. As it happened, the district judge did not want another judge appointed.

The argument in favor of the new judge was that the docket was overloaded with cases. So this judge who did not want the new one appointed immediately got busy and cleared the docket, so that there was no need of another judge being appointed.

I thought that that might be possible in some of these districts where they are clamoring for new judges. We have established eight new judges, and here is another one, which will make nine. Each of these judges will receive $10,000 a year. That means $90,000. We have created these new judgeships, and they will last, say, 20 years, and in that time you will get up quite a sizable bill. Every time an authorization for expenditure is brought up one of our political Members gets up and says, "Where are you going to get the money?"

Today we had a bill under consideration to establish a new judgeship in the State of Pennsylvania, and that very energetic gentleman who is always protecting the Treasury voted for the establishment of that new judgeship in the State of Pennsylvania. I ask him—and he was here a moment ago—where he is going to get the money for the new judge in the State of Pennsylvania?

The SPEAKER. The question is on the amendment offered by the gentleman from Georgia?

The amendment was rejected.

The SPEAKER. The question recurs on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House joint resolution was laid on the table.

INVITING FOREIGN COUNTRIES TO PARTICIPATE IN SAN FRANCISO BAY EXPOSITION

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 226, authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition in 1939 at San Francisco, Calif., which I send to the desk and ask to have read, and ask unanimous consent that the resolution be read and that the whereases be omitted.

The SPEAKER. The gentleman from Tennessee asks unanimous consent for the present consideration of Senate Joint Resolution 226, and that the whereases be omitted. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, etc., That the President of the United States be, and he is hereby, authorized and respectfully requested by proclamation, or in such manner as he may deem proper, to invite all foreign countries and nations to such proposed exposition with a request that they participate therein.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Line 5, after the word "invite", strike out the word "all."

The SPEAKER. The question is on agreeing to the committee amendment.

The amendment was agreed to; and the Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

INVITING FOREIGN COUNTRIES TO PARTICIPATE IN THE NEW YORK WORLD'S FAIR

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 267, authorizing the President to invite foreign countries to participate in the New York World's Fair 1939, Inc., in the city of New York during the year 1939, which I send to the desk and ask to have read.

The SPEAKER. The gentleman from Tennessee asks unanimous consent for the present consideration of Senate Joint Resolution 267, which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That the President of the United States be, and he is hereby, authorized and respectfully requested, by proclamation or in such manner as he may deem proper, to invite foreign countries and nations to such proposed world's fair with a request that they participate therein.

The SPEAKER. Is there objection?

There was no objection.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House joint resolution was ordered to lie on the table.

ORDER OF BUSINESS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, That during the remainder of the second session of the Seventy-fourth Congress it shall be in order for the majority leader or the chairman of the Committee on Rules to move that the House take a recess, and that said motion is hereby made of the highest privilege; and it shall also be in order at any time during the remainder of the second session of the Seventy-fourth Congress to consider reports of the Committee on Rules as provided in clause 45, rule XI, except that the provision requiring a two-thirds vote to consider such reports is hereby suspended during the remainder of the second session of the Seventy-fourth Congress.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. MAPES. Mr. Speaker, I reserve the right to object. I understand that the gentleman from New York [Mr. O'CONNOR] and the gentleman from Alabama [Mr. BANKHEAD], the leader of the majority, have discussed this resolution with the leader of the minority, the gentleman from New York [Mr. SNELL], and that it is satisfactory to him.

I have discussed it also with the gentleman.

Mr. MICHENER. Reserving the right to object, I think this should stand over until tomorrow. There was much said about gag rule in the last session. Now, this is a gag rule. There is not any question about it. I may not object to it, but I am not going to sit here and permit a rule of this kind to go through by unanimous consent and then later have the Members say they did not know what was being done. I ask the gentleman to withdraw his request for the present.

Mr. O'CONNOR. Oh, no. I shall not withdraw it.

Mr. MICHENER. I object.

Mr. O'CONNOR. Will the gentleman reserve his objection for a moment? The gentleman is a good parliamentarian, and I desire to explain the situation to him.

Mr. MICHENER. I know what this rule is.

Mr. O'CONNOR. This is the usual resolution that is introduced toward the close of every session of Congress. There is no gag in it, in the sense that I ever heard the word "gag" used. The rule merely permits recessing. It provides that a rule, instead of standing over 1 day, can be brought up on the same day it is reported. Now, what "gag" is there in that?

Mr. MICHENER. It means this, that ordinarily the House has some right to know something about what is coming up for consideration. This means that a rule may be brought in at any time and without notice, therefore, every Member must remain on the floor all the time, every minute, and without any knowledge of what is coming before the House. In addition this resolution does away with the two-thirds vote.

Mr. O'CONNOR. The gentleman is unduly excited, especially because he sits on the minority side of the House, and the prime purpose of this suggestion is to permit the minority to attend a certain conclave to be held in Cleveland, where they are going to make certain misstatements to the country. [Laughter.] That is the sole purpose of the resolution. The other item is incidental.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. SISSON. Mr. Speaker, I object.

Mr. RICH. Reserving the right to object, Mr. Speaker, I would like to ask the chairman of the Rules Committee this question: I appreciate the fact that the membership of the House is in very bad circumstances. We have some of them over in an institution for examination. We have others who have been in the hospital. I question very much whether the chairman of the Rules Committee and the majority leader ought not to take charge of the membership of this House, so that they will not bring in any more ridiculous bills.

Mr. O'CONNOR. I have one Member particularly in mind of whom we would like to take charge, so that we could expedite the business of the House. [Laughter and applause.]

The SPEAKER. Is there objection?

Mr. MICHENER. Mr. Speaker, I shall object.

The SPEAKER. Objection is heard.

Mr. MAPES. Mr. Speaker, I intend to object to any further legislation tonight. We have had a long day.

The SPEAKER. The Chair will state to the gentleman there are some conference reports to be filed.

Mr. MAPES. I will not object to those.

REGISTRATION OF PERSONS ENGAGED IN LOBBYING

Mr. WALTER. Mr. Speaker, I submit a conference report and statement on the bill (H. R. 11663) to require reports of receipts and disbursements of certain contributions, to require the registration of persons engaged in attempting to influence legislation, to prescribe punishments for violations of this act, and for other purposes.

CHALMETTE NATIONAL MONUMENT

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5368) to provide for the addition of certain lands to the Chalmette National Monument in the State of Louisiana, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none and appoints the following conferees: Mr. DEROUEN, Mr. KNUTE HILL, and Mr. ENGLEBRIGHT.

THE TOWNSEND PLAN

Mr. DOCKWEILER. Mr. Speaker, on behalf of my colleague the gentleman from California [Mr. MCGROARTY] I ask unanimous consent to insert in the Appendix of the RECORD a speech on the Townsend plan prepared by him.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MCGROARTY. Mr. Speaker, only the insistence of my colleagues in Congress and the duty I owe to the millions of good people throughout the country who have placed their hopes for the future in the success of the McGroarty bill prompts me to make a public statement of the break between Dr. F. E. Townsend and myself. My thoughts and efforts are now, and have been, concerned solely with the passage of the McGroarty bill, H. R. 7154, which embodies the Townsend plan and is the only bill before Congress which does so. I believe every member of a Townsend club shares my opinion that the passage of this legislation should be the sole purpose of Dr. Townsend and the O. A. R. P. organization.

I further believe that every club member agrees that Dr. Townsend has recently been receiving bad advice which led him away from the real purpose of this movement and set him to chasing rainbows. Let us stick to the job we started until we finish it before we tackle the "remaking of the world." Let us attend to our own problems of old-age security and unemployment before we bother with foreign affairs; yes, and let us do it without getting embroiled in politics or we will never get it done. The self-seeking politicians who have gotten Dr. Townsend's ear the last few months and who have supplanted the saner and sounder advice of Clements, under which he was proceeding, have conceived the idea of enlisting the Townsendites in a third party move.

Early in January, this year, the press called upon me with the information that Dr. Townsend had just given out a statement that he was launching a third party, and that petitions were being circulated in the State of California so that this party might appear on the ballot. This was the first intimation I had that such a move was really seriously contemplated by Townsend, because there had been two such third party announcements and retractions by him in as many months, and I believe there would be a similar retraction once the clear thinking strategy of the movement was brought into play. This last announcement has also been retracted but not until thousands of petitions were uselessly circulated in California, and a considerable amount of money was needlessly expended.

Dr. Townsend being in Washington at the time, I contacted him by telephone and ascertained that what the reporters had told me was correct. I promptly informed him that in my opinion this was a bad move and cited for his benefit the history of failures of third-party movements in this country. I also stated to him that I would have nothing to do with the venture and that he could not count on my support.

Mr. Robert E. Clements, co-founder of Old Age Revolving Pensions, Ltd., was ill in Chicago at the time of this third-party announcement by Dr. Townsend. Mr. Clements got up out of a sick bed and rushed to Washington to try to get Dr. Townsend to change his mind about turning this great movement into a political set-up when we were so close to the goal. A meeting was called of the congressional bloc favoring the McGroarty bill, H. R. 7154, which is the Townsend plan in legislative form, and Dr. Townsend, Mr. Clements, and Mr. Gomer Smith were present. It was quickly made plain to Townsend that in launching this third-party movement he had made a mistake and the following day he released a statement to the press to the effect that he abandoned the idea. The whole incident, of course, was unfortunate, as it created considerable confusion in the minds of the Townsend-plan supporters both in Congress and in the field.

My friends, within less than 3 weeks after Congress convened this session, Dr. Townsend returned to California to be near Edward J. Margett and Sheridan Downey, now his personal attorney, for advice along political lines. If Townsend were truly interested in the passage of this legislation, I say he should have remained in Washington and cooperated with Mr. Clements, the cofounder of this movement, and with the Members of Congress who were endeavoring to enact into law the McGroarty bill. We in Congress who were favorable to the bill found it necessary to hold many conferences to discuss and plan strategy that might successfully guide the bill through the legislative machinery.

These conferences resulted in ever increasing demands for factual information from Townsend headquarters here. These demands were ably met by Mr. Clements, who cooperated with our congressional bloc in every way possible, and who was available at all times day or night to assist us. It was a source of considerable annoyance to both our congressional bloc and to Mr. Clements that Dr. Townsend was not here on the ground. On several occasions it was suggested to Mr. Clements by friendly Congressmen that Dr. Townsend was not sincerely working in the interest of the movement by remaining in California. Mr. Clements replied that he was well aware of this feeling, but that despite his urgent requests Dr. Townsend refused to come to Washington.

I wonder if Dr. Townsend's refusal to come to Washington and work with the Congress here for the passage of the McGroarty bill could possibly mean that for one reason or another it was not his sincere desire that the McGroarty bill be enacted into law at this session of Congress.

My friends, while Dr. Townsend might not have been any material help here in Washington, most certainly his absence gave the enemies of the plan abundant reason to question the legislative sincerity of the movement, and greatly embarrassed the movements of friendly Congressmen.

Very shortly after Townsend returned to California there appeared a book written by Mr. Sheridan Downey and strongly endorsed by Dr. Townsend in a foreword. Townsend's endorsement of this book, which proposed ideas contrary to the McGroarty bill, was to all purposes an abandonment of the Townsend plan as set forth in the McGroarty bill, H. R. 7154. It did not seem to matter to Townsend that the McGroarty bill, H. R. 7154, was the official bill of the Townsend movement and had been drawn and approved by a committee selected by national headquarters and including Townsend and Clements. I sponsored this bill because it was, and still is, the official legislative form of the Townsend plan.

The fact that Townsend, in the foreword of Downey's book, declared himself "not entirely committed to the transaction tax" and mentioned a $10,000,000,000 bond issue to finance the "social dividends", which he, at the suggestion of Downey, has decided to call the annuities or pensions, as specified in the McGroarty bill, the fact that Townsend, in the same forword, which he has signed, suggests that the age limit start at the age of 75 instead of 60 years, and the fact that Townsend has done nothing to promote the passage or increase the interest in Congress of the McGroarty bill at this session should prove to any thinking person that Townsend has aban-

doned the McGroarty bill and is subverting the approved official legislative effort of the entire Townsend movement to the ideas and personal political ambitions of one man.

Contrary to what Townsend has given out to the press, the true reasons for the break between us were those I have just mentioned—namely, Townsend's insistent demand for the formation of a third party, Townsend's lack of sufficient interest in the success of our efforts to push the McGroarty bill forward in this session of Congress, as shown by his refusal to remain in Washington during this session, and Townsend's abandonment of the real Townsend plan and substituting therefor the Downey plan. These three very important issues were the ones upon which I differed with Townsend and were of fundamental importance to the success of our legislation.

Dr. Townsend gave out the information to the press that our differences arose over what he chose to term my "political ambitions", because I had allowed my name to be used in the California Democratic Presidential primary. This action on my part should have proved that instead of my having "political ambitions", I was willing to sacrifice not alone my so-called "political ambitions" but my standing with the present administration by daring to oppose the slate officially endorsed by the President. It was well known by national headquarters of the Townsend organization and by Mr. Clements that I did not hope or even dream of becoming a candidate for the Presidency, but I did hope and was willing to risk a great deal to try and bring the Townsend plan program to the floor of the Democratic national convention. This, and this alone, was my sole purpose in allowing my name to head a slate of delegates to that convention. My slate of delegates was the only one that was pledged to the Townsend plan, and only personal jealousy and not the good of the Townsend movement could have prompted Townsend to refuse to support this slate.

Dr. Townsend's frantic opposition to my well-meant intentions came without so much as a note of inquiry, much less a conference with him as to my purposes. I could not understand his attitude at the time, but I have since learned that my announcement came only a few days prior to a long-planned announcement by him declaring himself for the Presidency of the United States. When I learned these facts, I well understood that Townsend's opposition was caused by the jealousy that is born of thwarted desire. Unlike Dr. Townsend, I have no political ambitions and never did have, and I have never deserted the Townsend movement, but he did when he went over to the Downey plan.

I would like here to tell you of a matter which is vitally important to you. It is a matter in which I feel that Dr. Townsend either acted unwisely or, as I have previously stated, was ill-advised by his new advisers, who fanned the flame of unwarranted jealousy of Mr. Clements which was growing in Townsend's mind ever since the Chicago convention last fall. Dr. Townsend has been jealous of Mr. Clements because you Townsendites showed appreciation for his sincere efforts in this movement. Townsend should be so ashamed of himself and should get on his knees and beg forgiveness, because Clements made Townsend what he is today. Clements built this organization; Townsend did not, and Townsend knows it; but just as soon as the people began to find it out, Townsend wanted to get rid of Clements. And so the resignation of the cofounder of this movement was forced, and the selection by Dr. Townsend of a so-called national board of directors took place just prior to the investigation of the leadership of the Townsend movement by a congressional committee.

It is generally recognized by all who are close to the scene, that when the movement lost Clements they lost the real strategist, the man who had built the organization to such magnificent proportions, an organization considered by many to be the most powerful ever erected in the political history of the United States. As the Literary Digest stated, Clements was the "brains" of the movement. The Members of Congress friendly to the McGroarty bill depended on him for accurate information, while Congressmen unfriendly to the McGroarty bill feared him and the organization that he built. It was Clements who created in the minds of millions of Townsendites throughout the country an idealistic leader in the person of Dr. Townsend. Clements did not have to do that. This plan is as much his as Townsend's, but he preferred to stay in the background and wanted Townsend to have all the glory, all Clements wanted was to have the satisfaction of putting the plan into effect as quickly as possible. Dr. Townsend's vacillating policy of making erroneous statements calling for constant retractions was ever a source of worry and concern. I often wondered how Clements, a man with a definite policy, stood it as long as he did. It would seem to me that in Clements Dr. Townsend had the one man who might successfully carry him through an investigation by the congressional committee in the proper manner. His resignation, forced by Townsend and his new advisors who are apparently seeking Clements' place within the movement, has resulted in Congressmen, who were favorable to our cause, losing faith in the O. A. R. P. while retaining their belief in the McGroarty bill.

Clements' resignation has also resulted in the fact that Congressmen heretofore fearful of the O. A. R. P. now sigh with relief. I know that Clements at this time is as strong as he ever was for the McGroarty bill, but that Dr. Townsend's actions in secretly calling a meeting in California with his brother, Walter Townsend, and the then third member of O. A. R. P., Ltd., and changing the bylaws without the knowledge of Mr. Clements, made it impossible for him to continue with the organization harmoniously. To try and save the solidarity of the movement Clements resigned—he proved that he thought more of the movement than of his own position.

In spite of this he has been bitterly and falsely attacked and maligned; to all of which he has made no reply, all for the sake of harmony in the movement. It naturally followed under the new set-up engineered by those who wanted to take Clements' place in the movement and who had gained the confidence of Townsend, that Clements would be unable to pursue the policies which had heretofore proven so successful. The change effected by Dr. Townsend would make Clements subservient to a board which had had no part in building the organization or shaping its policies, and who, I believe, will prove wholly incapable of managing a movement of such proportions, and a movement which even Dr. Townsend knew little about. I believe the actions of this new board for the past few weeks sustain my belief.

At the time of Clements' resignation, April 1, 1936, there was $130,000 in the treasury of the O. A. R. P. and no debts. Dr. Townsend testified on May 20, 1936, that there was only about $60,000 of that amount left. In other words, this "great national board" when once given access to the cash not only spent all receipts taken in during the period but spent over half the total cash reserve within 6 weeks. An examination of the records of the O. A. R. P. will show that the cash reserve constantly increased from the inception of the movement to April 1, 1936, under Mr. Clements' direction. The spending of the money is bad enough within itself, but the condemning charge against this national board and its mismanagement, is that all during this time when over $100,000 was being spent by them, not a finger was being lifted toward assisting the enactment of our legislation. Not a single member of this new board nor a representative of the O. A. R. P. have made even the slightest effort in this direction. In contrast to this lack of interest, Mr. Clements has constantly worked for the McGroarty bill, even since his resignation, and is still on Capitol hill daily and at his own expense. No better proof of lack of interest in the enactment of our legislation can be given than the removal of the entire national headquarters offices from Washington, D. C., to Chicago. No office whatever of the O. A. R. P. remains in Washington. Do they think the Congressmen and Senators will call Chicago long distance for information? The laws are made in Washington, not in Chicago or California.

In the Townsend Weekly, Townsend says Clements refused to democratize the movement, says Clements wanted

the autocratic power to remain in Townsend and Clements. What better proof of the wisdom of Clements' policy could be given than that he built the greatest organization ever built in the same length of time anywhere? I claim the people are interested in results and not whether the control is vested in two men or one or a "debating society" of seven or eight or nine, and Clements got results. A prominent Congressman favorable to our cause said just last week that he had over 20,000 letters from Townsendites in his files and there was not one word against Clements in all of them.

The new "democratic organization" the good Dr. Townsend has so much to say about is composed of a board of seven men besides Townsend, and six of the seven are on the pay roll of the O. A. R. P., and the seventh is a politician. Certainly Townsend has a "national board" of employees who say "yes" or get "fired."

Regardless of all else, what has Townsend or his "democratic" board done to promote the passage of our bill in this session? The answer, much to their discredit, is "nothing." Internal and external politics of the organization and a frantic and all too successful effort to get themselves comfortably on the pay roll of the movement has consumed their thoughts to the exclusion of what to them must be the "unimportant" matter of getting the Townsend plan enacted into law.

I am happy to see Clements defend the Townsend movement and the McGroarty bill before the investigation committee and Congressmen and the public, even after he is officially out of the movement. Clements is still a stanch friend and defender of the real Townsend plan.

Not to have continued the fight being carried on by Clements on the outside and myself on the inside of Congress was a definite retreat. There were held two meetings of Congressmen, one attended by 31 and the other attended by 37 Congressmen and several outsiders and congressional secretaries, at which the tax features of the McGroarty bill were discussed, and the old friends of the bill were strengthened with undisputable arguments, and new friends among the Congressmen made. A continuation of these meetings was planned as long as new Congressmen would attend and listen to Clements explain the simplicity and workability of the transactions tax. I also accompanied Clements on one of his several meetings with important Senators. He had arranged for a senatorial sponsor for our bill in the Senate. Since April 1, when Clements resigned, I have not been contacted, nor have I been able to find a single Congressman who has been called upon by Dr. Townsend or any member of the national board. All work for the passage of our bill has been abandoned by the present officials of the O. A. R. P., but they still frantically appeal for more money to pay increased salaries and hold board meetings and buy radio time to elect themselves to public office.

The forcing of the Frazier-Lemke bill out of committee in spite of terrific opposition only again proves the contention that by constant cooperative action we had a chance to bring the McGroarty bill to a vote in this session. Certainly the McGroarty bill with the united backing of the vast organization of the Townsend movement had a much more logical chance to be forced to the floor for open debate than the Frazier-Lemke bill.

This session our failure has come from within and not from without our own organization.

And now, in conclusion, let me again refer to the investigation by a congressional committee of the leadership of the Townsend movement. I feel that regardless of the findings of the committee with respect to the leaders of the Townsend movement, the clubs already formed should remain intact. They should work with their own officers and the other clubs in their congressional district to elect Congressmen favorable to the McGroarty bill.

Incumbent Congressmen who supported our legislation must be returned to Congress. Not to do so would be notice to all Members of Congress that we would double-cross our friends. We would lose standing by such a grave breach of confidence. This point I have emphasized in every way possible since I first introduced the bill. The future success of the McGroarty bill will be governed by the efforts of the workers in the field from now until November 1936. We must have in the Seventy-fifth Congress sufficient Congressmen and Senators to pass the McGroarty bill.

I am devoted to the cause of pensions for the aged citizens of our country. It is a holy cause which all God-fearing, just men may well espouse. I predict its ultimate enactment into the law of our beloved country.

AGRICULTURAL IMPROVEMENT IN SOUTH DAKOTA

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, it is a noteworthy example of progress in our economic life that cash receipts from the sale of principal farm products in South Dakota increased from $56,654,000 in 1932 to $94,835,000 in 1935—almost double. This includes $17,299,000 in rental and benefit payments. In terms of percentage, the increase was 67 percent. Approximately 97 percent of the total farm cash income from production is represented by these cash receipts.

On August 15, 1932, South Dakota farmers were receiving 33 cents for wheat, while on December 15, 1935, they were getting 89 cents a bushel.

Corn in the same period rose from 23 cents to 44 cents. Oats went from 9 to 19 cents. Barley, rye, buckwheat, flaxseed, potatoes, hay, and apples climbed perceptibly.

Hogs, which sold for $3.60 per hundredweight over 3 years ago, are now selling for $8.20.

I could quote at length figures referring to beef cattle, veal calves, milk cows, chickens, butter, eggs, and wool. The ratio of increase varies, but it is definite in all cases.

In the country as a whole the yearly average price of all groups of farm products increased from 65 to 108 percent of the pre-war level during the 1932–35 period—a gain of 66 percent.

A new appreciation of farm real estate in South Dakota is another result of increased farm income. Farm labor conditions have also improved materially. On January 1, 1933, the demand for farm labor in South Dakota was 56 percent below normal and the supply was 27 percent above normal. At the same time the average farm wage rate per person with board was $11.75 per month. Three years later, on January 1, 1936, the farm labor supply was 5 percent below normal. Demand was 39 percent below normal. The average farm wage rate with board stood at $16 per month, having advanced 56 percent above its 1933 level.

Agricultural adjustment is one of the genuine accomplishments of the Roosevelt administration. What the farmers of my State think of it can be realized from the vote in the Nation-wide wheat referendum May 25, 1935. In South Dakota 24,489 farmers out of 28,201—about 87 percent—cast their ballots in favor of a wheat-adjustment program to succeed that in force.

These are some of the signs of the times. They indicate that we are going steadily forward in national recovery.

Mr. CROWE. Mr. Speaker, I ask unanimous consent that on Thursday, immediately after the reading of the Journal and the disposition of matters on the Speaker's table, I may address the House for 5 minutes.

Mr. MAPES. Mr. Speaker, reserving the right to object, several requests have been made by Members on this side of the aisle for permission to address the House, and objection has been made. Today there were three special addresses made by Members on the other side of the aisle. I dislike to object to the gentleman's request, but under the circumstances, for the present, I shall have to object.

AMENDMENT OF COASTWISE LOAD LINE ACT

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11915) to amend the Coastwise Load Line Act, 1935, with a Senate amendment, disagree to the Senate amendment, and ask for a conference .

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BLAND, SIROVICH, RAMSPECK, LEHLBACH, and WELCH.

THE HIDDEN PURPOSE OF THE ROBINSON-PATMAN BILL—(WHICH EXPLAINS WHY THE WHOLESALERS WHO WROTE THE BILL IN ITS ORIGINAL FORM HAVE FOUGHT SO DESPERATELY FOR IT)—SOMETHING FOR THE CONFEREES TO CONSIDER

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the Balfour declaration.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, the real but hidden purpose of this bill is virtually to eliminate quantity discounts—that is, the economies of mass buying—thereby forcing mass buyers, such as chain stores, mail-order houses, farmers, and consumers' cooperatives, to pay more, and thus charge their customers more. This would naturally give the wholesaler who sells to small retailers a wider margin and would tend to force trade through the traditional wholesaler-retailer channels. If the large buyer could get little or no advantage in buying direct from the manufacturer, he would soon go back to the wholesaler.

The language of the House and Senate bills which covers this vital matter of allowable quantity discounts—section 2 (a), subsection 1—seems very innocent. It seems to provide that price differentials are allowable as between customers where they "make only due allowance for differences in cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered."

Even when this language is taken at what appears to be face value, it unduly restricts competing manufacturers whose costs of either manufacture, sale, or delivery may differ. That is, a manufacturer whose production cost may be high and whose distribution cost may be low might find himself unduly limited in trying to compete for the business of a large-scale buyer, since the allowable difference in price which he could quote would be restricted to the savings effected on his already low distributive cost.

But aside from this, the peculiar language which distinguishes this paragraph from the somewhat similar paragraph now found in the Clayton Act seems to have an extraordinary significance. This language has been insisted upon by the proponents of the bill and has been restored in the present form of the bill before us, although it was eliminated in an earlier version hereof.

Mr. H. B. Teegarden, attorney for the United States Wholesale Grocers' Association, who is the admitted author of the original Robinson-Patman bill, gave his explanation of what this peculiar language meant on pages 30–31 of the hearings, as follows:

> For illustration: Suppose manufacturer A maintains a system of branch sales offices and a corps of traveling salesmen for the purpose of canvassing and selling to the wholesale trade, and that the costs of this sales organization, including its overhead, represents 25 percent of his gross sales. Suppose, then, that chain X comes to A's headquarters office and offers him a large order for delivery direct to his chain retail outlets throughout the coming year and demands on that order a 25-percent discount on the plea that it has not required the services of A's selling organization in any respect. If the same additional quantity of business had been sold to A's wholesale customers, it would have cost him, say, 3 percent more for salesmen's traveling expenses and perhaps salaries of some additional salesmen, but otherwise would have been absorbed under his existing sales overhead.
>
> In such case the chain might be given the 3-percent discount, but not a 25-percent discount. The manufacturer is not able to abandon his whole selling organization merely by reason of the order of this chain, nor is he able to reduce his costs to an amount representing 25 percent of this chain's order. He does save 3 percent, however, as compared with the same amount of business sold to his other customers, and that 3 percent, therefore, represents the difference in cost of sale "resulting from the differing methods * * * in which such commodities are as to such purchasers (namely, the chains and the independents) sold or delivered."

It is evident from the above that the intent of this language is to restrict tremendously the discounts allowable to the mass buyer and greatly to increase the price which must be charged the mass buyer in order to avoid a violation of this section.

Senator LOGAN, in his committee report on the Robinson bill, gives approximately the same interpretation of this language, though less clearly. This interpretation is found at the bottom of page 5 and top of page 6 of the Senate committee report. Senator LOGAN attempts to summarize this point in the following language:

> It is designed, in short, to leave the test of a permissible differential upon the question: If the more favored customer were sold in the same quantities and by the same methods of sale and delivery as the customer not so favored, how much more per unit would it actually cost the seller to do so, his other business remaining the same?

The evident intent, as set forth by Senator LOGAN, is to force the mass buyer to pay for wholesaling, advertising, and other facilities and functions, even though he does not use them. It is easily apparent that under these circumstances the present wholesale-retail system would be legislated into a preferred position, since there would be little incentive for a manufacturer to seek more efficient distribution methods. This is, of course, exactly what the real backers of this legislation seek to accomplish.

Next came the House committee report, which, while clearly differing from the interpretations above quoted, still carried something of the same idea of forcing the mass buyer to pay for facilities and services which he does not utilize. The committee report says—page 10—concerning this language in this bill:

> This in its plain meaning permits differences in overhead where they can actually be shown as between the customers or classes of customers concerned, but it precludes differentials based on the imputation of overhead to particular customers, or the exemption of others from it, where such overhead represents facilities or activities inseparable from the seller's business as a whole and not attributable to the business of particular customers or of the particular customers concerned in the discrimination.

This might be considered by the Federal Trade Commission as authorizing them to require a manufacturer to charge to the mass buyer a proportionate share of the general sales or advertising expense of the manufacturer, even though the mass buyer did not use or receive any benefit therefrom and did, in fact, pay for his own advertising, as was the case in the pending Goodyear-Sears, Roebuck tire case.

If this is the meaning to be read into this language, it would be a severe blow to the development of more efficient methods of merchandising and is directly contradictory to the stated purposes of the bill.

Both in the Senate and later in the House, Members have asked questions in an effort to find out what limitations are put on quantity discounts under the terms of the Robinson-Patman bills and never once has there been a direct and unequivocal answer.

Usually the question has been, "Would manufacturers have to charge buyers the same prices for large orders as for small orders?" Or, "Is there provision in the bill for allowing lower prices on big purchases than on small purchases?" The answer has always been, "Yes." This is correct as far as it goes; there would be small allowable differences in price. But it does not answer the real question the inquirers had in mind. They want to know whether the full savings and economies of mass buying—either by cooperatives or chains and in cases where no quantity limit has been set by the Federal Trade Commission—could be allowed by the manufacturer to the mass buyer so that the latter could, in turn, pass it on to the consumer; and that question has never been answered.

This question was propounded in the House debate on May 28 by Mr. CELLER, who read a letter from Chester Gray, Washington representative of the American Farm Bureau Federation, dated May 26. Mr. Gray, after pointing out that they were puzzled by the interpretation of the Judiciary Committee reports given to the language of section 2 (a), subsection (2), in the House bill, wrote:

> We would like to have you ask those in charge of this bill to state whether this language would permit the full economies of mass buying to be passed on to the buyer or whether such a buyer would be required to pay for facilities which he does not utilize, such as

a pro-rata share of salesmen's expenses, advertising, warehousing, etc.?

If you do not get a satisfactory answer, we would urge you to insist upon changes in the language so as to allow all of the economies of mass cooperative buying to be passed on to the buyers.

Mr. CELLER read this letter and propounded this question. Mr. PATMAN, the chief sponsor of the bill in the House, first evaded a reply by talking about "monopoly" (CONGRESSIONAL RECORD, p. 8450), and when Mr. CELLER protested that this was not an answer, and his time expired, Mr. MILLER—who was in charge of the bill—made no attempt to reply and forced an immediate vote on the pending amendment.

When cornered on this question in a public debate in New York Senator LOGAN finally admitted that the effect of this language as interpreted by the committees would be to force nearly the same price to chain stores as to small retailers; in other words, that there would be virtually no quantity discount. Senator LOGAN agreed at that time to endeavor to modify the language in this section.

No doubt this virtual elimination of quantity-purchase savings (discounts) was what Congressman WRIGHT PATMAN had in mind when he told groups of grocers and druggists all over the country that when this bill becomes a law the small merchant can buy his goods at the same price the large chain now buys. Mr. PATMAN also made this statement several times in printed speeches and on the floor of the House. On March 9, for instance, Mr. PATMAN said (CONGRESSIONAL RECORD, p. 3573):

In truth and in fact, if the Robinson-Patman bill is enacted into law, all merchants will receive the same prices from the manufacturers that the chain stores now receive.

When questioned about this statement by Mr. CELLER during the debate on this bill on May 27, Mr. PATMAN claimed that his statement meant "for same quantities or under same conditions." But Mr. PATMAN's statement on the floor of the House and his speeches to dealers made no such reference. In fact, some of his statements emphasize the idea that the smallest merchant will receive the same—or nearly the same—price as the large chains.

So this vital part of the bill, and its committee interpretations, which would have standing in the courts in case of litigation, comes to final conference under a false impression if not actual misrepresentation.

Not over 5 percent of the Members of Congress realize how far reaching this bill would be, how it affects every line of business that does buying and selling, including the seller of raw materials to the manufacturer and the retail sales of the small retailer who may be located near a State line or otherwise involved in interstate commerce. Many feel certain that it will increase the cost of living but are not well enough informed on the bill to answer the assertions of the advocate who undertakes to claim that it will not increase living costs.

The Borah-Van Nuys bill has the decided advantage that it would prevent actual discriminations—either of the unfair advertising or brokerage allowance type or the unearned quantity discount—yet it would not upset legitimate and efficient business methods nor legislate a subsidy for any particular class of middlemen. Unless the Borah-Van Nuys bill can be adopted this whole matter should go over to the next Congress for more careful study.

LIBERALIZING FARM MORTGAGE LOANS

Mr. LEA of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEA of California. Mr. Speaker, on the 26th of May I introduced H. R. 12853, providing for the liberalization of farm-loan mortgages, to include a class of farmers now threatened with mortgage foreclosures, who are unable to qualify for loans under the existing farm credit system.

The farmer now threatened with foreclosure and the loss of his home may not have security to qualify under the appraised value his land and improvements will justify for a long-time loan. But his security, with a reasonable faith in returning farm values, may be ample for a short-time loan. Then, within the loan period, through improved price levels, he will be able to refinance his loan, or pay it off.

This bill is intended to cover that situation.

PROVISIONS OF H. R. 12853

Under provisions of this bill a first-lien loan may be made by the land bank commissioner for not more than 4 years at not exceeding 5-percent interest for 85 percent of the appraised normal value of the land, including permanent improvements. It is provided that no loan shall exceed $50,000. No loan shall be made unless, in the judgment of the commissioner, payment thereof, as agreed, is reasonably assured.

In determining the probability of repayment, the commissioner shall consider the probability of better farm prices with improved economic conditions, whether or not the property is prudently managed, and all other factors reasonably indicating its future value.

Such loans shall be limited to refinancing a farm indebtedness or the repurchase of a farm after foreclosure.

The authority to make these emergency loans will expire June 30, 1938.

SHORT-TIME LOANS FOR EMERGENCY

The additional class of farmers who could receive the benefit of these loans includes those who have suffered foreclosures, or who are now unable to qualify under the present loan provisions of the Federal farm-loan system. The farmers who should be especially benefited are those whose loan values are depressed because of abnormally low farm prices, or whose farm improvements are not of adequate security value for long-time loans, but of much higher value for short loans.

The original theory of the Federal farm-loan system was to provide the farmer with long-term loans at moderate interest rates. There was no purpose to subsidize farm loans at the expense of the public, either by accepting inadequate security or insufficient interest. The plan was intended to be self-liquidating, and intended to save the farmer from extortionate interest charges.

That policy was sound. To be permanently successful and afford the farmer long-time loans, at low interest, the loans must be supported by adequate security, appraised on the safe side of fluctuating values, and with full recognition of the depreciation to which land improvements are subject. Therefore, the long-loan plan, if on a sound basis, means relatively low land loans and still lower loans on improvements.

The imprudence of overindebtedness by a farmer or other debtor supports the wisdom of moderate loan values for a long-time farm-loan system.

FLUCTUATING VALUES

However, we now face a situation which has necessarily modified this conservative policy, especially as to refinancing existing farm mortgages. The present situation calls for a short-time loan with the higher loan value of short-time security to meet an old indebtedness. Within the last 16 years the index figures for farm-land values, as an average, has swung up and down from 73 to 170. Inevitably, loan values at the peak, and even at normal values, have become inadequate at depression levels.

In the depth of the depression we had an appalling record of farm foreclosures. The same psychology that made runs on banks created mortgage foreclosures. In some cases cupidity and avarice also conspired to take advantage of the debtor's misfortune, due to no act of his own. The Government has done much in providing the funds and liberalizing our farm credit system to combat and alleviate the evils of this situation.

PREVENT FORECLOSURES AT DEPRESSION VALUES

There are still farms threatened with foreclosure that cannot meet the present requirements of the Farm Credit Administration and which the Government might prudently save from foreclosure and keep the farmer and his family in their old home, and in some cases restore to them the home already lost.

Foreclosure and ejectment against a worthy farmer and his family is a tragedy. To save or prevent that tragedy is a most worthy form of relief.

The farmer's hope, the country's hope, is not in depression levels but in our confidence of a better day to come. It is not necessary for the Government, in order to do its duty, to subsidize the farmer's debt. That would be a burden beyond public duty. We can still do much in this situation, and prudently, by giving loan margins partly on a reasonable expectation of recovery values.

This bill, if justly and prudently administered, would authorize the refinancing of farm mortgages in every case where that could be done with due regard to public responsibility in the matter. It would not subsidize farm loans. It would not invite in any farmers who were not in need of such loans, or whose farms are already fairly financed.

This bill is introduced in the belief that there are still large numbers of farm mortgages that could be refinanced on a sound basis without undue hazard to the Government on the short-term basis proposed. That would carry the farmer over until advancing recovery conditions would make him able to refinance or pay off his debt, and thus save his farm.

I urge its favorable consideration by Congress at the earliest practicable date.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF. Mr. Speaker, from day to day the House and Senate are being regaled by charges that W. P. A. funds are being spent for political purposes with a view of winning for the Democrats the coming election. Strange as it may seem, nearly all these charges are made by members of the Democratic Party. Resolutions of investigation have been introduced, but up to this time the overwhelming Democratic majority in each branch of Congress has been able to keep such resolutions in Committee.

In addition to the politics in the selection of workers on the W. P. A. "works" projects in Pennsylvania, West Virginia, Missouri, and many other States, (and by this I mean using W. P. A. jobs to coerce the people on relief into voting the Democratic ticket) many other things are happening in connection with the activities under Mr. Hopkins, the chief of the W. P. A., which will not bear the light of day. I ask my readers to bear these statements in mind in the near future when conditions in Michigan will receive an airing.

Conditions in Pennsylvania, where according to official records, the Administration has spent or has allocated to be spent, more than $500,000,000 of the taxpayers' money, seem to be about as bad as they can be. Some idea of the foolish and inexcusable ways in which this money is being dissipated can be had from a news release from the Works Progress Administration at Harrisburg, Pa., which reads in part as follows:

HARRISBURG, PA., May 14, 1936.—One of the most unusual undertakings of the Works Progress Administration in the State is a project providing beauty treatments for women who are mentally ill.

Scores of patients in the Allentown State Hospital have received facials, hair waves, and manicures from W. P. A. beauticians drafted from the ranks of the unemployed.

Similar treatments will soon be available to women patients in the Philadelphia General Hospital and the Torrance State Hospital.

One of the supervisors of the work (who, of course, is one of the W. P. A. higher-paid agents) declared: "Doctors have told us that the change brought about in patients by the beauty treatments have been remarkable. They have found that the women become much brighter in spirits, easier to handle, and infinitely more concerned with their dress and personal appearance."

The work is under the direction of the women's and professional projects of the W. P. A., which supervises employment for women and for men schooled in professions, arts, letters, and various skilled services.

I think everyone familiar with these activities will agree that this does constitute "a most unusual undertaking."

The same news release, referring to another W. P. A. project, called attention to 17,680 persons, nearly all of whom are women, who are engaged in producing clothing and bedding for the poor, and inmates of State institutions. This is unquestionably a proper and justified undertaking.

The release goes on to explain that a W. P. A. exhibit would be held in Philadelphia and says:

There will be vaudeville acts by W. P. A. entertainers, art galleries showing the canvasses of W. P. A. painters, sculpturing, concerts by a W. P. A. band and a W. P. A. orchestra, and a sewing exhibit.

From time to time we have learned of the spending of immense sums in teaching esthetic dancing to women in the cities, grand opera to the mountaineers in the Ozarks, and more than $60,000,000 for "recreation", but the prize crackpot scheme for wasting the public moneys seems to be incorporated in a news report from Nashville, Tenn., appearing in the Nashville Banner, a well-known and responsible newspaper of the South, which stated:

Despite the inclement weather, three tables of contract bridge were played in parlors of the Hotel Montgomery Tuesday night, sponsored by the W. P. A. recreational committee. * * * It is the plan of the committee to provide recreation and a wholesome manner of passing away leisure time for adults as well as children.

The tragedy of the situation is disclosed by the rapidly growing national debt. The latest information from the Treasury is to the effect that by July 1, it will have become $36,000,000,000, which is fifteen billions greater than it was at the beginning of the present Roosevelt administration 3½ years ago.

In pondering the general situation it ought not for a moment to be forgotten that not only must the people generally pay for all these boondoggling activities mentioned above, but the so-called gifts handed out to the various communities by the agents of the Federal Government are not gifts by any manner of means. All this money comes from borrowing on the credit of the American people. They will have to pay it back, every nickel of it.

With this in mind it must be apparent that wise care should be exercised in selecting projects and activities upon which to spend this money. Not 1 penny of it should be spent for purposes not useful and that will not be of some benefit to those who come after us, and who must pay in large part for it all.

Not less than 20 cents out of every dollar the farmer and the workingman have to spend goes to pay taxes. They may not realize it, but when they buy something from a store they are paying the tax of the storekeeper, the tax of the manufacturer who produces the finished article, and the tax of everyone who produces anything which goes into the finished article. The consumer pays it all. The only person who pays no tax is the individual who has no money to spend. Every other person is directly and vitally interested in this rapidly growing national debt and its accompanying rapidly increasing tax burdens.

Mr. MAIN. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MAIN. Mr. Speaker, Dr. Townsend made a serious mistake when he ordered his associates to ignore the Bell investigating committee. I doubt whether the House would have voted to cite the doctor for contempt if he had refrained from public comment after he made his dramatic exit from the committee hearings. I must add that the reported merger of Townsend forces with Huey Long share-the-wealth clubs does not click, so far as I am concerned. I resent the conduct of certain individuals, unknown to me, who presumed to issue a statement in my name concerning a supposed communistic pattern in the management of the Townsend investigating committee and the Huey Long assassination. I had no reason to make, and did not make, any such comment.

I have participated in the work of a steering committee of Congress in an attempt to clarify and perfect certain features of the McGroarty bill. But I have never been consulted

regarding the management or plans of the Townsend organization in Washington. I have seen with regret some evidences of friction between Dr. Townsend and Representative McGROARTY. I have always believed that Dr. McGROARTY is a sincere believer in the principle of a just and generous pension for our deserving elderly citizens.

I stand by the principle of the McGroarty bill, H. R. 7154. In the absence of a constitutional amendment, practically all sales of commodities for personal consumption, as well as all other intrastate sales, would be exempted from the tax. The proposed 2-percent transactions tax in its broadest aspects may be a mild form of capital levy, but this does not mean that I subscribe to a radical share-the-wealth plank. Every owner of farm and residential property during the past 5 years has been subjected to a capital levy. But that was a necessary incident of the depression. Real-estate taxes have been confiscatory to a degree, and our elderly people have been among the chief sufferers. It is only an act of economic justice to give these people the benefit of another form of tax that will help to compensate them for the privations and losses that have been visited upon them through no fault of their own, and at a time in life when they cannot rehabilitate their own fortunes. The principle of just and generous pensions for deserving elderly people is bigger than any individual or any organization. And that principle will grow in wisdom and stature in the contemplation of the American people, regardless of the acts of omission or commission that may be credited to or charged against Dr. Townsend and his associates.

LEAVE OF ABSENCE

Mr. DALY. Mr. Speaker, I ask unanimous consent to be granted leave of absence for 1 day on account of important business.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

By unanimous consent, leave of absence was granted as follows:

To Mr. SHANLEY (at the request of Mr. KOPPLEMANN), indefinitely, on account of illness.

To Mr. COFFEE, for 1 week, on account of important business in Nebraska.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 4037. An act to amend the act relating to the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, approved June 10, 1930, and for other purposes; to the Committee on Interstate and Foreign Commerce.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 267. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by means of catastrophes of nature.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 11418. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes; and

H. R. 12027. An act to authorize the execution of plans for a permanent memorial to Thomas Jefferson.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 3, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON IMMIGRATION AND NATURALIZATION

Committee on Immigration and Naturalization will meet Wednesday, June 3, 1936, at 10:30 a. m., to consider private bills; also on June 4, 1936, at 10 a. m., to consider H. R. 1293.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CULLEN: Committee on Ways and Means. H. R. 11767. A bill to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea, and all other exhibits for exposition purposes; with amendment (Rept. No. 2909). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 566. A joint resolution providing for the contribution by the United States to the expense of the tercentenary celebration by the State of Rhode Island; without amendment (Rept. 2910). Referred to the Committee of the Whole House on the state of the Union.

Mr. CASTELLOW: Committee on Foreign Affairs. Senate Joint Resolution 235. A joint resolution authorizing the Secretary of Agriculture to expend funds of the Agricultural Adjustment Administration for participation by the United States in the 1936 Sixth World's Poultry Congress; without amendment (Rept. No. 2911). Referred to the Committee of the Whole House on the state of the Union.

Mr. BURNHAM: Committee on Naval Affairs. H. R. 12328. A bill to authorize the acceptance of certain lands in the city of San Diego, Calif., by the United States, and the transfer by the Secretary of the Navy of certain other lands to said city of San Diego; without amendment (Rept. No. 2912). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 12898. A bill granting the consent of Congress to the Mackinac Straits Bridge Authority to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan; with amendment (Rept. No. 2913). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. S. 4461. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.; without amendment (Rept. No. 2914). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. S. 4462. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa; with amendment (Rept. No. 2915). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. S. 4463. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near the cities of South Sioux City, Nebr., and Sioux City, Iowa; without amendment (Rept. No. 2916). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. S. 4618. An act granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a free or toll highway bridge, or a railway bridge in combination with a free or toll highway bridge, and approaches thereto across the Mississippi River at or near Baton Rouge, La.; without amendment (Rept. No. 2917). Referred to the House Calendar.

Mr. SADOWSKI: Committee on Interstate and Foreign Commerce. H. R. 12843. A bill authorizing the State of Wisconsin to construct, maintain, and operate a free highway bridge across the Mississippi River at or near La Crosse, La Crosse County, Wis.; without amendment (Rept. No. 2920). Referred to the House Calendar.

Mr. CORNING: Committee on Interstate and Foreign Commerce. H. R. 12850. A bill authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the West Branch of the Delaware River between a point in the vicinity of the village of Hancock, Delaware County, N. Y., and a point in the town of Buckingham, Wayne County, Pa.; without amendment (Rept. No. 2921). Referred to the House Calendar.

Mr. CORNING: Committee on Interstate and Foreign Commerce. H. R. 12851. A bill authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the Delaware River between points in the village of Barryville, Sullivan County, N. Y., and the village of Shohola, Pike County, Pa.; without amendment (Rept. No. 2922). Referred to the House Calendar.

Mr. KENNEY: Committee on Interstate and Foreign Commerce. S. 1645. An act to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey, and for other purposes; with amendment (Rept. No. 2923). Referred to the Committee of the Whole House on the state of the Union.

Mrs. GREENWAY: Committee on the Public Lands. H. R. 11182. A bill to amend an act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes"; with amendment (Rept. No. 2924). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. S. 3841. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; with amendment (Rept. No. 2926). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOUTRICH: A bill (H. R. 12940) to provide for the filing of a second suit in certain cases against the United States where the first one has been or shall be dismissed because it was started by the issuance of a summons instead of by verified petition; to the Committee on the Judiciary.

Also, a bill (H. R. 12941) authorizing the Pennsylvania Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Susquehanna River at or near Millersburg, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES: A bill (H. R. 12942) to provide a graduated scale of reduction of payments under section 8 of the Soil Conservation and Domestic Allotment Act; to the Committee on Agriculture.

By Mr. VINSON of Georgia; A bill (H. R. 12943) to waive any exclusive jurisdiction over premises of resettlement or rural-rehabilitation projects; to authorize payments to States, political subdivisions, and local taxing units in lieu of taxes on such premises; and for other purposes; to the Committee on Ways and Means.

By Mr. WHELCHEL: A bill (H. R. 12944) authorizing the erection of a Confederate monument by the United Daughters of the Confederacy of Commerce, Ga., on the post-office site at Commerce, Ga.; to the Committee on the Library.

By Mr. LEMKE: A bill (H. R. 12945) to liquidate and refinance existing mortgages on homes in cities and towns at a reduced rate of interest by establishing an efficient credit system through the use of the Home Owners' Loan Corporation and the Federal Reserve Banking System; to the Committee on Banking and Currency.

By Mrs. NORTON: Resolution (H. Res. 537) authorizing the printing of additional copies of the hearings held before a subcommittee of the Committee on the District of Columbia appointed to make a study of traffic conditions; to the Committee on Printing.

By Mr. O'CONNOR: Resolution (H. Res. 538) pertaining to motions to suspend the rules; to the Committee on Rules.

By Mr. BUCHANAN: Resolution (H. Res. 539) providing for the appointment of managers on the part of the House with the authority to agree or disagree to all amendments except Senate amendments 41 and 49 to H. R. 12624; to the Committee on Rules.

By Mrs. NORTON (by request): A joint resolution (H. J. Res. 616) to ratify and confirm the appointment of Isaac Gans as a member of the Alcoholic Beverage Control Board of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MARTIN of Colorado: Joint resolution (H. J. Res. 617) proposing an amendment to the Constitution of the United States empowering Congress to regulate hours and conditions of labor and to establish minimum wages in any employment, and to regulate production, industry, business, trade, and commerce to prevent unfair methods and practices therein; to the Committee on the Judiciary.

By Mr. FISH: Joint resolution (H. J. Res. 618) to amend the Constitution empowering each State to fix minimum rates of wages of women and minors employed in industry; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LUDLOW: A bill (H. R. 12946) for the relief of Virgil H. Heise; to the Committee on Military Affairs.

By Mr. McGROARTY: A bill (H. R. 12947) for the relief of First Lt. Roy E. Rountree; to the Committee on Military Affairs.

By Mr. MALONEY: A bill (H. R. 12948) for the relief of Robert J. White; to the Committee on Naval Affairs.

By Mr. TOLAN: A bill (H. R. 12949) extending the benefits of the Emergency Officers' Retirement Act to Joseph Henry Jackson; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

11032. By Mr. RABAUT: Petition of the Detroit Board of Commerce, registering protest against the Government ownership of railroads; to the Committee on Interstate and Foreign Commerce.

11033. By the SPEAKER: Petition of the Water Conservation League of Manatee County, Fla.; to the Committee on Appropriations.

11034. Also, petition of the Manatee County (Fla.) Growers' Association; to the committee on Appropriations.

SENATE

WEDNESDAY, JUNE 3, 1936

(Legislative day of Monday, June 1, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 2, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	King	Reynolds
Austin	Coolidge	La Follette	Robinson
Bachman	Copeland	Lewis	Russell
Bailey	Couzens	Loftin	Schwellenbach
Barbour	Davis	Lonergan	Sheppard
Barkley	Dieterich	Long	Shipstead
Benson	Duffy	McAdoo	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	George	McNary	Thomas, Utah
Borah	Gerry	Minton	Townsend
Brown	Gibson	Moore	Truman
Bulkley	Glass	Murphy	Tydings
Bulow	Guffey	Murray	Vandenberg
Burke	Hale	Neely	Van Nuys
Byrd	Hastings	Norris	Wagner
Byrnes	Hatch	O'Mahoney	Walsh
Capper	Hayden	Overton	Wheeler
Caraway	Holt	Pittman	White
Carey	Johnson	Pope	
Chavez	Keyes	Radcliffe	

Mr. LEWIS. I announce for the RECORD, so that it may remain for the day, that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], and the Senator from Nevada [Mr. MCCARRAN] are absent from the Senate because of illness, and that the Senator from Texas [Mr. CONNALLY], the Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr. GORE], the Senator from Kentucky [Mr. LOGAN], and the Senator from Connecticut [Mr. MALONEY] are unavoidably detained.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from Rhode Island [Mr. METCALF] are necessarily absent.

Mr. FRAZIER. I announce that my colleague the senior Senator from North Dakota [Mr. NYE] is detained in an important committee meeting.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolutions:

S. 1435. An act conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of Elizabeth Kurau;

S. 1464. An act for the relief of Frank P. Hoyt;

S. 1687. An act to incorporate The National Yeomen F;

S. 1769. An act for the relief of Percy C. Wright;

S. 2075. An act to provide for the appointment of additional district judges for the eastern and western districts of Missouri;

S. 2137. An act to provide for the appointment of one additional district judge for the eastern, northern, and western districts of Oklahoma;

S. 3067. An act for the relief of A. J. Watts;

S. 3080. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard;

S. 3369. An act providing for the posthumous appointment of Ernest E. Dailey as a warrant radio electrician, United States Navy;

S. 3389. An act to provide for the appointment of two additional judges for the southern district of New York;

S. 3600. An act for the relief of S. C. Eastvold;

S. 3607. An act for the relief of T. H. Wagner;

S. 3608. An act for the relief of Vinson & Pringle;

S. 3652. An act for the relief of George E. Wilson;

S. 3663. An act for the relief of William Connelly, alias William E. Connoley;

S. 3768. An act for the relief of E. W. Jermark;

S. 3824. An act for the relief of Maud Kelley Thomas;

S. 3850. An act for the relief of Mrs. Foster McLynn;

S. 3861. An act for the relief of the Alaska Commercial Co., of San Francisco, Calif.;

S. 3992. An act for the relief of Capt. Laurence V. Houston, retired;

S. 4119. An act for the relief of Bernard F. Hickey;

S. 4233. An act for the relief of William H. Brockman;

S. 4358. An act for the relief of Harry L. Parker;

S. 4359. An act for the relief of W. D. Reed;

S. 4400. An act for the relief of Barbara Jaeckel;

S. 4542. An act authorizing the Comptroller General of the United States to settle and adjust the claim of the Merritt-Chapman & Scott Corporation;

S. 4713. An act validating a town-lot certificate and authorizing and directing issuance of a patent for the same to Ernest F. Brass;

S. 4374. An act for the relief of Ruth Edna Reavis (now Horsley);

S. J. Res. 61. Joint resolution to repeal an act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", and to provide for the relief of William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.;

S. J. Res. 110. Joint resolution authorizing Brig. Gen. C. E. Nathorst, Philippine Constabulary, retired, to accept such decorations, orders, medals, or presents as have been tendered him by foreign governments; and

S. J. Res. 267. Joint resolution authorizing the President to invite foreign countries to participate in the New York World's Fair 1939, Inc., in the city of New York during the year 1939.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11915) to amend the Coastwise Load Line Act, 1935, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BLAND, Mr. SIROVICH, Mr. RAMSPECK, Mr. LEHLBACH, and Mr. WELCH were appointed managers on the part of the House.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5368) to provide for the addition of certain lands to the Chalmette National Monument in the State of Louisiana, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DEROUEN, Mr. KNUTE HILL, and Mr. ENGLEBRIGHT were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7688) to provide for the appointment and promotion of substitute postal employees, and for other purposes.

The message further announced that the House had passed the following bills and joint resolution of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 2456. An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia;

S. 3371. An act for the relief of John Walker;

S. 3770. An act to award a special gold medal to Lincoln Ellsworth;

S. 3956. An act for the relief of Jacob Kaiser;

S. 4052. An act for the relief of W. D. Gann;

S. 4379. An act for the relief of the Indiana Limestone Corporation;

S. 4444. An act directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States; and

S. J. Res. 226. Joint resolution authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition in 1939 at San Francisco, Calif.

The message also announced that the House had passed the following bills, severally with amendments, in which it requested the concurrence of the Senate:

S. 3441. An act for the relief of C. T. Hird;

S. 4116. An act for the relief of Grant Anderson;

S. 4140. An act for the relief of Homer Brett, Esq., American Consul at Rotterdam, Netherlands, as a result of money stolen from the safe of the American consulate; and

S. 4391. An act authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 681. An act for the relief of James Philip Coyle;

H. R. 3043. An act to provide for the appointment of an additional district judge for the northern district of Georgia;

H. R. 4641. An act authorizing the President to present a gold medal to George M. Cohan;

H. R. 5618. An act for the relief of Floyd Gatton;

H. R. 6743. An act for the relief of Mojo Schey Co., Inc.;

H. R. 7244. An act for the relief of John E. T. Clark;

H. R. 7743. An act for the relief of Mrs. David C. Stafford;

H. R. 7822. An act for the relief of Lucretia Norris;

H. R. 7947. An act for the relief of Rev. Harry J. Hill;

H. R. 8271. An act to amend the act entitled "An act to insure adequate supplies of timber and other forest products for the people of the United States, to promote the full use for timber growing and other purposes of forest lands in the United States, including farm wood lots and those abandoned areas not suitable for agricultural production, and to secure the correlation and the most economical conduct of forest research in the Department of Agriculture, through research in reforestation, timber growing, protection, utilization, forest economics and related subjects, and for other purposes", approved May 22, 1928;

H. R. 8643. An act for the relief of Mr. and Mrs. Frank Daley;

H. R. 9191. An act for the relief of dependents of James B. Kiley;

H. R. 9502. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of W. J. Nolan, L. Jacobson, J. A. Higuera, C. H. Damsted, R. Galleguillo, F. G. Grigsby, K. H. Johnson, R. Dupouy, C. J. Degen, W. L. Nolan, R. C. Jensen, M. J. Roderick, L. K. Moore, C. Lederer, M. Kelley, R. Dinkel, A. J. Mouchou, C. R. Taylor, M. Knull, S. W. Ligon, C. C. Johnson, W. P. Brennan, C. F. Siebert, and J. T. Weeks;

H. R. 9896. An act for the relief of Andrew Dowd;

H. R. 10169. An act for the relief of L. M. Crawford;

H. R. 10746. An act for the relief of Matt Burgess;

H. R. 10995. An act for the relief of Elbert Arnold Jarrell;

H. R. 11203. An act for the relief of Andrew Smith;

H. R. 11861. An act for the relief of Cleveland L. Short;

H. R. 11867. An act for the relief of Michael E. Sullivan;

H. R. 11869. An act for the relief of William L. Jenkins;

H. R. 11984. An act for the relief of Oda Herbert Plowman;

H. R. 12144. An act for the relief of the Federal Enameling & Stamping Co.;

H. R. 12166. An act for the relief of Mary Daley;

H. R. 12311. An act for the relief of the P. L. Andrews Corporation; and

H. R. 12599. An act to provide more adequate protection to workmen and laborers on projects, buildings, construction, improvements, and property wherever situated, belonging to the United States of America, by granting to the several States jurisdiction and authority to enter upon and enforce their State workmen's compensation, safety, and insurance laws on all property and premises belonging to the United States of America.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution adopted by the congregation of the Arlington (Va.) Presbyterian Church, favoring the prompt calling by the President of a conference of the 63 nations that signed the pact of Paris, to clarify the rights and duties of the nations that entered into such agreement containing no provision for its abrogation, and to organize themselves into the United States of the World for Peace, and also to promote social, industrial, economic, and political justice among the nations, which was referred to the Committee on Foreign Relations.

Mr. OVERTON. Mr. President, I ask unanimous consent to present for printing in the RECORD and appropriate reference a concurrent resolution adopted by the Legislature of the State of Louisiana pertaining to sugar.

There being no objection, the concurrent resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 1

Whereas sugarcane culture and the processing thereof into sugar, sirup, and molasses in Louisiana is, and has been for more than a century, a major industry of our State; and

Whereas through the splendid work of scientists of the United States Department of Agriculture and of the State experiment station of the Louisiana State University new varieties of sugarcane have been produced and improved agricultural and processing methods have been adopted, which have resulted in a progressive expansion of sugar; and

Whereas sugar is an import crop of which only one-fourth of the national consumption requirements are produced in the continental United States; and

Whereas the declared purpose of all existing Federal laws concerning the welfare of farmers is to restore the purchasing power of the farmer and to create a parity income as compared to the base period of 1909–14; and

Whereas the average annual production of sugar during such base period of 1909–14 amounted to 350,000 short tons, raw value; and

Whereas the actual production of sugar in Louisiana for the crop year 1935 was 340,000 short tons, raw value, and the growing crop is estimated to exceed 350,000 short tons of sugar, raw value: Therefore be it

Resolved by the Legislature of Louisiana, That we hereby wholeheartedly endorse the bill S. 4560, introduced by the Honorable JOHN H. OVERTON, United States Senator from Louisiana, which in substance provides a permanent Federal policy of unrestricted protection of sugar in continental United States and the preservation of the American market for our farmers to the extent of their ability to supply sugar; and be it further

Resolved by the Legislature of Louisiana, That should it become impossible to consider permanent legislation at the present session of Congress, but in order to meet the emergency created by the decision of the United States Supreme Court on January 6, 1936, and should it be considered expedient to fix quota restrictions upon continental sugar, we submit and we recommend that in no case should the quotas for continental areas be less than the present production and the normal expectancy of the presently growing crop, estimated for the continental cane area to be 450,000 short tons of sugar, raw value; and be it further

Resolved by the Legislature of Louisiana, That we hereby memorialize the Congress of the United States and we hereby request the President of the United States and the Secretary of Agriculture to protect and assist the sugarcane farmers in the manner herein recommended; and we hereby formally request the Senators and Congressmen representing Louisiana in the Congress of the United States to vote for and support the Overton bill as a permanent Federal policy concerning sugar, but not to vote for or support any measure, temporary or permanent, which fails to provide a marketing quota for Louisiana representing at least the full extent of our actual production of sugar.

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Education and Labor, submitted a report (No. 2160) to accompany the bill (S. 4424) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the development of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, heretofore reported by him from that committee with amendments.

Mr. BYRD, from the Committee on Naval Affairs, to which was referred the bill (S. 4028) for the relief of certain officers of the United States Navy and the United States Marine Corps, reported it without amendment and submitted a report (No. 2177) thereon.

Mr. GEORGE, from the Committee on Finance, to which was referred the joint resolution (H. J. Res. 589) to authorize the Secretary of the Treasury to permit the transportation of bonded merchandise by other than common carriers under certain conditions, reported it without amendment and submitted a report (No. 2180) thereon.

Mr. HATCH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3438) to provide for the establishment of an agricultural experiment station

within the Middle Rio Grande Conservancy District, in the State of New Mexico, reported it without amendment and submitted a report (No. 2181) thereon.

He also, from the same committee, to which was referred the bill (S. 4702) to amend the Soil Conservation and Domestic Allotment Act, reported it with an amendment and submitted a report (No. 2182) thereon.

Mr. BLACK, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 8521. A bill for the relief of Elsie O'Brine (Rept. No. 2179); and

H. R. 10435. A bill for the relief of Emma Hastings (Rept. No. 2183).

Mr. BENSON, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 6951. A bill for the relief of Thomas J. English (Rept. No. 2184);

H. R. 8321. A bill for the relief of Julia Long (Rept. No. 2185); and

H. R. 8322. A bill for the relief of Merwin A. Kiel (Rept. No. 2186).

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (H. R. 5754) for the relief of Emma M. Pearson, reported it without amendment and submitted a report (No. 2187) thereon.

Mr. GIBSON, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 686. A bill for the relief of John Collins (Rept. No. 2188);

H. R. 2155. A bill for the relief of Francisco M. Acayan (Rept. No. 2190);

H. R. 5900. A bill for the relief of Joseph E. Moore (Rept. No. 2191);

H. R. 6668. A bill for the relief of S. John Hegstad (Rept. No. 2192);

H. R. 7555. A bill for the relief of W. N. Holbrook (Rept. No. 2193); and

H. R. 9058. A bill for the relief of the Baker-Whiteley Coal Co. (Rept. No. 2189).

Mr. SCHWELLENBACH, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 3694. A bill for the relief of Florence Byvank (Rept. No. 2194);

H. R. 6702. A bill for the relief of Annie E. Daniels (Rept. No. 2195);

H. R. 9926. A bill for the relief of Robert B. Barker (Rept. No. 2196); and

H. R. 10225. A bill for the relief of W. D. Lovell (Rept. No. 2197).

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 2213. A bill for the relief of Charles P. Shipley Saddlery & Mercantile Co. (Rept. No. 2198);

H. R. 2387. A bill for the relief of Julia Miller (Rept. No. 2199);

H. R. 4085. A bill for the relief of Joseph Watkins (Rept. No. 2200);

H. R. 4565. A bill for the relief of Lucile Smith (Rept. No. 2201); and

H. R. 7818. A bill for the relief of Caroline M. Hyde (Rept. No. 2202).

Mr. LOFTIN, from the Committee on Claims, to which was referred the bill (H. R. 7727) to confer jurisdiction on the Court of Claims to hear and determine the claim of George B. Marx, Inc., reported it without amendment and submitted a report (No. 2207) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4264. A bill for the relief of Earl J. Thomas (Rept. No. 2203);

S. 4734. A bill to provide for hurricane patrol in the Gulf of Mexico and environs during the hurricane season (Rept. No. 2204); and

H. R. 12461. A bill to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga. (Rept. No. 2214).

Mrs. CARAWAY, from the Committee on Commerce, to which was referred the bill (S. 4627) to create a Division of Stream Pollution Control in the Bureau of the Public Health Service, and for other purposes, reported it without amendment.

Mr. COPELAND, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon as indicated:

S. 3505. A bill for the improvement and protection of the beaches along the shores of the United States;

H. R. 8055. A bill to provide for economic studies of the fishery industry, market news service, and orderly marketing of fishery products, and for other purposes (Rept. No. 2205); and

H. R. 12896. A bill to provide for the transfer of the surplus decommissioned lightship *No. 82* to United States Ship Constitution Post, No. 3339, Veterans of Foreign Wars (Rept. No. 2206).

Mr. FLETCHER, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4185. A bill to amend the act entitled "An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes", approved August 27, 1935, and for other purposes (Rept. No. 2208);

S. 4495. A bill to amend certain of the navigation laws of the United States to remove inconsistencies and inequalities therein, and for other purposes (Rept. No. 2209);

H. R. 1391. A bill to authorize and direct the United States Commissioner of Fisheries to undertake fish-cultural and related activities in Puerto Rico, authorizing appropriations therefor, and for other purposes (Rept. No. 2210); and

H. R. 12305. A bill to define the jurisdiction of the Coast Guard (Rept. No. 2211).

Mr. FLETCHER also from the Committee on Commerce, to which was referred the bill (H. R. 12419) to apply laws covering steam vessels to sea-going vessels of 300 gross tons and over, propelled by internal-combustion engines, reported it with an amendment and submitted a report (No. 2212) thereon.

Mr. GUFFEY, from the Committee on Commerce, to which was referred the resolution (S. Res. 307) providing for an investigation of the ocean trade routes between the United States and South America (submitted by Mr. BARKLEY on May 26, 1936), reported it without amendment, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LONERGAN, from the Committee on Interstate Commerce, to which was referred the bill (S. 2511) to promote the safety of employees and travelers on railroads by providing for the inspection and investigation of conditions prevailing in train-dispatching offices and for the promulgation of necessary rules and regulations governing the working conditions of train dispatchers, reported it with amendments and submitted a report (No. 2213) thereon.

Mr. KING, from the Committee on the District of Columbia, to which were referred the following bills and joint resolutions, reported them severally without amendment and submitted reports thereon:

S. 4195. A bill to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ralph Charles Stuart (Rept. No. 2215);

S. 4568. A bill to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia (Rept. No. 2216);

H. R. 11522. A bill to amend the charter of the National Union Insurance Co. of Washington in the District of Columbia (Rept. No. 2217);

S. J. Res. 241. Joint resolution to declare December 26, 1936, a legal holiday in the District of Columbia (Rept. No. 2218);

S. J. Res. 272. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies in 1937 (Rept. No. 2219);

S. J. Res. 273. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1937, and for other purposes (Rept. No. 2220);

S. J. Res. 274. Joint resolution to exempt from the tax on admissions amounts paid for admission tickets sold by authority of the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1937 (Rept. No. 2221);

S. J. Res. 275. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies (Rept. No. 2222); and

S. J. Res. 280. Joint resolution to ratify and confirm the appointment of Isaac Gans as a member of the Alcoholic Beverage Control Board of the District of Columbia (Rept. No. 2223).

CHANGE OF REFERENCE—REPORT OF THE INDIAN AFFAIRS COMMITTEE

Mr. THOMAS of Oklahoma. Mr. President, the House passed a bill (H. R. 12408) for the relief of Robert D. Baldwin. When the bill came to this body in some way it was referred to the Committee on Claims. The bill is one relating to Indian affairs, having been passed upon by the Committee on Indian Affairs of the House. The Committee on Indian Affairs of the Senate has passed upon the bill and desire to report it. In order to clear the record, I ask unanimous consent that the Committee on Claims be discharged from the further consideration of the bill and that it be referred to the Committee on Indian Affairs.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. From the Committee on Indian Affairs I report back favorably without amendment the bill (H. R. 12408) for the relief of Robert D. Baldwin, and I submit a report thereon.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on June 2, 1936, that committee presented to the President of the United States the enrolled bill (S. 267) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. WAGNER, from the Committee on Public Lands and Surveys, reported favorably the nomination of Mrs. Belle D. Byrne, of Bismarck, N. Dak., to be registrar of the land office at Bismarck, vice Chris Bertsch, resigned.

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the nomination of Claude L. Draper, of Wyoming, to be a member of the Federal Power Commission for the term expiring June 22, 1941 (reappointment).

Mr. COPELAND, from the Committee on Commerce, reported favorably the nomination of Commander Russell R. Waesche, of Maryland, to be commandant, with the rank of rear admiral in the Coast Guard of the United States, for a term of 4 years, in place of Rear Admiral Harry C. Hamlet.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURPHY:

A bill (S. 4742) to provide for the advancement on the retired list of the Navy of Frederick D. Powers; to the Committee on Naval Affairs.

By Mr. AUSTIN and Mr. GIBSON:

A bill (S. 4743) to provide for the erection of a building at Burlington, Vt., to house the Revolutionary gondola *Philadelphia;* to the Committee on Public Buildings and Grounds.

By Mr. RADCLIFFE:

A bill (S. 4744) for the relief of the New York & Baltimore Transportation Line; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 4745) for the relief of George A. Woody, Samuel L. Metcalfe, Frank W. Halsey, Myron J. Conway, John A. Otto, and Leon L. Kotzebue; to the Committee on Military Affairs.

By Mr. ROBINSON (for Mr. CONNALLY):

A bill (S. 4746) for the relief of Cecil D. McHenry; to the Committee on Military Affairs.

By Mr. O'MAHONEY and Mr. LA FOLLETTE:

A bill (S. 4747) to extend the civil-service laws, to establish a Federal Personnel Council, and for other purposes; to the Committee on Civil Service.

By Mr. NEELY:

A bill (S. 4748) to authorize the disposition of the naval ordnance plant, South Charleston, W. Va., and for other purposes; to the Committee on Naval Affairs.

(Mr. VANDENBERG introduced Senate Joint Resolution 281, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

DISAPPROVAL OF ITEMS IN GENERAL APPROPRIATION BILLS

Mr. VANDENBERG. Mr. President, I ask consent to introduce a joint resolution proposing an amendment to the Constitution relative to the disapproval of items in general appropriation bills, which I request may be printed in the RECORD and appropriately referred.

There being no objection, the joint resolution (S. J. Res. 281) proposing an amendment to the Constitution of the United States relative to disapproval of items in general appropriation bills was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Joint Resolution proposing an amendment to the Constitution of the United States, relative to disapproval of items in general appropriation bills

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The President shall have power to disapprove any item or items of any general appropriation bill which shall have passed the House of Representatives and the Senate and have been presented to him for his approval, in the same manner and subject to the same limitations as he may, under section 7 of article I of this Constitution, disapprove as a whole any bill which shall have been presented to him.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States, as provided in the Constitution, within 7 years from the date of the submission hereof to the States by the Congress."

INVESTIGATION OF THE PRODUCTION, TRANSPORTATION, AND MARKETING OF WOOL

Mr. ADAMS submitted the following resolution (S. Res. 315), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Resolution 160, agreed to July 10, 1935, authorizing a special committee to investigate the production, transportation, and marketing of wool, hereby is continued in full force and

effect during the Seventy-fifth Congress; and the said committee hereby is authorized to expend from the contingent fund of the Senate $3,500 in addition to the amount heretofore authorized for such purpose.

WALLAIPAI INDIANS OF ARIZONA—PRINTING OF HISTORICAL REPORTS, ETC.

Mr. HAYDEN submitted the following resolution (S. Res. 316), which was referred to the Committee on Printing:

Resolved, That certain historical reports and documents, together with extracts from certain other publications relating to the Wallaipai Indians of Arizona, be printed as a public document.

REGISTRATION OF LOBBYISTS—CONFERENCE REPORT

Mr. HATCH submitted the following report, which was ordered to lie on the table:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 11663, an act to require reports of receipts and disbursements of certain contributions, to require the registration of persons engaged in attempting to influence legislation, to prescribe punishments for violation of this act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That when used in this act—

"(a) The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make contribution;

"(b) The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure;

"(c) The term 'person' includes an individual, partnership, committee, association, corporation, and any other organization or group of persons;

"(d) The term 'Clerk' means the Clerk of the House of Representatives of the United States.

"SEC. 2. It shall be the duty of every person who shall in any manner solicit or receive a contribution to any organization or fund for the purposes hereinafter designated to keep a detailed and exact account of

"(1) All contributions of any amount or of any value whatsoever;

"(2) The name and address of every person making any such contribution and the date thereof;

"(3) All expenditures made by or on behalf of such organization or fund; and

"(4) The name and address of every person to whom any such expenditure is made and the date thereof.

"(5) It shall be the duty of such person to obtain and keep a receipted bill, stating the particulars, for every expenditure of such funds exceeding $10 in amount, and to preserve all receipted bills and accounts required to be kept by this section for a period of at least two years from the date of the filing of the statement containing such items.

"SEC. 3. Every individual who received a contribution for any of the purposes hereinafter designated shall within five days after receipt thereof render to the person or organization for which such contributions were received a detailed account thereof, including the name and address of the person making such contribution and the date on which received.

"SEC. 4. Every person receiving any contributions or expending any money for the purposes hereinafter designated shall file with the Clerk between the first and tenth day of each month, a statement containing complete as of the day next preceding the date of filing

"(1) The name and address of each person who has made a contribution of any size or value not mentioned in the preceding report; except that the first report filed pursuant to this Act shall contain the name and address of each person who has made any contribution to such person since the effective date of this Act.

"(2) The total sum of the contributions made to or for such person during the calendar year and not stated under paragraph (1);

"(3) The total sum of all contributions made to or for such person during the calendar year;

"(4) The name and address of each person to whom an expenditure in one or more items of the aggregate amount or value within the calendar year, of $10 or more has been made by or on behalf of such person, and the amount, date, and purpose of such expenditure;

"(5) The total sum of all expenditures made by or on behalf of such person during the calendar year and not stated under paragraph (4);

"(6) The total sum of expenditures made by or on behalf of such person during the calendar year;

"(7) The statements required to be filed by subdivision (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

"SEC. 5. A statement required by this Act to be filed with the Clerk—

"(a) Shall be verified by the oath or affirmation of the person filing such statement, taken before any officer authorized to administer oaths;

"(b) Shall be deemed properly filed when deposited in an established post office within the prescribed time, duly stamped, registered, and directed to the Clerk at Washington, District of Columbia, but in the event it is not received, a duplicate of such statement shall be promptly filed upon notice of the Clerk of its nonreceipt;

"(c) Shall be preserved by the Clerk for a period of two years from the date of filing, shall constitute a part of the public record of his office, and shall be open to public inspection.

"SEC. 6. The provisions of this Act shall apply to any individual, partnership, committee (except a political committee as defined in the Federal Corrupt Practices Act, and duly organized State or local committees of a political party), association, corporation, or any other organization or group of persons who by themselves, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicit, collect, or receive money or other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

"(a) The enactment or defeat of any legislation or appropriation by the Congress of the United States or the repeal or nonrepeal of any existing laws of the United States, or adoption or defeat of any amendment to the Constitution of the United States.

"(b) To influence directly or indirectly the passage or defeat of any legislation or appropriation by the Congress of the United States.

"(c) To influence, directly or indirectly, the election or defeat of any candidate for any elective Federal office.

"SEC. 7. Any person who shall engage himself for pay or for any consideration for the purpose of attempting to influence the passage or defeat of any pending or proposed legislation or appropriation by the Congress of the United States shall, before doing anything in furtherance of such object, register with the Clerk of the House of Representatives and the Secretary of the Senate and shall give to those officers, in writing and under oath, his name and business address and the name and address of the person by whom he is employed and in whose interest he appears or works as aforesaid, how much he is paid and is to receive, by whom he is paid or is to be paid, how much he is to be paid for expenses, and what expenses are to be included. Each such person so registering shall, at the end of each three month period, so long as his activity continues, file with the Clerk and Secretary aforesaid a detailed report of all money received and expended by him during such three month period in carrying on his work as aforesaid; to whom paid; for what purpose; and the names of any papers, periodicals, magazines, or other publications in which he has caused to be published any articles or editorials. The provisions of this section shall not apply to any person who merely appears before a committee of the Congress of the United States in support of or opposition to pending legislation and who engages in no further or other activities in connection with the passage or defeat of such legislation; nor to any public official acting in his official capacity.

"SEC. 8. That any person who shall engage himself for pay or for any consideration for the purpose of attempting to influence any Federal department, bureau, agency, or Government official, or Government employee, to make, modify, alter, or cancel any contract with the United States, or any United States department, bureau, agency, or official in the administration of any governmental duty, so as to give any benefit or advantage to any private corporation or individual, shall file with such department, bureau, or agency in such form and detail and at such times as said department, bureau, or agency shall by rules and regulations or orders prescribe as necessary or appropriate in the public interest, a statement of the subject matter in respect of which such person is retained or employed, which statement may be required to contain the nature and character of such retainer or employment and the amount of compensation received or to be received by such person directly or indirectly in connection therewith. It shall be the duty of each Federal department, bureau, or agency to promulgate and put into effect such rules, regulations, and orders with respect to the form and filing of such reports as may be necessary to effect the purposes of this Act.

"SEC. 9. All reports required under this bill shall be made under oath, before an officer authorized by law to administer oaths.

"SEC. 10. Any person who violates any of the provisions of this Act or who may engage in the practices heretofore set out without first complying with the provisions of this Act, shall be guilty of a misdemeanor, and upon conviction, shall be punished by a fine of not more than $5,000.00 or imprisonment for not more than twelve months, or by both such fine and imprisonment.

"SEC. 11. Any person who shall make a false affidavit, where an affidavit is required in this Act, shall be guilty of perjury, and upon conviction, shall be punished by imprisonment for not more than two years.

"SEC. 12. If any provision of this title or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

"SEC. 13. The provisions of this Act shall not apply to practices or activities intended to be regulated by the Federal Corrupt Practices Act nor be construed as repealing any portion of said Federal Corrupt Practices Act, or any other statute heretofore enacted or any portion thereof."

And the Senate agree to the same.

CARL A. HATCH,
G. W. NORRIS,
WARREN R. AUSTIN,
Managers on the part of the Senate.

ZEBULON WEAVER,
EMANUEL CELLER,
JOHN E. MILLER,
U. S. GUYER,
WM. E. HESS,
FRANCIS E. WALTER,
Managers on the part of the House.

DISCRIMINATION IN ADMINISTRATION OF RELIEF FUNDS

Mr. VANDENBERG. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from this morning's New York Times, which quotes Chairman McGrath, of the Massachusetts State Democratic committee, as follows:

I resent and object to the putting to work of a single enrolled Republican.

I should like to call the attention of the chairman of the Massachusetts Democratic committee, unless he is misquoted, to the fact that if my amendment numbered 50 shall remain in the deficiency appropriation bill, he will be eligible, if he persists in his reported attitude and cooperates in carrying it out, to a thousand-dollar fine and to a year in jail because of discrimination on account of race, religion, or political affiliation in the administration of relief. Sooner or later we shall catch up with political racketeering and exploitation of human misery, although it may take a national election to clear the track.

The VICE PRESIDENT. Is there objection to the printing of the article in the RECORD?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of June 3, 1936]

IN CURLEYLAND

Chairman McGrath, of the Massachusetts Democratic State committee has uttered frankly his generous and humane view of the conditions of relief in Massachusetts. A brother committeeman had previously confessed that he had told a seeker for work on a sidewalk which the State is building to enroll himself as a Democratic voter. To the censorious meddlers who ventured to attack this instance of the theory and practice of relief for politics Mr. McGrath replied by this strong declaration of the Democratic faith that is in him:

"I resent and object to the putting to work of a single enrolled Republican."

He stood 100 percent behind his fellow-philanthropist. In his private life, no doubt, Mr. McGrath is kind of heart and hand. To one an hungered he gives meat without asking him to register on the Democratic list of voters. As a committeeman he demands more rigid tests. He must be satisfied with the political worthiness of the applicant. Probably there are too many committeemen like him. Few have the courage to make a statement so nakedly brutal. It is unnecessary to make the obvious moral reflections upon this barter between politics and need. The shame is evident. The folly is equally evident. In practical politicians it seems grotesque.

The money collected from all the taxpayers is granted or denied in consideration of an expected vote for one party. The Republican under duress registering as a Democrat will have an additional reason for voting the Republican ticket on election day. There may be Democrats on relief who detest the supposed buying of their votes to make the relief rolls correspond with the Democratic registration rolls. Relief for enrolled Democrats only is nearly as silly as it is revolting.

REFORESTATION AND TIMBER GROWING

Mr. NORRIS. Mr. President, yesterday the House passed House bill 8271. I have been authorized by the Committee on Agriculture and Forestry to report the bill to the Senate with a recommendation that it pass. I ask unanimous consent at this time to make the report and I ask further unanimous consent that the bill may be put upon its passage.

Mr. KING. Mr. President, will it provoke any discussion?

Mr. NORRIS. I do not think so.

Mr. KING. The Senator understands that we have an important measure before us and if we continue to yield for the consideration of other matters we will never get through with that measure.

Mr. NORRIS. I understand.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nebraska?

There being no objection, the bill (H. R. 8271) to amend the act entitled "An act to insure adequate supplies of timber and other forest products for the people of the United States, to promote the full use for timber growing and other purposes of forest lands in the United States, including farm wood lots and those abandoned areas not suitable for agricultural production, and to secure the correlation and the most economical conduct of forest research in the Department of Agriculture, through research in reforestation, timber growing, protection, utilization, forest economics, and related subjects, and for other purposes", approved May 22, 1928, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act of May 22, 1928 (45 Stat. 699; U. S. C., Supp. VII, title 16, sec. 581a), be, and the same is hereby, amended by adding thereto the following paragraph:

"The Secretary of Agriculture is further authorized to establish and maintain a forest experiment station in the Great Plains and prairie States, to be known as the 'Great Plains Forest Experiment Station', and to acquire by purchase, condemnation, donation, or otherwise such real property or interest therein as in his judgment is required for the use of said station, including the making of necessary expenditures in examining, appraising, and surveying any such property and in doing all things incident to perfecting title thereto in the United States. There is authorized to be appropriated annually such additional sums as may be required for the purposes of this paragraph."

WORK-RELIEF PROGRAM—EXTRACTS FROM ADDRESS BY LAWRENCE WESTBROOK

Mr. ROBINSON. Mr. President, I ask unanimous consent that an address by Mr. Lawrence Westbrook, Assistant Administrator, Works Progress Administration, before the Town Hall of the Air in New York City in a debate on May 7, 1936, be printed in the RECORD. The other side of the discussion has already been printed at the instance of the Senator from Maryland [Mr. TYDINGS].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

If I were asked what is the most essential qualification for a person to have to properly discuss unemployment relief, I should say at once that he should be possessed of a deep sense of humility. Anyone who thinks that he understands all the implications of this greatest of our problems is to my mind thereby completely disqualified. No further proof of his ignorance should be needed. By the same token I would be even less tolerant of the fellow who claimed not only to know all about the problem but to be able to prescribe some specific solution.

I do not think that there is any specific solution, neither do I believe that there can ever be a complete and final solution. Certainly neither the President nor the Congress nor Harry Hopkins has ever regarded the W. P. A. or its predecessors, the F. E. R. A. and the C. W. A., as offering a solution to unemployment. These agencies were set up not to solve the problem of unemployment but to meet the problems of the unemployed. The distinction is extremely important. Many other agencies of the Government are devoted to the solution of unemployment. Indeed, nearly all the agencies of the Government have been established for the sole purpose of improving the economic condition of the citizenship. That is just another way of saying that they were established to relieve unemployment and thereby provide higher standards of living.

The number of people destitute and out of employment in America today represents the extent to which our industrial mechanism, operating under the protection and with the assistance of these numerous other Government agencies, has failed to provide the opportunity for gainful work. The President and the Congress have recognized that this failure is a definite responsibility of the Federal Government under which our industrial mechanism operates. Our economic life is not ordered by State and local governments but almost solely by the Federal Government. The President and the Congress, therefore, have undertaken a program of general reconstruction of these other agencies of the Federal Government, particularly those agencies having specific economic functions, to the end that our industrial mechanism may eventually be capable of providing jobs at decent wages to the maximum number of American citizens able and wanting to work.

EMERGENCY SUBSTITUTES

Pending this reconstruction, which obviously must be accomplished through evolutionary processes over a considerable period of time, the President and the Congress established the F. E. R. A., the C. W. A., and the W. P. A. to provide work opportunities for

those citizens not at present offered employment by private industry. It should be clearly understood that the F. E. R. A., the C. W. A., and the W. P. A. were never intended to be a part of our industrial mechanism, but merely a substitute for it during a period of reconstruction. Today the W. P. A. is just "pinch hitting" for private industry, and I can say with confidence that no one will be happier than we when the necessity for this substitution no longer exists.

I know that there are a great many people who vociferously deny that these things are so. These people are quite articulate—much more so than the destitute unemployed. If their talents and energies and money, as now devoted to developing various forms of destructive criticism, could be turned into an honest effort to revive industry, then, I think, we should get some substantial pick-up in employment. Even as it is, they are helping some—they are using lots of printer's ink, quite a bit of radio time, and—God save the mark—a few of our surplus professors.

POLITICAL JUDGMENTS

You know and I know—as the saying goes—that a lot of this talk of theirs is just plain "hooey." They don't believe it themselves. We all know that in an election year the "outs" are compelled, by the very nature of things, to "view with alarm", while the "ins" must "point with pride."

I do not mean by this, however, that we stoop to scorn and ridicule all those who criticize us. Nor do I question the sincerity of many of those who complain most bitterly. In numerous specific cases I know that their complaints are identical with those made by some of us who have the responsibility of carrying out the program to which we are committed. I point with pride to the fact that we are allowed to be a pretty objective group, and that we can see and discuss some of our own shortcomings.

Up until recently most of the shots that have been fired at us have been of such a general and, as the lawyers say, frivolous nature that we have not taken time away from doing our job to pay any attention to them. As election day draws nearer, though, the "outs" realize more clearly that they must select some targets that the voters can see plainly. And so some real, understandable issues are being brought to the fore, and it is about them that I shall speak. As I read the papers and listen to the radio, I gather that these issues are:

THE SELECTED ISSUES

1. If the New Deal is reducing unemployment, why doesn't the cost of relief go down?
2. Should not the Government provide direct relief instead of work relief?
3. Should not unemployment relief be administered by States and local communities rather than by the Federal Government?
4. Boondoggling.
5. Isn't the New Deal using its vast relief machinery to obtain improper political advantage?

This question of why the relief load doesn't go down now that business is so much better is puzzling many people. We say that people had to be helped because business went smash. Now business is no longer bad, but we have nearly as many people needing help as ever.

There are many causes for this paradox, but the most important one is that at the height of the depression there were large numbers of workers out of jobs who had sufficient resources of their own to stay off relief. As time went on and business began to pick up they either got their jobs back or they exhausted their resources and had to go on relief. When one of these fellows got his job back, that didn't reduce the relief load. On the other hand, when one of them finally had to ask for aid the relief load was increased. This increase until recently just about offset any reduction in the relief load brought about by reemployment.

THE BETTER INVESTMENT

Now, however, the group out of work who are not on relief is getting smaller and smaller, and we may confidently expect that henceforth there will be a much more direct and proportionate relationship between increasing business activity and decreasing relief costs.

The next question is, Should the Government, pending full reemployment by private industry, assist the destitute through direct relief rather than through work relief—in other words, is the dole better than the W. P. A. method? Except for the fact that the immediate cost of the dole is only about half the immediate cost of W. P. A., I think that everyone would agree that work relief is far better. Those who are able to understand the ultimate cost of the dole are for the W. P. A. method overwhelmingly. Actually, even on a cold dollars-and-cents basis, without any reference at all to the humiliation, lost self-respect, and other nonmaterial social factors, the W. P. A. method is a better investment for the public than the dole.

WORTH THE EXTRA COST

As near as we can find out—and we have made a number of careful checks—the cost of doing an average project with relief labor is approximately 30 percent greater than if the project should be done under competitive contract. This is true on account of lack of skill on the part of some of the relief workers, and because, since our aim is to provide work for people, we do not use labor-saving machinery to the same extent that a contractor would use it.

Now, granting that work relief costs twice as much as the dole in the immediate expenditure of dollars, it must be borne in mind that for every dollar of work-relief money that we spend we get at least 70 cents' worth of valuable public improvements or public services. If we should follow the dole method we would accomplish no public improvements, and the dole dollar would be completely gone.

Far more important, however, is the fact that through the dole we would definitely consign people on relief to idleness and forever remove their incentive to work. If the dole should be given to our destitute unemployed for any considerable length of time, it would not only destroy their character, and particularly that of their children, but would eventually wreck our country. I submit that it is much better to keep people requiring Government aid at work so that when the opportunity comes for them to get jobs in private industry they will then know how to work, and they will want to work.

UNITED STATES OR LOCAL CONTROL

I now come to the question of whether unemployment relief should be administered by States and local communities rather than by the Federal Government. If we agree that the extension of unemployment relief is a Federal responsibility, then I think we must also agree that the administration should be Federal. For 2 years we tried the method of granting money to States, exercising control in somewhat the same way that a banker exercises control over the manner in which those who borrow from him do their business. Of course, if the job was not properly done in some State, in reality we could not just refuse to put up the money, because we couldn't let the destitute people who had the misfortune to be living in that State go without the necessities of life. Our experience has been that with the Federal control that we have under W. P. A. we are able to do a much more efficient and uniform job.

Now, as to boondoggling, I wish to point out that those who charge the W. P. A. with boondoggling mean to charge us with wasting money on frivolous and useless projects. Out of 170,000 individual projects that we have approved under the W. P. A. program, it might well be expected that some few would be wasteful. The following facts, however, are pertinent:

ONE HUNDRED MAYORS TESTIFY

In February of this year I had an investigation made of the 100 projects listed by the Republican National Committee and the American Liberty League as "boondoggles." Naturally, I would have supposed that they could find out of the total of 170,000 projects at least a hundred that would be pretty bad. Our investigation disclosed that 94 of these projects were being carried out at that time and that every one of this 94 was a worth-while project in the minds of the local sponsors. These sponsors were mayors, county judges, chairmen of school boards, and other local government officials. We have always felt that these local officials, who are guided by local public opinion, are better qualified than we are to decide what kind of work the people on relief in their respective communities had better do. We furnish the money and prescribe general rules, but we let local officials choose their projects.

In March, Mayor LaGuardia, chairman of the United States Conference of Mayors, filed a report with the President in which over 100 mayors of all shades of political persuasion, and representing an aggregate of more than 25,000,000 people, unanimously described their W. P. A. projects as being of great permanent benefit and efficiently conducted.

In regard to the charge that the W. P. A. is being used for partisan political purposes, there is some evidence that local politicians have attempted to influence relief workers and administrative employees. However, I do not think that anybody seriously believes that Harry Hopkins would knowingly permit those working under his direction to coerce relief workers or other subordinate employees, or to improperly influence them in the free exercise of their right of suffrage.

WHO IS COMPLAINING?

We have received quite a few complaints about politics in relief, but a check-up made not long ago showed that we had considerably more Democrats complaining of favoritism shown to Republicans than we had Republicans complaining about Democrats getting the best of it. Under the F. E. R. A. the selection of local administrative personnel was a responsibility of the States, and we did have a few bad political situations that we could not effectively control. Under W. P. A., however, I think even local political interference has been brought to a minimum.

In closing let me refer you to an article by John T. Flynn in the March 9 issue of Collier's and urge you to read it very carefully. He points out that out of every hundred employable people in America in March of 1933, only 72 had jobs. Mark well the date—March 1933. Then he says that as of November 1935 the number having jobs had increased to 82, and reports since that time indicate an even more impressive continuing increase in employment. The time is drawing nearer and nearer when there will be a much more direct relationship between this increase in employment and the decrease in the number of people requiring Government aid. It is our deep-seated conviction that the work program which we are now carrying out will immeasurably hasten the absorption of our workers into private industry. Not only does this program enable them to retain their skills but also their self-respect, which is far more important.

SUGGESTED POLITICAL PARTY COALITION

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from this morn-

ing's Baltimore Sun concerning the coalescing of the two parties, and the suggestion of the New York Herald Tribune recently made as to such a coalition.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Baltimore (Md.) Sun of June 3, 1936]

REFORM OF REPUBLICANS

The important thing in the editorial yesterday in the Republican New York Herald Tribune is not the proposal that a Democrat be nominated by the Cleveland convention for Vice President. The important thing is the proposal that historic Democratic doctrine be introduced into the platform of the Republican Party, and into the next administration in the event the Republicans win the election.

The nomination of a Democrat for Vice President, however distinguished, would mean little more than a campaign dodge so long as the Republican Party persists in the policies which came to perfect flower in the Harding-Coolidge-Hoover regime. And it would be a feeble dodge. It might make easier the movement into the Republican camp of some Democrats, but the number probably would be few. Those Democrats who are so angry with Mr. Roosevelt that they are willing to take almost any Republican on almost any platform will not need the sop of a Vice Presidential nomination. As for the group of Democrats who have criticized Mr. Roosevelt specifically for abandoning or neglecting the historic tenets of his party, many of them see little to choose between New Deal paternalism and mercantilism and Old Guard paternalism and mercantilism. The essence is the same. And they would be amused by the nomination of a Democrat for Vice President on an Old Guard platform.

If the Republican Party is to make an overture to critical Democrats which has sincerity and dignity, it must undertake to reform itself and its policies.

The Herald Tribune courageously faces that music. It supports its proposal of the nomination of a Democrat for Vice President with a proposal that the Republican Party turn about and seek genuine economic liberalism. It calls for reform of the Republican position on the tariff, and declares "the platform should say as clearly as words can that the development of foreign commerce, through the growth of both imports and exports, is a first concern of the Republican Party." From the party standpoint, that position can be squared with McKinley's Buffalo speech. But for long years the Republican Party has mocked its one-time protectionist hero. The Payne-Aldrich law of Taft's time, the Fordney-McCumber law with which the Republicans of Harding's time overthrew Woodrow Wilson's last efforts to sustain economic liberalism in the post-war period, and the Smoot-Hawley law with which the Hooverites flouted reason—these are condemned in the Herald Tribune's present declaration.

The Republican organ goes on to demand reassertion of the antimonopoly principle. Again it is able to square this demand with Republican doctrine of another day. But equally it condemns the Republican Party which the present generation has known, for the party has been the wet nurse of monopoly. The Herald Tribune sees that if the fight against the New Deal, in the name of the "American system", is to have reality and vitality, those who make the fight must have courage enough to think their way through to fundamentals and courage enough to act upon them. It is ridiculous to expect intellectually honest men to work themselves into a rage over Mr. Roosevelt's projects to make all manner of small men the beneficiaries of the Government's largess and yet to remain serene before the Republican Party's record of tolerance and active support of direct and indirect largess to great interests. What was Mr. Roosevelt's monopolistic, production-regulating, price-fixing N. R. A. but formalized extension of the private monopolies tolerated and encouraged for years by Republican administrations—a formalized extension plus the effort to extract something from the monopolistic system for labor?

The "American system" that Mr. Roosevelt's foes talk about is, in principle, a system of free, competitive capitalism. In such a system the controlling of production, the fixing of prices, and the suppressing of competition in general are exactly as evil when practiced by "safe and sane" gentlemen at the top of the heap as when practiced by farmers or by labor. The long familiar practices of these gentlemen at the top of the heap are exactly as much the economics of scarcity as are any of the new devices undertaken by Mr. Roosevelt in behalf of agriculture or labor—and, for that matter, he undertook these devices, too, in behalf of industry when he instituted the N. R. A. and he was rewarded at that time with the loud acclaim of the United States Chamber of Commerce.

If the "American system" is to be made to work, competition must be restored at the top as at the bottom, the production of goods must be freed of both public and private restraints at the top as at the bottom, the price mechanism must be freed of both public and private interference at the top as at the bottom, and big fellows, no less than little fellows, must be told to stand on their own feet. And this is required not merely in the name of justice. It is required as fundamental to the operation of the free, individualistic, competitive economic life that we talk about as the "American system." If people wish some form of State capitalism or State socialism, well and good. But if they wish private capitalism and private enterprise, they must take the shackles off the men of ideas and initiative who wish to compete with entrenched interests, whether those interests be industry or agriculture or labor.

It is in order to remember that the pre-Roosevelt system of shackles was in control when the greatest economic disaster in American history gathered and broke upon the people. And when all allowance is made for the dislocations caused by the World War, it remains a fact that warnings of the disaster that came under the policies of the Harding-Coolidge-Hoover regime were given again and again by seasoned men in business and in politics who knew their fundamentals.

The Herald Tribune, in squaring off as a Republican organ to meet the facts, does itself honor and serves the people notably. The measure of its success in the immediate future is very doubtful. The one man in the Roosevelt administration who understands the fundamentals of the "American system" to which the Herald Tribune refers is Cordell Hull, Secretary of State. And his lonely, patient efforts to reform a destructive tariff system, his efforts to reduce the barriers to trade and to encourage production and distribution of goods, his efforts to regain the advantages of free competition, are promptly and steadily criticized by Mr. Hoover, that apostle of American individualism. They are criticized by Senator VANDENBERG, who fancies himself as a liberal. They are criticized by Senator BORAH—even though tariff reform is the most direct form of attack on the monopolies which the Senator condemns. Obviously, the Herald Tribune has its work cut out for it. But its brave stand heartens those who know what the fight is about.

SUPREME COURT DECISION ON NEW YORK MINIMUM-WAGE LAW

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Philadelphia Record of this date relative to the recent decision of the Supreme Court on the New York minimum-wage law.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of June 3, 1936]

CHISELING IS CONSTITUTIONAL

Even conservatives are jolted by the Supreme Court's decision on the New York minimum-wage law.

Even the New York Times finds the decision unfortunate, and sees danger signals ahead.

Is it any wonder, when it is borne in mind that of the 13 Supreme Court Justices to pass on minimum-wage legislation, 7—a majority—have declared that legislation to be constitutional?

Minimum-wage laws are unconstitutional today only because no five of these seven Justices were on the bench at one time.

Both Chief Justice Taft and Chief Justice Hughes favored minimum-wage laws. Dissenting with Taft in the Adkins case, in 1923, were Justices Sanford and Holmes. Dissenting today, with Hughes, are Justices Stone, Brandeis, and Cardozo.

Minimum-wage laws are unconstitutional, then, because of the caprice of fate that Justices Sutherland, Butler, Van Devanter, and McReynolds all were on the bench in both 1923 and 1936, finding Justice McKenna to agree with them in 1923, and Justice Roberts now.

Upon such flimsy basis does the Court's obstruction of social reform rest today.

Is it any wonder even the Tories are worried?

They know that this latest decision of the Court, in many respects, is the most reactionary of all the reactionary decisions of this session. They know the New Deal is not involved. They know that the minimum-wage laws of 16 States, invalidated by this decree, were for the most part approved by Republican legislatures and Republican as well as Democratic Governors.

They know that these States went to great lengths to tailor their minimum-wage legislation to meet what were believed to be the requirements of the Constitution.

But five Justices say there shall be no minimum-wage laws.

Chiseling is constitutional.

Unwelcome as it may be to politicians of both parties, the Supreme Court's usurpation of power is the issue of the hour.

With all avenues of orderly social reform closed, there is but one peaceful alternative:

Orderly reform of the Court itself.

That must come if we are to preserve the Court as an American institution; if the Constitution itself is to survive.

Black robes do not make gods of men.

Is that not crystal clear to every American in this minimum-wage decision? Is it not obvious that we must bring the Justices down from the pedestal of fetish and deal with them as men and not supermen?

The American people have gone to great extremes to make the Supreme Court an impartial, just, and uninfluenced interpreter of the Constitution.

We have given the Justices life terms. We have put them virtually beyond recall, since impeachment is a practical impossibility. We have made them immune from politics. We have made them financially independent.

In short, we have placed the Supreme Court Justices in a position where they could afford to be truly independent, put aside their prejudices, their past associations, their partisan impulses.

We have given them the habiliments of gods.

All in vain. They are still men.

By their own admission they read their personal bias, their individual economic predilections into our fundamental law. Instead of utilizing their unequaled independence to serve the Constitution, they twist the Constitution to serve their notions.

And today the document dedicated to the general welfare is employed to destroy the general welfare.

Feet of clay tread beneath those black gowns.

America must meet the issue.

That great jurist and wise philosopher, Justice Holmes, said: "The foundation of jurisdiction is physical power."

The people of England were forced to strip the House of Lords of the power to nullify the public will.

Congress, the President, the States, the people possess the physical power to change the present usurped jurisdiction of the Supreme Court in many ways.

It is not nearly so important at this juncture that one certain way be chosen as it is that some way be chosen—

That aggressive leadership be exerted at once to safeguard public rights while there is yet time, before resentment against judicial rapacity leads to rash demagoguery and demands to abolish the Court and scrap the Constitution.

The President and Congress have it in their power to limit the jurisdiction of the Supreme Court under section 2 of article 3 of the Constitution. They can increase the number of judges to override the present arrogant majority. They can compel judicial retirements. They can sponsor constitutional amendments limiting the Court's power and specifically authorizing social reform, although there is scarcely time, in this crisis, to amend the Constitution.

The Nation must go forward.

It is to Congress that both people and States look for an ending of the no-man's land created by the Court, in which neither States nor Federal Government may legislate, but in which exploiters, chiselers, and plain crooks may prance with impunity.

MEMORIAL DAY ADDRESS BY GLENN FRANK

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the RECORD a notable address, entitled "If We Keep Faith With the Dead", delivered on Memorial Day by Dr. Glenn Frank, president of the University of Wisconsin.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

IF WE KEEP FAITH WITH THE DEAD

The shadows of evening have thrown a soft blanket of darkness over another Memorial Day. The march and countermarch of veterans through our streets has ended. We have laid our wreaths of remembrance on the graves of our soldier dead. The bands have stilled their blare. The flags have been furled. Taps have been sounded.

Tomorrow we turn again to the inexorable demands of the living, but for today it has been as if these dead had been born again in the magic of a nation's gratitude.

Being dead, they yet speak.

The National Broadcasting Co. has asked from me a word of benediction as this day of country-wide remembrance ends. And it is in the spirit of a benediction that seeks to reflect the inner meaning of this national sacrament that I speak.

We have today honored the memory of men who gave their lives that life might be stabilized and enriched for us who live after them. It is altogether fitting and proper that we should, on this day, rehearse the grim circumstances under which the dead we honor gave the last full measure of their devotion. But the meaning of their devotion goes deeper than their valor at arms. The fact that they paid their debt to the past and left the legacy of their spirit to the future through the medium of war is incidental. The fact that dominates this day and gives it lasting significance is the fact that the men it honors died that the Nation they lived in and loved might have life, and have it more abundantly.

In a larger sense, therefore, this day is not a memorial to war. It is a memorial to lives bruised and broken by war, lives animated and sustained by a living sense of social responsibility and a generous willingness to spend and be spent in a common cause. These are qualities desperately needed just now to fortify the national future against the subtle poison of personal irresponsibility and the sinister blackmail of group selfishness which today make the task of statesmanship so incredibly difficult and tempt so much of leadership to the cheap quackeries of the demagogue.

These dead were not men who would have stooped to drive a bargain with the future as the price of their sacrifice, but they went to their death, I am sure, confident that we would keep faith with them in our trusteeship of the generations to come.

How well have we kept this faith?

What must we do if we are not to break this trust in the days to come?

These questions must echo through the tombs tonight without direct answer from them, but I want, if I can, to say what the cold lips of these dead might say were they again warm with life.

One thing I am sure they would say is this: Build and preserve a national life that stabilizes and enriches life for the millions and we will feel that you have kept faith with us, even if you never celebrate our memory. If you fail in this; if you squabble among yourselves, each for himself and his group and none for the Nation; if you plot and connive for narrow advantage; if you whimper always of your rights and forget your duties; if you fail to bend all the magnificent new powers of science and the machine to the benefit of the last and least of our people; if you permit or promote a bitterness that puts class against class; if you fail to weld yourself into a living unity of purpose to achieve the good life for citizen and State, not all your fervent orations on Memorial Day will conceal your failure. You will have broken faith with us.

Another thing I am sure they would say is this: Whether you keep or break faith with us will depend on what you do, not on what you say.

We are not concerned, I think these dead would say, with your protests of liberalism against things that are old or your cries of conservatism against things that are new. We are not impressed by your liberal pleas for the abundant life unless your liberal policies actually lower the cost and lift the standard of living for the millions. We are not impressed by your conservative pleas for liberty unless your conservative policies actually bring larger, rather than lesser, opportunity to the millions. Unless your words come alive in deeds, liberalism's cry for the abundant life becomes but a snare for the gullible and conservatism's cry for liberty the camouflage of a new slavery. We must judge you and your parties by the net effect of your actions in the lives of men. We cannot do otherwise. For men cannot eat words. Men cannot wear words. Men cannot trust their old age to words.

Constructive action, performances that square with promises, practical policies practically administered that light and liberate the lives of men—these are the media through which alone we can keep faith with these dead.

This call to workable policy and constructive action is most imperative just now on the political and economic sectors of our national front.

Thirty years ago today I took part in the Memorial Day observance of the little Missouri village of Glenwood. When the ceremony at the graves of the fallen soldiers was ended I walked through the cemetery and from the gravestones read the tragic record of family after family whose ranks had been broken by swift and treacherous disease. I carry one unforgettable memory from that day. In the family lots of the Smiths, the Birneys, the Hargraves, and the Freemans I read the record of little children from whom life had been snatched before they had had time to taste its full sweetness or test its strength. They had been robbed of life by three then dread diseases—typhoid, diphtheria, and tuberculosis. Thirty years ago the constant threat of these three diseases to young life chilled with fear the hearts of parents everywhere. But in the 30 years that have since slipped by the scientists have been hammering away at the cause and cure of these three diseases, until today the hearts of parents need no longer be chilled with fear of typhoid, diphtheria, and tuberculosis. Given intelligent use of the results of research in these diseases, they can, in most instances, be held at bay or conquered.

The fear that now chills the hearts of parents throughout the United States is the fear that the children of this generation will fall victim to the diseases that infect our political and economic life. The more threatening of these social ills are obvious.

1. War that may come upon us like a thief in the night, waste our substance, again disrupt all the patterns of our enterprise, wipe out in a few swift months the slow gains of generations of civilized effort, and thrust our children or theirs back to the precarious existence of our primitive ancestors.

2. Unemployment that leaves youth workless in a world of closed doors and rusts out with idleness the patiently achieved skill of mature men.

3. A smothering blanket of debt that sells the future into slavery, dampens initiative, takes hope from the hearts of men, and leaves despair in its place.

4. A back-breaking taxation that makes men the bond-slaves of government.

5. Poverty in the midst of plenty.

6. A pitiful old age without security.

7. The lashing of class hatred to a new fury.

8. The subtle disintegration of self-government.

9. The subordination of the individual.

10. The exaltation of the State.

11. The black specter of dictatorship that has already darkened the life of so much of mankind.

12. The loss of all those basic liberties of thought and of the expression of thought, of life, and of enterprise which are essential to the safety, the success, and the self-respect of a mature people.

13. And, even more insidious than all these, the spread of a spirit of defeatism among many Americans, in high position and low, a defeatism that seems to assume that progress has come to a dead end, that science and technology have been too efficient in producing a limitless output at low prices, and that the thing to do, therefore, is to plan a lesser output at higher prices, despite the human need that still stalks our streets.

These are among the diseases that have infected the political and economic life of one European nation after another in the last decade and a half. We are part of the western civilization to which these European nations belong. And, despite the distinctiveness we rightly seek to maintain, we are not of necessity immune to these distempers that have raced through the minds of peoples elsewhere in the world. The winds of strange doctrine that have shaken ancient traditions of government and economic organization in Europe are blowing across our judgments as well. The waves of popular desire that have been lashed up there beat against our shores also.

Nothing is to be gained by shutting our eyes to the fact that these politico-economic diseases that have wracked the body of Europe are threatening the health and integrity of the American social order. We must, once and for all, drive these diseases from our midst. By a bold and skillful surgery we must cut the sources of these infections alike from our Government and from our enterprise.

If we could but emancipate ourselves from the tyranny of our vested interests and our vested ideas; if we could but free ourselves from the prejudice, the passion, and the partisanship that blind us to reality; if we could but stop confusing issues without everlasting warfare of words over who is liberal and who is conservative; and if, for but one full month, we could bring a cool and steady intelligence to bear upon our problems, the mine-run of Americans, regardless of party, would not greatly disagree on what must be done to free us from the threat of these diseases.

We must preserve ourselves as a self-governing democracy at whatever cost. We must not fall victim to the fatigue and despair that have led so many of the peoples of the old world to dream of a short cut to social salvation through the strong arm of excessively centralized authority. Time is beginning to audit the actual results of some of these new strong-arm governments. And the audit does not live up to the advertisement with which these ventures in centralized power began. This should not surprise anyone with a sense of history. Down the ages unduly centralized power has run true to form. It has invariably ended in tyranny.

Even when effected with Democratic consent and designed to serve emergency ends only, centralized power has always moved relentlessly in the direction of self-perpetuation. And it has scorned no weapon that would advance it on its road to permanent power. It has always, sooner or later, sought to bully into silence the voice of corrective criticism, intimidate minority opinion, liquidate all opposition by character assassination, and thus gain unquestioned right-of-way for its every whim. And once entrenched with a presumption of permanence, centralized power has always grown domineering. It has become less rather than more concerned with the common good. It has become the victim of whim and caprice until at last a revolt of the governed has proved the only road to progress.

If we are to keep faith with these dead, we must not permit an undue centralization of political power or an undue concentration of economic power to drop the seeds of a new tyranny in American soil. We must, at whatever cost, preserve ourselves as a self-governing democracy, for only so can we hope to keep power centralized enough to achieve efficiency without tyranny and keep power decentralized enough to preserve freedom without anarchy.

From whatever quarter they hail or whatever party they serve, we must scourge the demagogues from the temples of leadership. We must build a public opinion that will stamp out of American public life the growing tendency to promise the moon to the millions for a handful of votes. After all, you can corrupt an electorate with false hopes as easily as you can corrupt it with money. And the one is quite as reprehensible as the other. We must realize that the demagogue—whether the reactionary demagogue who would have us think that he alone is patriotic or the radical demagogue who would have us think that he alone is progressive—is our worst enemy. He deserves nothing but damnation at our hands, for always, in the end, he leads us into the quicksands of betrayal or futility.

We must be eternally on guard lest our new reforms but give new expression to our old evils. We must not delude ourselves into thinking we are making progress if our public planning does the incredible thing of adopting without revision all the old tricks of private monopoly, such as the arbitrary fixing of prices, the arbitrary cutting down of production, and the arbitrary elimination of competition which have so long jammed the gears of what might have been a workable economics of plenty.

And finally we must utilize instead of sabotage those instruments of science, technology, and power production which our own genius has invented for providing prosperity, leisure, and security for the millions. Surely we can bring these fruits of plenty to the millions only by producing more wealth, not less. We must clear our minds of all confusion and make an utterly clear decision between an economics of scarcity and an economics of plenty.

As I have said before, to many of you who are listening tonight, if the toiling millions can be convinced that greater happiness can be found by declaring a holiday on scientific progress, throwing the brakes on technological advance, and deliberately reducing the enterprise of the Nation to smaller and more easily manageable dimensions, well and good. If that is what they want. But that is not what they want. They hunger to have full human advantage of the utmost this age of science, technology, and power production is so clearly equipped to bring them in comfort, convenience, and liberation of spirit.

In an age of actual scarcity, the poor will endure their lot without undue whimpering, but the poor will not forever stay docile in the presence of potential plenty kept always just beyond their reach by blind absurdities of policy. This is why our choice between an economics of scarcity and an economics of plenty will determine the social stability or instability of the Nation in the days ahead.

Scientific and technical leadership has abolished the physical necessity of poverty on this continent. It remains for political and economic leadership to abolish the social fact of poverty and its milder manifestation, underconsumption. Science and the machine have brought us to the threshold of an age of prosperity, leisure, and security, but we have lacked the wit to unlock the door. Now, instead of planning to adjust ourselves to the half-hearted and insecure existence of a deliberately reinduced age of scarcity, we should not rest until we have found the key that will unlock the door into this new age of prosperity, leisure, and security which science and the machine have at last made possible.

All the necessary tools are now in our hands for emancipating this people from poverty, drudgery, and insecurity. If now we fail to effect this emancipation, we shall go down in history as traitors to the tools of our own creation.

The tragic fact is that we are not now using these tools of science, technology, and power production to this high end. We are deliberately letting many of them rust out under a misguided theory that restriction is a road to a renewed national life. In our frantic effort to stabilize we may actually sterilize the Nation's economic enterprise. To play down our productive powers while so many Americans are in dire need may well result in the stabilization of want rather than the stabilization of welfare. This repressing, restricting, and reducing of our maximum productive capacities, unless minimized, rationalized, and intelligently related to policies that build instead of blast the buying power of the millions, will make poverty the permanent heritage of our people.

This must not be.

The spirits of the dead we have today honored hover over us in these critical hours of decision we face, as we struggle with the problem of maintaining a stable and significant national life in the midst of a world influx.

We must keep faith with them.

SAN FRANCISCO BAY EXPOSITION IN 1939

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 226) authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition in 1939 at San Francisco, Calif., which was, on page 2, line 5, to strike out "all."

Mr. JOHNSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ADDITIONAL DISTRICT JUDGE, EASTERN DISTRICT OF PENNSYLVANIA

Mr. DAVIS. Mr. President, on Monday I objected to the consideration of Senate bill 4664, being Calendar No. 2216. Yesterday I called the attention of the Senate to the bill and desired to have it considered at that time, but the request was made that it go over until this morning. It is a bill authorizing the appointment of an additional judge for the eastern district of Pennsylvania. I have just been informed that a similar measure has passed the House of Representatives, and I wish to inform the Senate that I withdraw my objection and ask that the bill be acted upon this morning, if it is possible to do so. I may add that the Senate bill was introduced by my colleague the junior Senator from Pennsylvania [Mr. GUFFEY].

The VICE PRESIDENT. The clerk will report the bill by title.

The LEGISLATIVE CLERK. A bill (S. 4664) authorizing the appointment of an additional district judge for the eastern district of Pennsylvania.

Mr. KING. Mr. President, it seems to me that it is not quite fair to the bill which is under consideration——

The VICE PRESIDENT. Let the Chair state the parliamentary situation. The Senator from Pennsylvania [Mr. DAVIS] has requested the Senate to consider a Senate bill to which he himself objected on Monday, and states that a similar bill has passed the House.

Mr. KING. Mr. President, I understand the parliamentary situation; but the point I desire to make is that we have under consideration an important bill, and I do not like to yield for the consideration of other measures, no matter how important they are.

The VICE PRESIDENT. The Chair understands the Senator from Pennsylvania to have conveyed the idea that if any debate ensued, he would withdraw the request.

Mr. DAVIS. That is correct.

INTERNAL-REVENUE TAXATION

The Senate resumed consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

The VICE PRESIDENT. The question is——

Mr. COPELAND. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COPELAND. When the Senate adjourned last night I was still on the floor. Am I recognized?

The VICE PRESIDENT. The Senator is correct. The Chair was going to state the question before the Senate, which is on agreeing to the amendment offered by the Senator from New York [Mr. COPELAND] to the committee amendment. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on line 15, page 267, it is proposed to strike out "whale oil (except sperm oil)"; and on lines 16 and 17, after "marine animal oil", to insert "except denatured whale oil for inedible use and except sperm oil."

Mr. COPELAND. Mr. President, I do not see the Senator from North Carolina [Mr. BAILEY] present at the moment. I should like to ask some member of the Finance Committee whether or not there is now an import duty on whale oil.

Mr. GEORGE. Mr. President, I have not had time to investigate the particular section around which the debate is revolving, but I believe there is a duty.

Mr. COPELAND. The duty is 6 cents per gallon, is it not?

Mr. GEORGE. I do not recall.

Mr. COPELAND. May I ask the Senator from Georgia, who appears to be the only member of the Finance Committee present, if the Bailey amendment should be adopted, would that mean that in addition to the 6 cents per gallon there would be placed on whale oil an excise tax of 3 cents a pound?

Mr. GEORGE. I am unable to answer the Senator. However, the Senator from North Carolina has just entered the Chamber, and he, no doubt, can do so.

Mr. COPELAND. May I ask the Senator from North Carolina if there is now a tariff duty on whale oil?

Mr. BAILEY. I do not know.

Mr. COPELAND. Then I will state, for the information of the Senator from North Carolina, that there is a tariff duty of 6 cents per gallon on whale oil. In addition to that, the Senator from North Carolina proposes to place an excise tax on whale oil of 3 cents a pound. Six cents a gallon is equal to at least 20 percent on a crude material produced by a country which has the same high standard of living that we have. In addition, it is proposed to have a tax of 3 cents a pound, which would make the duty on whale oil 205 percent.

I am speaking now for the farmers in my State. In part, I represent the great Empire State.

Mr. LEWIS. Mr. President, what uses of whale oil are made by farmers?

Mr. COPELAND. Whale oil is used in the manufacture of the cheap soaps which the housewife uses. However, that is not the point. The point is, that if we could bring in the inedible whale oil to be used for this purpose there would be restored to us a market in Norway and Germany for our lard and butter. That is the point.

Mr. MURPHY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Iowa?

Mr. COPELAND. I yield.

Mr. MURPHY. What assurance can the Senator give in support of the statement that Germany would open her markets to our lard?

Mr. COPELAND. I cannot give any assurance about anything, but I know that the Agricultural Department, the State Department, the Treasury Department, and the President of the United States think it is a mistake to put this new tariff on whale oil. I cannot give any assurance about what Germany or Norway or the Argentine or some other country may do about it, but I know that since this tremendous tariff has been placed upon whale oil our exports of lard and butter to Germany have been reduced from $7,000,000 or $8,000,000 a year to $156,000. That is the practical consideration.

Mr. MURPHY. It is hardly fair to say the tariff on whale oil explains Germany's failure to accept our lard. As a matter of fact, Germany has been continually making an effort since the war to make itself self-sufficient in a military way. The last war was terminated possibly because of Germany's deficiency in fats. If whale oil should be diverted from Germany to this country, there is no assurance that Germany would not substitute tropical oil and other oil. There is the definite assurance that it is not possible now under any circumstances to expect trade with Germany with respect to our animal fats.

Mr. COPELAND. What has the Senator to say about Norway?

Mr. MURPHY. The same condition affects Norway, although her situation is not identical with that of Germany. Germany's great consideration is to conserve her gold. For instance, in this morning's newspaper it is recounted that at a meeting of the stockholders of the Standard Oil Co. of New Jersey, Mr. Teagle told the stockholders that in order to sell oil in Germany he had to take in exchange for the oil a number of harmonicas equal to two for every child in the United States.

Germany is seeking to conserve her gold. She will not let it go out. That is why she is not taking our lard—that and the further reason that she is striving to make herself militarily self-sufficient.

Mr. COPELAND. There is not any question, however, about Norway.

Mr. President, a brief restatement of the fundamental point involved in the amendment I am proposing will afford a reply to the Senator from Iowa.

Whale oil is a product which is not eaten or consumed in the United States; but while we make margarine or oleomargarine with lard, in Europe whale oil is used. If the whale oil which is produced in Norway and other countries cannot be sold for use in soap making, for which we use it in the United States, it is used by European manufacturers as the basis of margarine, and the people in Europe consume margarine instead of using our lard and our butter.

In discussing this subject I do not have to depend on any knowledge of my own. I am depending upon the statement of the Secretary of State, backed up by official documents from certain foreign countries. I hesitate to speak about foreign countries, because we have such an obsession of hatred for foreign countries that merely to mention one is in itself almost certain to condemn and end in argument. I have here this statement, however, contained in an official letter from the British Embassy to the Secretary of State:

> As regards the United Kingdom, I have to point out that the United Kingdom's participation with Norwegian interests in the whaling industry and the production of whale oil is very large.
>
> As regards Newfoundland—
>
> Our neighbor up here—
>
> the officer administering the government of Newfoundland reported in March 1935 that the effect of the tax of 3 cents per pound imposed on whale and seal oils under section 602 of the Revenue Act of 1934 had been to raise the total duty to 28½ cents per gallon, as compared with a former rate of 6 cents per gallon.

When the Smoot-Hawley Act passed, there was not a Democratic newspaper or a Democratic orator in the United States who did not condemn it in set terms. Yet in addition to the tax of 28½ cents a gallon placed upon this product by the Smoot-Hawley Act, it is now proposed to place upon it a tax of 3 cents a pound, making a total duty of 205 percent.

What are the Democrats going to say when they go out next fall to make speeches? I am not sure what the platform said on the subject; that does not make much difference; we do not regard the platform; but we did condemn the Smoot-Hawley Act. I, myself, came in for great personal condemnation because I voted for so many protective items in that act; but now we outdo the Smoot-Hawley iniquity by raising the tariff on this product from 20 percent to 205 percent. The other was bad, and this is 10 times worse.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Maryland.

Mr. TYDINGS. What countries now furnish the imports of whale oil to the United States? Did the Senator say that Norway and Great Britain furnish them?

Mr. COPELAND. Norway, largely.

Mr. TYDINGS. Is it not a fact that the United States has a favorable balance of trade with Norway?

Mr. COPELAND. Oh, yes.

Mr. TYDINGS. To what extent does the importation of whale oil reflect itself in the total imports from Norway? What percentage is it of the total?

Mr. COPELAND. Our exports to Norway are largely reduced by reason of the failure of Norway to sell her whale oil.

Mr. TYDINGS. Can the Senator give us the percentage which whale oil bears to the total imports from Norway?

Mr. COPELAND. I am sorry I cannot do so at the moment. I have the figures in my mass of papers; but I refer the Senator to the letter written by the Secretary of State.

Mr. TYDINGS. I should like to have the Senator read that particular pertinent paragraph.

Mr. GEORGE. Mr. President, if I may interrupt my friend the distinguished Senator from New York, I am now prepared to answer the question which he propounded to me. At the moment I was not, because I am not familiar with this particular amendment.

Under the existing tariff act, whale oil and seal oil are dutiable at 6 cents per gallon. Under the 1934 Revenue Act, which is continued in the 1935 act, whale oil is subjected to a special processing tax of 3 cents per pound, the same as carried in this bill; so that no change is proposed by this amendment so far as the rates are concerned.

The pending bill does not raise the tax on whale oil by any amount whatsoever. This amendment is intended merely to prevent the importation and processing of certain extracts or derivatives of these various oils and is intended merely to stop up loopholes in the present law which permit the escape of many of these oils from the taxes imposed.

Mr. COPELAND. I thank the Senator. His statement confirms exactly what I have said. Whether under the processing tax or whether under the amendment, it does make the tax 205 percent.

Mr. GEORGE. What I desire to call the Senator's attention to is that the pending bill does not raise the existing tax on whale oil. The Senator, as I understand, wishes to except from the existing tax inedible whale oil.

Mr. COPELAND. Now, Mr. President, I am going to speak to the farmers in the State of New York.

Mr. BAILEY. Mr. President, I ask the Senator if he is going to meet the point raised by the Senator from Georgia, which flatly contradicts his statement that we are very greatly increasing the tax on whale oil.

Mr. COPELAND. I do not care whether or not the tax is being very greatly increased. It has already been placed at 205 percent; and if the Senator would accept my amendment and take it to conference, as I have begged him to do, it could be decided in conference whether it is wise to continue this condition, which has destroyed the importation of whale oil from Norway and elsewhere. I do not care a rap whether the Senator is proposing to change something, or to perpetuate an evil; the result is the same.

Mr. BAILEY. Mr. President, that was not the point, as the Senator must know. He stated there was proposed an increase of something more than 200 percent. The Senator from Georgia showed that no increase whatever is proposed. Now the Senator from New York says he does not care. I think he does care whether or not he makes an accurate statement on the floor of the Senate.

Mr. COPELAND. Mr. President, the Senator from North Carolina is attempting to perpetuate the processing tax, is he not?

Mr. BAILEY. We are undertaking to perpetuate precisely the tax passed in 1934, and that, I regret to say, but I say it most respectfully and courteously, contradicts directly the statement made by the Senator from New York that we are proposing an increase of over 200 percent. I wish to say for the Senator that I really think he does care whether or not he makes an accurate statement on the floor of the Senate.

Mr. COPELAND. Very well. Assuming I did make an inaccurate statement, so far as the technical point is concerned, I still insist it does not matter to the average man whether or not my statement is correct, for the fact remains that with a 6 cents a gallon tariff on whale oil and 3 cents a pound processing tax, or excise tax, call it by what name you please, there is a tariff of over 200 percent upon that product, and, as a result of that, the trade of the United States with European countries and countries adjacent to Canada is being hurt.

Mr. President, I am going back now to talk to my friends at home. I represent a State which stands eighth in agriculture in this country. It is a great dairy State. I know something about its activities in that field, because for many years I was in an official position where it was my duty to know the quality of the milk and cream supplied to the market of New York, and the health department had supervision of the creameries. There are 100,000 dairy farmers in my State. The Senators from Wisconsin have in their State larger numbers of dairy farmers who have butter to ship and butter to sell.

New York is not a great pork-producing State; nevertheless, we produce some lard, some of which is sent abroad; and let me say to my friends on the farms of New York that it is proposed here to perpetuate an economic theory which has resulted in a decline in the demand for the butter produced on New York farms and for the lard which comes from New York farms.

What is true of the State of New York is true of every farming State, and I say to my friends from New York that they have merely to walk through the corridors of this Capitol to get the sulphurous fumes of hell, from the lobbying and the log-rolling going on in the Capitol with reference to this particular item. There is a coalition between the fish industry and farm leaders. I am ashamed of the American Farm Bureau Federation and of the Grange in their choice of leaders.

Mr. President, this is an unholy alliance. Advantage is being taken of an opportunity to place a prohibitive tariff upon certain products, including the one of which I am speaking, and the farm leaders are in constant contact with the fish leaders to force upon the Congress and upon the country a prohibitive tariff of this sort.

I want my friends on the farms of New York, from Niagara Falls to Suffern, on every farm in my great State, to know that there is, in effect, a conspiracy here on the part of the official leaders of farm groups, not between the members of those great farm groups who are interested in what is going on, but a conspiracy, a combination, between the fish dealers, who were here in numbers, swarming like bees, during the Smoot-Hawley tariff discussions, coming here to find ways of increasing the tariff upon every sort of fish oil.

I have nothing to say about the other parts of this pernicious amendment.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. COPELAND. I yield.

Mr. ROBINSON. May I ask how much revenue is involved in the amendment proposed by the Senator from New York?

Mr. COPELAND. I cannot answer the Senator at the moment.

Mr. GEORGE. The total revenue, under the whole oil section, amounts to an increase of probably $10,000,000. But that is not by virtue of increased rates; it is by virtue of stopping up gaps in the existing tax on the same oil.

Mr. ROBINSON. Does the amendment of the Senator from New York relate only to whale oil?

Mr. GEORGE. It relates only to one oil out of an innumerable group of oils.

Mr. ROBINSON. Does the Senator from Georgia know, or can any other Senator inform us, how much revenue is involved in this particular amendment?

Mr. GEORGE. I am not able to answer the Senator. I can only say that I am more or less familiar with the oil schedules in the tariff act and with these special taxes. The bringing in of one oil tends to break down the whole oil-taxing provision, in that they are so readily interchangeable.

One may be substituted for the other. The particular item of whale oil is not a large item within itself, I think, under any circumstances.

Mr. COPELAND. It amounts to less than half a million dollars.

Mr. GEORGE. I think it is very small.

Mr. COPELAND. For the sake of getting less than half a million dollars, it is proposed to deny to American manufacturers the opportunity to send to Norway the products of our manufacture, and to deny the American farmer the opportunity to send butter and lard abroad.

Mr. LEWIS. Mr. President, may I ask the Senator what is the assumed advantage professed justifying this tax?

Mr. COPELAND. I am sorry the Senator from North Carolina is not in the Chamber. He would tell the Senator very elaborately that these oils are interchangeable, that fish oils and vegetable oils may be homogenized, and therefore may be interchanged in their uses.

I am not questioning that fact, nor am I asking that all the whale oil brought into the United States should be free of this excise tax. I am asking that all oil which is brought in free of this excise tax shall be denatured, shall be poisoned, so to speak, shall be rendered inedible, so that it cannot be eaten, so that it cannot go into any product of the bakery, cannot be used for shortening, cannot be used for any purpose except for soap making.

The amount is so small, relatively, that it is not worth all the battle, it is not worth all the fight, we are making for it, but to me it is a plain matter of justice, and I perhaps would not be so sure of my ground except for the fact—and let me say this to my friend the able Senator from Illinois—that the position I take is the position of the President of the United States, it is the position of the Secretary of State of the United States, it is the position of the Secretary of the Treasury of the United States, it is the position of the Secretary of Commerce of the United States, and it is the position of the Secretary of Agriculture of the United States.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COPELAND. Practically the entire administrative arm of the Government is in opposition to the proposed tax. I yield to the Senator from Maryland.

Mr. TYDINGS. Does the letter of the Secretary of State deal with any other oils except the whale oil?

Mr. COPELAND. It does not.

Mr. TYDINGS. Just whale oil?

Mr. COPELAND. Just whale oil.

Mr. TYDINGS. And the Secretary of State has pointed out that the economics of this tax would act to the detriment of the United States, judged as a whole?

Mr. COPELAND. Let me answer the Senator in the language of the Secretary, quoting from his letter:

> The exclusion of whale oil has been definitely injurious to our export trade. First of all, the exchange available to Norwegians for the purchase of American goods has been reduced, and for this as well as for sentimental reasons our actual and potential export trade with Norway has been injured. Germany was our second largest market for lard. Norway has been forced to conclude clearing agreements with Germany for the disposition of the whale-oil catch, which our tax made Norway unable to sell here. The greatly increased use of whale oil in Germany for the manufacture of margarine has in part served to reduce our exports of lard to that country from $7,185,000 in 1933 to $1,546,000 in 1934, and to $136,135 in 1935 (11 months). I am not sure that the shift from lard to whale oil for margarine may not lead to a permanent restriction of some part of our German outlet for lard. It is obvious, therefore, that the tax not only has not benefited American agriculture but has served to react adversely upon our export trade with at least two countries, Norway and Germany.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. Has the Senator seen fit to point out to the Senate that as a nation we have just recently tried to embark upon a program of agricultural curtailment because we had no market for our surpluses, and that the Federal Treasury has been called upon to pay farmers for not growing grain because of the lack of a market? Has the Senator pointed out that under the pending amendment that market will be still further reduced? And what does all the talk about agricultural tariffs amount to in actually helping the poor farmer when Congress takes the position of still further cutting down his market? We propose to help the farmer through such measures as the Frazier-Lemke bill and other measures designed for his relief. How can he really be helped by such measures if we still further cut down his markets?

Mr. COPELAND. I thank the Senator from the bottom of my heart because he has contributed an argument which I have not used, which had not occurred to me, but he is entirely right about it. We are seeking in every way we can to create means for disposing of our agricultural products. We wish to have a market for our butter and for our lard. Yet we have done a thing which prohibits the exportation of those products. Simply to change the amendment by striking inedible whale oil would make the difference referred to by the Senator from Maryland.

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. I will say to the Senator from New York that the other day I saw a statement that for the years 1933, 1934, and 1935 our foreign export trade was about $3,000,000,000 under our normal export trade. I will point out to the Senator from New York that that is just the amount of money that we have expended during each one of those years for relief to take care of the unemployed.

May I further point out to the Senator that, as I understand, what helped to bring on the depression was the economic-isolation policy of 12 years which we inherited, and I certainly would be reluctant to see my party embrace the very policy that put the party which originally offered it out of power, and by reason of which the Democratic Party was brought into power.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Idaho?

Mr. COPELAND. I yield.

Mr. BORAH. In view of the fact that for years we have had a large surplus on the farms, and in view of the fact that that is one of the troublesome questions which now confront us, how can we possibly advance the solution of the farm problem by permitting heavy imports from the agricultural foreign field? How can we reduce the agricultural surpluses of this country in that way?

A few months ago, two boatloads of corn came to this country from the Argentine. They were shipped to Peoria, Ill., and unloaded there. That corn was shipped in, the tariff paid, and it was sold at a profit against any corn the American farmer could possibly produce. How are we going to reduce the surplus produced by the American farmer if we are going to permit the introduction of agricultural products from foreign fields where labor is paid one-third of what it is paid on the American farm? I suppose we all believe in building up foreign trade, but not in the things of which we produce a surplus as in the products of the farm. We are not benefited by reducing acreage at home and increasing acreage abroad.

Mr. COPELAND. Of course the Senator from Idaho is making a general observation. He is not applying it to the particular point in question.

Mr. BORAH. No; I am not. I am talking about the question of imports saving the American farmer.

Mr. COPELAND. I am personally in the fullest degree in favor of the general expression made by the Senator. I do not think it is right that we should permit the free entry into our country from foreign countries of agricultural products which are competitive with the products raised upon our farms, but, of course, that is quite aside from what I am arguing here. My argument about the question now before us is that if we should permit whale oil to come in denatured so that it would not go into any edible product and would not compete with lard and butter for shortening purposes, and so forth, but would be used strictly for making a very cheap

soap, then the market abroad, in Norway, and Germany, and elsewhere, where whale oil is now used as the basis for margarine, would be opened to our lard and butter.

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. As I understand the interpretation placed upon the amendment by the Senator from New York, supported by the letter of the Secretary of State, if denatured whale oil is allowed to come into this country we will have a corresponding export market for agricultural products in Norway, so that the very pertinent observation made by the Senator from Idaho, namely, that we need a place to sell our surpluses rather than to import agricultural products, would not apply, because in this instance if the economic setups presented by the Senator from New York, and supported by the Secretary of State, are accurate, we would have an export market for agricultural products in Norway in exchange for the importation of whale oil. I think the Senator from New York did not point out that the observation of the Senator from Idaho would not be pertinent to the amendment which he is offering in the respect that I have indicated.

Mr. COPELAND. Mr. President, I am very clear in my mind that what we are seeking to do is to create competition for ourselves. We certainly prevent the export of farm products which would be exported if a product from Europe to be used here for inedible purposes were permitted to come in here. By prohibiting its importation we are just creating competition for ourselves. We are destroying our own welfare by that sort of procedure.

Mr. President, we are the largest exporters of butter substitutes in the world—at least we used to be. We used to export in large quantities raw materials such as refined cottonseed oil and edible lard and also edible tallow. But what happened? We put a tax on whale oil which in this country is in no sense a substitute for butter and lard, but which is used, as I have said repeatedly, for the making of margarine and compound lard in Europe. So we have created competition for our own most valuable farm exports, such as lard and cottonseed oil.

I can understand why it is that the support for the amendment offered by the Senator from North Carolina comes largely from the cotton States. Yet there is not a thing in it, so far as whale oil is concerned, that is of the slightest value to the cotton farmer. We have forced whale oil to be used in Europe, by what we have done, as a raw material for making margarine, and so we have frozen out our own exports of edible oils and fats. We did more than that. By putting a tax on whale oil we depressed the butter price of the world to such extent that cheap butter could be shipped to this country and has been shipped to this country in competition with our own butter.

The price of an article depends upon the demand for it, and we have cut off the demand for American butter in Norway and Germany and Newfoundland and probably in other countries. Therefore, the price of butter has been decreased in the export market.

If we could bring in denatured whale oil to be used here for soap making, we would immediately increase the demand abroad for lard and butter. I am not asking that the tax on whale oil for edible use be repealed, but I think we never should have had a tax upon inedible whale oil. We ought to encourage the importation of this oil into this country for inedible use, so that it can be used in our soap kettles and as a part of compounded marine lubricating oils. For every barrel of oil we import to this country for inedible use we create a market abroad for our own products, which are higher priced.

I am sorry that the farm organizations have been misled in this matter. They have not had an opportunity to study it and see what its effect may be. I would not stand on my feet and argue as I have here—uselessly, I fear—and take the chance of incurring the enmity of my friends from the farming sections of my State if I were not confident that a study of this matter will bring convictions to them, as it has to me, that this proposal has in it more than the destruction of the butter industry of New York.

Cheap tallow and fish-oil producers ask for this protection, but the farm organizations ought to be aware of the fact that they are creating competition for themselves and shutting out their own export markets if they attempt to shut out whale oil from this country where it can be used inedibly.

Mr. President, we have a great Department of Agriculture, employing experts in every line relating to agriculture. That Department has made a thorough study of this problem. I dislike to take the time of the Senate to incorporate in my remarks the statement of the Secretary of Agriculture, but, Mr. President, I am so intensely interested in this subject, and so eager that it should have fair treatment, that I impose upon the Senate as I am doing. Pretty soon Senators will have returned from luncheon, and they may be in a more amiable mood when they return. Perhaps at that time it may be possible to induce the Senator from North Carolina, in the enjoyment and digestion of a good meal, scientifically chosen, to yield to my prayer and permit whale oil to be released from this amendment. I do not see as yet evidence of any yielding on his part. So I am forced to continue.

I have here, Mr. President, a letter from the Secretary of Agriculture, dated May 29, 1936. Wishing to be certain that my proposal was a scientific and proper one, I wrote to him, and he replied:

> Reference is made to your letter requesting the opinion of this Department in regard to your bill, S. 4274, the object of which is to repeal the excise tax on whale oil for inedible use.
>
> This Department is of the opinion that little benefit accrues to American agriculture from the excise tax on imported whale oil, particularly in view of the relative low duty on imported inedible tallow, which is used for similar purposes.

Mr. President, wishing to find a reference to a letter from the Secretary of the Treasury——

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Utah?

Mr. COPELAND. I yield.

Mr. KING. The Senator from Utah is interrupting the able Senator from New York, and so I hope that he will not be charged with any delay. I am seeking certain information, and do not want it to appear that there is a hiatus in the proceedings of this august body.

Mr. COPELAND. Mr. President, I will make reference in a moment to the letter of the Secretary of the Treasury, which I quoted yesterday. If the Senator from Utah will do me the honor of looking in the RECORD, he will see that I made reference to certain members of the Cabinet and to the President about the particular matter under discussion. I will have to refer to it in a moment, if I may, and enlarge upon it. A direct reference to it, however, is found in the RECORD.

Perhaps the Senator from Utah will be good enough to scan this letter to see if it is the one in which the reference is made to which he has referred [handing letter to Mr. KING], but, anyway, if that is not the particular one, it is found in the RECORD in one of the letters which I read from the Secretary of State.

Mr. President, I was referring to a letter from the Secretary of Agriculture regarding this particular matter. The Department of Agriculture, which was organized and officially established for the benefit of the farmers of America, is opposed to the provision in the committee amendment, as is shown by this language, which I repeat:

> This Department is of the opinion that little benefit accrues to American agriculture from the excise tax on imported whale oil, particularly in view of the relatively low rate of duty on imported inedible tallow which is used for similar purposes. This Department also feels—

May I ask the experts of the Treasury Department if it is a fact that, as compared with whale oil, the tax on inedible tallow is very much lower?

Mr. KING. Mr. President, I do not see any of the Treasury experts on the floor at the moment.

Mr. COPELAND. Well, I must assume that it is correct; otherwise the Secretary of Agriculture would not say—

This Department is of the opinion that little benefit accrues to American agriculture through the excise tax on imported whale oil, particularly in view of the relatively low rate of duty on imported inedible tallow which is used for similar purposes.

Why should they not be on the same plane of equality? If there is a lower rate on inedible tallow, why should there not be a lower rate on inedible whale oil?

Now, to continue the quotation from the letter of the Secretary of Agriculture:

The Department also feels that the tax may actually be harmful to some branches of agriculture—

"May actually be harmful to some branches of agriculture"—

in that it tends to divert Norwegian whale oil into edible channels in countries which have in the past taken large quantities of American lard.

Of course, I have enlarged upon that.

The salient facts in regard to the significance of an excise tax on imported whale oil, as viewed by this Department, are as follows:

1. Whale oil is used in large quantities in Europe for making edible products, competing with butter and lard, but in the United States it is used almost exclusively in soap making, with no prospect of any change in such use in the near future.

I want to say at that point to my farmer friends in New York that the amendment as reported by the committee increases the cost of the plain soap used in the farm homes and increases the cost of the linoleum upon the kitchen floor in the farm homes.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. I do not desire to prolong the debate, but I should like to point out to the Senator that I have received about an equal number of telegrams from Maryland on each side of this question. The statements of those who oppose the amendment seem to me to be very pertinent. I should like to read one or two of them. One of them says that causing higher soap prices will, of course, increase the cost of laundry work.

Another one says that increasing the cost of paints will add to the cost of painting all the houses in America.

Here is one from the Continental Can Co. which says increasing the cost of these oils will increase the cost of can containers and therefore not only increase the cost of the canned goods but also the cost to the farmer proportionately of the things that go into the can.

I point those three things out to the Senator from New York as being worthy of comment.

In this connection, Mr. President, I ask unanimous consent to have printed in the RECORD a number of communications I have received on this subject.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

BALTIMORE, MD., *May 21, 1936.*

Senator MILLARD E. TYDINGS,
Washington, D. C.:

The added tax to perilla, tung, and hempseed oils as suggested by Senator BAILEY's amendment would add to the cost of painting the homes in the United States that have been so long unpainted. This is a great injustice to the small-home owners.

H. J. GETTEMULLER & Co.

BALTIMORE, MD., *May 21, 1936.*

Senator MILLARD E. TYDINGS,
The Senate:

Our association advises the Senate is considering a tax on fixed drying oils such as imported tung and perilla; this would be unfair and outrageous and wish you would exert every effort against it. Please wire immediately our expense what you are going to do about it.

MILTON D. SWARTZ FARBOIL PAINT CO.

BALTIMORE, MD., *May 28, 1936.*

Senator MILLARD E. TYDINGS,
Senate Office Building, Washington, D. C.:

The Bailey amendment proposing an excise tax of 3 cents per pound on palm oil will seriously burden tin-plate products and does not, in our opinion, compete with American agriculture. We strongly urge you vote against this proposed tax.

CROWN CORK & SEAL CO., INC.

BALTIMORE, MD., *May 25, 1936.*

Senator MILLARD TYDINGS:

Respectfully request your opposition to Bailey amendment to tax bill increasing excise taxes on tallow and inedible olive oil. Passage will bring heavy increase living expenses to housewife, either by causing higher soap prices or higher prices for laundry service.

ELITE LAUNDRY CO.

SALISBURY, MD., *May 23, 1936.*

Senator HARRISON,
Chairman, Finance Committee, United States Senate, Washington, D. C.:

Proposed amendment by Senator BAILEY to H. R. 12395 providing for import tax on fish scrap will increase cost of fertilizer and feed to farmers. We use 2,000 tons fish scrap annually in fertilizer. This tax would add $25,000 to cost of same. We respectfully urge you to oppose this amendment.

WM. B. TILGHMAN CO.

BALTIMORE, MD., *May 21, 1936.*

Hon. MILLARD E. TYDINGS, M. C.,
United States Senate, Washington, D. C.

DEAR SIR: May we ask that you vote against and use your influence to defeat the amendment of Senator BAILEY to the pending revenue bill to place a tax of 4½ cents per pound on imported perilla, tung, and hempseed oils. Such a tax would be detrimental to the entire paint industry of the country (manufacturer, jobber, dealer, and painter) and would be a penalty on and a drawback to the movement for better-painted property which the industry and the Federal Government has spent huge sums to encourage as a means toward reemployment and better housing.

Very truly yours,

HANLINE BROS.,
By FRED STINE.

BALTIMORE, MD., *May 29, 1936.*

Senator MILLARD F. TYDINGS,
Senate Office Building, Washington, D. C.:

Having two plants in Maryland, we earnestly request your immediate intervention and assistance in preventing tax on palm oil for use in manufacture of tin plate as provided in Senator BAILEY's amendment to tax bill, H. R. 12395, now before the Senate Finance Committee. No domestic oil suitable as substitute for palm oil in manufacture of tin plate. Tax will not protect but rather harm domestic industry. Palm oil tax for tin-plate manufacture will increase burden on farm products and obviously on consumers of canned food products.

CONTINENTAL CAN CO., INC.,
E. EVERETT GIBBS.

BALTIMORE, MD., *May 27, 1936.*

Senator MILLARD E. TYDINGS,
Senate Office Building, Washington, D. C.

DEAR SIR: May we respectfully urge the importance in blocking the proposed tax on perilla and china wood tung oils, which bill, we understand, has been introduced by Senator BAILEY.

Such tax would lay undue hardship on this industry and many other important industries depending upon a supply of these oils.

The situation covering the tung-oil market for the past several years has been thoroughly perplexing in itself, without adding other encumbrances which might tend to make the use of the oil thoroughly unprofitable and thereby drastically reduce its importation.

Yours truly,

THE H. B. DAVIS CO.,
H. BRAITH DAVIS.

BALTIMORE, MD., *May 27, 1936.*

Hon. MILLARD E. TYDINGS,
Senate Office Building, Washington, D. C.

DEAR SIR: We are asking you to vote against the additional tax on perilla, tung, and hempseed oils as included in the amendment to the pending revenue bill introduced by Senator BAILEY. We understand this amendment, if approved, would place a tax of 4½ cents per pound on these oils.

It would be a very serious matter if this additional tax were put upon these oils at this time. If this tax is approved, it would result in a considerable advance in price of the high-gloss paint products, and would tend to increase the use of cheaper grades of paint. This would result in a decreased use of these oils and defeat the purpose of securing increased revenue.

The paint industry is just emerging from a very unprofitable period, and we do not think our industry should be burdened with any additional taxes at this time. The competition from the makers of cheap paints has been a very unfortunate condition

existing during the depression, and any additional taxes added to the better grades of paint at this time would only result to the benefit of the makers of the cheaper products. We are asking that you vote against the increased tax as mentioned above, and we thank you in advance for your attention in the matter.

Yours truly,

THE HIRSHBERG PAINT CO.,
MORTON M. GOLDSMITH, *Secretary-Treasurer.*

BALTIMORE, MD., *May 27, 1936.*

Senator MILLARD E. TYDINGS,
Senate Office Building, Washington, D. C.

DEAR SIR: In reference to the proposed tax on perilla and wood oil, introduced by Senator BAILEY, this tax would certainly be a hardship on every paint manufacturer in this country.

This tax is absolutely uncalled for, and it would result in imposing a tremendous hardship on the users of these products and favor a few individual companies who are manufacturers of linseed oil.

We certainly trust that you will vote against this amendment, and we believe our sentiments will be expressed by every manufacturer of paints, varnishes, and lacquers; also, every user of oil, such as linoleum and floor-covering manufacturers.

For your own information, the tax of 4½ cents per pound would cause the Government to lose more money in curtailing the uses of paint and varnish products than the amount of money derived from the tax. In all probability it would cause a curtailment in the manufacture of paint, which would cause manufacturers to lay off some of their help. This is a situation which is exactly opposite to what should be done—to put people back to work.

Yours very truly,

THE WHITE CO.,
By E. A. CONSTAM, *Treasurer.*

BALTIMORE, MD., *May 15, 1936.*

Hon. MILLARD E. TYDINGS,
United States Senate, Washington, D. C.

DEAR SIR: We understand that Congressman J. W. BAILEY has introduced an amendment to the Revenue Act of 1936 providing an excise tax on fish oil and fish meal.

We understand from some of our customers who are running so-called fish factories, who are engaged in what is otherwise known as the menhaden industry, have had a very precarious existence during the past 8 or 10 years, and that conditions with them are none too good at this time, and that many of them could not survive if this amendment went into effect.

We therefore most earnestly ask your attention in this matter, and your efforts to defeat this amendment.

Yours very truly,

EGERTON BROS.,
STUART EGERTON.

BALTIMORE, *January 13, 1936.*

Senator MILLARD E. TYDINGS,
Baltimore Trust Building, Baltimore, Md.

DEAR SENATOR: We understand that at the coming session of Congress an effort will be made to obtain a relief from the excise tax of 3 cents per pound on soap-making oils and fats, created by the November 1934 revenue bill.

The laundries of this country represent one of the most stable means of employment there is in industry and accordingly render to the Nation a very stabilized effect. This industry is subjected to severe external competition due to the nature of our work, being such that under the stress of circumstances this work can be performed by those in the homes, and to the fact that prices of supplies have advanced and are advancing continually. The price of soap alone has advanced about 36 percent. These factors do not benefit an industry which is one of the most dependable sources of steady employment of our citizens.

The burden of this tax has added to the difficulty experienced by every man, woman, and child of the United States in making their income cover expenses and having a small amount remaining for emergencies. Cleanliness is part of our national pride and prerogative. In spite of the recent theories, it is still necessary that individuals and organizations of any kind or service be able to accumulate a surplus and reserve necessary to care for unexpected contingencies and obsolescences which come to individuals as well as organizations. Beyond these requirements, necessary reserves and surpluses are needed for the further development of our country, its interests, and our standards of living.

This tax on coconut oil and fat has not helped the farmer in that the United States farmers do not produce enough tallow to anywhere nearly supply our Nation's demand for this product.

We cannot see where this tax has benefited anyone except to swell the Government funds and further encourage the excessive spending and wasteful methods that have been and are being pursued.

Your attention to this particular tax and to the general condition referred to above is urged; and as your constituents, we request that you use your entire effort to the elimination of this onerous and unreasonable impost.

Very truly yours,

SANITARY LAUNDRY CO.,
EDWARD L. RICH, Jr., *President.*

CLAIBORNE ANNAPOLIS FERRY CO.,
Annapolis, Md., April 16, 1936.

Hon. M. E. TYDINGS,
United States Senate, Washington, D. C.

DEAR SENATOR TYDINGS: There has been referred to the Committee on Ways and Means in the House, a tax bill imposing a tax of 1 cent per gallon on fuel oil, H. R. 12161.

Useless to tell you that this is ridiculous and vicious as it would increase the fuel cost on our ferry boats over 22½ percent. Why wouldn't they also include a tax of $2.50 per ton on coal and $2 per cord on cordwood? One is about as absurd as the other.

I am sure you will do all in your power to help kill this vicious piece of legislation.

With very best wishes and kindest regards, please believe me,

Yours very truly,

B. F. SHERMAN.

Mr. COPELAND. Of course, the statements referred to by the Senator from Maryland are true. Every article into the manufacture of which these oils enter will be affected. The cost of paint, when the farmers want to paint their kitchen floors, if they do not use linoleum, will necessarily be increased. The correspondents of the Senator from Maryland are right about it.

Mr. GEORGE. Mr. President——

Mr. COPELAND. I yield to the Senator from Georgia.

Mr. GEORGE. I do not desire to prolong the debate. Of course, it is wholly unnecessary to debate the question longer. If it will increase the cost by a very small fraction of 1 percent, it will be because the importers are now evading the tax. We have not increased the tax by one tittle. We have simply stopped up some loopholes.

Mr. COPELAND. Mr. President, from my youth I have been familiar with the arguments of the Republican Party that the manufacturer absorbs the tax. The people cannot be fooled any more by that argument. Every time a tariff tax is imposed, every time the tariff rates are increased, every time an excise tax is imposed, while it may be figured that as to one little can of paint it is just a fraction of a cent, yet in the long run the American people pay the entire bill.

I assume the Democrats next fall, when they are in the campaign, will tell about how much better the Democrats are than the Republicans. I am going to be honest with my constituents, as I always try to be. I am going to tell them that we are not any better than the Republicans and that we are getting worse. [Laughter.] I do not want anyone to imagine the Democrats will have a walkaway next fall. They will have no walkaway in the sections of the country with which I am familiar.

Let us not fool ourselves about that matter. Sometimes I am foolhardy enough to say in public what I hear said in private. I know the doubts which are in the hearts of many Democrats about the outcome of the election. I am not going to try to fool the American people or the Democratic Party. But what excuse have we to exist as a party if we are going to do exactly as those on the other side of the aisle have done? We are not a bit better, generally speaking, and as regards this particular amendment we are a little worse, because when we got through with the Smoot-Hawley tax bill, that pernicious document which brought about a combination of thinking Democrats, we had a 20-percent tariff on whale oil. Now the Democrats have come into office and we have 205-percent tariff on the same commodity. We are just 10 times as bad as the Republicans in this respect. I suggest to Senators that they tell their constituents that next fall when they are making speeches.

It has been argued by Senators that cottonseed oil and some other oils will be benefited. The Secretary of Agriculture does not take that view. Speaking about whale oil he said:

> It is not generally regarded as competitive with domestic vegetable oils, and forms only a small percentage of the total fats used in soap making, the figures normally varying between 3 and 4 percent thereof.

How is that going to benefit cottonseed oil? These are the words of the official representatives of the farmers of America, and I am glad to be numbered, by reason of heredity and residence, with the farmers of America.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Nebraska?

Mr. COPELAND. I yield.

Mr. NORRIS. I was interrupted and did not hear the source of what the Senator just read. From what did he read?

Mr. COPELAND. I am reading from the letter of the Secretary of Agriculture written to me under date of May 29, a strong letter opposing the amendment of the Senator from North Carolina [Mr. BAILEY] and approving the idea of taking the excise tax off of whale oil because of the benefits which would accrue to the farmer by the removal of that tax. I have been trying to make an argument, borne out by the testimony of the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce, as well as the Secretary of Agriculture, whose letter I am reading, that the use of whale oil in Norway and in Germany as a basis for margarine has prevented the export from the United States of butter and lard.

Let me quote further, and I remind the Senators again that I am quoting the words of the Secretary of Agriculture:

Placing an excise tax of 3 cents a pound on whale oil, in addition to the tariff of 6 cents per gallon (approximately 0.8 cent per pound, has caused imports to fall to half the normal tonnage, the main reason being the failure to place a similar excise on inedible tallow, which is substitutible therefor.

Has the Senator from North Carolina provided a tax on inedible tallow? That good meal which I hoped might have its effect apparently has failed me.

I continue to read from the letter of the Secretary of Agriculture. I am glad to have it go into the RECORD. I believe that my agricultural constituents have faith enough in me to believe that I would not try to fool them. My judgment is there will be one State in the Union which will not be so enthusiastic about these conspiracies between the alleged leaders of farm groups and the fish industry. Go out in the corridor and smell the sulphur of these unholy alliances between a group seeking to give themselves protection against every other part of the world and then to fool the leaders of farm groups and to have the farm industry, which is invincible, come here and further a scheme for protecting fish oils. When the farmers of America know how frequently they are outwitted and exploited by their alleged leaders it will not be so easy for the alleged leaders to put over some of the legislation which is sought to be had and which in no sense would be helpful to agriculture in America.

The third paragraph of the letter of the Secretary of Agriculture reads as follows:

Shutting out whale oil appears to have had little price-raising effect on domestic oils and fats and little effect in increasing the tonnage of domestic products consumed. Its chief effect apparently has been to stimulate imports of inedible tallow.

I can see now the cartoons in the World-Telegram of New York and the Evening Post showing burning tallow dips. Sometime the logrolling which characterizes our legislation will be abolished. The more I see of what goes on in the Capitol the more enthusiastic I am for the law proposed by the Senator from Alabama [Mr. BLACK] to have lobbyists registered, so that we may know who they are, by whom their salaries are paid, and what it is all about.

Prior to the imposition of the excise tax on whale oil the United States had been importing annually on the average around 50,000,000 pounds of whale oil and but little inedible tallow, usually less than 1,000,000 pounds. In 1934 our imports of whale oil amounted to 15,803,000 pounds, and in 1935 to 20,793,000 pounds. On the other hand, in 1934 imports of inedible tallow rose to nearly 43,000,000 pounds and in 1935 to 146,000,000 pounds.

That is where the trouble is; it is with the inedible tallow. I am talking about whale oil. To bring inedible tallow over here does not help our farmers. We wish to deal with something which will induce the importation into America of a product which may be used in soap making, and thus open a market abroad for our butter and lard. To bring over inedible tallow does not help us at all. Inedible tallow is not eaten even in the old countries; so that has no bearing upon the case.

I continue the quotation:

Rising prices of inedible tallow (from 2.7 cents per pound at Chicago in January 1934 to 4.7 cents in December 1934 and 6 cents in December 1935) created an international price differential sufficient to attract imports, for use in seaboard soap plants, over the tariff duty of one-half cent per pound. This price increase has been due in part to general economic recovery and in part to a shortage of domestic tallow and other fats.

The fourth paragraph of the letter of the Secretary of Agriculture is as follows:

4. The excise tax on imported whale oil, together with that on imports of other oils, was presumably one of the factors contributing to the rise in price of inedible tallow in the summer and fall of 1934.

The tax on whale oil was so great that it could not be brought in; so, instead of bringing whale oil away from Europe, where it is eaten, the importers brought over inedible tallow, which is not eaten anywhere; so it did our farmers no good. It did not reopen a market for farm products.

4. The excise tax on imported whale oil, together with that on imports of other oils, was presumably one of the factors contributing to the rise in price of inedible tallow in the summer and fall of 1934. Evidently, however, it was a minor factor as compared with the marked increase that occurred in the demand for soap-making materials. Total consumption of oils and fats in soap making in 1934 was 1,474,000,000 pounds, as compared with 1,311,000,000 pounds in 1933. Of inedible tallow the consumption was 663,000,000 pounds, as compared with 509,000,000 pounds in 1933. The consumption of whale oil, on the other hand, was 34,000,000 pounds in 1934 as against 45,000,000 pounds in 1933, the decrease being only a fraction of the increase in tallow consumption.

5. So long as the duty on inedible tallow remains at one-half cent a pound, any beneficial effect of the whale-oil tax upon domestic-tallow prices is necessarily confined to whatever part the tax plays in bringing domestic-tallow prices up to a level, relative to foreign prices, at which tallow can be profitably imported.

May I ask the Senater from North Carolina whether inedible tallow is included in his amendment?

Mr. BAILEY. Tallow, both edible and inedible.

Mr. COPELAND. At what rate?

Mr. BAILEY. Four and a half cents a pound.

Mr. COPELAND. The Secretary continues:

After the tallow-importing point had been reached the only effect of the exclusion of whale oil was to foster substitution of imported tallow. From the foregoing it follows that the repeal of the whale-oil tax could not, under existing conditions, have a materially adverse effect upon domestic prices of inedible tallow.

6. In any event, however, any increase in the price of domestic inedible tallow which can possibly be attributed to the whale-oil tax—or, for that matter, any increase that might occur if imports of inedible tallow were excluded—would not be likely to have any important effect on the incomes of the domestic cattle producers. Most of this product is obtained from butcher-shop, hotel, and restaurant offal. The renderers probably pass on to these centers of collection only a moderate part of any price increase received for tallow.

I desire to say to the Senator from Utah [Mr. KING] that I have found the reference to the President in the letter of the Secretary of State:

The information which I had gathered during the last session convinced me, as well as the President and the Secretary of Agriculture, that this tax could be removed without injury to American agriculture or dairy interests.

So it is readily seen that the tax of 4½ cents per pound on inedible tallow which the Senator from North Carolina [Mr. BAILEY] now says he has put in his amendment will not profit the cattle industry, because, as the letter of the Secretary of Agriculture says:

The renderers probably pass on to these centers of collection only a moderate part of any price increase received for tallow; since, unless the offal is sold to them, it is merely garbage to be dumped. In turn, revenue received by these stores and restaurants will go only in part to the meat packers, and from them only in part to the farmers.

The poor farmer is always at the little end of the horn. Great benefits are given to the meat packers, but the benefits which reach back to the farmer are so small that he has to stay home from Sunday school to figure out where he gets any. My advice to him is to go to Sunday school and not waste his time attempting to find out what is inevitable—that he is not benefited. He does not get any benefit. It

is always some big interest that gets the benefit. In this case the fish-oil interests get the benefit.

When the Smoot-Hawley bill was before us I could hardly get within a mile of my office because of the fish-oil people who were there trying to induce me to change my judgment about it. I told them that I was more interested in the cleanliness of the people, in cheap soap, than I was in the fish industry, important as that is in my State.

Let no one assume for a moment that I have hesitated to take a stand in opposition to the interests of certain selfish groups in my State, as I have done time and time again, and as I shall continue to do regardless of results.

Mr. President, I am glad there is one valiant Senator representing a great farm State who is broad enough to take a national view of a problem. I hope the distinguished Senator from North Carolina is in the same mood he was in when he talked with me this morning. He knows, as the Secretary of Agriculture knows, that this is not in the interest of agriculture.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER (Mr. BURKE in the chair). Does the Senator from New York yield to the Senator from North Carolina?

Mr. COPELAND. I yield.

Mr. BAILEY. I do not understand the Senator. He suggests that he had a conversation this morning in which he got the impression——

Mr. COPELAND. I am not speaking of the Senator from North Carolina; I meant the Senator from North Dakota [Mr. FRAZIER]. I beg pardon. I could say nice things about the Senator from North Carolina, but I was looking at and meant for the moment the Senator from North Dakota [Mr. FRAZIER.]

Mr. BAILEY. While I am on my feet, I wish to say, in the plainest language possible, that, so far from knowing that the Secretary of Agriculture is not in sympathy with this, the committee amendment, I know that no one has a right to stand on this floor and say to the contrary.

Mr. COPELAND. Pardon me; what did the Senator from North Carolina say?

Mr. BAILEY. I said that so far from knowing that the Secretary of Agriculture was not in sympathy with the committee amendment, I knew that no one had the right to stand on this floor and say the Secretary was not in sympathy with it.

Mr. COPELAND. Mr. President, I do not know anything about what thought the Senator from North Carolina may have, but I am reading a letter from the Secretary of Agriculture, signed with his own name, "H. A. Wallace, Secretary", dated the 29th of May. I have had no conversation with the Secretary of Agriculture about this matter, but I have in his writing the expression of the conviction that he thinks the committee amendment ought not to prevail.

Mr. President, I wish to continue reading from the letter. But first I desire to speak once more about my friend, the Senator from North Dakota [Mr. FRAZIER]. I have tried all of my years in the Senate to help agriculture. I fought as valiantly as I could for the McNary-Haugen bill, and I still believe that that has in it a greater measure of hope for agriculture than any other measure which has been presented. The Senator from Oregon [Mr. MCNARY], the joint author of the bill, knows that I begged him at the beginning of this session of Congress to reintroduce the bill.

I have tried to stand shoulder to shoulder with the farm group, with the Senator from North Dakota, the Senator from Oregon, and others, in attempting to help agriculture; and I would not be here now taking up this useless task if I did not believe in my soul that what I am talking about is a matter of great concern to the farmers of the United States. This is only one of many things; yet it is one which has to do with the exportation of butter and lard and which has to do with the fixing of the prices of butter and lard in foreign markets.

Mr. MCNARY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. MCNARY. I have been impressed by the remarks of the Senator. The Senator is not only a great statesman, but a splendid economist, when he commends again the McNary-Haugen farm-relief bill.

Mr. COPELAND. Joking aside——

Mr. MCNARY. I am not joking.

Mr. COPELAND. I have been very much impressed by the McNary-Haugen bill, and I still believe, just as strongly as when we were working shoulder to shoulder for its enactment years ago, that it has in it greater hope for American agriculture than has any other measure.

Mr. MCNARY. I was speaking most earnestly and sincerely when I commended the Senator. He has been a worker in the ranks for agriculture, and the philosophy of the bill to which he has referred appealed to him, and he has always been interested in that great subject matter.

Mr. COPELAND. I thank the Senator.

Mr. KING. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. KING. May I inquire of the Senator from New York and the Senator from North Carolina whether, in view of the discourse which we have had, they would be willing now to have a quorum called and a vote upon the amendment without further discussion? May I appeal to both of my colleagues whether such a course as that would be proper?

Mr. BAILEY. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. BAILEY. I am not responsible for whatever another Senator says or how long he speaks, and I cannot be held responsible. I am perfectly willing to have a vote at any time, and I myself have no desire to speak. But I wish it understood that I am speaking only for myself, and I am not responsible for the eloquent remarks of my good friend the Senator from New York, neither their content nor their length.

Mr. KING. I thank the Senator. I hope I will be forgiven for interrupting the address of my friend from New York. Will the Senator from New York consent to the calling of a quorum and a vote upon the amendment?

Mr. COPELAND. Mr. President, I am very much obliged to the Senator from Utah. I know perfectly well that my amendment will be defeated. I think it is rather a strange procedure. Yesterday there were certain exceptions made as to amendments to be taken to conference.

I ask for nothing more than that my amendment be accepted tentatively by the Senate and taken to conference. I was not satisfied and I am not satisfied now to let the matter go by default without expressing my conviction regarding it, especially when that conviction is confirmed by the statement contained in the letter of the Secretary of State, dated January 20, 1936, addressed to Mr. DOUGHTON, chairman of the Ways and Means Committee of the House of Representatives. In that letter the Secretary of State says the question was discussed by the President. My conviction is also confirmed by the statement of the Secretary of Agriculture in his letter.

Mr. President, of course, I have met many defeats. I may not be defeated now. I am here to say to the farmers of America and to the fishermen, too, that my amendment should be accepted by the committee and taken to conference. There the experts can be brought in. I was given a hearing of about 10 minutes before the committee. I left before the matter was considered by it. An outsider appearing before the committee is at great disadvantage. I had no opportunity to argue or to answer questions which might have been raised concerning the amendment. I have tried on the floor to have consideration given which I could not get in the committee. However, I could not blame the committee. I know how busy its members are, and how pressed they are. They made a very bad bill better, but still it is so bad that I hope it will not pass.

However, as regards the amendment in question, my last request of the Senator from North Carolina [Mr. BAILEY] is, Will he permit my amendment to go to conference?

Mr. BAILEY. Mr. President, I cannot agree to that. I am perfectly willing to agree to have a vote on the merits of the proposal.

Mr. COPELAND. Very well. I cannot resist the appeal of the acting chairman of the committee. I know that time is pressing. I desire it understood, however, that I have not attempted to filibuster either against the amendment or against the bill. I have tried earnestly to impress upon the Senate, and through the Senate upon the country, the inequity of the committee amendment.

Now, Mr. President, I shall walk out in the corridors and smell the sulphur that comes from the burning of hell, because all conspiracies against the welfare of the people are just as devilish as anything that can come from hell. The provision we have been discussing which has been incorporated in the bill by the committee is not right. It is an imposition upon the farmers of America. It is an imposition upon the manufacturers of America. It does away with international harmony and amity between our country and a country which has the same high standards of living that we have, the great country of Norway, one of the great countries of the earth. We are not dealing with a country having oriental labor; we are not dealing with a country employing slave labor or serf labor. Norway is a country of free people, a people as free as are we. Through the imposition of this tax we seek to break up those relationships which ought to continue to the mutual advantage of our two countries.

Mr. President, I leave myself in the hands of the chairman of the committee to do as he pleases.

Mr. KING. Mr. President, I think the suggestion which I made a moment ago requires in good faith that I request a quorum call before asking for a vote.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	La Follette	Reynolds
Austin	Coolidge	Lewis	Robinson
Bachman	Copeland	Loftin	Russell
Bailey	Couzens	Lonergan	Schwellenbach
Barbour	Davis	Long	Sheppard
Barkley	Dieterich	McAdoo	Shipstead
Benson	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Minton	Thomas, Utah
Borah	Gerry	Moore	Townsend
Brown	Gibson	Murphy	Truman
Bulow	Glass	Murray	Tydings
Burke	Guffey	Neely	Vandenberg
Byrd	Hale	Norris	Wagner
Byrnes	Hastings	O'Mahoney	Wheeler
Capper	Hatch	Overton	White
Caraway	Hayden	Pittman	
Carey	Holt	Pope	
Chavez	King	Radcliffe	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

AMENDMENT OF PUBLIC PRINTING ACTS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3440) to amend certain acts relating to public printing and binding, and the distribution of public documents and acts amendatory thereof.

Mr. HAYDEN. Mr. President, I move that the Senate concur in all of the House amendments except amendments numbered 7, 12, 14, 16, and 44; that the Senate insist upon its disagreement to those amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees.

Mr. McNARY. Mr. President, may I inquire the nature of the request?

Mr. HAYDEN. My request is to concur in the amendments of the House to a bill amending certain acts relating to public printing and binding, except amendments numbered 7, 12, 14, 16, and 44, which relate to the number of copies of the CONGRESSIONAL RECORD printed.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. FLETCHER, and Mr. VANDENBERG conferees on the part of the Senate.

INTERNAL-REVENUE TAXATION

The Senate resumed consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New York [Mr. COPELAND] to the committee amendment. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 267, line 15, it is proposed to strike out "Whale oil (except sperm oil)"; and, on the same page, line 17, after "marine animal oil", it is proposed to insert "except denatured whale oil for inedible use and except sperm oil."

Mr. COPELAND. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. Not knowing how he would vote, if present, I withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I transfer that pair to the junior Senator from North Dakota [Mr. NYE], and will vote. I vote "nay."

Mr. TYDINGS (after having voted in the affirmative). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. I transfer that pair to the senior Senator from Alabama [Mr. BANKHEAD], and let my vote stand. I am not advised how either Senator would vote, if present.

Mr. KING. I have a general pair with the Senator from New Hampshire [Mr. KEYES]. Not knowing how he would vote, I withhold my vote.

Mr. BILBO. I have a general pair with the Senator from Iowa [Mr. DICKINSON]. Not knowing how he would vote, I withhold my vote.

Mr. FRAZIER. My colleague the junior Senator from North Dakota [Mr. NYE] is absent in attendance on an important committee meeting. If present, he would vote "nay." By a transfer he has been paired with the Senator from Kentucky [Mr. LOGAN].

Mr. HAYDEN. I announce that my colleague [Mr. ASHURST] is detained from the Senate on account of a death in his family.

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], and the Senator from Nevada [Mr. MCCARRAN] are detained from the Senate on account of illness.

The Senator from Ohio [Mr. BULKLEY], the Senator from Utah [Mr. THOMAS], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are detained in important committee meetings.

The Senator from Texas [Mr. CONNALLY], the Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr. GORE], the Senator from Kentucky [Mr. LOGAN], and the Senator from Connecticut [Mr. MALONEY] are unavoidably detained.

The result was announced—yeas 13, nays 60, as follows:

YEAS—13

Bachman	Couzens	Lonergan	Thomas, Okla.
Chavez	Hayden	Radcliffe	Tydings
Coolidge	Lewis	Smith	Wagner
Copeland			

NAYS—60

Adams	Black	Byrd	Davis
Austin	Bone	Byrnes	Dieterich
Bailey	Borah	Capper	Duffy
Barbour	Brown	Caraway	Fletcher
Barkley	Bulow	Carey	Frazier
Benson	Burke	Clark	George

Gerry	Loftin	Neely	Schwellenbach
Gibson	Long	Norris	Sheppard
Glass	McAdoo	O'Mahoney	Shipstead
Guffey	McGill	Overton	Steiwer
Hale	McKellar	Pittman	Townsend
Hastings	Minton	Pope	Truman
Hatch	Moore	Reynolds	Vandenberg
Holt	Murphy	Robinson	Wheeler
La Follette	Murray	Russell	White

NOT VOTING—23

Ashurst	Dickinson	King	Norbeck
Bankhead	Donahey	Logan	Nye
Bilbo	Gore	McCarran	Thomas, Utah
Bulkley	Harrison	McNary	Van Nuys
Connally	Johnson	Maloney	Walsh
Costigan	Keyes	Metcalf	

So Mr. COPELAND'S amendment to the amendment of the committee was rejected.

Mr. COPELAND. Mr. President, as a final word, by way of obituary on the amendment to the amendment of the committee, I wish to call attention to the fact that, with the exception of the Senator from Michigan [Mr. COUZENS], not a single Republican voted to cut down this tax. I wish to call further attention to the fact, so that Senators may use it in their campaigns next fall, that today the Democrats of the Senate, with the exception of ten, united with the Republicans in voting for the highest tariff that, so far as I know, was ever placed upon a single article in a tariff law. I congratulate my colleagues. I hope that next fall they will have a glorious time in defending a vote for a tax of 205 percent upon a product which, under the terms of the committee amendment, will not be permitted to come into the country because of the embargo placed upon it, and which, of course, is going to deprive American farmers of a market for butter and lard. I congratulate my colleagues upon this magnificent record, and I hope that they will have a "bully" time of it next fall.

Mr. CLARK. Mr. President, I listened yesterday with very great interest and almost entire agreement to the very able and eloquent remarks of the Senator from North Carolina [Mr. BAILEY] until he reached his conclusion. I know that the farmers of America have no better friend than he and that his only purpose is to benefit the farmer. I agree as to the purpose but disagree as to the effect of his amendment. His statement of the premise for the deplorable situation of the farmer in America, the causes of it, and the conditions which have led up to it, was absolutely unanswerable, and I agreed with every word he said until he began to apply the remedy. I sincerely hope that the predictions of the Senator from North Carolina of an organized movement of the farmers which will compel a fair adjustment between the prohibitive tariff for industry and the free market for agriculture may soon come to pass. I do not believe that it can come about through such sops to agriculture as is contained in the pending amendment.

I agree entirely with the Senator from North Carolina that the condition of the farmer in America today is due to the high protective tariff, the prohibitive tariff as it exists in most instances. Today that tariff system has barred the farmer of the United States from the markets of the world; it has compelled him to keep his surpluses; it has compelled him to produce for less than cost; it has compelled him to buy everything he has to buy in a protected market and to sell everything he has to sell in a free market; it has compelled him to pay a tax on everything he has to buy and to sell everything he has to sell in a market regulated by world conditions.

I agreed with everything the Senator said up to the point of his conclusion. The Senator concluded finally that the remedy for the condition is to apply the protective-tariff system or the equivalent of the protective-tariff system to agricultural conditions.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. CLARK. I yield to the Senator from North Carolina.

Mr. BAILEY. I am not undertaking to controvert what the Senator has said. I merely wish to say that, there being a tariff—and there is one—my contention is that so long as there shall be one it is indispensable that the farmers should have equality under it. I believe the Senator from Missouri will agree with me about that.

Mr. CLARK. Of course, the objection to the theory advanced by the Senator from North Carolina is the historic fact that the only way in which the prohibitive tariff system has been imposed on the country, the only way in which the farmers of the United States have been induced to endure through the years of our existence such a system as that which pauperizes them and impoverishes them, has been that the protected interests occasionally threw some little bait to them, some little concession such as this, to induce them to endure the system. The remedy of the whole condition is not to bait the farmers along with such infinitesimal concessions as this but to obviate the condition from which they are suffering by reducing the tariff duties.

I freely agree that by our own acts, by the action of the United States Government, in causing retaliatory tariffs by other nations, we have created a situation throughout the world which we cannot correct by ourselves. Therefore the Congress very properly entered upon a system of reciprocal-trade agreements for the purpose of undoing, so far as may be, the mischief which we ourselves had created throughout the world by our own arrogant, persistent enactment of prohibitive tariff laws. The United States Government itself is essentially responsible for the system of retaliatory tariffs that today exists throughout the world.

The proposal of the Senator from North Carolina that the farmer ought not to be placed in a different situation from the industrialist is absolutely unanswerable. To my mind, however, there is very great danger if, instead of starting at the root of the evil and reducing the prohibitive system of tariffs, we start in again on the old buncombe game, which was never anything except bait to catch gudgeons, we try to fool the farmer by saying, "All right; we have this prohibitive tariff system, and we will give you a little bite of your own."

The tariff on agricultural commodities can never be made effective as an offset to the taxes the farmer has to pay on everything he has to buy through the medium of a prohibitive tariff. We had an illustration in very recent years which to my mind proved completely the case, when in the darkest days of the Hoover depression, with a tariff of 42 cents a bushel on wheat, wheat sold in western Kansas for 23 cents a bushel. That showed the absolute lack of protection of the tariff tax to the farmer.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. CLARK. I yield.

Mr. BAILEY. Agreeing to the Senator's proposition, is that a reason why we should not give the farmer all we can give him while the tariff exists?

Mr. CLARK. I am in favor of cutting down the tariff instead of throwing out this bait, this sop, to the farmer to mislead him, with very little advantage to him, into longer enduring the system under which he has been suffering.

Mr. BAILEY. That is not the proposition at all.

Mr. CLARK. That is the proposition so far as I am concerned.

Mr. BAILEY. It is not in this bill. It is not before the Senate.

Mr. CLARK. No; it is not before the Senate now.

Mr. BAILEY. Let us come to the point. Agreeing to what the Senator has said to the effect that we could never compensate the farmer in the matter of tariffs, as compared with the tariffs enjoyed by others, is that a good reason why we should not undertake to compensate the farmer insofar as we can?

Mr. CLARK. Mr. President, I stated just a moment ago that my objection to the proposal of the Senator from North Carolina is that it involves a recognition, a condonation, an acceptance of the whole prohibitive tariff system which has brought the American farmer to his present sorry pass.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from South Carolina?

Mr. CLARK. I yield.

Mr. SMITH. Is it not admitted that we have given up the fight and that the only relief the farmer can get is, as the Senator said, a little sop which is thrown out to him? Whenever we address ourselves to a real earnest effort to relieve the burden of the consumer, the farmer, by adjusting the tariff, then he may get the relief to which he is entitled. But we are politically afraid of it. That is a matter with reference to which we have not the courage to stand on our own platform.

Mr. CLARK. I agree entirely with what the Senator from South Carolina has said. I stand on my own personal platform, and the national platform of 1932 on which I ran. If I were willing, as a Senator sworn on my oath, to abandon the traditional attitude of the Democratic Party and accept a prohibitive tariff system as an accomplished fact, then I would be in favor of imposing as high duties on agricultural products as anyone might suggest. But I am not willing to abandon that position. I am not willing to admit the prohibitive tariff system is fastened irretrievably upon the Government of the United States. Every time we pass such a measure or adopt such a provision as the Senator from North Carolina [Mr. BAILEY] proposes, we have fastened just that much more firmly upon the necks of the farmers of the United States, the consumers of the United States, the highly indefensible prohibitive tariff tax system, because that is all it is. What has ruined the farmer in America is the payment of the tariff taxes imposed on everything he has had to buy.

GRANT ANDERSON

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 4116) for the relief of Grant Anderson, which were, on page 1, line 7, to strike out "such sum representing" and insert "in full satisfaction of his claim against the United States for"; and on page 2, line 9, after "receipts", to insert a colon and—

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. BULOW. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

HOMER BRETT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 4140) for the relief of Homer Brett, Esq., American consul at Rotterdam, Netherlands, as a result of money stolen from the safe of the American consulate, which were to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Homer Brett, American consul at Rotterdam, Netherlands, the sum of $116.58 in full settlement of his claim against the United States for the unrecovered amount of Government funds stolen from the safe of the American consulate at Rotterdam, Netherlands, on the night of September 27, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

And to amend the title so as to read: "An act for the relief of Homer Brett, American consul at Rotterdam, Netherlands."

Mr. PITTMAN. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

ADDITIONAL DISTRICT JUDGE, NORTHERN AND SOUTHERN DISTRICTS OF WEST VIRGINIA

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2456) to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia.

Mr. NEELY. Mr. President, I move that the Senate disagree to the amendment of the House, ask for a conference with the House thereon, and that the Chair appoint the conferees.

The motion was agreed to; and the Presiding Officer appointed Mr. NEELY, Mr. HATCH, and Mr. AUSTIN conferees on the part of the Senate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CHESTER ROBEY BENDER

Mr. COPELAND. Mr. President, there is on the desk the nomination of a young man as ensign in the Coast Guard. The other day the Senate approved the list of nominations for ensigns, but inadvertently the Treasury Department omitted one name. I ask unanimous consent that, as in executive session, the nomination of Chester Robey Bender be confirmed, and the President notified.

The PRESIDING OFFICER. Without objection, the nomination will be read.

The legislative clerk read the nomination of Chester Robey Bender to be ensign in the Coast Guard of the United States, to rank as such from June 8, 1936.

The PRESIDING OFFICER. Without objection, the nomination is confirmed; and, without objection, the President will be notified.

MISSISSIPPI RIVER FLOOD CONTROL—CONFERENCE REPORT

Mr. COPELAND submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3531) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 1.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows:

By inserting on page 2, line 25, after the word "any", the word "reservoir"; by inserting on page 2, line 25, after the word "project" the words "herein authorized"; by inserting on page 3, line 9, after the words "Secretary of War" the following: "*And provided*, That the construction of any dam authorized herein may be undertaken without delay when the dam site has been acquired and the assurances prescribed herein have been furnished, without awaiting the acquisition of the easements and rights-of-way required for the reservoir area: and"; by inserting on page 3, line 9, after the word "provided" the word "further"; by striking out on page 4, line 14, after the word "streams" the period, and substituting in lieu thereof a colon with the words: "*And provided further*, That nothing herein shall be construed to interfere with the completion of any reservoir or flood control work authorized by the Congress and now under way."

And the House agree to the same.

ROYAL S. COPELAND,
DUNCAN U. FLETCHER,
CHAS. L. MCNARY,
JOHN H. OVERTON,
MORRIS SHEPPARD,
HIRAM W. JOHNSON,
A. H. VANDENBERG,
Managers on the part of the Senate.

RILEY J. WILSON,
WILL M. WHITTINGTON,
ROBERT F. RICH,
GLEN GRISWOLD,
Managers on the part of the House.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had dis-

agreed to the amendments of the Senate to the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BUCHANAN, Mr. TAYLOR of Colorado, Mr. OLIVER, Mr. WOODRUM, Mr. BOYLAN, Mr. CANNON of Missouri, Mr. TABER, Mr. BACON, and Mr. THURSTON were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5730) to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON of Georgia, Mr. DREWRY, and Mr. DARROW were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3071) providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3531) to amend the act entitled "An act for the control of floods of the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928.

The message further announced that the House had passed a joint resolution (H. J. Res. 588) for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 4354) to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration, at Little Rock, Ark.; the Texas Centennial, at Dallas, Tex.; and the National Confederate Reunion, at Shreveport, La., between the dates from June 6 to June 16, 1936, inclusive, and it was signed by the Vice President.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

Mr. FRAZIER. Mr. President, I desire to offer two amendments to the oil provision. They are what might be called corrective amendments. To them I invite the attention of the Senator from North Carolina [Mr. BAILEY].

On page 267, at the end of line 24, after the word "foregoing", I propose to insert the words "or from linseed oil", so the phrase would read:

> Olive oil and sesame oil, provided for in paragraph 1732 of the Tariff Act of 1930, sunflower oil, rapeseed oil, kapoc oil, hempseed oil, fatty acids derived from any of the foregoing or from linseed oil, and salts of any of the foregoing.

Linseed oil is in the tariff act, but not in this bill.

Then, on page 268, in line 14——

Mr. GEORGE. Mr. President, I suggest that the Senate dispose of one amendment at a time.

Mr. FRAZIER. Very well.

The PRESIDING OFFICER. The clerk will state the amendment.

The clerk read as follows:

> On page 267, line 24, after the word "foregoing", it is proposed to insert the word "or from linseed oil", so the phrase would read:
>
> "Olive oil and sesame oil, provided for in paragraph 1732 of the Tariff Act of 1930, sunflower oil, rapeseed oil, kapok oil, hempseed oil, fatty acids derived from any of the foregoing or from linseed oil, and salts of any of the foregoing."

Mr. GEORGE. Mr. President, linseed oil is not covered in any additional tax, but now the Senator from North Dakota proposes to cover fatty acids derived from it, although there is no increase in the linseed-oil tax.

Mr. FRAZIER. Fatty acids are included.

Mr. GEORGE. Yes; but not those derived from linseed oil.

Mr. FRAZIER. I know that very well, but there is a tax now on linseed oil of the same amount, 4½ cents a pound, and fatty acids are derived from linseed oil. They are being imported from Holland in increasing amounts.

Mr. GEORGE. What is the tax?

Mr. FRAZIER. There is none on fatty acids from linseed oil, but 4½ cents a pound on linseed oil is included in the tariff act.

Mr. GEORGE. Is that the tariff?

Mr. FRAZIER. Yes.

Mr. GEORGE. But not in any special tax?

Mr. FRAZIER. No.

Mr. GEORGE. Mr. President, this is simply an indirect effort to raise the tariff, and the committee has steadfastly refused to raise tariff duties.

Mr. FRAZIER. I do not think it would raise the tariff. It would be only fair, unless fatty acids are included among the oils covered by the bill that come in competition with linseed oil, to include linseed oil.

Mr. GEORGE. This section is intended to stop up loopholes in the law. Some of these oils are covered in the Tariff Act and some are on the free list, but all oil is subjected here to an additional tax. To impose a tax upon a derivative of linseed oil, upon which there is no special tax, but only a tariff, is necessarily an effort to raise the tariff by indirection. There may be merit in the Senator's proposal, but if the committee opens the bill to tariff amendments, we will be here not only today, not only this week, not only to the end of next week, but through all of July, all of August, and into September and probably October. For that reason, having temporary charge of the bill, I oppose the amendment, and am willing to have a vote upon it.

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. FRAZIER. Mr. President, I offer an amendment to the committee amendment on page 268, to insert in line 14, after the word "hempseed" and the comma, the words "perilla seed" and a comma.

Perilla seed was included yesterday in an amendment to this particular amendment on oil; and perilla-seed oil should also be included in the latter part of the amendment, to make it harmonize with the first part of the amendment, including perilla oil.

Mr. GEORGE. Mr. President, in my judgment the amendment now offered by the Senator from North Dakota is a meritorious one. I have no objection to it so far as I am concerned, and will vote with him.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment, as amended.

Mr. RUSSELL. Mr. President, does that include the entire title, or only the section?

Mr. GEORGE. Only the section.

The PRESIDING OFFICER. The question is on agreeing to the section, as amended.

The amendment (section 701) as amended, was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was on page 268, after line 15, to insert:

SEC. 702. PROCESSING TAX ON CERTAIN OILS.

(a) The first sentence of section 602½ (a) of the Revenue Act of 1934, as amended, is amended to read as follows:

"(a) There is hereby imposed upon the first domestic processing of coconut oil, palm oil, palm-kernel oil, fatty acids derived from any of the foregoing oils, salts of any of the foregoing (whether or not such oils, fatty acids, or salts have been refined, sulphonated, sulphated, hydrogenated, or otherwise processed), or any combination or mixture containing a substantial quantity of any one or more of such oils, fatty acids, or salts with respect to any of which oils, fatty acids, or salts there has been no previous first domestic processing and no import tax has been paid under section 601 (c) (8) of the Revenue Act of 1932, as amended, a tax of 3 cents per pound to be paid by the processor."

(b) Notwithstanding the provisions of subsection (a) of this section, the first domestic processing of sunflower oil or sesame oil, imported prior to the effective date of this title, shall be taxed in accordance with the provisions of section 602½ of the Revenue Act of 1934 in force on the date of the enactment of this act.

(c) The last sentence of section 602½ (a) of the Revenue Act of 1934, as amended, is amended by striking therefrom the last comma and the words "but does not include the use of palm oil in the manufacture of tin plate."

The amendment was agreed to.

The next amendment was, on page 269, after line 15, to insert:

SEC. 703. MISCELLANEOUS PROVISIONS.

Nothing in section 601 (c) (8) of the Revenue Act of 1932, as amended, shall be construed as imposing a tax in contravention of an obligation undertaken in any trade agreement heretofore entered into under the authority of section 350 of the Tariff Act of 1930, as amended, or as imposing a tax on the importation of glycerin or stearine pitch or on the importation of any article by reason of any component of such article derived directly or indirectly from a waste not named in section 601 (c) (8) of the Revenue Act of 1932, as amended. Section 402 of the Revenue Act of 1935 is hereby repealed. All taxes accrued or paid under section 402 of the Revenue Act of 1935 on the importation of glycerin or stearine pitch shall be remitted or refunded under such regulations as the Secretary of the Treasury may prescribe.

The amendment was agreed to.

The next amendment was, on page 270, after line 6, to insert:

SEC. 704. EFFECTIVE DATE.

The provisions of this title shall be effective on and after the thirtieth day following the date of the enactment of this act.

The amendment was agreed to.

The LEGISLATIVE CLERK. The next amendment is an amendment passed over, on page 270, after line 10, to insert:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 801. DEDUCTION FOR ESTATE-TAX INSURANCE.

Mr. GEORGE. Mr. President, I ask unanimous consent to pass over that amendment temporarily. It will lead to certain debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GEORGE. I now ask unanimous consent to recur to title I of the bill, and consider the amendments proposed to that title.

The PRESIDING OFFICER. Without objection, the Senate will recur to title I.

Mr. GEORGE. I may say, if the Senate will give me its attention, that so far as the amendments of substance to title I are concerned, they commence on page 9, in section 12, the surtax on individual incomes. I believe there are no preceding amendments.

In this connection I may say that the House bill does not change existing law so far as the surtax rates are concerned. Both the majority and the minority of the Senate committee with respect to an important matter yet to be reached in the bill, I believe, agreed that the amendments made in the surtax rates should be adopted. In other words, there is no difference of opinion in the committee regarding them.

The only change made in the surtax rates is the addition of 1 percent on all net taxable incomes from $6,000 up to $50,000. The increase in the rate is indicated by 1 percent up to a given point in the schedule, and mechanically then the 1 percent is translated into dollars and cents; but the actual increase is an increase of 1 percent in the surtax rates from a net taxable income of $6,000 up to a net taxable income of $50,000. The greatest increase, of course, comes on the net taxable income of $50,000, and in dollars and cents it amounts to $440 per annum.

Mr. RUSSELL. Mr. President, I submit a parliamentary inquiry. As I understand the order of procedure on the bill, committee amendments are to be first considered. I have an amendment which I intend to propose, adding a new section to title V of the bill. I merely wish to ascertain when it will be in order to offer that amendment—whether it should be offered after all the committee amendments have been considered to all the various titles of the bill, or whether it should be proposed to title V while that title is pending.

The PRESIDING OFFICER. Title V will be open to individual amendments after the committee amendments shall have been disposed of.

Mr. RUSSELL. Do I understand the Chair to hold that the committee amendments relating to corporation taxes must be disposed of before title V will be open to individual amendments?

The PRESIDING OFFICER. Yes; the Chair is so informed.

Mr. RUSSELL. That will be quite some time.

Mr. AUSTIN. Mr. President, if the Senator from Georgia will yield for a question, I should like to ask him what estimate was made of the total amount which will be returned by this additional tax of 1 percent.

Mr. GEORGE. Does the Senator mean the revenue that will be derived from the addition of 1 percent to the surtax brackets from $6,000 to $50,000?

Mr. AUSTIN. Yes.

Mr. GEORGE. My recollection is that it is estimated at $50,000,000.

Mr. President, I had made the statement that the greatest increase, of course, is in the higher brackets, and that the actual increase in dollars and cents on a net taxable income of $50,000 amounts to $440. That amount, of course, is carried on through all the subsequent brackets up to the highest income-tax bracket; and, as a mere illustration, under the proposal made by the Finance Committee, the actual increase on a net income of $8,000 is only $20.

Mr. LA FOLLETTE. Mr. President——

Mr. GEORGE. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. It is estimated by the Treasury Department that the increased individual surtaxes provided in this title will produce $29,000,000 of additional revenue.

Mr. GEORGE. My recollection was that it was estimated that they would produce from forty to fifty million dollars; but I have not had any later estimates from the Treasury.

With that explanation, I ask that the amendments commencing on page 9 be acted upon.

The PRESIDING OFFICER. The amendments of the committee to title I will be stated.

The first amendment of the Committee on Finance was, under the heading "Title I—Income tax: Subtitle B—General provisions", on page 9, line 10, before the words "per centum", to strike out "5" and insert "6", so as to read:

(b) Rates of surtax: There shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax as follows:

Upon a surtax net income of $4,000 there shall be no surtax; upon surtax net incomes in excess of $4,000 and not in excess of $6,000, 4 percent of such excess.

$80 upon surtax net incomes of $6,000; and upon surtax net incomes in excess of $6,000 and not in excess of $8,000, 6 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 9, line 11, before the word "upon", to strike out "$180" and insert "$200", and in line 13, before the words "per centum", to strike out "6" and insert "7", so as to read:

$200 upon surtax net incomes of $8,000; and upon surtax net incomes in excess of $8,000 and not in excess of $10,000, 7 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 9, line 15, before the word "upon", to strike out "$300" and insert "$340"; and in

line 17, before the words "per centum", to strike out "7" and insert "8", so as to read:

$340 upon surtax net incomes of $10,000; and upon surtax net incomes in excess of $10,000 and not in excess of $12,000, 8 per centum in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 9, line 19, before the word "upon", to strike out "$440" and insert "$500"; and in line 21, before the words "per centum", to strike out "8" and insert "9", so as to read:

$500 upon surtax net incomes of $12,000; and upon surtax net incomes in excess of $12,000 and not in excess of $14,000, 9 per centum in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 9, line 23, before the word "upon", to strike out "$600" and insert "$680"; and on page 10, line 1, before the words "per centum", to strike out "9" and insert "10", so as to read:

$680 upon surtax net incomes of $14,000; and upon surtax net incomes in excess of $14,000 and not in excess of $16,000, 10 per centum in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 10, line 3, before the word "upon", to strike out "$780" and insert "$880"; and in line 5, before the words "per centum", to strike out "11" and insert "12", so as to read:

$880 upon surtax net incomes of $16,000; and upon surtax net incomes in excess of $16,000 and not in excess of $18,000, 12 per centum in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 10, line 7, before the word "upon", to strike out "$1,000" and insert "$1,120", and in line 9, before the words "per centum", to strike out "13" and insert "14", so as to read:

$1,120 upon surtax net incomes of $18,000; and upon surtax net incomes in excess of $18,000 and not in excess of $20,000, 14 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 10, line 11, before the word "upon", to strike out "$1,260" and insert "$1,400", and in line 13, before the words "per centum", to strike out "15" and insert "16", so as to read:

$1,400 upon surtax net incomes of $20,000; and upon surtax net incomes in excess of $20,000, and not in excess of $22,000, 16 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 10, line 15, before the word "upon", to strike out "$1,560" and insert "$1,720", and in line 17, before the words "per centum", to strike out "17" and insert "18", so as to read:

$1,720 upon surtax net incomes of $22,000; and upon surtax net incomes in excess of $22,000 and not in excess of $26,000, 18 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 10, line 19, before the word "upon", to strike out "$2,240" and insert "$2,440", and in line 21, before the words "per centum", to strike out "19" and insert "20", so as to read:

$2,440 upon surtax net incomes of $26,000; and upon surtax net incomes in excess of $26,000 and not in excess of $32,000, 20 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 10, line 23, before the word "upon" to strike out "$3,380" and insert "$3,640", and on page 11, line 1, before the words "per centum", to strike out "21" and insert "22", so as to read:

$3,640 upon surtax net incomes of $32,000; and upon surtax net incomes in excess of $32,000 and not in excess of $38,000, 22 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 11, line 3, before the word "upon", to strike out "$4,640" and insert "$4,960", and in line 5, before the words "per centum", to strike out "24" and insert "25", so as to read:

$4,960 upon surtax net incomes of $38,000; and upon surtax net incomes in excess of $38,000 and not in excess of $44,000, 25 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 11, line 7, before the word "upon", to strike out "$6,080" and insert "$6,460", and in line 9, before the words "per centum", to strike out "27" and insert "28", so as to read:

$6,460 upon surtax net incomes of $44,000; and upon surtax net incomes in excess of $44,000 and not in excess of $50,000, 28 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 11, line 11, before the word "upon", to strike out "$7,700" and insert "$8,140", so as to read:

$8,140 upon surtax net incomes of $50,000; and upon surtax net incomes in excess of $50,000 and not in excess of $56,000, 31 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 11, line 15, before the word "upon", to strike out "$9,560" and insert "$10,000", so as to read:

$10,000 upon surtax net incomes of $56,000; and upon surtax net incomes in excess of $56,000 and not in excess of $62,000, 35 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 11, line 19, before the word "upon", to strike out "$11,660" and insert "$12,100", so as to read:

$12,100 upon surtax net incomes of $62,000; and upon surtax net incomes in excess of $62,000 and not in excess of $68,000, 39 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 11, line 23, before the word "upon", to strike out "$14,000" and insert "$14,440", so as to read:

$14,440 upon surtax net incomes of $68,000; and upon surtax net incomes in excess of $68,000 and not in excess of $74,000, 43 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 12, line 3, before the word "upon", to strike out "$16,580" and insert "$17,020", so as to read:

$17,020 upon surtax net incomes of $74,000; and upon surtax net incomes in excess of $74,000 and not in excess of $80,000, 47 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 12, line 7, before the word "upon", to strike out "$19,400" and insert "$19,840", so as to read:

$19,840 upon surtax net incomes of $80,000; and upon surtax net incomes in excess of $80,000 and not in excess of $90,000, 51 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 12, line 11, before the word "upon", to strike out "$24,500" and insert "$24,940", so as to read:

$24,940 upon surtax net incomes of $90,000; and upon surtax net incomes in excess of $90,000 and not in excess of $100,000, 55 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 12, line 15, before the word "upon", to strike out "$30,000" and insert "$30,440", so as read:

$30,440 upon surtax net incomes of $100,000; and upon surtax net incomes in excess of $100,000 and not in excess of $150,000, 58 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 12, line 19, before the word "upon", to strike out "$59,000" and insert "$59,440", so as to read:

$59,440 upon surtax net incomes of $150,000; and upon surtax net incomes in excess of $150,000 and not in excess of $200,000, 60 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 12, line 23, before the word "upon", to strike out "$89,000" and insert "$89,440", so as to read:

$89,440 upon surtax net incomes of $200,000; and upon surtax net incomes in excess of $200,000 and not in excess of $250,000, 62 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 13, line 3, before the word "upon", to strike out "$120,000" and insert "$120,440", so as to read:

$120,440 upon surtax net incomes of $250,000; and upon surtax net incomes in excess of $250,000 and not in excess of $300,000, 64 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 13, line 7, before the word "upon", to strike out "$152,000" and insert "$152,440", so as to read:

$152,440 upon surtax net incomes of $300,000; and upon surtax net incomes in excess of $300,000 and not in excess of $400,000, 66 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 13, line 11, before the word "upon", to strike out "$218,000" and insert "$218,440", so as to read:

$218,440 upon surtax net incomes of $400,000; and upon surtax net incomes in excess of $400,000 and not in excess of $500,000, 68 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 13, line 15, before the word "upon", to strike out "$286,000" and insert "$286,440", so as to read:

$286,440 upon surtax net incomes of $500,000; and upon surtax net incomes in excess of $500,000 and not in excess of $750,000, 70 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 13, line 19, before the word "upon", to strike out "$461,000" and insert "$461,440", so as to read:

$461,440 upon surtax net incomes of $750,000; and upon surtax net incomes in excess of $750,000 and not in excess of $1,000,000, 72 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 13, line 23, before the word "upon", to strike out "$641,000" and insert "$641,440", so as to read:

$641,440 upon surtax net incomes of $1,000,000; and upon surtax net incomes in excess of $1,000,000 and not in excess of $2,000,000, 73 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 14, line 3, before the word "upon", to strike out "$1,371,000" and insert "1,371,440", so as to read:

$1,371,440 upon surtax net incomes of $2,000,000; and upon surtax net incomes in excess of $2,000,000 and not in excess of $5,000,000, 74 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 14, line 7, before the word "upon", to strike out "$3,591,000" and insert "$3,591,-440", so as to read:

$3,591,440 upon surtax net incomes of $5,000,000; and upon surtax net incomes in excess of $5,000,000, 75 percent in addition of such excess.

The amendment was agreed to.

The next amendment was, on page 14, after line 9, to insert:

(c) Tax on personal holding companies: For surtax on personal holding companies, see section 351.

Mr. GEORGE. That is merely a cross-reference.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 14, after line 14, to strike out the following section:

SEC. 13. TAX ON CORPORATIONS.

(a) Definitions. As used in this title—

(1) The term "adjusted net income" means the net income in excess of the credit provided in section 26 (relating to interest on certain obligations of the United States and Government corporations);

(2) The term "undistributed net income" means the adjusted net income minus the sum of—

(A) The dividend credit provided in section 27; and

(B) The tax computed under subsection (b).

(b) Rate of tax in general: There shall be levied, collected, and paid for each taxable year upon the adjusted net income of every corporation a tax as follows:

(1) Adjusted net income $10,000 or less: If the adjusted net income is not more than $10,000 the tax shall be computed under schedule I or, at the option of the corporation, under schedule I–A (the tax being the same under both schedules).

(2) Adjusted net income more than $10,000: If the adjusted net income is more than $10,000 the tax shall be computed under schedule II or, at the option of the corporation, under schedule II–A (the tax being the same under both schedules); except that if the adjusted net income is less than $40,000 and if the tax would be less if computed under schedule III, then the tax shall be computed under schedule III.

SCHEDULE I. ADJUSTED NET INCOME OF $10,000 OR LESS

BASED ON UNDISTRIBUTED NET INCOME

If the undistributed net income equals a percentage of the adjusted net income shown in column 1 of the following table, then the tax shall be the percentage of the adjusted net income shown opposite in column 2.

Column 1	Column 2	Column 1	Column 2	Column 1	Column 2
0	----	24	5.10	48	17.40
1	0.10	25	5.50	49	17.95
2	.20	26	5.90	50	18.50
3	.30	27	6.30	51	19.05
4	.40	28	6.70	52	19.60
5	.50	29	7.10	53	20.15
6	.60	30	7.50	54	20.70
7	.70	31	8.05	55	21.25
8	.80	32	8.60	56	21.80
9	.90	33	9.15	57	22.35
10	1.00	34	9.70	58	22.90
11	1.25	35	10.25	59	23.45
12	1.50	36	10.80	60	24.00
13	1.75	37	11.35	61	24.55
14	2.00	38	11.90	62	25.10
15	2.25	39	12.45	63	25.65
16	2.50	40	13.00	64	26.20
17	2.75	41	13.55	65	26.75
18	3.00	42	14.10	66	27.30
19	3.25	43	14.65	67	27.85
20	3.50	44	15.20	68	28.40
21	3.90	45	15.75	69	28.95
22	4.30	46	16.30	70	29.50
23	4.70	47	16.85		

If the undistributed net income is a percentage of the adjusted net income which is less than 10 (and such percentage is not shown in the foregong table), the tax shall be a percentage of the adjusted net income equal to one-tenth of the percentage which the undistributed net income is of the adjusted net income.

If the undistributed net income is a percentage of the adjusted net income which is more than 10 and less than 20 (and such percentage is not shown in the foregoing table), the tax shall be a percentage of the adjusted net income equal to the sum of 1, plus one-fourth of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 10.

If the undistributed net income is a percentage of the adjusted net income which is more than 20 and less than 30 (and such percentage is not shown in the foregoing table), the tax shall be a percentage of the adjusted net income equal to the sum of 3.5, plus four-tenths of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 20.

If the undistributed net income is a percentage of the adjusted net income which is more than 30 (and such percentage is not shown in the foregoing table), the tax shall be a percentage of the adjusted net income equal to the sum of 7.5, plus fifty-five one-hundredths of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 30.

SCHEDULE I–A—ADJUSTED NET INCOME OF $10,000 OR LESS

BASED ON DIVIDEND CREDIT

If the dividend credit equals a percentage of the adjusted net income shown in column 1 of the following table, then the tax shall be the percentage of the adjusted net income shown opposite in column 2.

Column 1	Column 2	Column 1	Column 2	Column 1	Column 2
0	29.6774	6	27.5484	12	25.4194
1	29.3226	7	27.1935	13	25.0645
2	28.9677	8	26.8387	14	24.7097
3	28.6129	9	26.4839	15	24.3548
4	28.2581	10	26.1290	16	24.0000
5	27.9032	11	25.7742	17	23.6452

Column 1	Column 2	Column 1	Column 2	Column 1	Column 2
18	23.2903	47	13.0000	75	3.9286
19	22.9355	48	12.6452	76	3.6429
20	22.5806	49	12.2903	76.5	3.5000
21	22.2258	50	11.9355	77	3.4000
22	21.8710	51	11.5806	78	3.2000
23	21.5161	52	11.2258	79	3.0000
24	21.1613	53	10.8710	80	2.8000
25	20.8065	54	10.5161	81	2.6000
26	20.4516	55	10.1613	82	2.4000
27	20.0968	56	9.8065	83	2.2000
28	19.7419	57	9.4516	84	2.0000
29	19.3871	58	9.0968	85	1.8000
30	19.0323	59	8.7419	86	1.6000
31	18.6774	60	8.3871	87	1.4000
32	18.3226	61	8.0323	88	1.2000
33	17.9677	62	7.6774	89	1.0000
34	17.6129	62.5	7.5000	90	.9091
35	17.2581	63	7.3571	91	.8182
36	16.9032	64	7.0714	92	.7273
37	16.5484	65	6.7857	93	.6364
38	16.1935	66	6.5000	94	.5455
39	15.8387	67	6.2143	95	.4545
40	15.4839	68	5.9286	96	.3636
41	15.1290	69	5.6429	97	.2727
42	14.7742	70	5.3571	98	.1818
43	14.4194	71	5.0714	99	.0909
44	14.0645	72	4.7857	100	------
45	13.7097	73	4.5000		
46	13.3548	74	4.2143		

If the dividend credit is a percentage of the adjusted net income which is less than 62.5 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 7.5, plus eleven thirty-firsts of the amount by which 62.5 exceeds the percentage which the dividend credit is of the adjusted net income.

If the dividend credit is a percentage of the adjusted net income which is more than 62.5 and less than 76.5 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 3.5, plus two-sevenths of the amount by which 76.5 exceeds the percentage which the dividend credit is of the adjusted net income.

If the dividend credit is a percentage of the adjusted net income which is more than 76.5 and less than 89 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 1, plus one-fifth of the amount by which 89 exceeds the percentage which the dividend credit is of the adjusted net income.

If the dividend credit is a percentage of the adjusted net income which is more than 89 and less than 100 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to one-eleventh of the amount by which 100 exceeds the percentage which the dividend credit is of the adjusted net income.

SCHEDULE II—ADJUSTED NET INCOME OF MORE THAN $10,000

BASED ON UNDISTRIBUTED NET INCOME

If the undistributed net income equals a percentage of the adjusted net income shown in column 1 of the following table, then the tax shall be the percentage of the adjusted net income shown opposite in column 2.

Column 1	Column 2	Column 1	Column 2	Column 1	Column 2
0	----	20	9.0	40	25.0
1	0.4	21	9.6	41	26.0
2	.8	22	10.2	42	27.0
3	1.2	23	10.8	43	28.0
4	1.6	24	11.4	44	29.0
5	2.0	25	12.0	45	30.0
6	2.4	26	12.6	46	31.0
7	2.8	27	13.2	47	32.0
8	3.2	28	13.8	48	33.0
9	3.6	29	14.4	49	34.0
10	4.0	30	15.0	50	35.0
11	4.5	31	16.0	51	36.0
12	5.0	32	17.0	52	37.0
13	5.5	33	18.0	53	38.0
14	6.0	34	19.0	54	39.0
15	6.5	35	20.0	55	40.0
16	7.0	36	21.0	56	41.0
17	7.5	37	22.0	57	42.0
18	8.0	38	23.0	57.5	42.5
19	8.5	39	24.0		

If the undistributed net income is a percentage of the adjusted net income which is less than 10 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to four-tenths of the percentage which the undistributed net income is of the adjusted net income.

If the undistributed net income is a percentage of the adjusted net income which is more than 10 and less than 20 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 4, plus one-half of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 10.

If the undistributed net income is a percentage of the adjusted net income which is more than 20 and less than 30 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 9, plus six-tenths of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 20.

If the undistributed net income is a percentage of the adjusted net income which is more than 30 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 15, plus the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 30.

SCHEDULE II–A—ADJUSTED NET INCOME OF MORE THAN $10,000

BASED ON DIVIDEND CREDIT

If the dividend credit equals a percentage of the adjusted net income shown in column 1 of the following table, then the tax shall be the percentage of the adjusted net income shown opposite in column 2.

Column 1	Column 2	Column 1	Column 2	Column 1	Column 2
0	42.5	34	25.500	68	10.1250
1	42.0	35	25.000	69	9.7500
2	41.5	36	24.500	70	9.3750
3	41.0	37	24.000	71	9.0000
4	40.5	38	23.500	72	8.66666667
5	40.0	39	23.000	73	8.33333333
6	39.5	40	22.500	74	8.00000000
7	39.0	41	22.000	75	7.66666667
8	38.5	42	21.500	76	7.33333333
9	38.0	43	21.000	77	7.00000000
10	37.5	44	20.500	78	6.66666667
11	37.0	45	20.000	79	6.33333333
12	36.5	46	19.500	80	6.00000000
13	36.0	47	19.000	81	5.66666667
14	35.5	48	18.500	82	5.33333333
15	35.0	49	18.000	83	5.00000000
16	34.5	50	17.500	84	4.66666667
17	34.0	51	17.000	85	4.33333333
18	33.5	52	16.500	86	4.00000000
19	33.0	53	16.000	87	3.71428571
20	32.5	54	15.500	88	3.42857143
21	32.0	55	15.000	89	3.14285714
22	31.5	56	14.625	90	2.85714286
23	31.0	57	14.250	91	2.57142857
24	30.5	58	13.875	92	2.28571429
25	30.0	59	13.500	93	2.00000000
26	29.5	60	13.125	94	1.71428571
27	29.0	61	12.750	95	1.42857143
28	28.5	62	12.375	96	1.14285714
29	28.0	63	12.000	97	.85714286
30	27.5	64	11.625	98	.57142857
31	27.0	65	11.250	99	.28571429
32	26.5	66	10.875	100	----------
33	26.0	67	10.500		

If the dividend credit is a percentage of the adjusted net income which is less than 55 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 15, plus one-half of the amount by which 55 exceeds the percentage which the dividend credit is of the adjusted net income.

If the dividend credit is a percentage of the adjusted net income which is more than 55 and less than 71 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 9, plus three-eighths of the amount by which 71 exceeds the percentage which the dividend credit is of the adjusted net income.

If the dividend credit is a percentage of the adjusted net income which is more than 71 and less than 86 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 4, plus one-third of the amount by which 86 exceeds the percentage which the dividend credit is of the adjusted net income.

If the dividend credit is a percentage of the adjusted net income which is more than 86 and less than 100 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to two-sevenths of the amount by which 100 exceeds the percentage which the dividend credit is of the adjusted net income.

SCHEDULE III—ALTERNATIVE SCHEDULE FOR ADJUSTED NET INCOME OF MORE THAN $10,000 AND LESS THAN $40,000

If the adjusted net income is more than $10,000 and less than $40,000 the tax shall be computed by adding:

(A) A tax computed under schedule I. For such purpose the percentage which the undistributed net income is of the adjusted net income shall be ascertained by subtracting from the adjusted net income the dividend credit and a tax determined under schedule II or II–A; and

(B) A tax upon the amount of the adjusted net income in excess of $10,000 at the rate which would be applied if the tax upon the entire adjusted net income were being computed under schedule II. For such purpose the percentage which the undistributed net income is of the adjusted net income shall be ascertained by subtracting from the adjusted net income the dividend credit and a tax determined under schedule II or II–A.

(c) Exempt corporations: For corporations exempt from tax, see section 101.

(d) Banks and trust companies: For taxation of certain banks and trust companies, see section 104.

(e) Receiverships: For taxation of domestic corporations in receivership, see section 105.

(f) Improper accumulation of surplus: For surtax on corporations which accumulate surplus to avoid surtax on stockholders, see section 102.

The amendment was agreed to.

The next amendment was, on page 24, after line 21, to strike out the following section:

SEC. 14. ACCUMULATED EARNINGS AND PROFITS LESS THAN ADJUSTED NET INCOME.

(a) General rule: If the accumulated earnings and profits of the corporation as of the close of the taxable year (computed without diminution by reason of the distribution during the taxable year of earnings and profits, or by reason of the taxes imposed by this title for the taxable year) are less than the adjusted net income, the tax imposed by section 13 shall, in lieu of being computed under section 13, be computed by adding:

(1) A tax of 15 percent of the excess of the adjusted net income over such accumulated earnings and profits; and

(2) A tax upon the remainder of the adjusted net income (less the tax under paragraph (1)) computed under section 13 as if the adjusted net income were equal to the amount of such remainder so reduced.

(b) Tax not to be increased: This section shall not be applied in any case in which such application would operate to increase the tax which would be payable without its application.

The amendment was agreed to.

The next amendment was, on page 25, after line 17, to strike out the following section:

SEC. 15. CONTRACTS NOT TO PAY DIVIDENDS.

(a) General rule: If under a written contract executed by the corporation prior to March 3, 1936, there is no form in which dividends equal to the adjusted net income for the taxable year may be paid during the taxable year without violating a provision of such contract expressly dealing with the payment of dividends, the tax imposed by section 13 shall, in lieu of being computed under such section, be computed by adding:

(1) A tax of 22½ percent of the excess of the adjusted net income over the amount which is not prohibited during the whole of the taxable year from being paid as dividends during the taxable year; and

(2) A tax upon the remainder of the adjusted net income (less the tax under paragraph (1)) computed under section 13 as if the adjusted net income were equal to the amount of such remainder so reduced.

(b) Tax not to be increased: This section shall not be applied in any case in which such application would operate to increase the tax which would be payable without its application.

The amendment was agreed to.

The next amendment was, on page 26, after line 14, to strike out the following section:

SEC. 16. DEBTS.

(a) Definition of "debt": As used in this section the term "debt" means an indebtedness of the corporation existing at the close of business on March 3, 1936, and evidenced by a bond, note, debenture, certificate of indebtedness, mortgage, or deed of trust, issued by the corporation and in existence at the close of business on March 3, 1936, or by a bill of exchange accepted by the corporation prior to, and in existence at, the close of business on such date, to the following extent:

(1) If having a maturity at the time of issue of 3 years or more, then to the full amount thereof;

(2) If having a maturity at the time of issue of less than 3 years, then to the extent shown to the satisfaction of the Commissioner (whose decision shall be final) to represent indebtedness incurred by the corporation prior to March 4, 1933; or

(3) If having a maturity at the time of issue of less than 3 years, then to the extent shown to the satisfaction of the Commissioner (whose decision shall be final) to evidence indebtedness of the corporation incurred in the acquisition of capital assets, except (A) shares of stock in any corporation, or (B) rights to subscribe for or to receive such shares, or (C) bonds, debentures, notes, or certificates or other evidences of indebtedness, issued by any corporation, with interest coupons or in registered form, or (D) certificates of profit, or of interest in property or accumulations, in any investment trust or similar organization holding or dealing in any of the instruments mentioned or described in this paragraph, regardless of whether or not such investment trust or similar organization constitutes a corporation within the meaning of this act.

(b) Computation of tax: If the sum of all the debts computed under subsection (a) of this section is in excess of the accumulated earnings and profits of the corporation as of the day before the first day of its first taxable year beginning after December 31, 1935, and if the corporation, in its return for its first taxable year under this title, specifies the number of consecutive taxable years (not less than 5) over which such debt excess shall be amortized for the purposes of this subsection, then for such number of consecutive taxable years, beginning with the first taxable year of the corporation under this title (or if no such specification is made, then for the first 10 taxable years) the tax imposed by section 13, in lieu of being computed under such section, shall be computed by adding:

(1) A tax of 22½ percent of an amount of the adjusted net income equal to the amount of such debt excess divided by the number of years so specified (or, if no specification, then by 10); and

(2) A tax upon the remainder of the adjusted net income (less the tax under paragraph (1)) computed under section 13 as if the adjusted net income were equal to the amount of such remainder so reduced.

(c) Tax not to be increased: This section shall not be applied in any case in which such application would operate to increase the tax which would be payable without its application.

(d) List of evidences of indebtedness: Every corporation shall accompany its return for its first taxable year under this title with an itemized list (prepared in accordance with regulations prescribed by the Commissioner, with the approval of the Secretary) of the bonds, notes, and other instruments which it claims evidence indebtedness coming within the meaning of the term "debt" as defined in subsection (a). For the purposes of this section no debt shall be included in computing debts under subsection (a) unless the instrument evidencing such debt is included in such list.

The amendment was agreed to.

The next amendment was, on page 29, after line 11, to strike out the following section:

SEC. 17. APPLICATION OF SECTIONS 14, 15, AND 16 TO SAME TAXABLE YEAR.

If in the case of any corporation more than one of sections 14, 15, and 16 are applicable, the tax shall be computed under the one of such sections which will produce the least tax.

The amendment was agreed to.

The next amendment was, on page 29, after line 17, to insert the following section:

SEC. 13. NORMAL TAX ON CORPORATIONS.

(a) Definition: As used in this title the term "normal-tax net income" means the net income minus the sum of—

(1) Interest on obligations of the United States and its instrumentalities: The credit provided in section 26 (a).

(2) Dividends received: The credit provided in section 26 (b).

(b) Imposition of tax: There shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every corporation a normal tax, as follows:

Upon normal-tax net incomes not in excess of $2,000, 15½ percent.

$310 upon normal-tax net incomes of $2,000; and upon normal-tax net incomes in excess of $2,000 and not in excess of $15,000, 16 percent in addition of such excess.

$2,390 upon normal-tax net incomes of $15,000; and upon normal-tax net incomes in excess of $15,000 and not in excess of $40,000, 17 percent in addition of such excess.

$6,640 upon normal-tax net incomes of $40,000; and upon normal-tax net incomes in excess of $40,000, 18 percent in addition of such excess.

(c) Exempt corporations: For corporations exempt from taxation under this title, see section 101.

Mr. GEORGE. Mr. President, this section brings up a controversial feature in the bill. I suggest that we pass on to page 39. That would carry us by all the matters in controversy, if that is agreeable to Senators.

The PRESIDING OFFICER. Without objection, the amendment will be passed over. The clerk will state the next amendment of the committee.

The next amendment was, in section 23, "Deductions from gross income", on page 39, line 7, after the word "taxes", to insert "(other than the excess-profits tax imposed by section 106 of the Revenue Act of 1935)", so as to read:

In computing net income there shall be allowed as deductions:

(a) Expenses: All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered; traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity.

(b) Interest: All interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from the taxes imposed by this title.

(c) Taxes generally: Taxes paid or accrued within the taxable year, except—

(1) Federal income, war-profits, and excess-profits taxes (other than the excess-profits tax imposed by section 106 of the Revenue Act of 1935);

(2) Income, war-profits, and excess-profits taxes imposed by the authority of any foreign country or possession of the United States; but this deduction shall be allowed in the case of a taxpayer who does not signify in his return his desire to have to any extent the

benefits of section 131 (relating to credit for taxes of foreign countries and possessions of the United States);

(3) Estate, inheritance, legacy, succession, and gift taxes; and

(4) Taxes assessed against local benefits of a kind tending to increase the value of the property assessed; but this paragraph shall not exclude the allowance as a deduction of so much of such taxes as is properly allocable to maintenance or interest charges.

The amendment was agreed to.

The next amendment was, on page 52, after line 8, to strike out:

SEC. 26. CREDITS OF CORPORATION AGAINST NET INCOME.

For the purpose only of the tax imposed by section 13, 104, 105, 231 (a), 251, or 261 there shall be allowed as a credit against net income the amount received as interest upon obligations of the United States or of corporations organized under act of Congress which is allowed to an individual as a credit for purposes of normal tax by section 25 (a) (1) or (2).

And in lieu thereof to insert:

SEC. 26. CREDITS OF CORPORATION.

In the case of a corporation the following credits shall be allowed to the extent provided in the various sections imposing tax—

(a) Interest on obligations of the United States and its instrumentalities: The amount received as interest upon obligations of the United States or of corporations organized under act of Congress which is allowed to an individual as a credit for purposes of normal tax by section 25 (a) (1) or (2).

(b) Dividends received: Ninety percent of the amount received as dividends from a domestic corporation which is subject to taxation under this title. The credit allowed by this subsection shall not be allowed in respect of dividends received from a corporation organized under the China Trade Act, 1922, or from a corporation which under section 251 is taxable only on its gross income from sources within the United States by reason of its receiving a large percentage of its gross income from sources within a possession of the United States.

(c) Contracts not to pay dividends: The amount by which the adjusted net income exceeds the amount which during the whole of the taxable year is not prohibited by a contract from being paid as dividends during the taxable year. As used in this subsection, the term "contract" means a written contract executed by the corporation prior to March 3, 1936, under which there is no form in which dividends equal to the adjusted net income for the taxable year may be paid during the taxable year without violating a provision of such contract expressly dealing with the payment of dividends.

(d) Bank affiliates: In the case of a holding company affiliate (as defined in sec. 2 of the Banking Act of 1933), the amount of the earnings or profits which the Board of Governors of the Federal Reserve System certifies to the Commissioner has been devoted by such affiliate during the taxable year to the acquisition of readily marketable assets other than bank stock in compliance with section 5144 of the Revised Statutes, but the aggregate amount allowable under this subsection for all taxable years shall not exceed the amount required to be devoted under such section to such purposes.

The amendment was agreed to.

The next amendment was, on page 54, line 11, to strike out "dividend" and to insert in lieu thereof "dividends paid."

Mr. COUZENS. Mr. President, has the amendment in subsection (c) of section 26, on page 53, been agreed to? I did not hear that amendment stated.

Mr. GEORGE. It is my understanding that it has been agreed to.

Mr. COUZENS. I do not remember the clerk reading the different sections for approval. I raise the question because an amendment is being prepared to subsection (c) in regard to contracts not to pay dividends, so as to provide a cushion for corporations which are required to create sinking funds as the result of bond issues.

Mr. GEORGE. I recall that.

Mr. COUZENS. If subsection (c) has been agreed to, I suggest that the vote be reconsidered and that the amendment be passed over.

Mr. GEORGE. If the amendment on page 53 in subsection (c) has been agreed to I ask that the vote by which it was agreed to be reconsidered and that the amendment be passed over temporarily.

The PRESIDING OFFICER. Without objection the vote by which the amendment, beginning on page 52, line 9, and going through line 9, page 54, was agreed to, is reconsidered, and the amendment will be passed over.

Mr. BARBOUR. Mr. President, I now offer my amendment.

Mr. GEORGE. Mr. President, I should like to state, merely in order that we may maintain regularity, that the Senate committee has made no amendment to the text at this place, and the amendment is not now in order. If it were one single amendment, of course, I should be delighted to accommodate the Senator from New Jersey, but I apprehend that he will have to remain in attendance in the Senate anyway until we finish the committee amendments, and we would like to proceed regularly.

Mr. BARBOUR. Mr. President, that is perfectly reasonable.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, in section 27, "Corporation credit for dividends paid", on page 54, line 11, before the word "credit", to strike out "dividend" and insert "dividends paid", and in line 12, after the words "the" where it occurs the second time, to strike out "dividend" and insert "dividends paid", so as to read:

(a) Dividends paid credit in general: For the purposes of this title, the dividends paid credit shall be the amount of dividends paid during the taxable year.

The amendment was agreed to.

The next amendment was, on page 54, line 15, after the word "the", to strike out "dividend" and insert "dividends paid", and in line 18, after the word "the", to strike out "dividend" and insert "dividends paid"; in line 22, after the article "a", to strike out "dividend" and insert "dividends paid"; and on page 55, after line 3, to strike out "in the case of a taxable year the tax for which has been or is being computed under section 14 or 15 the term 'adjusted net income' as used in this subsection means the amount subject to tax under subsection (a) (2) of such section; and in case of a taxable year the tax for which has been or is being computed under section 16 the term 'adjusted net income' as used in this subsection means the amount subject to tax under subsection (b) (2) of such section", so as to read:

(b) Dividend carry-over: In computing the dividends paid credit for any taxable year, if the dividends paid during the taxable year are less than the adjusted net income, there shall be allowed as part of the dividends paid credit, and in the following order:

(1) Dividends paid during the second preceding taxable year in excess of the adjusted net income for such year, to the extent not needed as a dividends paid credit for the taxable year preceding the taxable year the tax for which is being computed; and

(2) Dividends paid during the first preceding taxable year in excess of the adjusted net income for such year. No credit shall be allowed for dividends paid by a corporation prior to its first taxable year under this title.

The amendment was agreed to.

The next amendment was, on page 55, line 16, after the word "the" where it occurs the second time, to strike out "dividend" and insert "dividends paid", so as to read:

(c) Dividends in kind: If a dividend is paid in property other than money (including stock of the corporation if held by the corporation as an investment) the dividends paid credit with respect thereto shall be the adjusted basis of the property in the hands of the corporation at the time of the payment, or the fair market value of the property at the time of the payment, whichever is the lower.

The amendment was agreed to.

The next amendment was, on page 55, line 24, after the word "the" where it occurs the second time, to strike out "dividend" and insert "dividends paid", so as to read:

(d) Dividends in obligations of the corporation: If a dividend is paid in obligations of the corporation, the amount of the dividends paid credit with respect thereto shall be the face value of the obligations, or their fair market value at the time of the payment, whichever is the lower. If the fair market value is lower than the face value, then when the obligation is redeemed by the corporation, the excess of the amount for which redeemed over the fair market value at the time of the dividend payment (to the extent not allowable as a deduction in computing net income for any taxable year) shall be treated as a dividend paid in the taxable year in which the redemption occurs.

The amendment was agreed to.

The next amendment was, on page 56, line 13, after the word "the", to strike out "dividend" and insert "dividends paid", so as to read:

(e) Taxable stock dividends: In case of a stock dividend or stock right which is a taxable dividend in the hands of shareholders under section 115 (f), the dividends paid credit with respect thereto shall be the fair market value of the stock or the stock right at the time of the payment.

The amendment was agreed to.

The next amendment was, on page 56, line 21, after the word "the", to strike out "dividend" and insert "dividends paid", so as to read:

(f) Distributions in liquidation: In the case of amounts distributed in liquidation the part of such distribution which is properly chargeable to the earnings or profits accumulated after February 28, 1913, shall, for the purposes of computing the dividends paid credit under this section, be treated as a taxable dividend paid.

The amendment was agreed to.

The next amendment was, on page 56, line 23, after the word "No", to strike out "dividend" and insert "dividends paid", and on page 57, line 2, after the word "class", to strike out the comma and "and each of the shareholders of that class, who are subject to taxation under this title for the period in which the distribution is made, receives a taxable dividend as a result of the distribution", so as to read:

(g) Preferential dividends: No dividends paid credit shall be allowed with respect to any distribution unless the distribution is pro rata, equal in amount, and with no preference to any share of stock as compared with other shares of the same class.

The amendment was agreed to.

The next amendment was, on page 57, line 11, after the word "no", to strike out "dividend" and insert "dividends paid", so as to read:

(h) Nontaxable distributions: If any part of a distribution (including stock dividends and stock rights) is not a taxable dividend in the hands of such of the shareholders as are subject to taxation under this title for the period in which the distribution is made, no dividends paid credit shall be allowed with respect to such part.

The amendment was agreed to.

The next amendment was, on page 57, after line 13, to strike out:

(i) Intercorporate dividends: If 80 percent or more of the gross income of the corporation is derived from dividends, then the dividend credit with respect to each dividend payment shall be reduced to an amount equal to the sum of:

(1) The portion of such dividend payment paid to shareholders other than corporations;

(2) The portion of such dividend payment paid to corporations taxable under section 104, 105, 201, 204, 207, 231, 251, or 261, or to corporations exempt from taxation under section 101;

(3) The portion of such dividend payment made to a corporate shareholder owning less than 50 percent of the class of stock with respect to which the dividend is paid; and

(4) An amount of such dividend payment paid to other corporate shareholders which bears the same ratio to the total dividend payment paid to them as the part of the gross income not derived from dividends bears to the entire gross income.

The amendment was agreed to.

The next amendment was, on page 58, line 19, after the numerals "143", to insert "or 144", so as to make the section read:

SEC. 32. TAXES WITHHELD AT SOURCE.

The amount of tax withheld at the source under section 143 or 144 shall be allowed as a credit against the tax.

The next amendment was, in section 43, on page 60, line 7, to strike out the word "dividend" and to insert in lieu thereof the words "dividends paid", so as to read:

SEC. 43. PERIOD FOR WHICH DEDUCTIONS AND CREDITS TAKEN.

The deductions and credits (other than the dividends paid credit provided in section 27) provided for in this title shall be taken for the taxable year in which "paid or accrued" or "paid or incurred", dependent upon the method of accounting upon the basis of which the net income is computed, unless in order to clearly reflect the income the deductions or credits should be taken as of a different period. In the case of the death of a taxpayer there shall be allowed as deductions and credits for the taxable period in which falls the date of his death amounts accrued up to the date of his death, if not otherwise properly allowable in respect of such period or a prior period.

The amendment was agreed to.

The next amendment was, in section 102, "Surtax on corporations improperly accumulating surplus", on page 82, after line 21, to strike out:

(a) Corporations to which applicable: This section shall apply only to (1) banks as defined in section 104, (2) insurance companies, (3) foreign corporations, (4) corporations organized under the China Trade Act, 1922, (5) corporations entitled to the benefits of section 251, and (6) personal holding companies as defined in subsection (b).

(b) Definitions: As used in this title—

(1) The term "personal holding company" means any corporation (other than a corporation specified in clauses (1), (2), (3), (4), and (5) of subsection (a)) if—(A) at least 80 percent of its gross income for the taxable year is derived from royalties, dividends, interest, rents, annuities, and (except in the case of regular dealers in stock or securities) gains from the sale of stock or securities, and (B) at any time during the last half of the taxable year more than 50 percent in value of its outstanding stock is owned, directly or indirectly, by or for not more than five individuals. For the purpose of determining the ownership of stock in a personal holding company—(C) stock owned, directly or indirectly, by a corporation, partnership, estate, or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries; (D) an individual shall be considered as owning, to the exclusion of any other individual, the stock owned, directly or indirectly, by his family, and this rule shall be applied in such manner as to produce the smallest possible number of individuals owning, directly or indirectly, more than 50 percent in value of the outstanding stock; and (E) the family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

(2) The term "retained net income" means the net income minus, in the case of corporations subject to the tax imposed by section 13, the dividend credit allowed by section 27, and, in the case of corporations not subject to the tax imposed by section 13, a dividend credit computed in the same manner as if such corporations were subject to such tax. In either case for the purposes of this section the dividend credit shall be computed by substituting in section 27 for the words "adjusted net income" wherever appearing in such section the words "net income."

The amendment was agreed to.

The next amendment was, on page 84, line 18, after the word "year", to insert "(in addition to other taxes imposed by this title)"; in line 20, after the word "corporation", to strike out "specified in subsection (a)" and insert "(other than a personal holding company as defined in section 351)"; and in line 25, after the word "permitting", to strike out "gains and" and insert "earnings or", so as to read:

(a) Imposition of tax: There shall be levied, collected, and paid for each taxable year (in addition to other taxes imposed by this title) upon the net income of every corporation (other than a personal holding company as defined in section 351) if such corporation, however created or organized, is formed or availed of for the purpose of preventing the imposition of the surtax upon its shareholders or the shareholders of any other corporation, through the medium of permitting earnings or profits to accumulate instead of being divided or distributed, a surtax equal to the sum of the following:

(1) 25 percent of the amount of the retained net income not in excess of $100,000, plus

(2) 35 percent of the amount of the retained net income in excess of $100,000.

The amendment was agreed to.

The next amendment was, on page 85, line 10, after the word "the", to strike out "gains" and insert "earnings", and in line 12, after the word "surtax", to insert "upon shareholders", so as to read:

(b) Prima-facie evidence: The fact that any corporation is a mere holding or investment company, or that the earnings or profits are permitted to accumulate beyond the reasonable needs of the business, shall be prima-facie evidence of a purpose to avoid surtax upon shareholders.

The amendment was agreed to.

The next amendment was, on page 85, after line 13, to insert:

(c) DEFINITIONS.—As used in this title—

(1) Special adjusted net income: The term "special adjusted net income" means the net income minus the sum of—

(A) Taxes: Federal income, war-profits, and excess-profits taxes paid or accrued during the taxable year, to the extent not allowed as a deduction by section 23, but not including the tax imposed by this section or a corresponding section of a prior income-tax law.

(B) Bank affiliates: In the case of a holding company affiliate (as defined in sec. 2 of the Banking Act of 1933), the amount allowed as a credit under section 26 (d).

(C) Disallowed charitable, etc., contributions: Contributions or gifts, not otherwise allowed as a deduction, to or for the use of donees described in section 23 (o), for the purposes therein specified.

(D) Disallowed losses: Losses from sales or exchanges of capital assets which are disallowed as a deduction by section 117 (d).

(2) Retained net income: The term "retained net income" means the special adjusted net income minus the sum of the dividends paid credit provided in section 27 and the credit provided in section 26 (c), relating to contracts not to pay dividends. For the purposes of this subsection, such credits shall be computed by substituting in section 26 (c) and in section 27 for the words

"adjusted net income" wherever appearing in such sections the words "special adjusted net income."

The amendment was agreed to.

The next amendment was, on page 86, line 23, before the word "all", to insert "(1)", and on page 87, line 2, after the word "year", to insert a comma and "and (2) 90 percent or more of such retained net income is so included in the gross income of shareholders other than corporations", so as to read:

(d) Payment of surtax on pro-rata shares: The tax imposed by this section shall not apply if (1) all the shareholders of the corporation include (at the time of filing their returns) in their gross income their entire pro-rata shares, whether distributed or not, of the retained net income of the corporation for such year, and (2) 90 percent or more of such retained net income is so included in the gross income of shareholders other than corporations. Any amount so included in the gross income of a shareholder shall be treated as a dividend received. Any subsequent distribution made by the corporation out of earnings or profits for such taxable year shall, if distributed to any shareholder who has so included in his gross income his pro-rata share, be exempt from tax in the amount of the share so included.

The amendment was agreed to.

The next amendment was, on page 87, after line 11, to insert:

(e) Statement of reasons for accumulation: Every corporation subject to taxation under this title (other than a personal holding company as defined in sec. 351) the retained net income of which is more than 40 percent of the special adjusted net income, or more than $15,000, whichever is the greater, shall include in its return a statement setting forth the reasons for accumulating the earnings or profits.

(f) Period of limitation: For extended period of limitation for assessment and collection of tax imposed by this section, see section 276 (b).

(g) Tax on personal holding companies: For surtax on personal holding companies, see section 351.

The amendment was agreed to.

The next amendment was, on page 88, line 7, after the numerals "12", to insert "13,"; in line 8, before the word "shall", to insert "(a)"; in line 12, after the numerals "12", to insert "13"; and in line 13, after the numerals "231", insert "(a)", so as to read:

SEC. 103. RATES OF TAX ON CITIZENS AND CORPORATIONS OF CERTAIN FOREIGN COUNTRIES.

Whenever the President finds that, under the laws of any foreign country, citizens or corporations of the United States are being subjected to discriminatory or extraterritorial taxes, the President shall so proclaim and the rates of tax imposed by sections 11, 12, 13, 201 (b), 204 (a), 211 (a), and 231 (a) shall, for the taxable year during which such proclamation is made and for each taxable year thereafter, be doubled in the case of each citizen and corporation of such foreign country; but the tax at such doubled rate shall be considered as imposed by section 11, 12, 13, 201 (b), 204 (a), 211 (a), or 231 (a), as the case may be. In no case shall this section operate to increase the taxes imposed by such sections (computed without regard to this section) to an amount in excess of 80 percent of the net income of the taxpayer. Whenever the President finds that the laws of any foreign country with respect to which the President has made a proclamation under the preceding provisions of this section have been modified so that discriminatory and extraterritorial taxes applicable to citizens and corporations of the United States have been removed, he shall so proclaim, and the provisions of this section providing for doubled rates of tax shall not apply to any citizen or corporation of such foreign country with respect to any taxable year beginning after such proclamation is made.

The amendment was agreed to.

The next amendment was, at the top of page 89, to strike out:

SEC. 104. TAX OF BANKS AND TRUST COMPANIES.

(a) Definitions: As used in this section the term "bank" means a bank or trust company incorporated under the laws of the United States or of any State or Territory, a substantial part of whose business is the receipt of deposits and the making of loans and discounts.

(b) Rate of tax: There shall be levied, collected, and paid for each taxable year, in lieu of the tax imposed by section 13, upon the net income of every bank a tax of 15 percent of the amount of the net income in excess of the credit provided in section 26 (relating to interest on certain obligations of the United States and Government corporations).

The amendment was agreed to.

The next amendment was, on page 89, after line 13, to strike out:

SEC. 105. TAX ON DOMESTIC CORPORATIONS IN RECEIVERSHIP.

There shall be levied, collected, and paid for each taxable year, in lieu of the tax imposed by section 13, upon the net income of every domestic corporation in receivership or in bankruptcy a tax of 15 percent of the amount of the net income in excess of the credit provided in section 26 (relating to interest on certain obligations of the United States and Government corporations).

The amendment was agreed to.

The next amendment was, on page 89, after line 22, to insert:

SEC. 104. SALE OF OIL OR GAS PROPERTIES.

In the case of a bona-fide sale of any oil or gas property, or any interest therein, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, the portion of the tax imposed by section 12 attributable to such sale shall not exceed 30 percent of the selling price of such property or interest.

The amendment was agreed to.

The next amendment was, in "Sec. 115. Distributions by corporations", on page 112, line 13, after the numerals "1913", to insert a comma and the words ", or (2) out of the earnings or profits of the taxable year (computed as of the close of the taxable year without diminution by reason of any distributions made during the taxable year), without regard to the amount of the earnings and profits at the time the distribution was made", so as to read:

SEC. 115. DISTRIBUTIONS BY CORPORATIONS.

(a) Definition of dividend: The term "dividend" when used in this title (except in sec. 203 (a) (3) and sec. 207 (c) (1), relating to insurance companies) means any distribution made by a corporation to its shareholders, whether in money or in other property, (1) out of its earnings or profits accumulated after February 28, 1913, or (2) out of the earnings or profits of the taxable year (computed as of the close of the taxable year without diminution by reason of any distributions made during the taxable year), without regard to the amount of the earnings and profits at the time the distribution was made.

The amendment was agreed to.

The next amendment was, on page 115, line 13, after the word "not", to strike out "out of earnings or profits", and insert "a dividend", so as to read:

(d) Other distributions from capital: If any distribution (not in partial or complete liquidation) made by a corporation to its shareholders is not out of increase in value of property accrued before March 1, 1913, and is not a dividend, then the amount of such distribution shall be applied against and reduce the adjusted basis of the stock provided in section 113, and if in excess of such basis, such excess shall be taxable in the same manner as a gain from the sale or exchange of property.

The amendment was agreed to.

The next amendment was, on page 116, line 4, after the words "general rule", to strike out "a distribution made by a corporation to its shareholders in stock of the corporation or in rights to acquire stock of the corporation shall be treated as a taxable dividend to the extent that such distribution constitutes income to the shareholder within the meaning of the sixteenth amendment to the Constitution and represents a distribution of earnings or profits accumulated after February 28, 1913", and insert "a distribution made by a corporation to its shareholders in its stock or in rights to acquire its stock shall not be treated as a dividend to the extent that it does not constitute income to the shareholder within the meaning of the sixteenth amendment to the Constitution", so as to read:

(1) General rule: A distribution made by a corporation to its shareholders in its stock or in rights to acquire its stock shall not be treated as a dividend to the extent that it does not constitute income to the shareholder within the meaning of the sixteenth amendment to the Constitution.

The amendment was agreed to.

The next amendment was, on page 116, line 18, after the word "distribution", to insert "by a corporation"; in line 21, after the word "in", to strike out "in stock of the corporation or in rights to acquire stock in the corporation" and insert "its stock or in rights to acquire its stock"; and on page 117, line

3, after the word "including", to strike out "stock of the corporation or in rights to acquire stock in the corporation" and insert "its stock or rights to acquire its stock", so as to read:

(2) Election of shareholders as to medium of payment: Whenever a distribution by a corporation is, at the election of any of the shareholders (whether exercised before or after the declaration thereof), payable either (A) in its stock or in rights to acquire its stock, of a class which if distributed without election would be exempt from tax under paragraph (1), or (B) in money or any other property (including its stock or rights to acquire its stock, of a class which if distributed without election would not be exempt from tax under paragraph (1)), then the distribution shall constitute a taxable dividend in the hands of all shareholders, regardless of the medium in which paid.

The amendment was agreed to.

The next amendment was, on page 117, after line 19, to strike out:

(h) Distribution of stock on reorganization—Effect on future distribution: The distribution before January 1, 1934, in pursuance of a plan of reorganization, by or on behalf of a corporation a party to the reorganization, of its stock or securities or stock or securities in a corporation a party to the reorganization, if no gain to the distributee from the receipt of such stock or securities was recognized by law, shall not be considered a distribution of earnings or profits. As used in this subsection, the terms "reorganization" and "party to the reorganization" shall have the meanings assigned to such terms in section 112 of the Revenue Act of 1932.

The amendment was agreed to.

The next amendment was, on page 118, after line 8, to insert:

(h) Effect on earnings and profits of distributions of stock: The distribution (whether before Jan. 1, 1936, or on or after such date) to a distributee by or on behalf of a corporation of its stock or securities or stock or securities in another corporation shall not be considered a distribution of earnings or profits of any corporation—

(1) if no gain to such distributee from the receipt of such stock or securities was recognized by law, or

(2) if the distribution was not subject to tax in the hands of such distributee because it did not constitute income to him within the meaning of the sixteenth amendment to the Constitution or because exempt to him under section 115 (f) of the Revenue Act of 1934 or a corresponding provision of a prior revenue act.

As used in this subsection the term "stock or securities" includes rights to acquire stock or securities.

The amendment was agreed to.

The next amendment was, in "Sec. 119. Income from sources within the United States", on page 132, line 20, after the word "corporation", to strike out "engaged in trade or business within the United States or having an office or place of business therein, more than 85 percent of whose gross income" and insert "unless less than 50 percent of the gross income of such foreign corporation", so as to read:

SEC. 119. INCOME FROM SOURCES WITHIN UNITED STATES.

(a) Gross income from sources in United States: The following items of gross income shall be treated as income from sources within the United States:

(1) Interest: Interest from the United States, any Territory, any political subdivision of a Territory, or the District of Columbia, and interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, not including—

(A) interest on deposits with persons carrying on the banking business paid to persons not engaged in business within the United States and not having an office or place of business therein, or

(B) interest received from a resident alien individual, a resident foreign corporation, or a domestic corporation, when it is shown to the satisfaction of the Commissioner that less than 20 percent of the gross income of such resident payor or domestic corporation has been derived from sources within the United States, as determined under the provisions of this section, for the 3-year period ending with the close of the taxable year of such payor preceding the payment of such interest, or for such part of such period as may be applicable, or

(C) income derived by a foreign central bank of issue from bankers' acceptances;

(2) Dividends: The amount received as dividends—

(A) from a domestic corporation other than a corporation entitled to the benefits of section 251, and other than a corporation less than 20 percent of whose gross income is shown to the satisfaction of the Commissioner to have been derived from sources within the United States, as determined under the provisions of this section, for the 3-year period ending with the close of the taxable year of such corporation preceding the declaration of such dividends (or for such part of such period as the corporation has been in existence), or

(B) from a foreign corporation unless less than 50 percent of the gross income of such foreign corporation for the 3-year period ending with the close of its taxable year preceding the declaration of such dividends (or for such part of such period as the corporation has been in existence) was derived from sources within the United States as determined under the provisions of this section; but only in an amount which bears the same ratio to such dividends as the gross income of the corporation for such period derived from sources within the United States bears to its gross income from all sources; but dividends from a foreign corporation shall, for the purposes of section 131 (relating to foreign tax credit), be treated as income from sources without the United States;

The amendment was agreed to.

The next amendment was, on page 133, line 17, after the name "United States", to insert a comma and "but in the case of a nonresident alien individual temporarily present in the United States for a period or periods not exceeding a total of 90 days during the taxable year, compensation received by such an individual (if such compensation does not exceed $3,000 in the aggregate) for labor or services performed as an employee of or under a contract with a nonresident alien, a foreign partnership, or a foreign corporation shall not be deemed to be income from sources within the United States", so as to read:

(3) Personal services: Compensation for labor or personal services performed in the United States, but in the case of a nonresident alien individual temporarily present in the United States for a period or periods not exceeding a total of 90 days during the taxable year, compensation received by such an individual (if such compensation does not exceed $3,000 in the aggregate) for labor or services performed as an employee of or under a contract with a nonresident alien, a foreign partnership, or a foreign corporation shall not be deemed to be income from sources within the United States.

The amendment was agreed to.

The next amendment was, on page 139, line 13, after the word "the", to strike out "dividend" and insert "dividends paid", so as to read:

SEC. 121. DEDUCTION OF DIVIDENDS PAID ON CERTAIN PREFERRED STOCK OF CERTAIN CORPORATIONS.

In computing the net income of any national banking association, or of any bank or trust company organized under the laws of any State, Territory, possession of the United States, or the Canal Zone, or of any other banking corporation engaged in the business of industrial banking and under the supervision of a State banking department or of the Comptroller of the Currency, or of any incorporated domestic insurance company, there shall be allowed as a deduction from gross income, in addition to deductions otherwise provided for in this title, any dividend (not including any distribution in liquidation) paid, within such taxable year, to the United States or to any instrumentality thereof exempt from Federal income taxes, on the preferred stock of the corporation owned by the United States or such instrumentality. The amount allowable as a deduction under this section shall be deducted from the dividends paid credit otherwise computed under section 27.

The amendment was agreed to.

The next amendment was, in "Sec. 141. Consolidated returns of railroad corporations", on page 149, after line 2, to strike out:

(j) Receivership cases: If the common parent corporation of an affiliated group is taxable under section 105 (relating to the tax on corporations in receivership) the affiliated group shall for the same period be taxed under that section instead of section 13. In all other cases the affiliated group shall be taxable under section 13 regardless of the fact that one or more of the corporations in the group are in receivership or in bankruptcy.

And in lieu thereof to insert:

(j) Receivership cases: If the common parent corporation of an affiliated group making a consolidated return would, if filing a separate return, be exempt under section 14 (c) (2) from the surtax on undistributed profits imposed by section 14, the affiliated group shall be exempt from such surtax imposed by section 14. In all other cases the affiliated group making a consolidated return shall be subject to the surtax imposed by section 14, regardless of the fact that one or more of the corporations in the group are in bankruptcy or in receivership.

The amendment was agreed to.

The next amendment was, in "Sec. 143. Withholding of tax at source", on page 152, line 15, before the word "percent", to strike out "15" and insert "18", so as to read:

(a) TAX-FREE COVENANT BONDS.

(1) Requirement of withholding: In any case where bonds, mortgages, or deeds of trust, or other similar obligations of a corporation, issued before January 1, 1934, contain a contract or provision by which the obligor agrees to pay any portion of the

tax imposed by this title upon the obligee, or to reimburse the obligee for any portion of the tax, or to pay the interest without deduction for any tax which the obligor may be required or permitted to pay thereon, or to retain therefrom under any law of the United States, the obligor shall deduct and withhold a tax equal to 2 percent of the interest upon such bonds, mortgages, deeds of trust, or other obligations, whether such interest is payable annually or at shorter or longer periods, if payable to an individual, a partnership, or a foreign corporation not engaged in trade or business within the United States and not having any office or place of business therein: *Provided*, That if the liability assumed by the obligor does not exceed 2 percent of the interest, then the deduction and withholding shall be at the following rates: (A) 10 percent in the case of a nonresident alien individual, or of any partnership not engaged in trade or business within the United States and not having any office or place of business therein and composed in whole or in part of nonresident aliens, (B) in the case of such a foreign corporation, 18 percent, and (C) 2 percent in the case of other individuals and partnerships: *Provided further*, That if the owners of such obligations are not known to the withholding agent the Commissioner may authorize such deduction and withholding to be at the rate of 2 percent, or, if the liability assumed by the obligor does not exceed 2 percent of the interest, then at the rate of 10 percent.

The amendment was agreed to.

The next amendment was, on page 154, line 11, after the word "thereof", to insert a comma and "except that in the case of a nonresident alien individual, a resident of a contiguous country, the rate shall be 5 percent: *Provided*, That no such deduction or withholding shall be required in the case of dividends paid by a foreign corporation unless (1) such corporation is engaged in trade or business within the United States or has an office or place of business therein, and (2) more than 85 percent of the gross income of such corporation for the 3-year period ending with the close of its taxable year preceding the declaration of such dividends (or for such part of such period as the corporation has been in existence) was derived from sources within the United States as determined under the provisions of section 119", so as to read:

(b) Nonresident aliens: All persons, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, employers, and all officers and employees of the United States, having the control, receipt, custody, disposal, or payment of interest (except interest on deposits with persons carrying on the banking business paid to persons not engaged in business in the United States and not having an office or place of business therein), dividends, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income (but only to the extent that any of the above items constitutes gross income from sources within the United States), of any nonresident alien individual, or of any partnership not engaged in trade or business within the United States and not having any office or place of business therein and composed in whole or in part of nonresident aliens, shall (except in the cases provided for in subsection (a) of this section and except as otherwise provided in regulations prescribed by the Commissioner under section 214) deduct and withhold from such annual or periodical gains, profits, and income a tax equal to 10 percent thereof, except that in the case of a nonresident alien individual, a resident of a contiguous country, the rate shall be 5 percent: *Provided*, That no such deduction or withholding shall be required in the case of dividends paid by a foreign corporation unless (1) such corporation is engaged in trade or business within the United States or has an office or place of business therein, and (2) more than 85 percent of the gross income of such corporation for the 3-year period ending with the close of its taxable year preceding the declaration of such dividends (or for such part of such period as the corporation has been in existence) was derived from sources within the United States as determined under the provisions of section 119.

The amendment was agreed to.

The next amendment was, on page 156, line 13, after the word "to", to insert "the tenth day after", so as to read:

(g) Withholding before enactment of act: Notwithstanding the provisions of subsections (a) and (b), the deduction and withholding for any period prior to the tenth day after the date of the enactment of this act shall be upon the items of income and at the rates prescribed in section 143 (a) and (b) of the Revenue Act of 1934, as amended, in lieu of the items and rates prescribed in such subsections.

The amendment was agreed to.

The next amendment was, in "Sec. 144. Payment of corporation income tax at source", on page 157, line 2, after the word "to", to strike out "15" and insert "18"; and in the same line, after the word "thereof", to insert a comma and "except that in the case of dividends the rate shall be 5 percent in the case of corporations organized under the laws of a contiguous country and 10 percent in the case of other foreign corporations", so as to read:

(a) General rule: In the case of foreign corporations subject to taxation under this title not engaged in trade or business within the United States and not having any office or place of business therein, there shall be deducted and withheld at the source in the same manner and upon the same items of income as is provided in section 143 a tax equal to 18 percent thereof, except that in the case of dividends the rate shall be 5 percent in the case of corporations organized under the laws of a contiguous country and 10 percent in the case of other foreign corporations; and such tax shall be returned and paid in the same manner and subject to the same conditions as provided in that section: *Provided*, That in the case of interest described in subsection (a) of that section (relating to tax-free covenant bonds) the deduction and withholding shall be at the rate specified in such subsection.

The amendment was agreed to.

The next amendment was, on page 157, line 14, after the word "to", to insert "the tenth day after", so as to read:

(b) Withholding before enactment of act: Notwithstanding the provisions of subsection (a), the deduction and withholding for any period prior to the tenth day after the date of the enactment of this act shall be upon the items of income and at the rates prescribed in section 144 of the Revenue Act of 1934, as amended, in lieu of the items and rates prescribed in such subsection.

The amendment was agreed to.

The next amendment was, in "Sec. 148. Information by corporations", on page 163, line 13, after the word "accumulated", to strike out "gains" and insert "earnings", so as to read:

(c) Accumulated earnings and profits: When requested by the Commissioner, or any collector, every corporation shall forward to him a correct statement of accumulated earnings and profits and the names and addresses of the individuals or shareholders who would be entitled to the same if divided or distributed, and of the amounts that would be payable to each.

The amendment was agreed to.

The next amendment was, on page 169, line 5, after the word "employees' ", to strike out "trust" and insert "trusts"; and in line 13, after the word "amount", to strike out "actually distributed or made available to any distributee shall be taxable to him in the year in which so distributed or made available to the extent that it exceeds the amounts paid in by him" and insert "contributed to such fund by the employer and all earnings of such fund shall be taxed to the distributee in the year in which distributed or made available to him", so as to read:

SEC. 165. EMPLOYEES' TRUSTS.

A trust created by an employer as a part of a stock bonus, pension, or profit-sharing plan for the exclusive benefit of some or all of his employees, to which contributions are made by such employer or employees, or both, for the purpose of distributing to such employees the earnings and principal of the fund accumulated by the trust in accordance with such plan, shall not be taxable under section 161, but the amount contributed to such fund by the employer and all earnings of such fund shall be taxed to the distributee in the year in which distributed or made available to him. Such distributees shall for the purpose of the normal tax be allowed as credits against net income such part of the amount so distributed or made available as represents the items of interest specified in section 25 (a).

The amendment was agreed to.

The next amendment was, on page 171, after line 20, to insert:

SEC. 169. COMMON TRUSTS.

A common trust fund shall not be subject to taxation under this title, but each trust participating therein shall include in computing its net income its share of each item of the income, deductions, and credits of such fund, computed, classified, and subject to the same provisions as in the case of an individual. Subject to the approval of the Commissioner, the share of each trust in each such item shall be determined in accordance with the principles of accounting adopted in connection with the operation of such fund. The computation of the gain or loss realized, if any, and the basis of assets received, by a withdrawing trust, upon the withdrawal of a trust from such fund, shall be governed by the rules applicable in the case of the withdrawal of a partner from a partnership. No gain or loss shall be realized by a common trust fund by reason of admission of new participants. The term "common trust fund" means any fund maintained by a bank or trust company, incorporated under the laws of the United States or of any State or Territory or the District of Columbia and subject to the supervision of Federal or State banking authority, or both, solely for the purpose of managing, investing, and reinvesting, as a unit, funds contributed thereto from trusts, estates, or other funds as to which such

bank or trust company is a fiduciary (referred to in this section as trusts), provided that such fund is one which is maintained pursuant to rules and regulations of the Board of Governors of the Federal Reserve System prevailing from time to time (or could be so maintained if the bank or trust company maintaining the same were a member of the Federal Reserve System).

The amendment was agreed to.

The next amendment was, on page 175, after line 12, to strike out:

(b) Rate of tax: In lieu of the tax imposed by section 13, there shall be levied, collected, and paid for each taxable year upon the net income of every life-insurance company a tax as follows:

(1) In the case of a domestic life-insurance company, a tax of 15 percent of the amount of its net income in excess of the credit provided in subsection (c) of this section;

(2) In the case of a foreign life-insurance company, a tax of 15 percent of the amount of its net income from sources within the United States in excess of the credit provided in subsection (c) of this section.

(c) For the purpose only of the tax imposed by this section there shall be allowed as a credit against net income (or, in the case of a foreign life-insurance company, against net income from sources within the United States) the amount received as interest upon obligations of the United States or of corporations organized under act of Congress which is allowed to an individual as a credit for purposes of normal tax by section 25 (a) (1) or (2). In the case of a foreign life-insurance company the credit shall not exceed an amount which bears the same ratio to the amount otherwise allowed as a credit as the reserve funds required by law and held by it at the end of the taxable year upon business transacted within the United States is of the reserve funds held by it at the end of the taxable year upon all business transacted.

And in lieu thereof to insert:

(b) Imposition of tax:

(1) In general: In lieu of the tax imposed by sections 13 and 14, there shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every life-insurance company a tax at the rates specified in section 13.

(2) Normal-tax net income of foreign life-insurance companies: In the case of a foreign life-insurance company, the normal-tax net income shall be an amount which bears the same ratio to the normal-tax net income, computed without regard to this paragraph, as the reserve funds required by law and held by it at the end of the taxable year upon business transacted within the United States bear to the reserve funds held by it at the end of the taxable year upon all business transacted.

The amendment was agreed to.

The next amendment was, in "Sec. 203. Net income of life-insurance companies", on page 180, after line 19, to strike out:

(c) Foreign life-insurance companies: In the case of a foreign life-insurance company the amount of its net income for any taxable year from sources within the United States shall be the same proportion of its net income for the taxable year from sources within and without the United States, which the reserve funds required by law and held by it at the end of the taxable year upon business transacted within the United States is of the reserve funds held by it at the end of the taxable year upon all business transacted.

The amendment was agreed to.

The next amendment was, in "Sec. 204. Insurance companies other than life or mutual", on page 181, after line 6, to strike out:

(a) Imposition of tax: In lieu of the tax imposed by section 13 of this title, there shall be levied, collected, and paid for each taxable year upon the net income of every insurance company (other than a life or mutual insurance company) a tax as follows:

(1) In the case of such a domestic insurance company, a tax of 15 percent of the amount of its net income in excess of the credit provided in subsection (f) of this section;

(2) In the case of such a foreign insurance company, a tax of 15 percent of the amount of its net income from sources within the United States in excess of the credit provided in subsection (f) of this section.

And in lieu thereof to insert:

(a) Imposition of tax:

(1) In general: In lieu of the tax imposed by sections 13 and 14, there shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every insurance company (other than a life or mutual insurance company) a tax at the rates specified in section 13.

(2) Normal-tax net income of foreign companies: In the case of a foreign insurance company (other than a life or mutual insurance company), the normal-tax net income shall be the net income from sources within the United States minus the sum of—

(A) Interest on obligations of the United States and its instrumentalities: The credit provided in section 26 (a).

(B) Dividends received: The credit provided in section 26 (b).

The amendment was agreed to.

The next amendment was, on page 186, line 2, after the numerals "23", to strike out "(q)." and insert "(q);", so as to read:

(9) Charitable, etc., contributions, as provided in section 23 (q);

The amendment was agreed to.

The next amendment was, on page 186, after line 2, to insert:

(10) Deductions (other than those specified in this subsection) as provided in section 23, but not in excess of the amount of the gross income included under subsection (b) (1) (C) of this section.

The amendment was agreed to.

The next amendment was, on page 186, after line 15, to strike out:

(f) For the purpose only of the tax imposed by this section there shall be allowed as a credit against net income (or, in the case of a foreign corporation, against net income from sources within the United States) the amount received as interest upon obligations of the United States or of corporations organized under act of Congress which is allowed to an individual as a credit for purposes of normal tax by section 25 (a) (1) or (2).

The amendment was agreed to.

The next amendment was, in "Sec. 207. Mutual insurance companies other than life", on page 187, after line 16, to strike out:

(a) Imposition of tax: In lieu of the tax imposed by section 13 of this title, there shall be levied, assessed, collected, and paid for each taxable year upon the net income of every mutual insurance company, other than a life-insurance company, a tax of 15 percent of the amount of the net income in excess of the credit provided in section 26 (relating to interest on certain obligations of the United States and Government corporations).

And in lieu thereof insert the following:

(a) Application of title: Mutual insurance companies, other than life-insurance companies, shall be taxable in the same manner as other corporations, except as hereinafter provided in this section, and except that they shall not be subject to the surtax imposed by section 14.

The amendment was agreed to.

The next amendment was, in "Sec. 211. Tax on nonresident alien individuals", on page 190, line 7, after the word "amount" to insert a comma and "except that in the case of a resident of a contiguous country the rate shall be 5 percent", so as to read:

SEC. 211. TAX ON NONRESIDENT ALIEN INDIVIDUALS.

(a) No United States business or office: There shall be levied, collected, and paid for each taxable year, in lieu of the tax imposed by sections 11 and 12, upon the amount received, by every nonresident alien individual not engaged in trade or business within the United States and not having an office or place of business therein, from sources within the United States as interest (except interest on deposits with persons carrying on the banking business), dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income, a tax of 10 percent of such amount, except that in the case of a resident of a contiguous country the rate shall be 5 percent.

The amendment was agreed to.

The next amendment was, on page 190, line 14, after "(a)" and the period, to insert:

As used in this section, section 119, section 143, section 144, and section 231, the phrase "engaged in trade or business within the United States" includes the performance of personal services within the United States at any time within the taxable year, but does not include the performance of personal services for a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or business within the United States, by a nonresident alien individual temporarily present in the United States for a period or periods not exceeding a total of 90 days during the taxable year and whose compensation for such services does not exceed in the aggregate $3,000. Such phrase does not include the effecting of transactions in the United States in stocks, securities, or commodities through a resident broker, commission agent, or custodian.

The amendment was agreed to.

The next amendment was, in "Sec. 214. Credits against net income", on page 193, line 4, after the figures "$1,000", to strike out the comma and "and shall be applied only against the part of the net income attributable to compensation for personal services, under regulations prescribed by the Commissioner, with the approval of the Secretary", and

in line 9, after the word "individual", to insert "unless he is a resident of a contiguous country", so as to read:

SEC. 214. CREDITS AGAINST NET INCOME.

In the case of a nonresident alien individual the personal exemption allowed by section 25 (b) (1) of this title shall be only $1,000. The credit for dependents allowed by section 25 (b) (2) shall not be allowed in the case of a nonresident alien individual unless he is a resident of a contiguous country.

The amendment was agreed to.

The next amendment was, in "Sec. 215. Allowance of deductions and credits", on page 193, line 22, after the word "exemption", to insert "and credit for dependents", so as to read:

(b) Tax withheld at source: The benefit of the personal exemption and credit for dependents may, in the discretion of the Commissioner and under regulations prescribed by him, with the approval of the Secretary, be received by a nonresident alien individual entitled thereto, by filing a claim therefor with the withholding agent.

The amendment was agreed to.

The next amendment was, in "Sec. 231. Tax on foreign corporations", on page 195, after line 13, to strike out:

(a) Resident corporation: There shall be levied, collected, and paid for each taxable year, in lieu of the tax imposed by section 13, upon the net income of every foreign corporation engaged in trade or business within the United States or having an office or place of business therein, a tax of 22½ percent of the amount of the net income in excess of the credit provided in section 26 (relating to interest on certain obligations of the United States and Government corporations).

The amendment was agreed to.

The next amendment was, on page 195, line 23, before the word "Nonresident", to strike out "(b)" and insert "(a)"; in line 25, after the word "by", to strike out "section 13" and insert "sections 13 and 14"; in line 8, after the word "of", to strike out "15" and insert "18", and in line 9, after the word "amount" to insert a comma and "except that in the case of dividends the rate shall be 5 percent in the case of corporations organized under the laws of a contiguous country and 10 percent in the case of other foreign corporations", so as to read:

(a) Nonresident corporations: There shall be levied, collected, and paid for each taxable year, in lieu of the tax imposed by sections 13 and 14, upon the amount received by every foreign corporation not engaged in trade or business within the United States and not having an office or place of business therein, from sources within the United States as interest (except interest on deposits with persons carrying on the banking business), dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income, a tax of 18 percent of such amount, except that in the case of dividends the rate shall be 5 percent in the case of corporations organized under the laws of a contiguous country and 10 percent in the case of other foreign corporations.

The amendment was agreed to.

The next amendment was, on page 196, after line 12, to insert:

(b) Resident corporations: A foreign corporation engaged in trade or business within the United States or having an office or place of business therein shall be taxable without regard to the provisions of subsection (a), but the normal tax imposed by section 13 shall be at the rate of 22 percent instead of at the rates provided in such section.

The amendment was agreed to.

The next amendment was, on page 196, after line 19, to insert:

(c) Undistributed profits surtax: A foreign corporation shall not be subject to the surtax imposed by section 14.

The amendment was agreed to.

The next amendment was, on page 196, after line 22, to strike out:

(c) Foreign banks: There shall be levied, collected, and paid for each taxable year, in lieu of the tax imposed by section 13, upon the net income, in excess of the credit provided in section 26, of every foreign corporation (other than a corporation taxable under subsection (b) of this section) engaged in the banking business a tax at the following rates:

(1) A tax of 15 percent on the portion of the net income derived from carrying on the banking business in the United States; and

(2) A tax of 22½ percent on the portion of the net income derived from sources within the United States other than from carrying on the banking business in the United States.

The amendment was agreed to.

The next amendment was, in "Sec. 251. Income from sources within possessions of United States", on page 201, after line 18, to strike out:

(c) Tax in case of corporations: There shall be levied, collected, and paid for each taxable year, in lieu of the tax imposed by section 13, upon the net income of every domestic corporation entitled to the benefits of this section, a tax of 15 percent of the amount of the net income in excess of the credit provided in section 26 (relating to interest on certain obligations of the United States and Government corporations).

The amendment was agreed to.

The next amendment was, on page 202, after line 2, to insert:

(c) Undistributed profits surtax: A corporation entitled to the benefits of this section shall not be subject to the surtax imposed by section 14.

The amendment was agreed to.

The next amendment was, on page 204, after line 10, to strike out:

SEC. 261. RATE OF TAX.

There shall be levied, collected, and paid for each taxable year, in lieu of the tax imposed by section 13, upon the net income of every corporation organized under the China Trade Act, 1922, a tax of 15 percent of the amount of the net income in excess of the sum of the credit provided in section 26 (relating to interest on certain obligations of the United States and Government corporations) and the credit provided in section 262.

The amendment was agreed to.

The next amendment was, on page 204, after line 19, to insert:

SEC. 261. UNDISTRIBUTED PROFITS SURTAX.

A corporation organized under the China Trade Act, 1922, shall not be subject to the surtax imposed by section 14.

The amendment was agreed to.

The next amendment was, in "Sec. 262. Credit against net income", on page 204, line 25, after the word "section", to strike out "261" and insert "13"; in line 3, after the word "the", to strike out "credit provided in section 26" and insert "credits against net income otherwise allowed such corporation"; in line 17, after the word "section", to strike out "261" and insert "13"; and in line 24, after the word "section", to strike out "261" and insert "13", so as to read:

SEC. 262. CREDIT AGAINST NET INCOME.

(a) Allowance of credit: For the purpose only of the taxes imposed by section 13 of this act and section 106 of the Revenue Act of 1935 there shall be allowed, in the case of a corporation organized under the China Trade Act, 1922, in addition to the credits against net income otherwise allowed such corporation, a credit against the net income of an amount equal to the proportion of the net income derived from sources within China (determined in a similar manner to that provided in section 119) which the par value of the shares of stock of the corporation owned on the last day of the taxable year by (1) persons resident in China, the United States, or possessions of the United States, and (2) individual citizens of the United States or China wherever resident, bears to the par value of the whole number of shares of stock of the corporation outstanding on such date: *Provided*, That in no case shall the diminution, by reason of such credit, of the tax imposed by such section 13 (computed without regard to this section) exceed the amount of the special dividend certified under subsection (b) of this section; and in no case shall the diminution, by reason of such credit, of the tax imposed by such section 106 (computed without regard to this section) exceed the amount by which such special dividend exceeds the diminution permitted by this section in the tax imposed by such section 13.

The amendment was agreed to.

The next amendment was in "Sec. 276. Same—Exceptions", on page 221, after line 13, to insert:

(b) Surtax imposed by section 102: The amount of the surtax imposed by section 102 may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time within 4 years after the filing of the return required by this title.

The amendment was agreed to.

The next amendment was, on page 236, after line 5, to insert:

TITLE I–A—ADDITIONAL INCOME TAXES

SEC. 351.—SURTAX ON PERSONAL HOLDING COMPANIES.

(a) Imposition of tax: There shall be levied, collected, and paid, for each taxable year (in addition to the taxes imposed by Title I), upon the undistributed adjusted net income of every personal holding company a surtax equal to the sum of the following:

(1) 13 percent of the amount thereof not in excess of $2,000; plus

(2) 23 percent of the amount thereof in excess of $2,000 and not in excess of $100,000; plus

(3) 33 percent of the amount thereof in excess of $100,000 and not in excess of $500,000; plus

(4) 43 percent of the amount thereof in excess of $500,000 and not in excess of $1,000,000; plus

(5) 53 percent of the amount thereof in excess of $1,000,000.

(b) Definitions: As used in this title—

(1) The term "personal holding company" means any corporation (other than a corporation exempt from taxation under section 101, and other than a bank, as defined in section 14 (c) (1), and other than a life-insurance company or surety company, and other than a corporation at least 80 percent of the gross income of which is interest on loans to individuals in principal amounts not exceeding $300 outstanding at any one time in the case of any individual, but only if such interest is lawful, is not payable in advance or compounded, and is computed only on unpaid balances) if—(A) at least 80 percent of its gross income for the taxable year is derived from royalties, dividends, interest, annuities, and (except in the case of regular dealers in stock or securities) gains from the sale of stock or securities, and (B) at any time during the last half of the taxable year more than 50 percent in value of its outstanding stock is owned, directly or indirectly, by or for not more than five individuals. For the purpose of determining the ownership of stock in a personal holding company—(C) stock owned, directly or indirectly, by a corporation, partnership, estate, or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries; (D) an individual shall be considered as owning, to the exclusion of any other individual, the stock owned, directly or indirectly, by his family, and this rule shall be applied in such manner as to produce the smallest possible number of individuals owning, directly or indirectly, more than 50 percent in value of the outstanding stock; and (E) the family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

(2) The term "undistributed adjusted net income" means the adjusted net income minus the sum of:

(A) 20 percent of the excess of the adjusted net income over the amount of dividends received from personal holding companies which are allowable as a credit for the purposes of the tax imposed by section 13 or 204;

(B) Amounts used or set aside to retire indebtedness incurred prior to January 1, 1934, if such amounts are reasonable with reference to the size and terms of such indebtedness; and

(C) The amount of the dividends paid credit provided in section 27, computed without the benefit of subsection (b) thereof (relating to the dividend carry-over).

(3) The term "adjusted net income" means the net income minus the sum of:

(A) Federal income, war-profits, and excess-profit taxes paid or accrued during the taxable year to the extent not allowed as a deduction by section 23, but not including the tax imposed by this section or a corresponding section of a prior income-tax law;

(B) Contributions or gifts, not otherwise allowed as a deduction, to or for the use of donees described in section 23 (o) for the purposes therein specified, including, in the case of a corporation organized prior to January 1, 1936, to take over the assets and liabilities of the estate of a decedent, amounts paid in liquidation of any liability of the corporation based on the liability of the decedent to make any such contribution or gift, to the extent such liability of the decedent existed prior to January 1, 1934; and

(C) Losses from sales or exchanges of capital assets which are disallowed as a deduction by section 117 (d).

(4) The terms used in this section shall have the same meaning as when used in title I.

(c) Administrative provisions: All provisions of law (including penalties) applicable in respect of the taxes imposed by title I of this act shall, insofar as not inconsistent with this section, be applicable in respect of the tax imposed by this section, except that the provisions of section 131 of that title shall not be applicable.

(d) Payment of surtax on pro-rata shares: The tax imposed by this section shall not apply if (1) all the shareholders of the corporation include (at the time of filing their returns) in their gross income their entire pro-rata shares, whether distributed or not, of the adjusted net income of the corporation for such year, and (2) 90 percent or more of such adjusted net income is so included in the gross income of shareholders other than corporations. Any amount so included in the gross income of a shareholder shall be treated as a dividend received. Any subsequent distribution made by the corporation out of earnings or profits for such taxable year shall, if distributed to any shareholder who has so included in his gross income his pro-rata share, be exempt from tax in the amount of the share so included.

(e) Improper accumulation of surplus: For surtax on corporations which accumulate surplus to avoid surtax on stockholders, see section 102.

The amendment was agreed to.

The next amendment was, under "Title II—Capital stock and excessive profits tax", on page 240, after line 22, to strike out:

SEC. 401. RATE OF CAPITAL STOCK TAX.

Section 105 of the Revenue Act of 1935 is amended by striking out "$1.40" wherever appearing therein and inserting in lieu thereof "70 cents.' '

The amendment was agreed to.

The next amendment was, at the top of page 241, to insert:

SEC. 401. CAPITAL STOCK TAX.

(a) Section 105 (c) of the Revenue Act of 1935 is amended by striking out "1934" and inserting in lieu thereof "1936", and by striking out ", as amended" wherever appearing in such subsection.

(b) Section 105 (f) (4) of such act is amended to read as follows: "(4) the excess of its income wholly exempt from the taxes imposed by the applicable income-tax law over the amount disallowed as a deduction by section 24 (a) (5) of the Revenue Act of 1934 or a corresponding provision of a later revenue act, and".

The amendment was agreed to.

The next amendment was, on page 241, after line 11, to strike out:

SEC. 402. TERMINATION OF CAPITAL-STOCK AND EXCESS-PROFITS TAX.

(a) Capital-stock tax: The capital-stock tax imposed by section 105 of the Revenue Act of 1935, as amended by this act, shall not apply to any taxpayer with respect to any year after the year ending June 30, 1936.

(b) Excess-profits tax: The excess-profits tax imposed by section 106 of the Revenue Act of 1935, as amended by this act, shall not apply to any taxpayer with respect to any income-tax taxable year ending after June 30, 1937.

The amendment was agreed to.

The next amendment was, on page 241, after line 22, to insert:

SEC. 402. EXCESS-PROFITS TAX.

Section 106 (b) of the Revenue Act of 1935 is amended by striking out "except that there shall be deducted the amount of income tax imposed for such year by section 13 of the Revenue Act of 1934, as amended", and inserting in lieu thereof "computed without the deduction of the tax imposed by this section, but, in the case of income-tax taxable years beginning after December 31, 1935, with a credit against net income equal to the credit for dividends received provided in section 26 (b) of the Revenue Act of 1936."

The amendment was agreed to.

Mr. KING. Mr. President, the committee amendments in title III were agreed to yesterday.

Mr. GEORGE. Mr. President, there is one other amendment in title III that should be agreed to, at least for the purpose of having it go to conference. I refer to the words "after March 3, 1936", on page 249, in line 5. The language at that point relates to the crediting of any refund made by a processing taxpayer who is subject to the windfall tax, if he had made a refund to his vendee. The Finance Committee struck out "March 3, 1936, or pursuant to any bona-fide agreement in writing", and inserted in lieu thereof a provision for the crediting of such refund made within 30 days after the enactment of the bill, or at any time if made pursuant to a valid contract entered into before March 3, 1936. I offer the amendment for the purpose of studying it. I am not committing myself to it, but I believe it will be found to be a necessary amendment. The amendment relates to the windfall tax. It is on page 249, line 5, after "1936", to insert "or in settlement of a judgment or an arbitration award in proceedings begun before the passage of this act."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. LEWIS. Mr. President——

Mr. GEORGE. I will say to the Senator from Illinois that the Senator from Utah [Mr. KING] has the floor and has kindly yielded to me. I may say further to him that there are pending amendments offered by the Senator from Alabama and the Senator from Wisconsin as well as the amendment offered by the Senator from Connecticut [Mr. LONERGAN].

Mr. LEWIS. I understand they will require considerable discussion, and my remarks probably will not exceed 5 minutes. However, I will defer what I desire to say.

Mr. GEORGE. Mr. President, there are certain committee amendments which I am asking the privilege of taking up out of order. While they are committee amendments, they are offered on the floor by order of the committee. They consist of a series of amendments which are technical in nature. I should like to have permission to consider them now, in connection with the various sections to which they are applicable, and I should like to precede the request with a brief statement explanatory of the whole scope of all these various technical amendments.

CORPORATE LIQUIDATION AMENDMENTS

Section 112 (b) (6) of the present law was adopted last year by the Senate, as an amendment to the revenue bill of 1935. It was intended to permit the simplification of our corporate structures, and the liquidation of subsidiaries. However, the provision as adopted by the Senate was changed in conference and two difficulties are now encountered, both of which are remedied by the amendments proposed by the committee:

First. The present law requires the control of 80 percent of the voting stock and 80 percent of all other classes of stock of the subsidiary, speaking of liquidations. Inasmuch as voting control is all that is necessary to authorize the liquidation of a corporation, there seems to be no reason for compelling ownership of the nonvoting stock. The proposed amendment would permit the complete liquidation of the subsidiary if the parent owns sufficient stock to give it 80 percent of the number of votes.

Second. The present law requires a new "basis" for the property of the subsidiary, after the property has been taken over by the parent corporation. The protection of the Treasury, as well as sound policy, requires that the property retain the same basis after the liquidation as before. The committee amendments adopt this principle.

A clarifying amendment is also made to section 112 (h) of the bill, making it certain that "voting stock" means number of votes, and not number of shares. In the opinion of the committee, this amendment is declaratory of existing law but expresses it in more apt language. The committee, however, in order to be safe in the event that the courts hold that the amendment does make a change in existing law, are also proposing an amendment adding a new paragraph (16) to section 113 (a) of the bill dealing with basis, in order that proper provision may be made for basis in the case of transactions occurring under the revenue acts prior to the present one.

Now, Mr. President, I ask unanimous consent that these several amendments may be at this time considered for reasons which I think the acting chairman of the committee will appreciate, in view of my statement of the case.

The PRESIDING OFFICER. The amendments offered by the Senator from Georgia, on behalf of the committee, will be stated.

The CHIEF CLERK. On page 93 it is proposed to strike out lines 3 to 24, both inclusive, and on page 94, lines 1 to 4, both inclusive, and insert:

(6) Property received by corporation on complete liquidation of another: No gain or loss shall be recognized upon the receipt by a corporation of property distributed in complete liquidation of another corporation. For the purposes of this paragraph a distribution shall be considered to be in complete liquidation only if—

(A) the corporation receiving such property was, on the date of the adoption of the plan of liquidation, and has continued to be at all times until the receipt of the property, the owner of stock (in such other corporation) possessing at least 80 percent of the total combined voting power of all classes of stock entitled to vote; and

(B) no distribution under the plan of liquidation was made before the first day of the first taxable year of the corporation beginning after December 31, 1935; and either

(C) the distribution is by such other corporation in complete cancelation or redemption of all its stock; or

(D) such distribution is one of a series of distributions by such other corporation in complete cancelation or redemption of all its stock in accordance with a plan of liquidation under which the transfer of all the property under the liquidation is to be completed within a time specified in the plan, not exceeding 3 years from the close of the taxable year during which is made the first of the series of distributions under the plan, except that if such transfer is not completed within the period specified in the plan no distribution under the plan shall be considered a distribution in complete liquidation.

If such transfer of property is not completed within the taxable year the Commissioner may require of the taxpayer such bond, or waiver of the statute of limitations on assessment and collection, or both, as he may deem necessary to insure, if the transfer of the property is not completed in accordance with the plan, the assessment and collection of all income, war-profits, and excess-profits taxes then imposed by law for such taxable year or subsequent taxable years, to the extent attributable to property so received.

On page 94, line 7, after "(3)", to strike out "(5), or (6)" and insert "or (5)."

On page 95, line 23, after the word "to", to strike out "(6)" and insert "(5)."

On page 97, line 18, beginning with the word "at", to strike out through the word "stock", in line 19, and insert in lieu thereof the following: "stock possessing at least 80 percent of the total combined voting power of all classes of stock entitled to vote."

On page 98, line 2, to strike out "(5), or (6)" and insert "or (5)."

On page 100, line 23, after the word "basis", to insert "(except as provided in paragraph (15) of this subsection)."

On page 101, line 20, to strike out all after the word "reorganization" through the comma in line 23.

On page 106, after line 23, to insert a new paragraph, as follows:

(15) Property received by a corporation on complete liquidation of another: If the property was received by a corporation upon a distribution in complete liquidation of another corporation within the meaning of section 112 (b) (6), then the basis shall be the same as it would be in the hands of the transferor.

On page 106, after line 23, after the matter just inserted, to insert a new paragraph, as follows:

(16) Basis established by the Revenue Act of 1934: If the property was acquired after February 28, 1913, in any taxable year beginning prior to January 31, 1936, and the basis thereof, for the purposes of the Revenue Act of 1934, was prescribed by section 113 (a) (6), (7), or (8) of such act, then for the purposes of this act the basis shall be the same as the basis therein prescribed in the Revenue Act of 1934.

The PRESIDING OFFICER (Mr. POPE in the chair). Without objection, the amendments offered by the Senator from Georgia will be considered en bloc. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. LEWIS obtained the floor.

Mr. KING. Mr. President, inadvertently certain amendments which should have been offered were omitted.

The PRESIDING OFFICER. The Senator from Illinois has the floor. Does he yield to the Senator from Utah?

Mr. LEWIS. I yield.

Mr. KING. I invite attention to page 90, where one or two amendments are necessary. I move to reconsider the vote by which the amendment of the committee was adopted on page 90, line 1, in order to move to strike out the word "and" at the end of the line and to insert the word "or."

The PRESIDING OFFICER. Without objection, the vote by which the amendment of the committee was agreed to will be reconsidered; and, without objection, the amendment offered by the Senator from Utah to the amendment of the committee is agreed to.

The amendment, as amended, was agreed to.

Mr. KING. On page 172, I move to reconsider the vote by which the committee amendment was agreed to for the purpose of offering a clarifying amendment.

The PRESIDING OFFICER. Without objection the vote by which the committee amendment was agreed to is reconsidered. The clerk will state the amendment offered by the Senator from Utah to the committee amendment.

The CHIEF CLERK. On page 172, line 13, after the word "by", it is proposed to insert a comma and the words "or cash, stock, or securities or both held in trust by."

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to.

The amendment, as amended, was agreed to.

Mr. KING. On page 172, line 18, after the word "and", I move to strike out "reinvesting, as a unit, funds" and insert a comma and the words "or investing or reinvesting or holding, as a unit, a diversified group of stock, securities, or other funds."

I ask for the adoption of that amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

IN SUPPORT OF MR. LEWIS' MOTION TO RECOMMIT THE TAX BILL, H. R. 12395—TO COMMITTEE AND POSTPONEMENT

Mr. LEWIS. Mr. President, I arise at this time to submit, concretely I trust, my views in support of the motion I now place on the table, which later it will be appropriate for me to call up, and which I may engage the attention of the Senate to support.

Mr. President, I am utterly opposed to the passage of the pending tax bill. In many respects I regard it as a decided improvement over the bill which came to the Senate from the House. I esteem the Senate bill, if a tax bill is to be passed and should be passed, as one that would remedy many of the errors that appear to me to take on the form of persecution in the bill that came over to us for consideration. But, Mr. President, I am not able to see that there is an immediate necessity for the passage of this tax bill that justifies it as a matter of needed legislation.

I would not disguise to this honorable body a personal sentiment which is moving me, at least, in its memory. I saw a great administration in this Government, after victory in a cataclysmic war, in the year 1918, bring in a tax bill to this body, of which I was then honored to be a Member, and I saw that administration defeated in the final result before the people, despite the renown and prestige which ordinarily inure after the successful conduct of a war. Then the administration, not learning from example and taking no lesson from experience, proceeded, as Senators sitting around me will recall, to duplicate that undertaking in 1920. Upon the basis of their action, they, by a tax bill, invested the people with such uncertainty and alarm, such fear and terror, largely stimulated by prophecy as to what the results of the tax bill would be upon the people and the merchants, that it brought to us, to the party in power, defeat in the Presidential contest of 1920. I use the word "us" as meaning those who were advocates of what they felt was unnecessary taxation at that time. I was one.

Mr. President, a tax bill ought never to be presented to the representatives of a people save when justified by a necessity. Taxes at best are a persecution, always a form of oppression, and should be withheld from a people as long as possible. Such measures should always be withheld wherever there is an uncertainty of time and condition which might indicate that the enactment of the bill could have been avoided, and the oppression and the injuries arising from it upon the people, likewise avoided.

Mr. President, the records of our finance today disclose, using round figures, a revenue of four billion dollars. The ordinary expenses of the Government exceed by only a very small sum those proposed and intended and expected revenues. There will be emergency expenses, and there will be, of course, that which we call relief. But let us recall that in summer relief should be cut down more than one-half of what it was, month by month, in the winter. The bonus is to be paid; and that, sir, will be paid out of money as provided in a system now established, extending along through a considerable period of time.

The question for us, sir, is this: Is there any immediate need at this day for a general tax bill which comprehends every feature of taxes, to anticipate every equally assumed, or hoped-for, or feared expenditure; and this just at the eve of a national election?

I contend—and here it is that I predicate my motion to postpone the bill—that we should return the bill to the committee to have a proper investigation of every item in the bill, enlightened by the wisdom that would be necessary to throw a just and proper light upon it. For the next 6 months the Government can pay its expenses. If we run a little deficit, in the meantime business will prosper, exempted from draining tax, and can multiply in its returns. If the success in business and industry we expect shall be ours, and continue as it is now promising to us, we shall not need these taxes, because the ordinary business will restore itself to high prosperity, and the taxes to be drawn from the prosperity upon the business of the country will serve all the immediate uses.

We are about to go to the people. The general election is ahead of us in November. Every feature of the proposed tax bill will be considered. All the threats that it carries, all the fears that it engenders, all the dangers that it prophesies, all the errors, if you please, all the adjustments and misadjustments or maladjustments, will be presented to the people. When we shall assemble in January next we shall have the information from the people directly through the ballot box. Then we shall know the kind and quality of tax bill which will meet the necessities of the coming year and also enjoy the approval of the public.

Why put upon the people at this time a general bill that may anticipate a levy and a burden far in excess of that which may be called for, and wholly opposed to that which may be justified?

Mr. President, I do not know what spirit there is which initiated the thought of pressing the bill at this time. I have heard it said around me that it is the desire of the President. I do not know what is the desire of the President upon this subject; but I am free to say that what the President himself needs, if such has been his expression, is that he be advised that there is not a necessity here for the measure that justifies his insisting upon it in the present form of the minority measure, or the majority measure of the Senate, or the measure which came from the House.

Mr. President, I favor postponing the whole consideration. I rise to oppose the bill, without regard to the source from which it came. I put this demand upon the ground that before a measure of this magnitude, in its weight and its oppression, shall be put upon business, upon the toiler, upon the financier—before such a judgment of real confiscation of profits shall be put upon their business or destruction upon their interests, some opportunity should be given them to speak their views and express their interest.

I hold that if the conditions of the Treasury do permit, either from the money borrowed or from the curtailment and discharge of the necessary obligations between now and the election, we should then conduct ourselves along the line of that idea, making it serve, and await the presentation by the people of what they feel should be the necessary taxes, and let them advise us, according to their ballot-box rights, as to what they themselves feel would be justified.

It has too much of a suggestion, as I see it, of a "snap judgment" to pass this bill in emergency; to press this measure, with all its consequences, upon the people at a time such as this, when no opportunity can be afforded for them wholly to consider the phases of a measure which involves scientific, industrial, economic, and financial questions of such magnitude that a great body like this could not arise at once and spontaneously solve the problem except by a miracle—and that questionable.

Mr. President, it is proper to dwell upon some precedent. There never has been put upon a people a tax that has not been punished by some form of retaliation. Regrettable it is that a tax has invariably caused the uprisings which have taken the form of civil revolutions or the overthrow of governments.

We recall that it was after Caesar had his military victories, and became securely entrenched as the master of all government, that he yielded to the advice of those who brought in a form of taxation to be placed upon the lands of

the farmer. Taking history, we find what followed afterward, that the grievances of the masses when the conspirators pursued Caesar were such that they became convinced that they should remove Caesar and those who supported him, and that by so doing it would remove the taxes. Thus began the conspiracy, and thus began the decline of that regime.

Shall we forget that Charles I did not lose his life merely because he was opposed by Cromwell and his legions? That did not happen until the era following that, under King John, and those who are spoken of as the barons of Runnymede, when the head tax was laid upon the people, and it was shifted, as necessarily all taxes are shifted, to the consumer in every way that was possible and convenient. It was then that the feeling arose in the land which we now speak of as England that aroused an atmosphere which licensed Cromwell to justify the killing of the king and the taking of his head. In all this we saw the head of one Stuart struck from his shoulders and the crown struck from the head of the other.

And do we forget our own experiences here? Do we forget, sir, what we tried to do in the election—and I may be pardoned for speaking of this, as I was a small part of the offense—in 1900, sir, in 1904, and then, sir, in 1908, but more completely, sir, in 1918, to which I have alluded, and then in 1920? And then, sir, let it be remembered that in the administration of a distinguished, eminent man, now dead, President Taft, when he boldly permitted, against the advice of his own administration, the bringing in of a tax bill and carrying it to the point of presentation, it was upon that, sir, that the administration known as that of Woodrow Wilson was able to defeat President Taft and that of his following.

It was then, sir, despite that lesson, that we, unhappily—I use the word "we" in the sense of us of the Democratic administration—promptly adopted the same course and brought in a tax bill assuming the privilege of taxing anything that could have hands laid upon it, upon the theory that possibly the revenue might be needed. The result was that in the terror of the people the fears of what might follow, the anticipation of dangers that were prophesied, those who advocated every measure and every policy connected with the administration of the tax bill were defeated by the people.

It may be that the people were wrong. It may be that they could not see aright; but, sir, I am compelled, in the language of Patrick Henry, in his famous expression, to say that only by the lamp of experience may I guide my feet.

Now, sir, unless it be pointed out to me that there is a prime and urgent necessity for the enactment of this immediate bill at this immediate time, I answer it cannot be justified, however much as a bill it might be justified if the tax were necessary at this time. Therefore, I am for the return of the bill to the committee, where proper investigation as to every item in it may be had by proper scientific consideration, and where the sources of taxes may be investigated, the capacity to pay, and the power to levy; where all these inquiries may be entered upon calmly; and when a conclusion shall be reached, a bill then may be presented with a consciousness that we have given the people a hearing; we have heard their objections, if they had any; we have listened to their pretensions and their professions, such as they may present.

Then, sir, with such a measure, we could safely say that no one could charge us with having taken advantage of him at a time when he could not defend himself by opposition.

Mr. President, I have presented tersely the reasons why I am opposed to the bill as a bill, and why I feel that for the salvation of the country, the best uses of business, and the best purposes of government, the bill should not be passed at this time, and that all tax bills—the minority bill, the majority bill, and that which came over from the House—should be, as it were, huddled together in some form and sent where consideration or examination may be duly had, and no offense and no wrong put upon the country, by accident or by intention, in the name of politics or administration.

That reason, sir, I now give as to why I shall press the motion for the postponement of consideration of the measure, and the return of it, sir, to the committee, and the end of any further consideration of it as a tax bill by this honorable body.

I thank the Senator in charge of the bill for allowing me to intrude at this time.

AMENDMENT OF SHIPPING ACT OF 1916

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3467) amending the Shipping Act, 1916, as amended, which was to strike out all after the enacting clause and insert:

That section 16 of the Shipping Act, 1916, as amended (U. S. C., 1934 edition, title 46, sec. 815), is hereby amended to read as follows:

"SEC. 16. That it shall be unlawful for any shipper, consignor, consignee, forwarder, broker, or other person, or any officer, agent, or employee thereof, knowingly and willfully, directly or indirectly, by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means to obtain or attempt to obtain transportation by water for property at less than the rates or charges which would otherwise be applicable.

"That it shall be unlawful for any common carrier by water, or other person subject to this act, either alone or in conjunction with any other person, directly or indirectly—

"First. To make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic in any respect whatsoever, or to subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

"Second. To allow any person to obtain transportation for property at less than the regular rates or charges then established and enforced on the line of such carrier by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means.

"Third. To induce, persuade, or otherwise influence any marine insurance company or underwriter, or agent thereof, not to give a competing carrier by water as favorable a rate of insurance on vessel or cargo, having due regard to the class of vessel or cargo, as is granted to such carrier or other person subject to this act.

"Whoever violates any provision of this section shall be guilty of a misdemeanor punishable by a fine of not more than $5,000 for each offense."

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

W. D. GANN

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 4052) for the relief of W. D. Gann, which was, on page 1, line 8, after "motorcycle", to insert "on April 14, 1935, at Floyd Bennett Field, Brooklyn, N. Y."

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AMENDMENT OF THE COASTWISE LOAD LINE ACT, 1935

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 11915) to amend the Coastwise Load Line Act, 1935, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. COPELAND. I move that the Senate insist on its amendments, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. COPELAND, Mr. SHEPPARD, and Mr. WHITE conferees on the part of the Senate.

ACCEPTANCE OF MEDALS, ETC., BY OFFICERS AND ENLISTED MEN OF THE ARMY

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 4391) authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas,

decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered, which were, on page 1, line 9, after "Smith," to insert "Col. Charles H. Morrow (posthumously)"; and on page 2, line 9, to strike out "and Capt. James H. Walker" and insert "Capt. James H. Walker, and Lt. Taliesin Waters."

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

REOPENING OF CERTAIN CASES BY COURT OF CLAIMS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 4444) directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States, which was, on page 3, line 16, to strike out all after "1925" down to and including "States" in line 19.

Mr. BYRD. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated below:

H. R. 681. An act for the relief of James Philip Coyle; and

H. R. 11984. An act for the relief of Oda Herbert Plowman; to the Committee on Naval Affairs.

H. R. 3043. An act to provide for the appointment of an additional district judge for the northern district of Georgia; to the Committee on the Judiciary.

H. R. 4641. An act authorizing the President to present a gold medal to George M. Cohan; to the Committee on the Library.

H. R. 5618. An act for the relief of Floyd Gatton;

H. R. 6743. An act for the relief of Mojo Schey Co., Inc.;

H. R. 7244. An act for the relief of John E. T. Clark;

H. R. 7743. An act for the relief of Mrs. David C. Stafford;

H. R. 7822. An act for the relief of Lucretia Norris;

H. R. 7947. An act for the relief of Rev. Harry J. Hill;

H. R. 8643. An act for the relief of Mr. and Mrs. Frank Daley;

H. R. 9191. An act for the relief of dependents of James B. Kiley;

H. R. 9502. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of W. J. Nolan, L. Jacobson, J. A. Higuera, C. H. Damsted, R. Galleguillo, F. G. Grigsby, K. H. Johnson, R. Dupouy, C. J. Degen, W. L. Nolan, R. C. Jensen, M. J. Roderick, L. K. Moore, C. Lederer, M. Kelley, R. Dinkel, A. J. Mouchou, C. R. Taylor, M. Knull, S. W. Ligon, C. C. Johnson, W. P. Brennan, C. F. Siebert, and J. T. Weeks;

H. R. 9896. An act for the relief of Andrew Dowd;

H. R. 10169. An act for the relief of L. M. Crawford;

H. R. 10746. An act for the relief of Matt Burgess;

H. R. 10995. An act for the relief of Elbert Arnold Jarrell;

H. R. 11203. An act for the relief of Andrew Smith;

H. R. 11861. An act for the relief of Cleveland L. Short;

H. R. 11867. An act for the relief of Michael E. Sullivan;

H. R. 11869. An act for the relief of William L. Jenkins;

H. R. 12144. An act for the relief of the Federal Enameling & Stamping Co.;

H. R. 12166. An act for the relief of Mary Daley; and

H. R. 12311. An act for the relief of the P. L. Andrews Corporation; to the Committee on Claims.

H. R. 8271. An act to amend the act entitled "An act to insure adequate supplies of timber and other forest products for the people of the United States, to promote the full use for timber growing and other purposes of forest lands in the United States, including farm wood lots and those abandoned areas not suitable for agricultural production, and to secure the correlation and the most economical conduct of forest research in the Department of Agriculture, through research in reforestation, timber growing, protection, utilization, forest economics, and related subjects, and for other purposes", approved May 22, 1928; to the Committee on Agriculture and Forestry.

H. R. 12599. An act to provide more adequate protection to workmen and laborers on projects, buildings, construction, improvements, and property, wherever situated, belonging to the United States of America by granting to the several States jurisdiction and authority to enter upon and enforce their State workmen's compensation, safety, and insurance laws on all property and premises belonging to the United States of America; to the Committee on Education and Labor.

H. J. Res. 588. Joint resolution for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues; to the Committee on the District of Columbia.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

Mr. GEORGE. Mr. President, I ask that the Senate now proceed with the consideration of the amendment on page 29, section 13.

The PRESIDING OFFICER. The amendment will be stated.

The next amendment of the Committee on Finance was, on page 29, after line 17, to insert a new section, as follows:

SEC. 13. NORMAL TAX ON CORPORATIONS.

(a) Definition: As used in this title the term "normal-tax net income" means the net income minus the sum of—

(1) Interest on obligations of the United States and its instrumentalities: The credit provided in section 26 (a).

(2) Dividends received: The credit provided in section 26 (b).

(b) Imposition of tax: There shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every corporation, a normal tax as follows:

Upon normal-tax net incomes not in excess of $2,000, 15½ percent.

$310 upon normal-tax net incomes of $2,000; and upon normal-tax net incomes in excess of $2,000 and not in excess of $15,000, 16 percent in addition of such excess.

$2,390 upon normal-tax net incomes of $15,000; and upon normal-tax net incomes in excess of $15,000 and not in excess of $40,000, 17 percent in addition of such excess.

$6,640 upon normal-tax net incomes of $40,000; and upon normal-tax net incomes in excess of $40,000, 18 percent in addition of such excess.

(c) Exempt corporations: For corporations exempt from taxation under this title, see section 101.

Mr. GEORGE. Mr. President, I do not think subsection (a) of section 13, or subsection (1), is in controversy. In fact, there is no controversy until the end of line 5 on page 30 is reached.

The PRESIDING OFFICER. Without objection, the part of the amendment known as section 13 (a), subsections (1) and (2), will be agreed to.

Mr. LA FOLLETTE. Mr. President, down to and including the word "follows" on line 5, page 30, may be agreed to.

Mr. GEORGE. That is what I meant.

The PRESIDING OFFICER. The question now is on agreeing to the part of the amendment beginning with line 3, page 30, known as subsections (b) and (c).

Mr. LA FOLLETTE. Mr. President, I call the attention of the Senator from Alabama [Mr. BLACK] to the fact that this is the point at which our amendment is to be offered.

Mr. BLACK. Yes; I am ready to offer it when the Senate shall have adopted that part of the amendment.

Mr. LA FOLLETTE. It has already been adopted. We are now proceeding to the increases in the flat corporation tax.

Mr. GEORGE. Mr. President, we have now reached the point of controversy in the consideration of the revenue bill. There is yet open an amendment offered by the Senator from Connecticut [Mr. LONERGAN], inserted and carried in the bill as a committee amendment, to which I do not now make reference except to call attention to it as an important undisposed-of matter in the bill. That amendment relates to the exemption of life insurance if payable directly to the Treasury for the purpose of paying in whole or in part the estate tax of the decedent.

The particular section which the Senate is now proceeding to consider, section 13, relates to the normal tax imposed upon the net income of every corporation, with certain exceptions to be found elsewhere in the bill; and cor-

porations having partial exemption from this general levy are not a matter of controversy between those who are offering the substitute.

The Finance Committee proposed to increase by 3 percent and slightly to graduate the flat corporation tax existing under the present law. In other words, the Finance Committee proposed the insertion in the bill of the following provision:

> There shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every corporation a normal tax as follows:
>
> Upon normal-tax net incomes not in excess of $2,000, 15½ percent.
>
> $310 upon normal-tax net incomes of $2,000; and upon normal-tax net incomes in excess of $2,000 and not in excess of $15,000, 16 percent in addition of such excess.
>
> $2,390 upon normal-tax net incomes of $15,000; and upon normal-tax net incomes in excess of $15,000 and not in excess of $40,000, 17 percent in addition of such excess.
>
> $6,640 upon normal-tax net incomes of $40,000; and upon normal-tax net incomes in excess of $40,000, 18 percent in addition of such excess.

In other words, under existing law the flat rate runs from 12½ to 15 percent. Under the committee bill the rate runs from 15½ percent to 18 percent, a step-up of 3 percent in each of the brackets, or graduated steps.

The committee likewise, considering the general tax proposal in the bill of the House, agreed to a tax, in addition to taxes already mentioned, of 7 percent upon the undistributed earnings of all corporations, with certain exceptions; and it is not necessary to note the exceptions now, because those exceptions do not enter into the merits of the substitute amendment proposed by the Senator from Alabama, as I understand.

The Senate Finance Committee is adhering to the present plan of taxation, in the main. It is recognizing, of course, the suggestion made by the President in his message and carried out in the bill as it passed the House, by the imposition of a tax upon corporate earnings ranging from zero to 42½ percent, if all of the corporate earnings were retained, none of them being distributed. The Senate committee has imposed a tax of 7 percent, in addition to the taxes named, upon the undistributed earnings of each corporation, as I have stated. So that in the case of a corporation earning more than $40,000, which retains all of its earnings, the combined tax will total 25 percent upon the earnings of the corporation during the taxable year.

It will be remembered that under the bill as it passed the House, under the committee amendment, and under the substitute which will be offered presently by the Senator from Alabama, the exemption of the normal tax on dividends of 4 percent is repealed. In other words, incomes derived from dividends are now subject to the normal tax of 4 percent. That is true under the bill as it passed the House; it is true under the committee bill; it is true under the substitute bill.

Under the committee bill capital-stock taxes are retained as in existing law. Excess-profits taxes are retained as in existing law. Intercorporate-dividend taxes are retained as in existing law. That is also true under the substitute offered by the Senator from Alabama, as I understand.

Under the bill as it passed the House the capital-stock tax, except for one-half year, or for a whole year at one-half rate, was repealed. Under the bill as it passed the House the excess-profits taxes were repealed. Under that bill the flat taxes on corporations were repealed. In other words, the House adopted the suggestion made by the President, and every part of the suggestion of the President is entitled to consideration, in the opinion of the Finance Committee. The House eliminated certain taxes on corporations, simplified the tax structure so far as corporations are concerned, and went to a tax upon undistributed profits or earnings. I am not using the technical phraseology in the House text, but for the purpose of a fair understanding I am employing the words "corporate earnings."

If I may be permitted to repeat, the House adopted a tax ranging from zero to 42½ percent on undistributed corporate earnings; that is to say, if a corporation distributed all of its earnings, it would pay no tax. It would pay no capital-stock tax after the first year after the adoption of the bill; it would pay no excess-profits tax; it would pay no flat tax; it would pay one simple tax, so far as the general scheme is concerned, measured by its undistributed earnings.

The Senate committee believed, for reasons stated by the acting chairman of the committee, and stated also in the report filed by the majority of the committee, that it is unwise to abandon a tried, a tested method of raising revenue. In that respect, as I understand, the Senator from Alabama [Mr. BLACK] and the Senator from Wisconsin [Mr. LA FOLLETTE], who offer the substitute, agree with the committee, and in the substitute they have gone back—as of necessity they must have gone back—to a flat tax in order to secure anything like certainty of income from taxes on corporations.

Adhering to the established system, the Senate committee has sought to impose no new tax, no additional tax, upon corporations—that is, no additional tax so far as form is concerned. Of course, we have increased the rates, but we have sought to impose no new form of taxes save the tax of 7 percent upon the undistributed earnings of corporations.

I may say now, in passing, that it was the proposal of some of us in the Committee on Finance that the committee should impose only 4 percent upon the undistributed earnings, for the reason that, having made dividends in the hands of the taxpayers subject to the 4-percent normal tax, we were justified in making the dividends undistributed, retained by the corporation, subject to the same tax.

As a matter of agreement, and in order to arrive at an agreement, the majority of the committee held firmly to the view which I have already expressed. They agreed upon a tax of 7 percent upon the undistributed earnings, and that is the provision of the bill. In that respect, and in that respect only, does the Senate committee bill change the form of taxes imposed upon corporate earnings under existing law.

Mr. President, I will not at this time, and perhaps not at all, go into the reasons for insisting upon the bill as reported by the Finance Committee further than to say: What revenue will be raised under the bill as it passed the House no one can say unless he is willing to speculate, and one must engage in the rarest kind of speculation. Theoretically, anyone familiar with the figures may be able to determine what the provisions of the House bill would produce in the way of revenue, but actually no one can say, because the system recommended by the House has not been adopted and tried anywhere in the world, in any country having an income-tax system.

The House obviously sought, as the President in his admirable message recommended, to close the avenue for tax avoidance. No one can say how many additional doors or roadways or avenues of escape the measure as it passed the House might create if the bill in that form were enacted into law.

Mr. President, it may be admitted, and I concede, that under our income-tax laws, taken as a whole, there is opportunity to avoid the payment of surtaxes, and to those in the higher income brackets there is an inducement or a temptation to do so. That grows out of the fact that under our personal income-tax schedule not until we reach comparatively high brackets is the tax paid by the individual equal to the corporate tax paid under existing law. However, after we pass a certain bracket in the personal income-tax schedule the tax paid by the individual is very high; and as a result, if the tax paid by the same individual upon earnings growing out of an investment in corporate stocks or in a corporation is less than the tax which he would be compelled and required to pay as an individual, of course there is the suggestion and the inducement and the possibility of tax avoidance.

There is likewise some avoidance; but I undertake now to say, and I say it before the distinguished Senators who shall present their arguments are called upon to present their case, that how much avoidance there is no one living knows. There can be only guess and conjecture with respect thereto. No man in the Treasury, be he expert or not, knows how much actual avoidance there is. All he can do is to

guess or conjecture. It is known what corporate earnings are undistributed, but it is not known what induces the withholding of those corporate earnings.

Mr. President, perhaps the most satisfactory income-tax law is that in force in England. I am not citing it for the purpose of commending it to the Congress. Not at all. I am citing it for another reason. Under the English tax law, it does not matter actually whether the earnings of a corporation are all distributed or whether they are not distributed. The tax paid by the individual stockholder is the same, or substantially the same, as the tax paid upon the earnings if withheld by the corporation. Bear in mind that England has had long experience with her tax laws, and bear in mind also that on the whole they have worked very satisfactorily.

I now come to a point which the Treasury officials have not properly evaluated. It is a point to which they either overlooked or did not properly weigh, as it seems to me. The English corporations have withheld a greater percentage of their earnings than the American corporations. How is that accounted for? It is accounted for by one fact, which ought not to be lost sight of, and that is that corporate dividends or earnings are not necessarily withheld for the purpose of tax avoidance, but they are withheld because, as a matter of judgment and of sound business, it is of actual profit in the administration of the corporations to do so. Let the Senate bear that fact in mind. Under the nearest comparable system to ours there is no inducement to tax avoidance, because the tax must be paid if distributed to the individuals, and must be paid also by the corporation if withheld. Indeed, under the English system the tax in principle is charged by the corporation to the individual. There are some adjustments, but their rates do not present reasons for tax avoidance as in our case. I freely confess that. However, the point I make is that in England there is a withholding of corporation earnings in percentage of their whole earnings greater than the withholding of earnings by corporations in the United States in percentage of their whole earnings. Hence, it cannot rightly be concluded, it cannot be accurately concluded, that all corporate earnings are withheld for the purpose of avoiding surtaxes. Some are. If it were possible to single out corporations, and if it were possible to make a rule which would be applicable to those which withhold earnings for the purpose of avoiding surtaxes, no one would object.

But I repeat—and with that statement I am through with the argument at this time—that no study has been made which will enable the committee or the Senate to reach any fair or dependable conclusion carrying into effect in whole or in part the principle stated in the House bill, beyond the step taken by the Finance Committee in imposing the 7-percent tax upon undistributed corporate earnings. No sufficient study has been made. No comprehensive picture of the corporate structure in this country has been laid before us. No member of the Finance Committee, in my judgment, is able to say what is the rule which ought to be adopted if we are going to follow wholly or in part the principle embodied in the House bill.

Mr. President, that is very far from saying that the House bill does not contain great merit, or saying that the President's suggestions are without merit, because that is not the attitude of the Finance Committee. The attitude of the Finance Committee is that no sufficient study has been made, and, indeed, no sufficient study could be made within the time permitted to the Ways and Means Committee of the House, and to the House, and to the Finance Committee of the Senate, and to the Senate.

We have imposed a tax of 7 percent upon the undistributed earnings; and under the operation of that provision we can gain a better knowledge at least of precisely what is going on in the way of withholding earnings by the corporations of this country, particularly since we have, in my opinion and in the opinion of the committee, immensely strengthened the provisions of section 102 of the present law. Under that section the Commissioner of Internal Revenue now has a right to impose an additional tax running as high as 35 percent, I believe, upon the undistributed earnings of a corporation if its earnings have been withheld for the purpose of avoiding the payment of surtaxes. We have strengthened that section; and now, under the amendment already adopted, we have not only retained the original provisions of section 102, but we have required each corporation in its tax returns specifically to state the reasons why it is withholding any part of its net earnings as therein defined, if it withholds more than 40 percent of its earnings.

Let it not be said for a moment that that will be an ineffective provision. No one can say how effective section 102 has in fact been. Few corporations—some 300 out of the whole number of corporations in America—have actually been called on by the Commissioner of Internal Revenue to show cause why they should not be assessed under section 102. But the very presence of the section, as indeed the presence of any salutary act in the civil or in the criminal code, may itself exert a powerful influence upon the corporations which are disposed to withhold their earings from distribution.

But let no one say, I repeat, that the provision in section 102 which the Senate has today adopted will not have more far-reaching effect upon the corporation. When the corporation is required in its annual return to state why it is withholding more than 40 percent of its earnings or net income, as defined in the section, and when those reasons become a matter of record to be scrutinized year after year by the Commissioner of Internal Revenue, I think it must be self-evident that only reasons at least believed at the time to be valid reasons, to be sound reasons, will be entered in the returns as the reasons or purposes why the corporation is not distributing its income, or at least 60 percent of its income.

Mr. President, I now desire to say one other thing, but I do not wish to be misunderstood in what I am about to say. There are about three sources of supply of capital for industry, so far as I know.

First, we must look to personal or private savings, personal accumulations, as the reservoir on which to draw to carry on the industry of the country. Secondly, we must look to the corporate savings or reserves. Beyond these two, one may reason about it as one pleases, but we can look only to the State. Where else are they to be found? How can factories be built; how can men be put back to work; how can industries be expanded, all the theorists to the contrary notwithstanding, unless by recourse to personal savings or to corporate savings, or unless we go into the Public Treasury?

I am speaking plainly, but I do not desire to be misunderstood.

Mr. President, have we considered that our present personal income-tax rate in the highest bracket requires a man who falls in that bracket to pay $79 out of every $100 that he earns? Out of every $100 that such an individual in America earns, with exceptions that I need not note here, he must pay into the Treasury of the United States $75 surtax plus $4 normal tax, or a total of $79.

Consider the State taxes and estate taxes. Let us face the question fairly. Are we going to find the resources for the development of America in our personal savings and personal reserves? Now, with an estate tax which distributes the larger estates for all practical purposes, so far as financing the industries of a developing nation are concerned, with a personal-income tax that takes $79 out of every $100 from highest tax-paying bracket, what reserves can we find in the account of the personal-tax payers? Where will we go to finance the industries of a developing and expanding Nation such as ours?

Mr. President, I think we are a young nation. I do not think we have reached the limit of our capacity; I do not think we are always going to have unemployment. I believe that the resources of this Nation are ample and that in the future we will expand our industries to such an extent as will make radio and automobile and other marvelous industries of the present of minor consequence in our great industrial picture. It cannot be done if neither individuals nor corporations are allowed to accumulate working capital or per-

mitted to accumulate capital that will build new factories, expand plants, put men to work.

Moreover, Mr. President, it is peculiarly unfortunate, in the opinion of the majority of the committee, that we should be called upon to adopt a new system of corporate income taxation when we have had no sufficient study of this problem, when confessedly we have no illuminating picture of even a cross section of the corporate structure of the United States for study in the light of the provisions of the bill passed by the House.

Mr. President, there is one other feature of the subject that I wish to discuss, because I desire to be fair. Because there is opportunity for tax avoidance by those taxpayers who, if the earnings of corporations were distributed, would be called upon to pay a much higher tax than they would pay when the earnings are permitted to be plowed back or to remain in the corporation, and because the Treasury has suffered by reason of the acts of some who have abused our present law, is no sufficient reason why we should look with a narrow and contracted vision at those particular offenders and make laws that apply to the corporation that is actually withholding its income for legitimate purposes, for the purpose of carrying forward its program, for the purpose of employing men, for the purpose, Mr. President, of making it possible again to afford employment to all the people of the United States. In other words, we cannot afford to depart from a tried and established basis of taxation and embark on an untried experimental program because we are aggravated or annoyed somewhat on account of the conduct of a relatively few corporations in the United States.

We are proceeding in this bill, as best we can, to locate the offenders. We are putting a surtax on undistributed earnings. We will have the opportunity to scrutinize the returns of corporate taxpayers, and we will have the opportunity to make a sufficient study of this problem. We are strengthening the penalty sections of the law, which will make it at least extremely hazardous for any corporation to withhold more than 40 percent of its earnings in any one year without a valid and just reason for withholding them. We are proposing, Mr. President, to proceed on the basis on which we are now traveling so far as our corporate-tax income law is concerned until we have had the opportunity to study the question, until the joint committee on taxation has had the opportunity to consider all the ramifications of this proposal, because we all know, of course, that, at least, in all probability, we will not be able to adjourn another Congress without a revision of our taxing acts.

Mr. President, that is all I have to say on this matter at this time.

Mr. GUFFEY. Mr. President, out of regular order, on behalf of my colleague the senior Senator from Pennsylvania [Mr. DAVIS] and myself, I offer an amendment and ask to have it printed and lie on the table. I understand this amendment to the bill has been consented to by both the Senator from Utah [Mr. KING] and the Senator from North Carolina [Mr. BAILEY]. It provides that the tax imposed by section 702 shall not apply to the first domestic processing of the first 8,000 tons of palm oil which the Commissioner is satisfied is used in the manufacture of tin plate in each fiscal year, beginning with the fiscal year 1937.

The PRESIDING OFFICER. In accordance with the request of the Senator from Pennsylvania, the amendment will be received, printed, and lie on the table.

AMENDMENT OF NAVY COMPOSITION ACT

The PRESIDING OFFICER (Mr. POPE in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 5730) to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WALSH. I move that the Senate insist on its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WALSH, Mr. TYDINGS, and Mr. HALE conferees on the part of the Senate.

LINCOLN ELLSWORTH

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3770) to award a special gold medal to Lincoln Ellsworth, which was to strike out all after the enacting clause and insert:

That the President of the United States is authorized to present a gold medal of appropriate design, with accompanying distinctive ribbon, to Lincoln Ellsworth, noted American explorer and outstanding pioneer in exploratory aviation in the Arctic and in Antarctica, for claiming on behalf of the United States approximately 350,000 square miles of land in Antarctica between the eightieth and one hundred and twentieth meridians west of Greenwich, representing the last unclaimed territory in the world, and for his exceptionally meritorious services to science and aeronautics in making a 2,500-mile aerial survey of the heart of Antarctica, thus paving the way for more detailed studies of geological, meteorological, and geographical questions of world-wide importance and benefit. There is hereby authorized to be appropriated such sum as may be necessary to carry out the provisions of this act.

Mr. JOHNSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. A. PIATT ANDREW, late a Representative from the State of Massachusetts, and transmitted the resolutions of the House thereon.

The message also announced that the House had passed, without amendment, the bill (S. 4265) to authorize the Secretary of War to set apart as a national cemetery certain lands of the United States Military Reservation at Fort Bliss, Tex.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 39), as follows:

Resolved by the Senate (the House of Representatives concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Appropriations of the Senate be, and is hereby, empowered to have printed 2,000 additional copies of the hearings held before the subcommittee of said committee of the Senate during the first session of the Seventy-fourth Congress, pursuant to the resolution (S. Res. 185) authorizing the Committee on Appropriations to conduct an investigation of the expenditures by the Federal Government for the cotton cooperatives, etc. These 2,000 copies are to be divided as follows: 1,500 copies of volume no. 1 and 500 copies of volume no. 2.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 7690. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y.;

H. R. 8234. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city of Elgin, Ill., and the erection of a heroic pioneer memorial;

H. R. 9183. An act to provide for the extension of the boundaries of the Hot Springs National Park in the State of Arkansas, and for other purposes; and

H. R. 11533. An act to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 4688. An act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes;

H. R. 6772. An act to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes; and

H. R. 11920. An act to increase the efficiency of the Air Corps.

The message further announced that the House had agreed to the report of the commitee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

The message also announced that the House further insisted upon its disagreement to the amendments of the Senate numbered 48 and 52 to the bill (H. R. 10919) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes; that the House insisted upon its amendment to Senate amendment no. 49 to said bill and agreed to a further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LUDLOW, Mr. BOYLAN, Mr. GRANFIELD, Mr. O'NEAL, Mr. TABER, and Mr. MCLEOD were appointed managers on the part of the House at the further conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 11140) to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HILL of Alabama, Mr. ROGERS of New Hampshire, and Mr. MCLEAN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 864. An act for the relief of Bernard Knopp;

H. R. 1367. An act for the relief of William A. McMahan;

H. R. 2120. An act for the relief of Mr. and Mrs. Charles F. Carter, parents and guardians of Louise Marie Carter, a minor;

H. R. 5829. An act for the relief of Daniel J. Hagerty;

H. R. 7361. An act for the relief of Mary W. Carson;

H. R. 7496. An act for the relief of William E. Jones, Walter M. Marston, William Ellery, Richard P. Hallowell, 2d, and Malcolm Donald as executors under the will of Frank W. Hallowell, and Malcolm Donald as executor under the will of Gordon Donald;

H. R. 7970. An act for the relief of V. P. Johnson;

H. R. 8274. An act for the relief of Bertha M. Harris;

H. R. 8330. An act for the relief of William Blakeley, or Blakley, as administrator of the estate of Joseph Blakeley, deceased;

H. R. 8418. An act for the relief of the estate of Catherine Harkins, deceased;

H. R. 8841. An act for the relief of Estelle Mary MacDonald and Marilyn MacDonald;

H. R. 8898. An act for the relief of Barbara Jean Matthews, a minor;

H. R. 9006. An act for settlement of claim of Allen Holmes;

H. R. 9008. An act for the relief of Milo Milliser;

H. R. 9237. An act for the relief of Annie E. Hyland;

H. R. 9390. An act conferring jurisdiction upon the United States District Court for the Southern District of Ohio to hear, determine, and render judgment upon the claims of Walter T. Karshner, Katherine Karshner, Anne M. Karshner, and Mrs. James E. McShane;

H. R. 9418. An act for the relief of Edward L. Gockeler;

H. R. 10222. An act for the relief of Sarah E. Palmer;

H. R. 10258. An act conferring jurisdiction upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment upon the claim of Adam D. Hampton;

H. R. 10356. An act authorizing the Secretary of the Navy to convey a right-of-way over certain lands situated in Solano County, Calif., to the State of California for State highway purposes;

H. R. 10440. An act for the relief of certain officers of the Foreign Service of the United States, who, while in the course of their respective duties, suffered losses of personal property by reason of war or other causes;

H. R. 10504. An act for the relief of Booth & Co., Inc., a Delaware corporation;

H. R. 10509. An act authorizing the President to present Distinguished Service Medals to James J. Meade and Harold R. Wood;

H. R. 10527. An act for the relief of Harris Bros. Plumbing Co.;

H. R. 10677. An act for the relief of Cora Fulghum and Ben Peterson;

H. R. 10697. An act for the relief of George Houston;

H. R. 10876. An act for the relief of Adele Fowlkes;

H. R. 10916. An act for the relief of Carl Hardin, Orville Richardson, and W. E. Payne;

H. R. 11072. An act authorizing the appointment of an additional district judge for the eastern district of Pennsylvania;

H. R. 11123. An act for the relief of Edward A. Foote, Jr., and others;

H. R. 11262. An act for the relief of Brooks-Callaway Co.;

H. R. 11461. An act for the relief of the estates of N. G. Harper and Amos Phillips;

H. R. 11522. An act to amend the charter of the National Union Insurance Co. of Washington in the District of Columbia;

H. R. 11597. An act for the relief of L. A. Peveler;

H. R. 11668. An act to credit the account of Everett P. Sheridan;

H. R. 11860. An act to provide an additional sum for the reimbursement of certain officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred in Managua, Nicaragua, on March 31, 1931;

H. R. 11863. An act for the relief of Clark F. Potts and Charles H. Barker;

H. R. 11868. An act for the relief of Brook House, Ltd., of Sydney, Australia;

H. R. 12388. An act to provide for the recognition of the heroic conduct and devotion to duty of Matthew A. Hensen, one of the survivors of the polar expedition of Admiral Peary;

H. R. 12522. An act for the relief of Grier-Lowrance Construction Co., Inc.;

H. R. 12622. An act for the relief of Dr. Harold W. Foght;

H. R. 12908. An act granting pensions and increase of pensions to certain widows, former widows, and helpless and dependent children of soldiers of the Civil War;

H. J. Res. 504. Joint resolution to authorize the issuance to Sekigo Takahashi of a permit to reenter the United States; and

H. J. Res. 522. Joint resolution for the relief of William W. Brunswick.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 2243. An act relating to the allocation of radio facilities;

S. 2303. An act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented;

S. 3043. An act for the relief of the State of Maine;

S. 3452. An act to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes";

S. 3477. An act relating to the jurisdiction of the judge for the northern and middle districts of Alabama;

S. 3885. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 3945. An act to extend the times for commencing and completing the construction of certain free highway bridges across the Red River, from Moorhead, Minn., to Fargo, N. Dak.;

S. 3989. An act to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries;

S. 4184. An act to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925;

S. 4230. An act to amend section 28 of the enabling act for the State of Arizona, approved June 20, 1910;

S. 4298. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933;

S. 4326. An act granting the consent of Congress to the Department of Public Works of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass.;

S. 4340. An act to authorize the President to designate an Acting High Commissioner to the Philippine Islands;

S. 4549. An act authorizing the State Highway Board of the State of Georgia to replace, reconstruct, or repair the free highway bridge across the Savannah River at or near the city of Augusta, Ga.;

S. 4655. An act relative to limitation of shipowners' liability;

H. R. 190. An act granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years;

H. R. 1997. An act to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State park system, approved March 3, 1933;

H. R. 2479. An act for the relief of Charles G. Johnson, State treasurer of the State of California;

H. R. 2501. An act for the relief of Mrs. G. A. Brannan;

H. R. 2737. An act extending and continuing to January 12, 1938, the provisions of the act entitled, "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.", approved January 12, 1925;

H. R. 3914. An act for the relief of Oscar Gustof Bergstrom;

H. R. 5722. An act to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia;

H. R. 7025. An act authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes;

H. R. 7688. An act to provide for the appointment of substitute postal employees, and for other purposes;

H. R. 7825. An act for the relief of Michael Stodolnik;

H. R. 7930. An act to eliminate certain lands from the Craters of the Moon National Monument, Idaho;

H. R. 8039. An act for the relief of John B. Meisinger and Nannie B. Meisinger;

H. R. 8074. An act to amend the act of March 3, 1925, relating to Fort McHenry;

H. R. 8278. An act for the relief of Earl Elmer Gallatin;

H. R. 8312. An act to add certain lands to the Rogue River National Forest in the State of Oregon;

H. R. 8495. An act to amend certain plant-quarantine laws;

H. R. 8884. An act for the relief of Mrs. Ollie Myers;

H. R. 9009. An act to make lands in drainage, irrigation, and conservancy districts eligible for loans by the Federal land banks and other Federal agencies loaning on farm lands, notwithstanding the existence of prior liens of assessments made by such districts, and for other purposes;

H. R. 9170. An act for the relief of Montie Hermanson;

H. R. 9991. An act to extend the time for applying for and receiving benefits under the act entitled "An act to provide means by which certain Filipinos can emigrate from the United States", approved July 10, 1935;

H. R. 10174. An act for the relief of Ezra Curtis;

H. R. 10785. An act for the relief of John B. H. Waring;

H. R. 10849. An act to authorize an appropriation for improvement of ammunition-storage facilities at Aliamanu, Territory of Hawaii, and Edgewood Arsenal, Md.;

H. R. 11006. An act providing for the examination of the Nueces River and its tributaries in the States of Texas for flood-control purposes;

H. R. 11052. An act for the relief of Joseph M. Purrington;

H. R. 11164. An act for the relief of Arthur Van Gestel, alias Arthur Goodsell;

H. R. 11616. An act to fix the compensation of the Director of the Federal Bureau of Investigation;

H. R. 11768. An act authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose;

H. R. 11792. An act declaring Bayou St. John, in the city of New Orleans, La., a nonnavigable stream;

H. R. 11821. An act to correct an error in section 16 (e) (1) of the Agricultural Adjustment Act, as amended, with respect to adjustments in taxes on stocks on hand, in the case of a reduction in processing tax;

H. R. 11929. An act granting to the State of Iowa for State park purposes certain land of the United States in Clayton County, Iowa;

H. R. 11969. An act to promote national defense by organizing the Air Reserve Training Corps;

H. R. 12370. An act to authorize a preliminary examination of Big Blue River and its tributaries with a view to the control of their floods;

H. J. Res. 377. Joint resolution to enable the States of Maine, New Hampshire, New York, Vermont, Massachusetts, Rhode Island, Connecticut, Pennsylvania, West Virginia, Kentucky, Indiana, Illinois, Tennessee, and Ohio to conserve and regulate the flow of and purify the waters of rivers and streams whose drainage basins lie within two or more of the said States;

H. J. Res. 465. Joint resolution to amend the joint resolution of July 18, 1935, relating to the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in September 1936;

H. J. Res. 497. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Petroleum Exposition, Tulsa, Okla., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 499. Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes; and

H. J. Res. 570. Joint resolution authorizing the President of the United States to award posthumously a Distinguished Service Medal to Maj. Gen. Clarence Ransom Edwards.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 864. An act for the relief of Bernard Knopp;

H. R. 1367. An act for the relief of William A. McMahan;

H. R. 2120. An act for the relief of Mr. and Mrs. Charles F. Carter, parents and guardians of Louise Marie Carter, a minor;

H. R. 5829. An act for the relief of Daniel J. Hagerty;

H. R. 7361. An act for the relief of Mary W. Carson;

H. R. 7496. An act for the relief of William E. Jones, Walter M. Marston, William Ellery, Richard P. Hallowell, 2d, and Malcolm Donald as executors under the will of Frank W. Hallowell; and Malcolm Donald as executor under the will of Gordon Donald;

H. R. 7970. An act for the relief of V. P. Johnson;

H. R. 8274. An act for the relief of Bertha M. Harris;

H. R. 8330. An act for the relief of William Blakeley, or Blakley, as administrator of the estate of Joseph Blakeley, deceased;

H. R. 8418. An act for the relief of the estate of Catherine Harkins, deceased;

H. R. 8841. An act for the relief of Estelle Mary MacDonald and Marilyn MacDonald;

H. R. 8898. An act for the relief of Barbara Jean Matthews, a minor;

H. R. 9006. An act for settlement of claim of Allen Holmes;

H. R. 9008. An act for the relief of Milo Milliser;

H. R. 9237. An act for the relief of Annie E. Hyland;

H. R. 9390. An act conferring jurisdiction upon the United States District Court for the Southern District of Ohio to hear, determine, and render judgment upon the claims of Walter T. Karshner, Katherine Karshner, Anne M. Karshner, and Mrs. James E. McShane;

H. R. 9418. An act for the relief of Edward L. Gockeler;

H. R. 10222. An act for the relief of Sarah E. Palmer;

H. R. 10258. An act conferring jurisdiction upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment upon the claim of Adam D. Hampton;

H. R. 10504. An act for the relief of Booth & Co., Inc., a Delaware corporation;

H. R. 10527. An act for the relief of Harris Bros. Plumbing Co.;

H. R. 10677. An act for the relief of Cora Fulghum and Ben Peterson;

H. R. 10697. An act for the relief of George Houston;

H. R. 10876. An act for the relief of Adele Fowlkes;

H. R. 10916. An act for the relief of Carl Hardin, Orville Richardson, and W. E. Payne;

H. R. 11123. An act for the relief of Edward A. Foote, Jr., and others;

H. R. 11262. An act for the relief of Brooks-Callaway Co.;

H. R. 11461. An act for the relief of the estates of N. G. Harper and Amos Phillips;

H. R. 11597. An act for the relief of L. A. Peveler;

H. R. 11668. An act to credit the account of Everett P. Sheridan;

H. R. 11860. An act to provide an additional sum for the reimbursement of certain officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred in Managua, Nicaragua, on March 31, 1931;

H. R. 11863. An act for the relief of Clark F. Potts and Charles H. Barker;

H. R. 11868. An act for the relief of Brook House, Ltd., of Sydney, Australia;

H. R. 12522. An act for the relief of Grier-Lowrance Construction Co., Inc.;

H. J. Res. 522. Joint resolution for the relief of William W. Brunswick; to the Committee on Claims.

H. R. 10356. An act authorizing the Secretary of the Navy to convey a right-of-way over certain lands situated in Solano County, Calif., to the State of California for State highway purposes; to the Committee on Naval Affairs.

H. R. 10440. An act for the relief of certain officers of the Foreign Service of the United States, who, while in the course of their respective duties, suffered losses of personal property by reason of war or other causes; to the Committee on Foreign Relations.

H. R. 10509. An act authorizing the President to present Distinguished Service Medals to James J. Meade and Harold R. Wood; and

H. R. 12388. An act to provide for the recognition of the heroic conduct and devotion to duty of Matthew A. Hensen, one of the survivors of the polar expedition of Admiral Peary; to the Committee on Commerce.

H. R. 11522. An act to amend the charter of the National Union Insurance Co. of Washington in the District of Columbia; to the Committee on the District of Columbia.

H. R. 12622. An act for the relief of Dr. Harold W. Foght; to the calendar.

H. R. 12908. An act granting pensions and increase of pensions to certain widows, former widows, and helpless and dependent children of soldiers of the Civil War; to the Committee on Pensions.

H. J. Res. 504. Joint resolution to authorize the issuance to Sekigo Takahashi of a permit to reenter the United States; to the Committee on Immigration.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

Mr. BLACK. Mr. President, I send an amendment to the desk which is offered on behalf of the Senator from Wisconsin [Mr. LA FOLLETTE] and myself.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama on behalf of himself and the Senator from Wisconsin will be stated.

The CHIEF CLERK. On page 30, it is proposed to strike out lines 6 to 17, inclusive, and in lieu thereof to insert the following:

Upon normal-tax net incomes not in excess of $2,000, 12½ percent.

$250 upon normal-tax net incomes of $2,000; and upon normal-tax net incomes in excess of $2,000 and not in excess of $15,000, 13 percent in addition of such excess.

$1,940 upon normal-tax net incomes of $15,000; and upon normal-tax net incomes in excess of $15,000 and not in excess of $40,000, 14 percent in addition of such excess.

$5,440 upon normal-tax net incomes of $40,000; and upon normal-tax net incomes in excess of $40,000, 15 percent in addition of such excess.

On page 31, to strike out lines 8 to 12, both inclusive, and to insert:

(2) The term "undistributed net income" means the adjusted net income minus the sum of (A) the dividends paid credit provided in section 27; (B) the credit provided in section 26 (c), relating to contracts not to pay dividends, and (C) $15,000.

On page 31, to strike out lines 13 to 16, both inclusive, and in lieu thereof to insert the following:

(b) IMPOSITION OF TAX.—There shall be levied, collected, and paid for each taxable year upon the net income of every corporation a surtax equal to the sum of the following:

0 percent of so much of the undistributed net income as is not in excess of 20 percent of the adjusted net income.

20 percent of so much of the undistributed net income as is in excess of 20 percent of the adjusted net income and not in excess of 40 percent of the adjusted net income.

30 percent of so much of the undistributed net income as is in excess of 40 percent of the adjusted net income.

On page 54, line 14, after the word "year" to insert a comma and the following:

including dividends paid in stock of the corporation or in rights to acquire stock in the corporation, which constitute income to the shareholder within the meaning of the sixteenth amendment to the Constitution.

Mr. LA FOLLETTE. Mr. President, will the Senator yield for the purpose of the suggestion of the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from Alabama yield for that purpose?

Mr. BLACK. I do.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Borah	Chavez	George
Austin	Brown	Clark	Gerry
Bachman	Bulkley	Coolidge	Gibson
Bailey	Bulow	Copeland	Glass
Barbour	Burke	Couzens	Guffey
Barkley	Byrd	Davis	Hale
Benson	Byrnes	Dieterich	Hastings
Bilbo	Capper	Duffy	Hatch
Black	Caraway	Fletcher	Hayden
Bone	Carey	Frazier	Holt

Johnson	McNary	Pope	Thomas, Utah
Keyes	Minton	Radcliffe	Townsend
King	Moore	Reynolds	Truman
La Follette	Murphy	Robinson	Tydings
Lewis	Murray	Russell	Vandenberg
Loftin	Neely	Schwellenbach	Van Nuys
Lonergan	Norris	Sheppard	Wagner
Long	Nye	Shipstead	Walsh
McAdoo	O'Mahoney	Smith	Wheeler
McGill	Overton	Stelwer	White
McKellar	Pittman	Thomas, Okla.	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

Mr. BLACK. Mr. President, while the pending bill comes before us designated as a bill reported by the Finance Committee, or approved by the majority of the Finance Committee, it is my belief that it is not entitled to either designation.

Only one real record vote was taken in the Finance Committee on the abstract fundamental issue which is presented in this amendment. That came in the early part of the effort to reach a vote. At that time the vote was 12 to 8 against the idea of exacting a tax on undistributed corporate profits. The majority of 12, however, was made up of a part of the Republican membership of the committee, which, according to my information, intends to vote for the amendment as reported by the Finance Committee, and against the bill after it shall have succeeded in placing this provision in the measure; and, in my judgment, if these Republican members can succeed in forcing through, as a Democratic measure, a tax bill in the nature of the one reported by the Finance Committee, they will have demonstrated political wisdom and sagacity.

So, in the beginning, I desire to state that, according to that record vote on the objectives of taxing undistributed corporate profits, eliminating those members on the opposite side of the aisle who, for tactical reasons of their own, saw fit to vote for an amendment to the bill, intending to vote later against the entire tax measure, it does not follow that the bill with these provisions comes here as a bill of the majority of the Finance Committee.

Mr. GEORGE. Mr. President, I had hoped the Senator from Alabama would not make such a statement as that; and now I propose to state what the facts were, because it is only fair to the other members of the committee.

Early in the deliberations on this measure, on a motion which I made that the committee not impose on undistributed profits any surtax in excess of 4 percent, the vote in the committee was 12 to 4. I shall not do more than mention the fact that practically all of those who were absent were accounted for in that vote. Subsequently, on the motion of the chairman of the committee—unfortunately, he is ill, and I regret very much to make this statement, but in fairness to the majority members of the committee I do make it—we adopted the 7-percent surtax upon distributed earnings, after an earnest appeal by the chairman that if we would take that, the committee would take it; and, as I recollect, there was but one vote against that proposal.

Now I wish to say——

Mr. BLACK. Just a moment.

Mr. GEORGE. Wait; I am rising to a question of personal privilege.

Mr. BLACK. I have the floor.

Mr. GEORGE. And I rise to a question of personal privilege.

Mr. BLACK. I insist that under that statement I should continue to keep the floor. I did not interrupt the Senator from Georgia.

Mr. GEORGE. That is true; but the Senator is going back into the executive sessions of the Finance Committee and stating that this bill is not the product of the committee.

Mr. BLACK. I am not going back into the executive sessions of the Finance Committee. I am going into the votes that were publicly announced by the chairman of the committee.

Mr. GEORGE. Mr. President, on the final vote on the bill, of the Senators present all voted to report it favorably but four, and they were not all on the Democratic side of the committee.

Mr. BLACK. Mr. President, I repeat the statement I made in the beginning that the record shows, and it was published in all the newspapers of the country, that the record vote on the question of adhering to the President's plan was 12 to 8, as given out to the press. That record vote on the 12 side contained the Members on the other side of the aisle.

With reference to the statement that this agreement was made by the entire committee, and that there was only one vote against the 7 percent, that statement is correct. There was only one vote against the 7 percent, which at that time was the best that could be obtained, and the choice was between that and something lower. There certainly was vehement opposition expressed in the committee to raising the flat corporate tax on every corporation in the country, including 230,000 small corporations. As a matter of fact, upon my request, as I recall—I know the request was made—there was a division on the two points.

I thought it proper, and I still think it proper, to call the attention of the Senate to the fact that so far as the objectives asked for in the President's program were concerned, the vote of the committee was not unanimous, and it was not 18 to 1.

Mr. President, it seems to me that the able and distinguished Senator from Georgia, by the tone of his speech, has really shown the difference in opinion of certain groups in America with reference to taxes. A very earnest reference is made by him to high income taxes and high inheritance taxes, leaving the distinct impression that high income taxes in the high-income brackets, and high inheritance taxes in the high-estate brackets, constitute an unfortunate thing for the people of America. As a matter of fact, as I understood, the statement was made that those who were so unfortunate as to be in the high income-tax brackets were compelled to pay these stupendous taxes.

Mr. President, there are millions of American citizens who do not subscribe to the doctrine that a man is unfortunate because, perchance, he makes five or ten million dollars a year, and is compelled to pay 75 or 79 percent of his income to the Government in taxes. As a matter of fact, I believe it is true, and I believe practically 90 percent of the Senators in this Chamber would vouch for the statement, that it would not be wise to go into any State of the Union and announce to the people that the candidate who was asking for their suffrages was against the imposition of high income and high inheritance taxes on large incomes and the very wealthy estates.

It is my belief that the income-tax law, the rates of which have gradually been raised until they reach 75 and 79 percent, and the high tax on estates represent the strong impulse pressing behind the Members of the House and the Senate on the part of more than 90 percent of the population of the United States of America.

I do not subscribe to the doctrine that this Nation at this time is in danger of being destroyed or its economic system disrupted or overturned by reason of a lack of capital. Nor do I subscribe to the doctrine that the source of wealth or the production of wealth is determined by the amount of surplus which someone has created in the United States. I subscribe rather to the doctrine announced by economists, both liberal and conservative, in this Nation, that the sources of wealth in the United States, as in every other country in the world, rest chiefly upon the products of the soil and on the labor of human beings.

I do not subscribe to the doctrine that this Nation at present is in any danger from any shortage of capital. As the system is now functioning, everyone knows that factories have been built in every part of the Nation with capital which has been accumulated in surpluses until factories have been compelled to close their doors, and stop the wheels of industry from revolving. That was not on account of any absence of capital or of accumulated surplus. As a matter of fact, many of the most thoughtful economists of the present day subscribe to exactly the opposite theory, that is, that those factories were closed, at least in part, and that

business was paralyzed, at least in part, because a surplus of capital had accumulated in the hands of people who were not willing to reinvest it and take the low prices at which they would be compelled to sell the goods if they continued to compete with multitudinous factories and places of business all over this Nation.

I state to the Senate that in this simple controversy, this simple difference of honest opinion between the views of myself and the Senator from Georgia, I believe, rests the difference between the substitute offered by the Senator from Wisconsin and myself and the bill offered by a part of the Senate Finance Committee.

The Senator from Wisconsin and I—and I believe others who voted for the original objective of the President—believe that under one of the accepted canons of taxation taxes should be levied upon those who are best able to bear them. We take the position that the bill offered by a part of the Finance Committee abandons this principle, that it throws it overboard, and says that the United States has reached the time when the only thing necessary to provide for the reemployment of citizens is to abandon that good old wholesome principle, which most Americans believe to be right, that we should impose the taxes upon those who are best able to pay the taxes out of that which they have.

Mr. President, I will now call attention to the effect on the corporate structure of this country as between our proposal and the committee proposal. There are in the United States of America, according to the estimates given us by the Treasury, something over 257,000 corporations. About 90 percent of those corporations make under $15,000 a year. I have the record before me.

A great deal has been said about the effect of our substitute upon the incomes of corporations making a million dollars profit. We admit that our proposal would require the corporations which make a million or five million or seven million dollars in profits to pay more taxes than will the Senate Finance Committee bill—if those corporations should retain their earnings in their treasuries. We admit that. We claim that as a virtue of our proposal, because we believe in imposing taxes, in the first place, upon those who are best able to pay.

Our bill would eliminate from any surplus corporate tax every little struggling corporation in the United States, in any State, which makes an income of less than $15,000 a year. That would apply to about 230,000 of the 257,000 corporations. Note that our amendment would exempt from one nickel of surplus tax every one of those 230,000 small corporations, which have a hard time now, and difficulties enough, in competing with those which have large accumulations of wealth.

Does the Senate Finance Committee bill do that? It does not. It puts exactly the same percentage of surplus tax—and if I am mistaken I should like to be corrected—upon the corporation making ten thousand or fifteen thousand or twenty thousand, as upon the corporation making five million profits.

Mr. GEORGE. Mr. President, the Senator does not mean that it imposes the same rate.

Mr. BLACK. I said the 7-percent rate, the same rate.

Mr. GEORGE. On the undistributed earnings?

Mr. BLACK. Certainly; that is exactly what I mean. There may be some here who believe that they ought to vote for a bill which recognizes no distinction, which recognizes no right to have a graduation in the amount of the taxes between those 230,000 corporations making from a thousand to two thousand or three thousand or four thousand or ten thousand or fifteen thousand dollars a year. They may believe we should take the same yardstick, in the interest of increasing the surpluses of the Nation, and impose the same tax upon the large corporations that we impose on the small ones which have incomes from ten to fifteen thousand dollars a year. Those who believe that way would naturally favor the provisions reported by the Senate Finance Committee. But what we want is to make Senators understand the facts, and we want the people of this Nation to understand the facts, so that there will be no talk about favoring this other measure as a protection to the small corporate enterprises of this Nation.

I repeat, so that no one need misunderstand, we want it in the RECORD that under our proposal practically 90 percent of the corporations of the United States, to wit, those with incomes of less than $15,000 a year, will not be taxed one dime for accumulating surpluses on the undistributed profits.

Mr. GEORGE. Mr. President, is it not fair to say that the Senator is talking about ordinary commercial corporations? The Senator does not include many manufacturing corporations among those which would make less than $15,000 a year.

Mr. BLACK. Oh, yes; I include all making less than $15,000. I know a great many which make under $15,000 a year. There are a great many of them in the State in which I live, and in my judgment there are many of them in the State of Georgia and other States.

Mr. GEORGE. Would the Senator mind stating how many manufacturing corporations make less than $15,000 a year which are taxable at all?

Mr. BLACK. I cannot say how many of these corporations are actually engaged in manufacturing, but I say that there are practically 230,000 corporations out of the total of 257,000 in the Nation which make less than $15,000 a year.

Let me go a step farther. Let us go on up to those which make $40,000 a year. Under our proposal those which make $40,000 a year, as Senators will find if they look in yesterday's RECORD, will be taxed a smaller amount on all undistributed profits than they would be under the bill as reported by the Finance Committee.

If Senators are going to apply the same yardstick of tax rates on undistributed surpluses to the small corporations that they do to the vast, colossal organizations which extend themselves all over the Nation, then they should support the Senate Finance Committee bill.

Let us see what the result of the flat corporate tax is on the small corporation. The Senate Finance Committee bill proposes to raise the flat corporate tax of all the 257,000 corporations in the Nation a flat 3 percent. Today it is 12½ to 15 percent. We propose to leave that as it is. We do not believe it is fair or just to raise the flat corporate tax 3 percent on all the corporations in America, the small and the large, until we have first made an honest and diligent effort to stop the monumental tax avoidance to which I expect to call attention in a few moments.

The fight between these two proposals, as I see it, is a fight between those who believe in imposing the additional taxes upon those who have been escaping their fair share of taxes heretofore and those who insist that in spite of this tax evasion, because, forsooth, we have not waited long enough, and we do not know exactly how many millions of dollars or billions of dollars they have been avoiding, that we should wait until we have had time to measure each penny, and each nickel, and each dime, in an effort to tell the country exactly how many billions of dollars in taxes have been avoided by people who have been using this device to keep from paying their honest and fair part of the taxes imposed by the Federal Government. So, Mr. President, we do not propose to raise the flat corporate tax as it exists today.

Why do we say that you should give unusual consideration to the small corporation? The small corporation as a rule may be composed of only two or three people living in a community. Perhaps they have started out in a new business. They do not have access to all the markets, as do the larger corporations. They do not have the opportunity of making trades upon a basis of large volumes of purchases. They start off at a disadvantage. We take the position that it is fair and just and right to give them a natural and normal chance for expansion by exempting them 100 percent from the undistributed-profits tax. Those who take the other viewpoint say, "Oh, yes, we will put on a 7-percent surplus tax, but it must apply to the corporation which makes $5,000 profit, the one which makes $10,000 profit, and to the one which makes $1,000,000, or $2,000,000, or $10,000,000 profit, in identically the same manner."

Then we hear the statement that all of that is done for the benefit of the small corporation and the small taxpayer!

Mr. President, we take the position, as I previously stated, that these small corporations are entitled to this exemption on their undistributed profits and we provide it in our amendment. The Senate Finance Committee bill does not make such provision.

Let us see just what our measure does provide. If Senators will look in the RECORD of yesterday they will see exactly the effect of our provision. They will find a table on page 8678 of the RECORD of yesterday showing the effect of our proposal, the effect of the Senate committee proposal, and the effect of the House committee proposal on a $40,000 corporation income and on a $100,000 corporation income. We do not have in the table a statement of the effect on a $1,000,000 corporation income. We have it accessible to those who desire to read it. I will state, so there may be no misunderstanding, that our amendment would increase the taxes on undistributed profits of the million-dollar-profit corporation more than would the bill of the Senate Finance Committee.

The statement has been made that by strengthening section 102 it will be possible to prevent tax avoidance. Many Senators are lawyers. Some have had experience in tax matters. Let me say to Senators just what would have to be done in connection with proving that a corporation was withholding its profits unnecessarily. In the first place, the internal-revenue collector passes upon the question. Then the corporation can carry it on its slow and tedious way through all the courts, until finally it reaches the Supreme Court of the United States, and possibly receives an opinion of 5 to 4 one way or the other. It would be a long time before any single case ever reached the Supreme Court of the United States. In every effort to impose such a penalty the Government would be confronted with insuperable obstacles.

It is a vain and an illusory hope to anticipate that the Government of the United States will ever be able to prevent tax avoidance on the part of corporate officials by the simple expedient of charging and proving against them that they have withheld a distribution of profits to avoid taxes.

I might state in that connection that I received a letter from Detroit from a stockholder of one of the large corporations. He said that he had noticed that there was a great deal of worry on the part of stockholders because someone had said that his company would be forced to pay dividends to him. He said, "Perhaps some people think the company should not be forced to pay dividends when it made them, but I cannot subscribe to that doctrine."

I think it is true that there are a great many people in this Nation who would favor the tax on undistributed profits if the argument for such tax were based on the plain, simple idea that a man who invests his money in a corporation is entitled to anticipate that the corporation will declare dividends on its earnings, and that on that basis alone there would be much justice in favor of a tax on undistributed profits.

As all Senators know, until about 2 weeks ago it was generally believed that it was impossible to tax stock dividends as income of the recipient of those stock dividends. About 2 weeks ago, however, the Supreme Court of the United States rendered an opinion which appeared in the RECORD, in which it decided if those stock dividends were declared in a different type of stock than the stock which was originally held by the owner, that those dividends did constitute actual income—taxable income, if you please—in the hands of the stockholder recipient.

That being true, we have provided in such manner as to avoid any possible misunderstanding, that stock dividends declared in such manner that they are taxable in the hands of the recipient will be considered as distributed profits against which no undistributed-profits tax is imposed. Under that provision there is no corporation that could not retain every dollar of the money it needed in its treasury by simply declaring stock dividends for the profits which had been accumulated. Of course it would be necessary for them to declare stock dividends of such kind that they were taxable in the hands of the recipient. If that should be done those who have previously been escaping taxation on the same basis on which millions of others had to pay, would be compelled to come in and pay taxes on the profits they had received.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BONE. Would it not be possible for corporations to evade the effect of that kind of decision of the Supreme Court by distributing stock of a character that would escape taxation?

Mr. BLACK. The Senator is correct. They could, but if they did that then under the provisions of our amendment the surplus tax would apply after the exemption of the first $15,000 and the exemption of 20 percent.

The bill as reported by the Finance Committee does not give even this 20-percent exemption. It tells the small corporation and the large corporation that the surplus tax is going to be applied if they fail to distribute 100 cents on the dollar. Our proposal on the contrary especially provides not only an exemption of $15,000, but an exemption on the first 20 percent of undistributed profits of the corporation.

I have always thought that a measure of this kind should contain some kind of provision that a certain amount of the profits should be left untaxed even if they were undistributed. Our proposal would carry out that idea.

Bear in mind the smallest, weakest corporation in the Nation, which heretofore has been paying perhaps 12½, 14, or 15 percent, we will say, now has its tax raised by the committee proposal 7 percent more and 3 percent more, making a total of 10 percent if that little corporation retains its profits in its treasury. Our amendment would not do that, and we believe on that basis it is preferable to the committee proposal.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BLACK. Certainly.

Mr. TYDINGS. The Senator said a moment ago he had a compilation for a corporation which made $1,000,000 profit in line with the illustrations of $40,000 and $100,000 profit. Would the Senator mind reading what the tax on that corporation would be under his plan?

Mr. BLACK. In brief, where all profits are distributed, under the bill as reported by the Finance Committee, the tax would be $179,440.

Mr. TYDINGS. That is on the basis of $1,000,000 profit?

Mr. BLACK. Yes. Under our proposal it would be $149,440. When we get up to a 40-percent retention, the bill as reported by the Senate Finance Committee would provide a tax of $194,000, and under our plan it would be $162,000. On a 50-percent retention under the Finance Committee plan the tax would be $201,000 and under our amendment, $182,000.

From that point on the figures under our proposal would be larger than those proposed by the Finance Committee. Let us take an instance where 80 percent is retained.

If 80 percent is retained now, and dividends of 20 percent paid, under the bill reported by the Finance Committee the tax would be $222,000, and under our proposal $272,000.

Mr. TYDINGS. Has the Senator the figures for corporations earning more than $1,000,000?

Mr. BLACK. No; I have not. However, I will state to the Senator that in each instance where I have seen the figures and I assume it would be true in all others, though I cannot state definitely until we reach the 50-percent retention, under our proposal the tax is lower. After we reach 50 percent the tax is higher under our proposal.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BONE. In the case of a corporation which makes $100,000 net profit in a year, what would the tax be?

Mr. BLACK. The figures are set forth on page 8678 of the RECORD of yesterday.

Mr. BONE. In the event a corporation should make $100,000 net profit, what would be the total tax payable under the Senator's amendment? Would it be $14,440?

Mr. BLACK. No; that is in case all the profits are distributed. Under our plan it would be $14,440, and under the Finance Committee plan it would be $17,440.

Mr. BONE. Out of $100,000 available for distribution, the Government would take $14,440 if it were all distributed, and the stockholders would take the remainder, which would be $86,000.

Mr. BLACK. That is correct.

Mr. BONE. On $50,000 net profit the Government would take $15,000, and approximately $35,000 would be available for distribution to the stockholders.

Mr. BLACK. That is correct.

Mr. BONE. Under the bill reported by the Finance Committee, $19,000 would go to the Government in taxes, and the remainder would be for distribution. It would seem that under the Senator's amendment corporations which fall in the brackets of $100,000 or less available for dividends would pay considerably less than under the Finance Committee's plan. Am I correct?

Mr. BLACK. The Senator is correct with reference to $100,000.

Mr. BONE. Or less?

Mr. BLACK. There is a difference between the $100,000 and lesser amounts. As we go down in profits, under our proposal the surplus tax on the corporation would be less until we reach $15,000 profits, where the surplus tax would be nothing. In addition to the $15,000, under our proposal the first 20 percent of profits is also exempt.

Mr. TYDINGS. Mr. President, am I to understand the Senator to say that in any case, under his proposal, 20 percent of the earned net income is exempt?

Mr. BLACK. The Senator is correct.

Mr. TYDINGS. And that $15,000 is also exempt?

Mr. BLACK. The adjusted statutory amount; that is correct.

Mr. TYDINGS. Would there be a case where the $15,000 and 20 percent would both be exempt; or, if the $15,000 equaled the 20 percent, then, would the one exemption apply?

Mr. BLACK. It would work in this way:

In the first place, $15,000 would be exempt, so that if there was only $15,000 profit there would be no surplus tax. If there should be a profit of twenty-five or thirty thousand dollars, the first $15,000 would be exempt from the surplus tax. In addition to that, there would be taken off the amount of the corporation tax paid. Then, from the remainder, 20 percent more would be exempted, so that until we get up to about $50,000 of profit for a corporation the tax under our proposal is a smaller amount in all the brackets than the tax under the Senate Finance Committee proposal. It is only after the high-profit brackets are reached, after 50 percent of the undistributed profits is passed, that the taxes would be more under our proposal than under the Senate Finance Committee proposal. Do I make that clear to the Senator?

Mr. TYDINGS. Yes. On what page is that illustration?

Mr. BLACK. Page 8678 of the RECORD.

Mr. BONE. Mr. President, I think I misunderstood the statement of the Senator, or I did not get the table right in my mind. I see that the table set out on page 8678 is a study of figures predicated on a net income of $100,000.

Mr. BLACK. That is correct.

Mr. BONE. I misunderstood the table when I first asked the question.

Mr. BLACK. One of the tables is based on $100,000 net income, and the other is based on $40,000 net income.

As I stated, Mr. President, when the exemption of $15,000 is given under our proposal; when the further exemption of $15,000 profit is given, which eliminates 90 percent in number of all the corporations in the Nation; when we then take from the amount on which the undistributed-profits tax is to be paid the amount of corporate tax; when we further take 20 percent of the total profits left, we find that for the small corporations of the Nation we have left ample and complete opportunity for them to have the reasonable business expansion which is so essential to the increase and growth of real, substantial small businesses in America, if we are not to have a nation wholly and completely composed of a few large groups that control every type and kind of business in America.

Not only that; we have offered a sufficient incentive to the larger corporations to bring about a distribution of their surpluses so that it should tend to prevent a repetition of the disgraceful episodes which Senators know have occurred with reference to the surpluses of large corporations in the boom days of the twenties. Senators recall how during those days, as today, a very small handfull of individuals controlled the corporate destiny of all the large corporations of the Nation.

If any of you are small stockholders in a large corporation, I think I could safely ask you if you ever attended a stockholders' meeting. I think I could safely ask you if you ever knew who it was to whom you sent your proxy, if you sent a proxy. I think I could safely ask you if you had anything on earth to do with determining the dividend-distribution policies of the corporation in which you are a stockholder. You did not.

If you were a stockholder of any of these corporations with huge corporate surpluses in 1928, did you have anything to do with determining the policy by which the surplus which has been withheld from honest dividends to you was loaned out on the stock exchange, in the gambling of the Street, there to manipulate the stock market, not for your advantage, but for the advantage of the very persons who were controlling and manipulating your corporate surplus? You did not have anything whatever to do with it. One of the darkest pages in the financial history of this Nation is the jiggling up and jiggling down of stock by persons who were controlling other people's money in the form of corporate surpluses, money which had not been distributed because those who controlled the surplus knew that if they kept it in the treasury of the corporation, they could manipulate it to their own advantage, and in addition to that, they could escape the 75-percent income brackets, and keep the corporation tax in the 15-percent bracket.

Mr. ADAMS. Mr. President——

Mr. BLACK. I yield to the Senator from Colorado.

Mr. ADAMS. I wish to say to the Senator from Alabama that tax matters are largely a mystery to me, and probably the question I wish to ask has been covered in the Finance Committee; so the Senator will pardon me for asking, perhaps, a stupid question.

As I understand, however, the premise of the Senator's argument is that the tax should be borne by the taxpayer in proportion to his ability to pay.

Mr. BLACK. That is correct.

Mr. ADAMS. In a partnership the partners report their share of partnership earnings, and pay in proportion to their rates.

Mr. BLACK. The Senator is correct.

Mr. ADAMS. Is it legally possible to apply that principle to corporations? I ask the question for this reason:

Suppose the case of a man who has very little. All he has is a few shares of stock. He happens to have the stock in a corporation with large earnings. Along with him is a stockholder with large capital. As matters stand, when we tax the corporation the same rate is imposed both upon the man of small income and upon the man of large income. My inquiry is whether it is legally possible to apply to the corporation the principle which we apply to the partnership, so that the tax actually is imposed in proportion to ability to pay.

Mr. BLACK. I may state to the Senator that that is exactly what we have tried to do, and is the direction in which we are going with our proposal. That, in my judgment, is not the direction in which the other report is going. Let me call the Senator's attention to that matter with reference to his illustration. I am glad he made it.

Here is a small stockholder in a large corporation who pays no income tax at all. Here is another stockholder by his side who is in the 75-percent bracket. If the dividends should be distributed, therefore, the small stockholder would not have to pay a nickel in tax until we provide a change of the normal tax on dividends, and even then he may not pay the 4 percent. So when we raise the flat corporate tax 3 percent, and add a flat 7 percent to the 3 percent, and do not provide a sufficient incentive for these tax dodgers to declare dividends, the result is that we have added a 10-percent tax to the small stockholder in the corporation, while we have not injured to any appreciable extent the gentleman in the 75-percent bracket.

Carrying the Senator's illustration just a step further, if two men are engaged in a partnership and one of them needs money to expand his business, the Finance Committee bill does not require an exemption for them from the payment of taxes in the brackets where they naturally fall. They are left to pay their tax whether it is in the 25-percent or in the 75-percent bracket; but when we do that we impose the graduated individual income tax upon the members of a partnership working side by side and in competition with the corporation, and we permit the stockholders in the corporation to escape the same graduated tax by imposing only the corporate tax.

It is to accomplish exactly the purpose the Senator has mentioned that we have attempted in this measure to prevent hanging a tax of 10 percent more upon the stockholders of corporations who are in the low income-tax brackets. We are opposed to raising the flat corporate tax 3 percent. That is what the Finance Committee report does. In addition to that, as I have stated to the Senator, in these days when the small corporations are struggling to free themselves from the monopolistic competition of their largely financed competitors, there hangs over their heads like the sword of Damocles, suspended there by the Finance Committee bill, a tax increase of 3 percent, and a statement, "If you keep one dollar in your treasury, you must pay 7 percent additional."

Mr. ADAMS. Mr. President, is it possible from a legal and administrative standpoint to assimilate the tax procedure applicable to corporatons as is done in the case of a partnership?

Is it legally possible to say to each corporation, "Make a report of the proportionate earnings of each stockholder", as we would to a partnership, and then let the stockholder make his return?

Mr. BLACK. Unfortunately that was done about 60 years ago, and while it is my recollection that the Supreme Court itself sustained the act, it later, by another divided opinion, changed its mind and struck down the act as being in contravention of the Constitution. So that it is impossible to tax the undistributed profits which remain in the corporate treasury as a part of the individual incomes of the stockholders.

In order to achieve the same result we have suggested a proposal which imposes no corporate tax on undistributed profits if the corporation declares a stock dividend of such nature as to be taxable under the recent Supreme Court opinion. In that case, the case of Koshland against Helvering, the Court distinguished clearly and unequivocally between a normal stock dividend of the same kind and nature as the stock on which the dividend was declared and a stock dividend of a distinctly different nature from the stock on which the dividend was declared.

In order to carry out and obtain the full benefit of that, so that we can permit every corporation, if it desires, to retain 100 cents of every dollar in its treasury, if its stockholders wish, we have provided that there shall not be one dollar of corporate undistributed profit tax imposed upon that corporation if it distributes its dividends in a stock dividend which is taxable in the hands of the stockholders.

Who can object to that? I will state to the Senator who can object to it, and it is only one group. It is the group in this Nation composed of those in the high income-tax brackets who prefer to permit their profits to remain in the treasury, either at 15 or 18 percent, rather than have dividends declared, by stock dividend or otherwise, and be compelled to pay a tax under the brackets which the Congress has provided.

Mr. President, I have every reason in the world to believe that the Treasury Department is right in the figures it reports to us. I do not agree at all with the statement that the Treasury Department does not know what it is talking about. The Treasury Department tells us, may I say to the Senator from Colorado, that this very year, if we will require these gentlemen in the high income-tax brackets to pay income taxes as others do, on what they make, according to law, we will collect more than $600,000,000 in additional revenue, without raising the tax rate a single penny on the 230,000 small corporations doing business in this Nation.

I do not want any misunderstanding about this matter. Those who want that system to continue to exist, those who prefer to let the group to which I am referring escape, may do so. A number of the names in this group appear in the confidential hearings of the committee. We know who some of them are. While the names have not yet been made public, I hope every one of them will be. The issue is, Shall those gentlemen be permitted to continue to make playthings of the income-tax brackets which have been fixed by the Congress and the Executive under the laws of this Nation, or shall we make them pay a tax on an honest basis, as other people do?

Let me give an illustration. I will call no names. I have the right to give illustrations without calling names, and I expose no confidential information. I could give many illustrations. There are in the record illustrations of individuals who, by the simple device of having corporations controlled largely by them leave the profits in the corporation income treasury, have escaped taxation in a single year of more than a million dollars. With the limited time given to study the record, we have found others who have escaped the payment of more than $3,000,000 in a single year. When the truth is revealed, and when the names are published so that the people of the United States can read them, they will find that some of the loudest protests against this particular proposal are made by the very people who are using this scheme to keep from paying their own part of the taxes.

We have included in our report one illustration—and it is just one of many—of a corporation which paid an income tax of about $700,000, and if the profits had been declared in dividends, one stockholder of that corporation would have been compelled to pay, in the bracket where he fell, more than three and a half million dollars.

We are told that this is not the time to stop such evasion. We are told that we cannot tell to a penny how many millions and billions of dollars of taxes have been lost to the Government through this avenue of escape. I claim, Mr. President, that it is immaterial whether it is one billion or five billion, the honest people of this Nation, who pay their taxes as the law provides they should, are entitled to be protected from any such tax avoidance and tax evasion. I claim that it would be nothing short of a legislative crime—and I do not intend to be a party to it with my vote—to raise $600,000,000 in taxes, as is proposed in the Senate Finance Committee bill, by raising the corporate rate on those who are paying their taxes honestly now, the small corporations of this country, and on individuals on whom the surtax is imposed, before we first prove to the Nation that we are here representing all of the people of this country and not a small group of them, and pass a tax bill which will make these people pay their honest part of the taxes of the Nation.

Let no man be deceived as to the issue. The Treasury Department, which is a part of the executive branch of this Government, after investigation reports that we can collect more than $600,000,000 in taxes from those who have been escaping the payment of taxes. The President said in his message, Mr. Helvering said, Mr. Morgenthau said, that without raising the taxes one dime on a single individual in this Nation, except through the passage of a bill which would

raise the taxes on the small group which has escaped the payment of taxes heretofore by keeping the profits buried in the treasury, we can raise more than $600,000,000.

The question the Senate will have to answer is whether it desires to raise these taxes as the President said they could be raised, as Mr. Helvering testified before the committee they could be raised, and as Mr. Morgenthau testified before the committee they could be raised, out of those who are evading the payment of their taxes on the specious cry that it may affect business if we make people pay their taxes honestly, or dodge the issue and say, "We will postpone it to another day."

Mr. BYRD. Mr. President, the Senator suggests that Mr. Morgenthau and Mr. Helvering appeared before the committee favoring the House bill. Does the Senator favor the House bill?

Mr. BLACK. Mr. President, I believe the proposal we have made is simpler than the House bill. We have avoided complexities and we have raised the issue so the people of this country will know what it is. No one need be deceived. We have presented the issue and the vote on our proposal will demonstrate whether the Senate as a body favors attempting to stop tax evasion and tax frauds now or whether we shall postpone such efforts to a later time.

Mr. SCHWELLENBACH. Mr. President——

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Alabama yield to the Senator from Washington?

Mr. BLACK. I yield.

Mr. SCHWELLENBACH. My understanding is—and I got it from the newspapers—that shortly after the committee began to consider the House bill the Senator from Virginia pointed out certain instances where corporations would be able to avoid payment of taxes under the House bill. I should like to ask the Senator whether or not the proposal he makes meets the point raised by the Senator from Virginia?

Mr. BLACK. The Senator from Virginia called attention to the fact that under the House bill, by reason of the fact that we repealed the flat corporation tax, a large number or corporations would be exempted from the payment of any tax at all. We have reinstated the corporation tax in our proposal exactly as it existed last year.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BAILEY. Does the Senator mean to suggest to the Senate that his amendment was according to the recommendation—not the recommendation but the invitation of the President merely to consider certain suggestions?

Mr. BLACK. I certainly do.

Mr. BAILEY. Did the President suggest that we maintain the normal income taxes?

Mr. BLACK. The President suggested that we stop the tax leak which exists by reason of certain people escaping payment of their taxes. That is the issue before this body. That is the issue I am discussing.

Mr. BAILEY. The Senator is going to be frank—I know him—and he will tell the Senate that the House bill, which I take it reflected the recommendation of the President, or his invitation, as I read his language, did not contain any reference whatever to maintaining the existing normal rate on the corporate income, and the President's invitation to consider his method, if you may call it his method, distinctly said we should abandon those rates, and that we should abandon the capital-stock tax. The Senator's amendment does not do that.

Mr. BLACK. I know and the Senator knows that the President favors a bill which will tend to stop this tax evasion and which will put a tax on undistributed profits.

Mr. BAILEY. Mr. President, that is not the question I raised.

Mr. BLACK. That is the issue that I have raised.

Mr. BAILEY. We are all in favor of that.

Mr. BLACK. That is the only issue raised by our amendment. The issue raised by our amendment is the issue of a tax on undistributed profits. I do not intend to be diverted from the plain words of our amendment. Our amendment provides a tax on undistributed profits so that we will begin to reach some of these men who have been escaping taxes of $50,000, $100,000, $200,000, $1,000,000, $2,000,000, $3,000,000 per year by the simple expedient of having the corporations which they control keep the money in the treasury. That is the issue raised in our amendment.

Mr. BAILEY. Mr. President, will the Senator further yield?

Mr. BLACK. I yield.

Mr. BAILEY. I wish to assure the distinguished Senator that I do not intend to divert him. I understood him to make statements indicating that he was claiming that his amendment was in line with the suggestions of the President. I am telling him now and I am telling the Senate that I have the suggestions of the President in my hand. The President did not suggest that we maintain the present normal taxes, and yet that is precisely what the Senator's amendment does. If the Senator will pardon me, I desire to read into the RECORD at this time the language of the President:

> I leave, of course, to the discretion of the Congress the formulation of the appropriate taxes for the needed permanent revenue. I invite your attention, however, to a form of tax which would accomplish an important tax reform, remove two major inequalities in our tax system, and stop "leaks" in present surtaxes.

That is the language of the President. In view of that language, I do not think that anyone can claim that the Senator from Alabama and the Senator from Wisconsin are carrying out the plan of the President in their amendment. The President, in his message, which any Senator can get by reference to the report on our desks, suggested the abandonment of the existing normal taxes on incomes of all corporations and the existing capital-stock tax. The Senators' amendment undertakes to maintain those normal taxes and contemplates the continuance of the capital-stock tax.

Mr. BLACK. Mr. President, my amendment does not touch the issue which has been stated by the Senator from North Carolina is in the bill. If the Senator now wants to become converted to the President's plan and move to strike it out of the bill which he joined in reporting, that is satisfactory to me. However, what I am talking about, and the one issue I am presenting, the one issue which has been obscured by many statements made throughout this country, is this, and it is short, simple, and concise: How many Senators favor a proposal which will tax the earned income of these gentlemen who have been escaping taxes to the tune of $600,000,000 in 1 year? How many here favor putting this tax on 230,000 little corporations owned by small-business men instead of doing what the President suggested and placing it directly on this group that will escape $600,000,000 worth of taxes this year if the Senate adopts the Senate Finance Committee bill?

Let no one deceive you, and do not be led astray by any other argument. That is the issue contained in our amendment. That is the only question we raise. We do not touch the other proposition. If any Senator wants to strike that out let him strike it out, but the issue we raise by our amendment is whether or not we will put the taxes on the small-business men who already are paying their part and keep it off those who are avoiding their part.

No word, no flight of eloquence, no confused language, no diversion of issues, no talk about small corporations being injured by putting a tax on big corporations, as we propose it, is going to change the issue.

Mr. President, I have talked longer now than I intended on the proposal which I have submitted.

Mr. BAILEY. Mr. President, before the Senator takes his seat, if he intends to do so, I would like to have him explain to the Senate how he proposes to raise the revenue we need to raise, in view of his amendment? Will the Senator give us the facts so we may know just how the revenue would be raised?

Mr. BLACK. Our amendment, which we have proposed as a substitute for the committee amendment which the Senator from North Carolina favors, would put the tax on those best able to bear it. The proposal of the Finance Committee

puts the tax on those least able to bear it. Our amendment, according to the Treasury estimate, would raise on that part of the tax $502,000,000 as against $532,000,000, which would be raised under the proposal of the Finance Committee.

Mr. BAILEY. Is that the entire amendment?

Mr. BLACK. That is our amendment.

Mr. BAILEY. The entire amendment?

Mr. BLACK. Yes.

Mr. BAILEY. Will the Senator divide that for the information of the Senate as between the normal-tax rates in the first part of his amendment and the surtax rates in the second section?

Mr. BLACK. I do not have those figures divided in that way. If the Senator desires to put them in the RECORD, it would be very interesting.

Mr. BAILEY. I have no way of getting a statement of the Senator's figures. I want the information for the Senate.

Mr. BLACK. I have the figures which were submitted to the Finance Committee, and the Senator can find them there. I think the Senator from Virginia [Mr. BYRD] has the same figures. Our proposal would raise $502,000,000, as against $532,000,000 under the proposal of the Finance Committee.

However, I do not intend to be led astray from the one issue in the particular amendment, which is this: The Senate Finance Committee proposal is——

Mr. BAILEY. I regret to interrupt my friend, but he seems to be under the impression that somebody is trying to divert him or lead him astray. I wish to disavow any such purpose. That has not occurred to me. I wish to get information about his amendment. I knew something of it, but it has been formally presented to the Senate just this afternoon. I hope the Senator will not attribute to any of us any ulterior motives because we ask for information.

Mr. BLACK. I do not.

Mr. BAILEY. But when the Senator says I am trying to lead him astray, I think that is attributing an ulterior motive.

Mr. BLACK. Our amendment is limited to the form of a substitute for the proposal of the Senate Finance Committee. That proposal is an increase in the corporation tax of 3 percent and 7 percent on undistributed surplus. Our amendment offers a substitute for that, and for that alone. Our substitute would raise $502,000,000 without taxing a single surplus dollar of a corporation with $15,000 profits.

Mr. GEORGE. Mr. President, is it not fair to ask the Senator how he is going to get the balance of the money we shall need?

Mr. LA FOLLETTE. Mr. President, will the Senator from Alabama yield?

Mr. BLACK. I yield.

Mr. LA FOLLETTE. I can furnish the break-down for which the Senator from North Carolina has asked, if the Senator from Alabama will permit me to do so.

Mr. BAILEY. Let me thank the Senator from Wisconsin in advance. He is at least going to inform me instead of telling me that I am trying to lead him astray. I appreciate that very much.

Mr. LA FOLLETTE. The break-down on the corporation provision, and that is all the Senator asked for, though I can give it for the rest of the bill if he desires it, is as follows:

Surtaxes on individuals, $220,000,000; normal taxes on individuals, $121,000,000; surtaxes on corporations, $161,000,000; total, $502,000,000.

That is the comparable total with the $532,000,000 for the similar corporation provisions of the Finance Committee proposal. In short, the amendment offered by the Senator from Alabama and myself would raise $30,000,000 less than the comparable corporate provisions than would the Finance Committee proposal.

Mr. GEORGE. May I not ask if we do not have to have all the other provisions of the Senate Finance Committee proposal in order to get the necessary amount of revenue?

Mr. BLACK. The others have already been retained.

Mr. GEORGE. I understand; but it is only fair that the RECORD should show the fact.

Mr. LA FOLLETTE. Mr. President, will the Senator from Alabama yield further to me?

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from Wisconsin?

Mr. BLACK. I yield.

Mr. LA FOLLETTE. I stated that I understood that was all the Senator from North Carolina had asked. The difficulty is that unless we confine the estimates to the comparable provisions we are likely to get confusion. I shall be delighted to provide the additional information, although it is similar to items contained in the Finance Committee proposal outside of the corporation provisions.

Provisions respecting liquidating provisions in the bill as it passed the House, $33,000,000; provisions respecting nonresident aliens as in the bill as it passed the House $4,000,000; windfall tax as in the bill reported by the Finance Committee, $82,000,000. The total difference in revenue as between the various bills would be about $30,000,000 less under our substitute as compared with the Finance Committee proposal as it stands.

Mr. BARKLEY. Mr. President, may I ask the Senator from Wisconsin a question?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky for that purpose?

Mr. BLACK. I yield.

Mr. BARKLEY. In listening to the break-down as stated by the Senator from Wisconsin, I did not quite understand the $220,000,000 item of surtaxes on individuals. I do not see that the Senator's amendment deals with that subject.

Mr. BLACK. That is increased surtaxes as the result of the declaration of dividends in the high income-tax brackets.

Mr. BARKLEY. The Senator is contemplating an increase of $220,000,000 under the present income-tax rates on individuals by reason of the contemplated distribution of more money out of which they will pay income taxes?

Mr. LA FOLLETTE. Those are the final estimates furnished by the Treasury Department, and they are comparable to estimates made for the House committee and all the other myriad of provisions under consideration by the Finance Committee during the time it had the bill before it, and were furnished by the Treasury Department.

Mr. BAILEY. Mr. President, I wish to express my great gratification over the discovery, at the end of the oration by our distinguished friend, that he is endorsing all of the iniquitous bill reported by the Finance Committee except that part of it—about two pages—which would be affected by the amendment which he has submitted. The bill as reported by the Finance Committee contains 295 pages. I take it we may assume the Senator from Alabama endorses about 290 pages of it. I am very greatly relieved.

Mr. BLACK. Mr. President, that has nothing to do with the issue, which is whether we will pass a bill that permits a small group of manipulators to continue to dodge $600,000,000 worth of taxes——

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from North Carolina?

Mr. BLACK. When I shall have finished my sentence. I should like to have a little time in my own right.

Mr. BAILEY. Yes; but when the Senator makes a statement in the nature of a challenge to a fellow Senator's honor——

Mr. BLACK. I made no such challenge, Mr. President.

Mr. BAILEY. There is a straight issue here——

Mr. BLACK. Yes; there is a straight issue.

Mr. BAILEY. And the intimation is as broad as a barn door——

Mr. BLACK. I have made no such challenge as that.

Mr. BAILEY. That a majority of the committee are in favor of tolerating nefarious practices. I will say for every member of the committee, leaving myself out of it, that there cannot be in the breast of any man a conception of that nature.

Mr. BLACK. I have made no such imputation, and I do not intend to get away from the issue which is raised by the amendment.

The PRESIDING OFFICER (rapping for order). Let the Chair state that, of course, we cannot proceed with two or three Senators speaking at the same time. Hereafter let the general and customary order be followed, under which Senators seeking to interrupt should address the Chair. The Senator from Alabama will proceed.

Mr. BLACK. Mr. President, I stated in the beginning that in my judgment there was a difference in the philosophical viewpoint of Senators who divided on the issues of this bill; and I repeat that I did not, and I never have, by any statement I made on the floor at this time or at any other time since I have been in the Senate, intended directly or indirectly or in any other manner to reflect upon the integrity of any of my colleagues in this body. If that statement is not clear, I shall be glad to make it as clear as may be necessary. I do state that there is an honest difference of viewpoint on the part not only of Members of this body but of persons outside of this body with reference to the proper method of taxation, with reference to the value of surpluses, and with reference to various things connected with government. As I see it, however, this amendment raises the sole, single issue as to whether or not we shall now boldly take a step to end an evil which all of us admit exists, as I understand, some differing in degree as to the amount, or whether we shall wait, on the theory that now is not the proper time.

Mr. BONE. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Washington?

Mr. BLACK. I yield to the Senator from Washington.

Mr. BONE. I did not have the opportunity to hear any of the discussions before the committee of which the Senator from Alabama is a member; but when the Senator from Wisconsin [Mr. LA FOLLETTE] said that a certain bracket would raise $88,000,000, or some other figure, and that another provision would raise so much money, I desire to ask what those calculations are predicated on—the studies of income-tax returns for last year or over a definite period of time, where there is a curve that may be studied, or upon what are they predicated?

Mr. LA FOLLETTE. Mr. President——

Mr. BLACK. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Does the Senator refer to the information I gave to the Senator from North Carolina [Mr. BAILEY]?

Mr. BONE. Yes. When the Senator from North Carolina asked for the information the Senator from Wisconsin said that a certain tax would raise a definite amount of money. I am wondering how the Senator can say with certainty that so much money will be raised.

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama further yield to the Senator from Wisconsin?

Mr. BLACK. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. The Senator from North Carolina [Mr. BAILEY] asked for a break-down of the Treasury estimate that the proposal now under consideration would raise $502,000,000 of additional revenue over what is now being raised, and I gave him the Treasury's break-down of the $502,000,000, which is as follows, and I repeat it:

Surtaxes on individuals, $220,000,000. That is, the Treasury estimates that if the amendment now pending were adopted, individual surtax payers would pay in the next taxable year $220,000,000 more than they paid in the last taxable year.

Mr. BONE. I understand that, and I am not in doubt about that. What I am wondering is what the Treasury experts base their conclusion on. Is it based on last year's income-tax returns or the income-tax returns over a period of time where the experts can chart them and make a curve; or what do they base their conclusion on?

Mr. LA FOLLETTE. The actuaries of the Treasury Department apply to fiscal problems and problems of taxation the same actuarial principles that actuaries in other fields of endeavor attempt to apply. As I understand, their estimates are predicated not only upon their study of income-tax returns but upon their statistical information as to the amount of dividends and the amount of income received by individuals and by corporations.

When the actuaries of the Department come to consider a proposal such as that now offered by the Senator from Alabama and myself, they make a certain estimate as to how much of an incentive they think it will be to corporations to distribute more dividends than they have been distributing in the past; and it is upon that basis that they estimate that $220,000,000 of additional taxes will be paid by individuals in the surtax brackets. By the same token they estimate $121,000,000 of additional revenue from making the normal tax applicable to the income from dividends in the hands of individuals.

The Senate committee's bill contains an estimate from the Treasury actuaries of $90,000,000 of additional revenue from that source. They estimate that under the proposal now pending there would be a sufficient increase in the distribution of dividends so that $31,000,000 of additional revenue more than they estimated for the Senate Finance Committee's bill from the same source would be paid as a result of making the normal tax applicable to the tax on dividends; and they estimate that the surtaxes on corporations as provided in this amendment would result in $161,000,000 more revenue from corporations than is now being obtained, which makes a total of $502,000,000.

Mr. BYRD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Virginia?

Mr. BLACK. I do.

Mr. BYRD. I think the Senate understands that the total revenue under the Finance Committee bill will be $683,000,000, according to the estimate made by the Treasury Department.

Mr. LA FOLLETTE. Yes; and if this amendment were to be adopted, the total revenue from the tax bill as passed by the Senate would be $653,000,000, because the comparable corporate provisions which we have suggested as compared with the Finance Committee report will raise, according to the Treasury, $30,000,000 less than the Finance Committee bill's corporate provisions will raise.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BLACK. I yield.

Mr. BARKLEY. I do not wish to take the Senator's time any longer to try to adjust these figures, because in arriving at the $502,000,000, if I correctly understand the Senator from Wisconsin, he has added $82,000,000, which is the windfall tax.

Mr. LA FOLLETTE. Oh, no; the Senator is entirely mistaken.

Mr. BARKLEY. I asked the Senator for a copy of his sheet, but he could not give me the copy, so I had to speak from memory.

Mr. LA FOLLETTE. If the Senator from Alabama will permit me——

Mr. BLACK. I yield the floor to the Senator.

Mr. LA FOLLETTE. Mr. President, the $502,000,000 is to be compared with the corporate provisions of the Finance Committee bill, which the Treasury estimates will raise $532,000,000. All the other provisions of the bill remain the same, and the Treasury estimates for them are the same; so if the pending amendment should be agreed to we should simply subtract from the total amount estimated for the Finance Committee bill as it came from the committee the $30,000,000 which the provision now pending falls short of, as compared with the corporate provisions of the Finance Committee bill.

I hope that is clear to every Senator, because it would be a great mistake if there should be any misunderstanding about it. As I stated at the outset, I thought it would be simpler if we should confine our comparisons of additional revenue yield to the comparable corporate provisions, be-

cause that is all that is under consideration. We are not proposing to strike out the windfall tax. We are not proposing to touch anything but the corporate provisions of the Finance Committee's bill. We concede at the outset that the Treasury says we shall get $30,000,000 less; but we contend that, even so, the proposal we have offered is so much more equitable and so much more just to the average taxpayer that we should not be willing to cast it aside because it will raise $30,000,000 less than the Finance Committee's corporate provisions will raise.

Mr. President, I realize that the Senate is weary after a long session, and that it has been put under a great deal of pressure to adjourn at a fixed date—next Saturday night or some other time. I realize that it is in no mood to give proper consideration to the fundamental and important and far-reaching policies of taxation which are involved in the issue which has been so ably drawn by the Senator from Alabama [Mr. BLACK].

I am not responsible for trying to jam the pending tax bill through with 2 days' consideration. I am not responsible for attempting to force the Senate of the United States to pass upon one of the most important tax questions that has ever come before it without even taking time enough to understand what is involved in the issue at stake. If the House conferees will swallow the Senate Finance Committee bill without considering it, they can do it in 2 days as well as they can do it in 3. If they are going to give it any study and any consideration, the conferees cannot bring back a report by Saturday night, no matter at what time the Senate may pass the bill tonight. So it is perfectly preposterous to put the Senate under such pressure that it has to vote upon these issues without any proper consideration.

Nevertheless I am always conscious of the situation which confronts me, and I realize that it is entirely futile to attempt to argue this question as I believe it should be argued. However, I am not going to be deterred from making a statement, as briefly as I can do so, of the question which I think is here at stake, because this issue will be settled correctly now or it must be settled later. It will not down. It will be at stake in the consideration of every revenue bill which comes before the Congress of the United States until the special privilege now being availed of by those in the high-surtax brackets shall have been ended, for when the people of the United States come to understand the issue that is involved in this controversy they will not rest under a system which in its operations is so inequitable as between one group of taxpayers and another group of taxpayers.

Mr. President, during the prevailing emergency the Government of the United States has expended huge sums of money in an effort to stem the tide of the worst economic depression in the history of the world. I have been one of those who early in the depression advocated a program of sufficient magnitude and of such continuity and with specific economic objectives as would accomplish the desired ends. Nevertheless I have tried to occupy a perfectly consistent position. While advocating huge expenditures of money to stem the tide of the depression in an effort to build up the mass purchasing power of the people of this country, I have seized every opportunity to urge upon the Congress the necessity for increased taxation.

Mr. President, we have spent some $11,000,000,000 since 1933. We have made available in the form of credit, through one agency or another, $6,000,000,000 or more. This huge expenditure of money and this extending of the credit of the United States has been of great benefit not only to those who are the immediate beneficiaries, but it has likewise been of tremendous benefit to those who had their entrepreneurial claims upon the national income. As these billions of dollars were pumped out at the bottom they were not dumped into the ocean; they were not destroyed. They went through the normal channels of business; they went through the cash registers; they passed across the books of merchants, of wholesalers, and of manufacturers, each and every one of whom had opportunity to secure a percentage of benefit and profit from these huge collective expenditures.

We are now confronted with a situation which necessitates the levying of more taxes, and the question arises, Where can they be imposed most equitably? As I understand, unless we are in a position to take them out of capital, which I am not discussing, there are only four sources of income from which increased taxes can be obtained. Those four sources are business profits, wages and salaries, interest, and rents. Our taxpayer's receipts from interest are not rising; every Senator knows that they are not; and they have been going down ever since 1933. Personally I believe that they should have gone down. I think that is one of the achievements of the present administration, and I hope interest rates will stay down, because that is one of the ways by which we can shrink down a part of the entrepreneurial claim upon the national income, and thus secure a larger share of such income for the great masses of the people, whose purchasing power must be restored if the mechanisms of production and distribution in the United States are to continue to function and if they are to be saved from ultimate collapse.

(At this point Mr. LA FOLLETTE yielded the floor for the day.)

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON. I ask unanimous consent that when the Senate completes its labors today it take a recess until 10 o'clock tomorrow morning.

Mr. LA FOLLETTE. Mr. President, I should like to have the understanding that I may have the floor in the morning.

The VICE PRESIDENT. The Senator has the floor.

Mr. COUZENS. Mr. President, I shall object.

Mr. ROBINSON. Very well.

Mr. LONERGAN. Mr. President, I ask unanimous consent to have printed in the RECORD a statement respecting a provision in the pending tax bill which proposes to amend the estate tax.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

As reported out by the Senate Finance Committee, H. R. 12395 contains a provision which amends the estate tax by exempting the proceeds of life-insurance policies earmarked for the payment of Federal death duties to the extent actually devoted to that purpose.

All but two of the Canadian Provinces allow such an exemption and experience there has been favorable.

When the Revenue Act of 1935 was pending in the Senate, an amendment similar in purpose was offered by me and was adopted, but was eliminated by the conference committee with a recommendation, however, that the matter be given further study.

HOW IT WOULD WORK

Take the case of a man whose net worth (after all permissible deductions) is $500,000. Suppose he has life insurance amounting to $150,000, all of which he makes payable to the Treasurer of the United States, under and in accordance with this amendment. The amendment would not exempt this insurance in its entirety; the exemption is limited to such amount as is necessary to cover the tax liability of the estate, any balance over and above that amount being taxable as heretofore. As the tax in this case would be $100,894, only that much of the insurance would be exempt. The balance of the insurance, amounting to $49,106, would be included in the taxable estate accounting for $11,294 of the total tax due.

SITUATION GIVING RISE TO THE AMENDMENT

The purpose of the Lonergan amendment is neither to reduce taxes nor to obtain special favors for life insurance, but simply to answer the problem of forced liquidation and thus to end the discrimination which now exists against every taxpayer whose estate is invested in slow assets, for example, real estate, farm lands, a going business.

In the case of an estate which includes enough cash, Government bonds, savings accounts, etc., to discharge the tax liability, payment is made and that is an end of the matter. But in the case of an estate not so fortunately situated, there is nothing to do but put its holdings on the auction block, which means they will be disposed of in a buyer's market.

Who benefits? Bargain hunters with ready cash. Everybody else loses.

Existing law, therefore, puts a premium on liquidity. Estates without sufficient liquid assets are punished. In effect they pay a double tax, but the loss they suffer from sacrifice of assets does not go into the Treasury; it flows into the pockets of monopolies and speculators. The estate tax thus becomes a means whereby the rich and powerful become richer and more powerful.

Take the typical case of a man "on the make"—that is, one who is building up a successful business. That is about all he has. Unless he makes provision for the tax which his death will call into being, it will be necessary to put his business on the auction block. But how is he to make provision for the payment of this tax?

He can curtail his activities, reduce his spending, and set himself resolutely toward the goal of accumulating the necessary cash or its equivalent. But that course is deflationary. It withdraws money from productive enterprise. It means fewer jobs in his business. That means a shrinkage in purchasing power whose effects will be felt by the retailers in the neighborhood and by the wholesalers from whom they buy and by the factories which supply those wholesalers.

And there is no assurance that death will not intervene before the goal is reached.

Is there another way? There is—life insurance. But, as the law now stands, if life insurance is availed of for this purpose, the amount of the tax will be increased because the insurance itself will be taxed.

This injustice may be illustrated by comparing two men, A and B, each worth $500,000. A's wealth was inherited and is in the form of cash, Government bonds, and other liquid assets. B, on the other hand, started from scratch. His estate consists of a successful business, built by his own efforts.

In the case of A, payment of the tax will involve no embarrassment. The cash or its equivalent is there. There is no problem. But how about B? He doesn't want his business gobbled up from the bargain counter by a powerful competitor. Nor is he willing to put his boots on the shelf and convert his business into cash. So he turns to life insurance. But that subjects him to a higher tax than A (who is worth as much), because the insurance itself is taxed. He pays a penalty because his wealth is invested in an employment-giving enterprise.

That is not only unjust to the individual and his dependents but it's bad economics and bad social policy. It should be changed.

The Lonergan amendment meets the issue. In the nature of the case it can be met in no other way. What can a man do that will surely make available the ready cash to satisfy the tax collector? Let him plan to build up a reserve of quick assets; death may visit him tomorrow. Life insurance is the only answer.

ADVANTAGES OF AMENDMENT

1. From the point of view of the Federal revenues the great advantage of the amendment lies in the fact that it will assure prompt payment, in full, of many assessments which must now be written off in whole or in part (due to posthumous depreciation or dissipation of assets, etc.) or collected only after numerous extensions.

In fact, it will assure payment in advance since the estate tax is not due until 15 months after death. In the interim the Government will have the use of the money without interest.

2. From the point of view of the taxpayer the advantages are obvious since the amendment will afford an opportunity to provide against the disastrous consequences of necessitous liquidation to cover Federal death duties.

At present, as already indicated, life insurance taken out to pay these taxes is itself taxable; it is included in the taxable estate with the result that the tax burden is sharply increased—the reward of prudent forethought is the imposition of an additional levy.

To show the extent of this extra burden, take, for example, the case of a man worth $500,000. The Federal estate-tax liability on a net estate of that size is $89,600. Suppose he takes out that much insurance in order to avoid a forced sale of his business. What is the result? His taxable estate will be not $500,000 but $589,600, and in consequence the tax liability will jump from $89,600 to $110,208, an increase of $20,608 or 23 percent. So the effective amount of his insurance is cut down to $68,992, although he must pay for $89,600—all because he wants the Government to get its money without fruitless hardship to his survivors.

If, undaunted, he sets out to obtain sufficient insurance to pay the whole tax in full (including the tax on the insurance) he must secure a policy for $117,027 on which the premium, at age 50, say, is approximately $4,500, or about one-fifth of the earning power of his entire estate at 5 percent.

Corresponding results for estates of various amounts are indicated in the table appended to this memorandum.

3. The public generally will likewise benefit from the amendment since forced liquidation depresses values, disturbs business, and causes unemployment. To collect the revenues without preventable economic disturbances is plain common sense.

4. That the amendment will be welcomed by a great many people is quite apparent, and it is difficult to see how anyone can be hurt by it. On the contrary, it will ease the shock of the higher taxes in the lower brackets which appear to be inevitable.

To sum up, the amendment is neither novel nor untried; it is fair to all concerned; it is practical; it will not only facilitate administration of the revenue laws but at the same time will prevent unnecessary and unprofitable hardships and promote economic stability.

Table showing effect of attempts to pay estate taxes with insurance under present law

(1) Net worth	(2) Tax on (1)	(3) Tax with insurance equal to (2)	(4) Increase in tax due to same (3)−(2)		(5) Effective insurance (2)−(4)	(6) Insurance required to pay whole tax, including tax on insurance
			Amount	Percent		
$100,000	$9,600	$11,232	$1,632	17	$7,968	$11,566
$250,000	36,600	43,920	7,320	20	29,280	45,750
$500,000	89,600	110,208	20,608	23	68,992	117,027
$750,000	151,600	193,890	42,290	28	108,710	211,408
$1,000,000	222,600	293,832	71,232	32	151,368	327,353

ADDITIONAL BILL INTRODUCED

Mr. KING introduced a bill (S. 4749) to provide for the erection of a museum of natural history in Salt Lake City, Utah, which was read twice by its title and referred to the Committee on Public Buildings and Grounds.

ESTATE OF JOHN GELLATLY, DECEASED—BILL RECOMMITTED

On request of Mr. BAILEY, and by unanimous consent, the bill (H. R. 8824) for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually, being Order of Business 2099 on the calendar, was recommitted to the Committee on Claims.

INTERNAL-REVENUE TAXATION—AMENDMENT

Mr. DAVIS and Mr. GUFFEY, jointly, submitted an amendment intended to be proposed by them to the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, which was ordered to lie on the table and to be printed.

INDIANA LIMESTONE CORPORATION

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 4379) for the relief of the Indiana Limestone Corporation, which was, on page 1, lines 6 and 7, to strike out "represents" and insert "shall be in full satisfaction of its claim against the United States for."

Mr. MINTON. I move that the Senate agree to the amendment of the House.

The motion was agreed to.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

DEATH OF REPRESENTATIVE A. PIATT ANDREW OF MASSACHUSETTS

The VICE PRESIDENT. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Legislative Clerk read as follows:

House Resolution 542

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
June 3, 1936.

Resolved, That the House has heard with profound sorrow of the death of Hon. A. PIATT ANDREW, a Representative from the State of Massachusetts.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant-at-Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect, this House do now adjourn.

Mr. WALSH. Mr. President, I offer resolutions having reference to the death of Representative ANDREW, and ask that they be read and immediately considered.

The resolutions (S. Res. 317) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Senate Resolution 317

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. A. PIATT ANDREW, late a Representative from the State of Massachusetts.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution the Vice President appointed Mr. WALSH and Mr. COOLIDGE as the committee on the part of the Senate.

Mr. WALSH. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now take a recess until tomorrow at 10 o'clock a. m.

The motion was unanimously agreed to; and (at 6 o'clock p. m.) the Senate took a recess until tomorrow, Thursday, June 4, 1936, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 3 (legislative day of June 1), 1936

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons, now Foreign Service officers of class 4 and secretaries in the Diplomatic Service, to be also consuls general of the United States of America:

Alfred W. Klieforth, of Pennsylvania.

Harold Shantz, of New York.

The following-named persons, now Foreign Service officers of class 4 and consuls, to be consuls general of the United States of America:

Leslie A. Davis, of New York.

Edward I. Nathan, of Pennsylvania.

FEDERAL COMMUNICATIONS COMMISSION

George Henry Payne, of New York, to be a member of the Federal Communications Commission for the term of 7 years from July 1, 1936. (Reappointment.)

SECRETARY OF THE TERRITORY OF HAWAII

Charles M. Hite, of Hawaii, to be secretary of the Territory of Hawaii, vice Arthur A. Greene, deceased.

UNITED STATES ATTORNEY

Herbert S. Phillips, of Florida, to be United States attorney for the southern district of Florida, vice John W. Holland, nominated to be United States district judge.

APPOINTMENT IN THE COAST GUARD

Chester Robey Bender to be ensign in the Coast Guard of the United States, to rank as such from June 8, 1936.

APPOINTMENTS IN THE REGULAR ARMY

TO BE MAJOR GENERAL

Brig. Gen. James Kelly Parsons, United States Army, from June 1, 1936, vice Maj. Gen. Johnson Hagood, United States Army, retired May 31, 1936.

TO BE BRIGADIER GENERAL

Col. Lorenzo Dow Gasser, Infantry, vice Brig. Gen. James K. Parsons, United States Army, nominated for appointment as major general.

POSTMASTERS

ALABAMA

Harold C. Sharpe to be postmaster at Piedmont, Ala., in place of A. P. Thompson. Incumbent's commission expired May 19, 1936.

ARIZONA

Edward M. Schmidt to be postmaster at Tolleson, Ariz. Office becomes Presidential July 1, 1936.

CALIFORNIA

John N. Tibessart to be postmaster at Orland, Calif., in place of F. S. Lowden, resigned.

CONNECTICUT

Leo A. Legros to be postmaster at Baltic, Conn., in place of L. J. A. Stefon. Incumbent's commission expired March 23, 1936.

John F. Fields to be postmaster at Fitchville, Conn. Office becomes Presidential July 1, 1936.

GEORGIA

Floyd M. Carter to be postmaster at Rockingham, Ga. Office becomes Presidential July 1, 1936.

James C. Ross to be postmaster at Surrency, Ga. Office becomes Presidential July 1, 1936.

ILLINOIS

Ledru G. Schaeffer to be postmaster at Beardstown, Ill., in place of G. M. Humphrey. Incumbent's commission expired February 9, 1936.

Lloyd McCoy Wakefield to be postmaster at Heyworth, Ill., in place of R. K. Munro. Incumbent's commission expired January 7, 1936.

William H. Cato to be postmaster at Homewood, Ill., in place of T. G. Turney, deceased.

Robert R. Lutz to be postmaster at Morton Grove, Ill., in place of L. M. Dilg. Incumbent's commission expired March 8, 1934.

William A. Schulke to be postmaster at Riverton, Ill. Office becomes Presidential July 1, 1936.

Melville B. Carr to be postmaster at Scales Mound, Ill., in place of L. H. Richards. Incumbent's commission expired January 28, 1936.

Frank E. Binkley to be postmaster at Warrensburg, Ill. Office becomes Presidential July 1, 1936.

INDIANA

Mary Rutledge to be postmaster at Beech Grove, Ind., in place of J. T. Clapp. Incumbent's commission expired February 17, 1936.

Edward Bracher to be postmaster at Boonville, Ind., in place of E. R. Siegel. Incumbent's commission expired January 9, 1936.

Ruth M. Huddleston to be postmaster at Brownsburg, Ind., in place of R. J. Lingeman. Incumbent's commission expired February 5, 1936.

Willard F. Edmonson to be postmaster at Clayton, Ind., in place of Finley Franklin. Incumbent's commission expired February 5, 1936.

Bertha Higgins to be postmaster at Danville, Ind., in place of F. B. Hadley. Incumbent's' commission expired February 5, 1936.

William A. Maggert to be postmaster at Kendallville, Ind., in place of W. E. Wehmeyer, removed.

William Simms to be postmaster at Waveland, Ind., in place of Fred McNutt. Incumbent's commission expired May 20, 1934.

IOWA

Charles H. Ward to be postmaster at Castana, Iowa, in place of Lloyd Lock. Incumbent's commission expired January 12, 1936.

Glen Vauthrin to be postmaster at Melbourne, Iowa, in place of E. K. Alldredge. Incumbent's commission expired January 27, 1936.

George J. Mettlin to be postmaster at Russell, Iowa, in place of G. M. Wright. Incumbent's commission expired February 19, 1936.

Anthony J. Salland to be postmaster at Sibley, Iowa, in place of W. W. Overholser. Incumbent's commission expired February 19, 1936.

KENTUCKY

Myrtle B. Vaughn to be postmaster at Louellen, Ky. Office becomes Presidential July 1, 1936.

George A. McGowan to be postmaster at Pleasureville, Ky., in place of F. S. Aynes. Incumbent's commission expired March 2, 1935.

Elmer Deatherage to be postmaster at Richmond, Ky., in place of Burton Roberts. Incumbent's commission expired January 27, 1936.

Raymond H. Cornett to be postmaster at Verda, Ky. Office becomes Presidential July 1, 1936.

LOUISIANA

Alfred V. Smith, Sr., to be postmaster at Covington, La., in place of R. N. Menetre. Incumbent's commission expired January 28, 1936.

MAINE

George C. Robinson to be postmaster at Westbrook, Maine, in place of E. I. Cummings, deceased.

MARYLAND

Francis E. Thomas to be postmaster at Centerville, Md., in place of L. T. Hayden. Incumbent's commission expired April 12, 1936.

Norman J. Hutchison to be postmaster at Cordova, Md. Office became Presidential July 1, 1935.

James F. Quinn to be postmaster at Lonaconing, Md., in place of William Marshall. Incumbent's commission expires June 28, 1936.

MASSACHUSETTS

Gilbert W. O'Neil to be postmaster at Gloucester, Mass., in place of G. W. O'Neil. Incumbent's commission expired January 27, 1936.

John F. Curran to be postmaster at Milford, Mass., in place of H. D. Whitney, retired.

Richard J. Doolin to be postmaster at Monroe Bridge, Mass. Office becomes Presidential July 1, 1936.

Clement J. Coughlin to be postmaster at North Easton, Mass., in place of A. K. Briggs. Incumbent's commission expired February 9, 1936.

Thomas H. Hackett to be postmaster at Westboro, Mass., in place of W. A. Temple, retired.

MINNESOTA

George D. Carroll to be postmaster at Blooming Prairie, Minn., in place of A. A. Peterson. Incumbent's commission expired December 20, 1932.

Alvin A. Mock to be postmaster at Echo, Minn., in place of Cora Thorson. Incumbent's commission expired February 24, 1936.

Raymond R. Keefe to be postmaster at Morton, Minn., in place of H. B. Hanson. Incumbent's commission expired June 1, 1936.

Jeannette Schilling to be postmaster at Newport, Minn. Office becomes Presidential July 1, 1936.

Harold L. Holmes to be postmaster at St. Hilaire, Minn. Office becomes Presidential July 1, 1936.

Arthur Oliver Skalbeck to be postmaster at Sacred Heart, Minn., in place of A. C. Omholt. Incumbent's commission expired February 9, 1936.

MISSOURI

Otto T. Pfefferkorn to be postmaster at Chaffee, Mo., in place of F. W. Dunn. Incumbent's commission expired February 1, 1936.

NEBRASKA

Joe R. Brown to be postmaster at Ceresco, Nebr., in place of Gus Johnson. Incumbent's commission expired May 23, 1936.

Helen M. Gilmore to be postmaster at Hay Springs, Nebr., in place of C. A. Sheffner. Incumbent's commission expired April 27, 1936.

Bertha E. Busch to be postmaster at Howell, Nebr., in place of F. J. Prucha. Incumbent's commission expired March 29, 1936.

George E. Minshall to be postmaster at Lodgepole, Nebr., in place of S. H. Wolfe. Incumbent's commission expired February 9, 1936.

Frank D. Conley to be postmaster at Madison, Nebr., in place of James Nichols. Incumbent's commission expired February 5, 1936.

George P. Miller to be postmaster at Papillion, Nebr., in place of L. V. Schrecengost. Incumbent's commission expired March 10, 1936.

Arthur E. Leclair to be postmaster at Randolph, Nebr., in place of A. B. Helms. Incumbent's commission expired May 23, 1936.

Sterling E. Tabor to be postmaster at Superior, Nebr., in place of C. H. Hodges. Incumbent's commission expired February 5, 1936.

NEW JERSEY

Fred Heckel to be postmaster at Ridgefield Park, N. J., in place of W. N. Schwab, resigned.

NEW YORK

Chester T. Burnett to be postmaster at Burdett, N. Y. Office becomes Presidential July 1, 1936.

George F. Elwood to be postmaster at Cold Spring Harbor, N. Y., in place of W. S. Keene, deceased.

Joseph J. Reilly to be postmaster at Irvington, N. Y., in place of J. T. O'Leary, deceased.

M. Polycarpa Staigele to be postmaster at St. Josephs, N. Y. Office becomes Presidential July 1, 1936.

William Cronin to be postmaster at Yonkers, N. Y., in place of A. C. Bogert. Incumbent's commission expired March 23, 1936.

NORTH CAROLINA

Karl M. Cook to be postmaster at Mount Pleasant, N. C. Office becomes Presidential July 1, 1936.

NORTH DAKOTA

Alice Russell to be postmaster at Thompson, N. Dak. Office becomes Presidential July 1, 1936.

Mae Scollard to be postmaster at Watford City, N. Dak., in place of S. O. Dundas. Incumbent's commission expired March 10, 1936.

OHIO

William F. Hookway to be postmaster at Creston, Ohio, in place of R. S. Grunder. Incumbent's commission expired April 27, 1936.

William H. McConaha to be postmaster at Fort Recovery, Ohio, in place of G. W. Reuter. Incumbent's commission expired January 7, 1936.

Robert W. Gutermuth to be postmaster at Mason, Ohio, in place of C. E. Penquite. Incumbent's commission expired January 7, 1936.

August J. Brown to be postmaster at Wapakoneta, Ohio, in place of G. W. Hassenier. Incumbent's commission expired January 7, 1936.

OKLAHOMA

Wrenetta M. Carter to be postmaster at Bokoshe, Okla. Office becomes Presidential July 1, 1936.

James W. Blair to be postmaster at Clayton, Okla. Office becomes Presidential July 1, 1936.

OREGON

Harold M. Byram to be postmaster at Canyon City, Oreg., in place of A. A. Sollinger, resigned.

Cecil G. Colby to be postmaster at Gervais, Oreg., in place of A. R. Siegmund. Incumbent's commission expired January 22, 1936.

PENNSYLVANIA

Joseph W. Kudasik to be postmaster at Central City, Pa., in place of J. E. Lohr, removed.

Francis A. Fonash to be postmaster at Doylestown, Pa., in place of S. E. Spare. Incumbent's commission expired January 27, 1936.

John T. Painter to be postmaster at Greensburg, Pa., in place of J. T. Painter. Incumbent's commission expired March 17, 1936.

TENNESSEE

Ruth G. McCollum to be postmaster at Greenback, Tenn. Office becomes Presidential July 1, 1936.

TEXAS

Edith Koonce to be postmaster at Ganado, Tex., in place of C. W. Silliman. Incumbent's commission expired January 8, 1936.

Ruth S. Marion to be postmaster at Kermit, Tex. Office becomes Presidential July 1, 1936.

Lizzie Crawford to be postmaster at Marathon, Tex., in place of R. W. Bourland. Incumbent's commission expired April 14, 1936.

UTAH

James W. Nielsen to be postmaster at Castlegate, Utah. Office becomes Presidential July 1, 1936.

Alice M. Todd to be postmaster at Myton, Utah. Office becomes Presidential July 1, 1936.

WEST VIRGINIA

Delpha C. Stemple to be postmaster at Thomas, W. Va., in place of L. B. Kenniburg. Incumbent's commission expired March 29, 1936.

WISCONSIN

Frank J. Mader to be postmaster at Gresham, Wis. Office becomes Presidential July 1, 1936.

John A. Fleissner to be postmaster at Milwaukee, Wis., in place of P. F. Piasecki. Incumbent's commission expired April 5, 1936.

Leonard W. LaBerge to be postmaster at Stetsonville, Wis. Office becomes Presidential July 1, 1936.

WYOMING

James B. Harston to be postmaster at Cowley, Wyo. Office becomes Presidential July 1, 1936.

CONFIRMATION

Executive nomination confirmed by the Senate June 3 (legislative day of June 1), 1936

APPOINTMENT IN THE COAST GUARD

Chester Robey Bender to be ensign.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 3, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we rejoice that through the knowledge and fellowship of the true God we reach the fullness of divine conception; we wait for Thy presence, O Lord, our strength and our redeemer. In the lowly Nazarene we behold the softened splendor of essential and eternal holiness. We pray Thee to cleanse us from fear and unworthiness; let our divinity work in us, inspiring unconquerable hope and faith. Do Thou keep in Thy care our country. Grant that peace may come where there is discord and confidence where there are suspicion and jealousy. O bind our people together with bonds of brotherhood; let the night be no more, and may the sun of good cheer stand in our Nation's sky for a thousand years. We wait in solemn silence, O Lord; let us not be alone in this moment. A distinguished colleague and a courageous defender of our Republic has fallen. We beseech Thee to light the torch for earth's tunnel; O give calm for the cross. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 12329. An act to reenact section 259 of the Judicial Code, relating to the traveling and subsistence expenses of circuit and district judges;

H. R. 12848. An act to provide an additional place of holding terms of the United States district court in the eastern district of Kentucky, and to amend section 83 of the Judicial Code, as amended; and

H. J. Res. 467. Joint resolution authorizing the erection of a memorial to the late Haym Salomon.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 4680. An act authorizing the State of Wisconsin to construct, maintain, and operate a free highway bridge across the Mississippi River at or near La Crosse, La Crosse County, Wis.; and

S. 4197. An act relating to the admissibility in evidence of certain writings and records made in the regular course of business.

The message also announced that the Senate agrees to the amendments of the House to bills and joint resolutions of the Senate of the following titles:

S. 3334. An act to make provision for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps who are injured or contract disease while engaged in military training, and for other purposes;

S. 3781. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases;

S. 4524. An act to provide a civil government for the Virgin Islands of the United States;

S. J. Res. 151. Joint resolution making provision for a national celebration of the bicentenary of the birth of Charles Carroll of Carrollton, wealthiest signer of the Declaration of Independence; and

S. J. Res. 226. Joint resolution authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition in 1939 at San Francisco, Calif.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7736) entitled "An act to provide for the establishment of the Whitman National Monument."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3247) entitled "An act to amend title II of the National Industrial Recovery Act as amended by the Emergency Appropriation Act, fiscal year 1935, and as extended by the Emergency Relief Appropriation Act of 1935", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. WALSH, and Mr. HASTINGS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 3440) entitled "An act to amend certain acts relating to public printing and binding and the distribution of public documents and acts amendatory thereof", nos. 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 13, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, and 56, disagrees to amendments nos. 7, 12, 14, 16, and 44, requests a conference with the House thereon, and appoints Mr. HAYDEN, Mr. FLETCHER, and Mr. VANDENBERG to be the conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that business in order today, Calendar Wednesday, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. SNELL. Reserving the right to object, has the gentleman from Alabama come to any conclusion with reference to adjournment this afternoon?

Mr. BANKHEAD. In reply to the inquiry of the minority leader, he will recall that I conferred with him about the matter this morning and explained to him the situation in which we are placed. I told him that we all had the highest veneration, respect, and affection for the deceased Member from Massachusetts, but there were some rather urgent matters we felt ought to be disposed of today, including conference reports and other matters.

Mr. SNELL. I am agreeable to going along with the gentleman, but we on this side feel the House should not remain in session all of this afternoon. The gentleman from Massachusetts [Mr. ANDREW] was a prominent Member of this House and had been a Member for many years. However, we will leave it entirely to the majority, because they are in control.

Mr. BANKHEAD. The gentleman from New York [Mr. SNELL] understands that under ordinary circumstances we would adjourn immediately as in the past, but we are placed in a difficult situation today. I assure the gentleman that we will give every possible consideration to his request.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

FIRST DEFICIENCY APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 12624, the first deficiency appropriation bill, together with the Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate; also that the managers on the part of the House, notwithstanding the provisions of clause 2, rule XX, be authorized to agree to any Senate amendment with or without amendment, except the Senate amendment having to do with the Florida ship canal and the Senate amendment providing $300,000,000 for public-works projects.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MEAD. Mr. Speaker, reserving the right to object, and I shall not object, may I inquire if there is anything included in this bill covering an increase in salary of one of the assistants to the Attorney General from $9,000 to $10,000 a year? The chairman of the Appropriations Committee very vigorously opposed a similar matter pertaining to an assistant in the Post Office Department.

Mr. BUCHANAN. And I will just as vigorously oppose the one to which the gentleman refers.

Mr. MEAD. I understand this other item has passed the House and probably has passed the Senate.

Mr. BUCHANAN. Passed the House?

Mr. MEAD. Yes.

Mr. BUCHANAN. I think the gentleman is mistaken.

Mr. MEAD. My understanding is that it has passed the House and Senate.

Mr. BUCHANAN. To what bill does the gentleman refer, an authorization bill? I am not dealing with authorizations.

Mr. MEAD. As I understand, it was included in some appropriation bill.

Mr. BUCHANAN. That is a legislative bill.

Mr. MEAD. I understand it has passed the House and Senate, and I thought I would bring this matter to the attention of the gentleman this morning.

Mr. BUCHANAN. I am not going to agree to increasing anybody's salary.

Mr. MEAD. This has evidently gone through.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. CONNERY. Mr. Speaker, reserving the right to object, and I shall not object, I suppose the gentleman from New York [Mr. MEAD] has reference to Mr. Hoover's salary?

Mr. BUCHANAN. I suppose that is so, but it does not make any difference to me whose salary it is.

Mr. CONNERY. I hope Mr. Hoover's salary will be increased to $10,000 a year. It should have been raised long ago. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Chair appointed the following conferees: Mr. BUCHANAN, Mr. TAYLOR of Colorado, Mr. OLIVER, Mr. WOODRUM, Mr. BOYLAN, Mr. CANNON of Missouri, Mr. TABER, Mr. BACON, and Mr. THURSTON.

GRAINED-LEATHER CASES

Mr. COOPER of Tennessee. Mr. Speaker, by direction of the Committee on Ways and Means, I present a privileged resolution for immediate consideration.

The Clerk read as follows:

Resolved, That the Secretary of the Treasury is hereby requested to submit, as soon as practicable, to the House of Representatives all the information in his possession or available in the Department of the Treasury, or in any office or agency thereof, relating to the administrative policies and activities of the Department and its officers and employees in carrying out and enforcing or failing to enforce properly the provisions of paragraph 1530 of title I of the Tariff Act of 1930, as amended, as interpreted in the so-called grained-leather cases.

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that the report of the Committee on Ways and Means and the letter of the Secretary of the Treasury, which is a part of the report, be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The report referred to follows:

[House of Representatives, Report No. 2927, 74th Cong., 2d sess.]

DIRECTING THE SECRETARY OF THE TREASURY TO FURNISH THE HOUSE OF REPRESENTATIVES CERTAIN INFORMATION

Mr. COOPER of Tennessee, from the Committee on Ways and Means, submitted the following adverse report (to accompany H. Res. 525):

The Committee on Ways and Means, to whom was referred the resolution (H. Res. 525) to request the Secretary of the Treasury to submit to the House of Representatives all the information in his possession or available in the Department of the Treasury, or in any office or agency thereof, relating to the administrative policies and activities of the Department and its officers and employees in carrying out and enforcing or failing to enforce properly the provisions of paragraph 1530 of title I of the Tariff Act of 1930, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

The action of the committee is based upon the following report from the Secretary of the Treasury:

MY DEAR MR. CHAIRMAN: Reference is made to your request for a report on the merits of House Resolution 525, to request the Secretary of the Treasury to submit to the House of Representatives all the information in his possession or available in the Department of the Treasury, or in any office or agency thereof, relating to the administrative policies and activities of the Department and its officers and employees in carrying out and enforcing, or failing to enforce properly, the provisions of paragraph 1530 of the Tariff Act of 1930, as interpreted in the so-called grained-leather cases.

The resolution apparently relates to a controversy as to whether all imported leather which has been boarded is ipso facto "grained" within the meaning of paragraph 1530 (d) of the Tariff Act of 1930, which prescribes a rate of 30 percent ad valorem for grained leather.

In a decision of the United States Court of Customs and Patent Appeals, rendered on April 12, 1933, and published as Treasury Decision 46319, the court held that certain sheepskin leather which had been boarded in such manner as "to produce a surface finish upon the leather which would otherwise not have been there", namely, a clearly perceptible grain, was grained leather within the meaning of paragraph 1530 (d) and dutiable at the 30-percent rate. This decision overruled previous instructions of the Bureau of Customs (T. D. 44213) to the effect that only leathers which are commercially known as fancy leathers are dutiable under paragraph 1530 (d).

Shortly after the publication of Treasury Decision 46319 the Bureau received inquiries from customs officers and other interested persons as to the effect to be given to the court's decision, and particularly as to whether all leathers which have been subjected to any boarding process are "grained" and accordingly dutiable at the 30-percent rate. If not subject to this rate, the imported leather is dutiable under other provisions of paragraph 1530 of the Tariff Act at rates varying from 10 to 25 percent, depending upon the character of the leather and the use to be made of it in the United States.

After a thorough investigation, during which attorneys for domestic tanners and for importers presented arguments, the Bureau of Customs construed the Court's decision as requiring only that all leather upon which a clearly perceptible grain has been produced by some process of manipulation should be classified under paragraph 1530 (d) as grained leather, and held that other leather which had been boarded for the purpose of making it more pliable and facilitating its further manufacture is not so dutiable by reason of a slight change in the surface finish not amounting to a perceptible grain. This ruling was published as T. D. 46691, of October 25, 1933.

Attorneys for domestic tanners continued their objections to the Department's ruling and finally filed a petition in the Supreme

Court of the District of Columbia for a writ of mandamus to compel the Secretary of the Treasury to assess the 30-percent rate on all imported boarded leather. The petition was dismissed on March 11, 1935, and the action of the lower court was sustained by the United States Court of Appeals for the District of Columbia on November 11, 1935.

In a Department letter of March 6, 1935, an attorney for the domestic tanners was advised that if his clients were not satisfied with the Department's ruling, they might obtain a judicial determination of their contentions by following the procedure provided for in section 516 (b) of the tariff act. Under this provision of law a domestic manufacturer who is dissatisfied with a ruling of the Secretary of the Treasury as to the classification of imported merchandise of a class or kind manufactured by him may file a complaint with the Secretary. If the Secretary, on consideration of the complaint, rules against its contentions, the manufacturer may file a protest against the assessment of the lower rate of duty and thus have the matter reviewed by the United States Customs Court, and, if necessary, by the United States Court of Customs and Patent Appeals. The domestic manufacturers have not sought to avail themselves of the privilege granted to them by section 516 (b). A copy of this provision of the tariff act is enclosed for your ready reference, together with copies of the various decisions I have mentioned.

The administrative policy of the Treasury Department in this matter has been, as usual, to give to the laws administered by this Department their fair meaning. I believe the facts I have set forth above and a reading of the opinion of the United States Court of Customs and Patent Appeals, published as T. D. 46319, will satisfy you that the reasonable and proper interpretation of this opinion is that which the Treasury Department has given it. I therefore see no necessity for the passage of this resolution, although, of course, I have no objection to furnishing the House of Representatives at any time with the files of the Treasury Department with regard to the matter.

Very truly yours,

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

Hon. R. L. DOUGHTON,
Chairman, Committee on Ways and Means,
House of Representatives, Washington, D. C.

Mr. COOPER of Tennessee. Mr. Speaker, I move that the resolution be laid on the table.

The motion was agreed to.

A motion to reconsider was laid on the table.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes to state why I introduced the resolution.

The SPEAKER. The Chair cannot recognize the gentlewoman from Massachusetts for that purpose at this time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point on the grained-leather case.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, my constituents have asked me to call for an investigation as to why the United States Bureau of Customs, in the Treasury Department, continues to deliberately violate section 502 of the Tariff Act. This section provides that the Secretary of the Treasury "shall promulgate regulations not inconsistent with the law", and that the decisions of the customs court shall be final so far as the Treasury Department is concerned.

The tanners council has made frequent protests against the practice of the Customs Bureau of making interpretations of court decisions in such a way as to have the effect of subverting them.

The most flagrant example of this practice is in the case of the tariff on boarded leather.

Under paragraph 1530 (d) of the Tariff Act:

> Leather of all kinds, grained, printed, embossed, ornamented, or decorated, in any manner or to any extent (including leather finished in gold, silver, aluminum, or like effects) or by any other process (in addition to tanning) made into fancy leather * * * all the foregoing by whatever name known, and to whatever use applied, 30 percent ad valorem.

The following chronological data will show the efforts made to induce the Treasury Department to carry out the law:

1930, July: Calf tanners asked Treasury Department to instruct appraisers that boarded leather was grained leather dutiable at 30 percent.

1930, August: Treasury Department ruled that it was not.

1930, November: John B. Stetson Co. protested against 30-percent duty on boarded sheepskin leather.

1933, April: Customs Court of Appeals ruled that all boarded leather was duitable at 30 percent and expressly overruled the Treasury Department's calf-leather decision.

1933, April: Appraisers carried out court decision.

1933, May: Importers induced them to disregard it.

1933, July: Calf tanners complained to Treasury.

1933, October: Treasury Department issued an instruction to collectors to impose duty of only 15 percent on grained leather if boarding was done to soften it. The Treasury Department opened the door to graft when it gave appraising officers two bases on which to assess duties.

1934, February: Hearing for tanners held by Commissioner of Customs. Attorney Ashworth asserted boarding for softening not in law or before court in *Stetson case.* Commissioner tells Ashworth law and court against him.

1934, March: Hearing (for importers). Commissioner ruled that importers had introduced a new issue that had nothing to do with the *Stetson case.*

Repeatedly, I have asked the Treasury officials, as have others, to submit the entire question to impartial attorneys in the Department of Justice. This has been refused.

The matter is of far-reaching importance, not only from the viewpoint of the tanning industry, for already the market is flooded with cheap German leather, but because of the policy involved. It was for that reason I introduced my resolution; so that each Member of Congress should know that the Tariff Act is being violated, and if the policy is carried out, other tariffs will not be safe.

The amount of revenue involved is important in these days of higher taxes. It is certainly most important to increase our revenue derived from importations, especially so, as they are competing directly with our own manufacturers.

I am glad to note that the Acting Secretary of the Treasury, by letter, has consented to send all the papers in the case to Congress. I trust that every Member of Congress will join me in my fight for justice in the enforcement of the Tariff Act. I need not point out to my colleagues the number of people who are employed in the hide and leather industry.

The cattle raisers of the South and West are just as vitally interested in this matter as are the tanners in my own district and in every other district all over the United States. There are millions of dollars worth of cattle and tanneries in Tennessee, the State which the very able and distinguished Member, Mr. COOPER, represents. What answer can we make to the millions of workers who walk the streets looking in vain for work and begging us to help them if we do not do everything within our power to make and keep agriculture and industry active? And in view of the enormous tax bill which is now being considered, how can we explain to the taxpayer the fact that $2,000,000 worth of revenue has been lost to the Government by the arbitrary ruling of the Treasury Department regarding the grained-leather duty? Let us wake up to the fact before it is too late that the citizens of the United States feel it is high time that we began to protect them from raids upon their pocketbooks.

The SPEAKER. The Chair wants to make a statement in the interest of orderly procedure. The Chair will next recognize Members presenting House bills with Senate amendments where it is the intention to concur in the Senate amendments without debate.

GENERAL PERMISSION TO EXTEND REMARKS

Mr. BANKHEAD. Mr. Speaker, may I submit a unanimous-consent request which I think possibly may save some of the Speaker's time?

We are approaching the end of the session. We do not know how soon it will come, but I submit the unanimous-consent request that all Members of the House may have permission to extend their own remarks in the CONGRESSIONAL RECORD until the last printing of the RECORD following adjournment.

Mr. RICH. Mr. Speaker, reserving the right to object, the extensions are to be confined to their own remarks?

Mr. BANKHEAD. Yes; and, of course, this is intended to mean that Members may extend their remarks on more than one subject if they desire to do so. This has been the precedent.

Mr. SNELL. That is the request that is generally made.

Mr. RICH. But they are only to insert short quotations which are necessary in order to explain or complete their own personal remarks.

Mr. LUDLOW. When does the privilege begin?

Mr. BANKHEAD. It begins as soon as granted, and extends from now until the last printing of the RECORD.

Mr. WOODRUFF. Mr. Speaker, reserving the right to object, I wish to ask the majority leader if in his unanimous-consent request he has included permission for the Members to be able to quote in their own remarks from official reports and records of the Government.

Mr. BANKHEAD. Of course, there ought to be some limit on the right to extend.

Mr. WOODRUFF. Yes; there should be, I will say to my friend.

Mr. BANKHEAD. But I think this permission should be governed by the general rule prevailing under ordinary circumstances about extensions of remarks.

Mr. WOODRUFF. And that would give the right to the individual Member to quote from official records?

Mr. BANKHEAD. It would give him the right to follow the usual custom in such matters.

Mr. THOMASON. Mr. Speaker, further reserving the right to object, does the permission include the right to insert the remarks of a colleague who is not here?

Mr. BANKHEAD. No; I think the gentleman would have to get special permission for that.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

COMPOSITION OF THE UNITED STATES NAVY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5730) to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON of Georgia, DREWRY, and DARROW.

WHITMAN NATIONAL MONUMENT

Mr. DEROUEN submitted a conference report and statement on the bill (H. R. 7736) to provide for the establishment of the Whitman National Monument.

OPERATION BY BLIND PERSONS OF STANDS IN FEDERAL BUILDINGS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4688, an act to authorize the operation of stands in Federal buildings by blind persons to enlarge the economic opportunities of the blind, and for other purposes, and agree to the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out all after "self-supporting", down to and including "act" in line 10, and insert: "blind persons licensed under the provisions of this act shall be authorized to operate vending stands in any Federal building where, in the discretion of the head of the department or agency in charge of the maintenance of the building, such vending stands may be properly and satisfactorily operated by blind persons.

Page 2, line 15, strike out "4", where it occurs the second time, and insert "3."

Page 3, strike out lines 23 and 24, and lines 1 to 20, inclusive, on page 4.

Page 4, line 21, strike out "4" and insert "3."

Page 4, line 24, strike out "and desiring to secure vending stand equipment."

Page 5, strike out lines 12 and 13.

Page 5, line 14, strike out "5" and insert "4."

Page 5, line 22, strike out "6" and insert "5."

Page 6, line 10, strike out "7" and insert "6."

Page 6, strike out lines 18, 19, and 20.

Page 6, line 21, strike out "(d)" and insert "(c)."

Page 7, line 1, strike out "8" and insert "7."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were agreed to.

FIFTY-CENT PIECES IN COMMEMORATION OF THE BATTLE OF GETTYSBURG

Mr. HAINES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11533) to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg, and concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman?

There was no objection.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert:

"That in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg, there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 50,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

"SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of a committee of not less than eight persons duly authorized by the Governor of the State of Pennsylvania, upon payment by it of the par value of such coins, but not less than 25,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of the enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

"SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized."

The Senate amendments were agreed to.

AMENDING THE GRAIN FUTURES ACT

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6772) an act to amend the Grain Futures Act, to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes, and agree to the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, after "U. S. C.", insert "1934 ed."

Page 1, line 4, strike out "This" and insert "That this."

Page 1, line 6, after "U. S. C.", insert "1934 ed."

Page 2, lines 5 and 6, strike out "(U. S. C., title 7, sec. 2)" and insert "(U. S. C., 1934 ed., title 7, secs. 2, 3, and 4)."

Page 2, line 11, strike out "and eggs" and insert "eggs and Solanum tuberosum (Irish potato)."

Page 2, line 15, strike out "50" and insert "75."

Page 2, line 15, after "centum", insert "in good faith."

Page 2, line 18, after "U. S. C.," insert "1934 ed."

Page 2, line 21, after "for", insert "or with."

Page 4, line 1, after "U. S. C.", insert "1934 ed."

Page 4, line 11, after "U. S. C.," insert "1934 ed."

Page 8, after line 26, insert:

"Nothing in this section or in any other section of this act shall be construed to prevent a futures commission merchant or floor broker who shall have in hand, simultaneously, buying and selling

orders at the market for different principals for a like quantity of cotton for future delivery in the same month, from executing such buying and selling orders at the market price: *Provided*, That any such execution shall take place on the floor of the exchange where such orders are to be executed at public outcry across the ring and shall be duly reported, recorded, and cleared in the same manner as other orders executed on such exchange.

Page 10, line 20, strike out "person or" and insert "person, or."

Page 10, line 21, strike out "contracts as" and insert "contracts, as."

Page 10, line 23, strike out "not" and insert "be separately accounted for and shall not be commingled with the funds of such commission merchant or."

Page 11, line 1, strike out all after "however" down to and including "member" in line 11, and insert: "That such money, securities, and property of the customers of such futures commission merchant may, for convenience, be commingled and deposited in the same account or accounts with any bank or trust company or with the clearing house organization of such contract market, and that such share thereof as in the normal course of business shall be necessary to margin, guarantee, secure, transfer, adjust, or settle the contracts or trades of such customers, or resulting market positions, with the clearing-house organization of such contract market or with any member of such contract market, may be withdrawn and applied to such purposes, including the payment of commissions, brokerage, interest, taxes, storage, and other charges, lawfully accruing in connection with such contracts and trades: *Provided further*, That such money may be invested in obligations of the United States, in general obligations of any State or of any political subdivision thereof, in obligations fully guaranteed as to principal and interest by the United States, and in 'investment securities' as defined in and under authority of section 5136 of the Revised Statutes, as amended, and subject to approval by the Secretary of Agriculture, may be loaned on the security of negotiable warehouse receipts conveying or securing title to readily marketable commodities to the extent of the current loan value of such receipts, such investments and loans to be made in accordance with such rules and regulations and subject to such conditions as the Secretary of Agriculture may prescribe."

Page 12, line 18, after "issued", insert ", and shall be renewed upon application therefor unless the registration has been suspended (and the period of such suspension has not expired) or revoked after notice and hearing as prescribed in section 4g of this act."

Page 13, lines 6 and 7, strike out "hereunder" and insert "thereunder."

Page 14, line 5, strike out "delivery that" and insert "delivery, that."

Page 16, line 1, after "U. S. C.," insert "1934 ed.,".

Page 16, line 15, after "U. S. C.," insert "1934 ed.,".

Page 16, line 22, strike out "changed" and insert "changes."

Page 17, lines 9 and 10, strike out "when so directed by the Secretary of Agriculture."

Page 18, line 13, after "congestion", insert ": *Provided, however*, That such order shall not apply to then existing contracts."

Page 18, lines 18 and 19, strike out "delivery, at least 3 business days prior to such date" and insert "delivery at least 1 business day prior to such date of delivery."

Page 19, line 2, strike out "practices and" and insert "practices: *Provided, however*, That such order shall not apply to then existing contracts."

Page 19, line 7, strike out "promulgated." and insert "promulgated; and

"(7) require that receipts issued under the United States Warehouse Act (U. S. C., 1934 ed., title 7, secs. 241-273) shall be accepted in satisfaction of any futures contract, made on or subject to the rules of such contract market, without discrimination and notwithstanding that the warehouseman issuing such receipts is not also licensed as a warehouseman under the laws of any State or enjoys other or different privileges than under State law: *Provided, however*, That such receipts shall be for the kind, quality, and quantity of commodity specified in such contract and that the warehouse in which the commodity is stored meets such reasonable requirements as may be imposed by such contract market on other warehouses as to location, accessibility, and suitability for warehousing and delivery purposes."

Page 19, line 16, after "U. S. C." insert "1934 ed."

Page 21, line 3, after "U. S. C." insert "1934 ed."

Page 22, line 2, after "U. S. C." insert "1934 ed."

Page 22, line 20, after "trade", insert ": *Provided, however*, That if any such association or corporation shall fail to meet its obligations with any established clearing house or clearing agency of any contract market, such association or corporation shall be ipso facto debarred from further trading on such contract market, except such trading as may be necessary to close open trades and to discharge existing contracts in accordance with the rules of such contract market applicable in such cases."

Page 23, strike out lines 9 to 23, inclusive, and insert:

"(2) No rule of any board of trade designated as a contract market shall forbid or be construed to forbid the payment of compensation on a commodity-unit basis, or otherwise, by any federated cooperative association to its regional member-associations for services rendered or to be rendered in connection with any organization work, educational activity, or procurement of patronage, provided no part of any such compensation is returned to patrons (whether members or nonmembers) of such cooperative association, or of its regional or local member-associations, otherwise than as a dividend on capital stock or as a patronage dividend out of the net earnings or surplus of such federated cooperative association."

Page 24, line 23, after "U. S. C." insert "1934 ed.,"

Page 26, line 13, after "U. S. C." insert "1934 ed.,"

Page 27, strike out lines 15 and 16, and insert:

"SEC. 13. All provisions of this act authorizing the registration of futures commission merchants and floor brokers, the fixing of fees and charges therefor, the promulgation of rules, regulations, and orders, and the holding of hearings precedent to the promulgation of rules, regulations, and orders shall be effective immediately. All other provisions of this act shall take effect 90 days after the enactment of this act."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were agreed to.

HOT SPRINGS NATIONAL PARK, ARK.

Mr. McCLELLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 9183, an act to provide for the extension of the boundaries of the Hot Springs National Park in the State of Arkansas, and for other purposes, and agree to the Senate amendment.

The Clerk read the Senate amendment, as follows:

Line 13, after "thereto" insert ": *Provided*, That the lands hereinabove described may be acquired within funds already appropriated and at a cost not to exceed $15,000."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

TWO HUNDRED AND FIFTIETH ANNIVERSARY OF THE FOUNDING OF ALBANY

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7690) to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the city of Albany, N. Y., with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"That in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y., there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 25,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

"SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of a committee of not less than three persons duly authorized by the mayor of the city of Albany, N. Y., upon payment by it of the par value of such coins, but not less than 25,000 such coins shall be issued to it at any one time, and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

"SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coinage or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized."

The Senate amendment was concurred in, and a motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

ONE HUNDREDTH ANNIVERARY OF THE CITY OF ELGIN, ILL.

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8234) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city of Elgin, Ill., and the erection of a heroic pioneer memorial, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"That in commemoration of the one hundredth anniversary of the founding of the city of Elgin, Ill., and the erection of the heroic pioneer memorial, there shall be coined at a mint of the United States, to be designated by the Director of the Mint, not to exceed 25,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design containing a replica of the 'Pioneers', to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

"SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the chairman of the coinage committee of the Elgin Centennial Monumental Committee, upon payment by him of the par value of such coins, but not less than 25,000 of such coins shall be issued to him at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

"SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized."

The Senate amendment was concurred in and a motion to reconsider the vote laid on the table.

PERMISSION OF HOUSE TO TAKE RECESS

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution for printing under the rule:

House Resolution 538

Resolved, That during the remainder of the second session of the Seventy-fourth Congress it shall be in order for the majority leader or the chairman of the Committee on Rules to move that the House take a recess, and said motion is hereby made of the highest privilege; and it shall also be in order at any time during the remainder of the second session of the Seventy-fourth Congress to consider reports of the Committee on Rules, as provided in clause 45, rule XI, except that the provision requiring a two-thirds vote to consider such reports is hereby suspended during the remainder of the second session of the Seventy-fourth Congress.

WAR MINERALS RELIEF ACT

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution for printing under the rule:

House Resolution 540

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1567, an act "to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Act", and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Mines and Mining, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

MOUNT OLYMPUS NATIONAL PARK

Mr. GREENWOOD, from the Committee on Rules, submitted the following resolution for printing under the rule:

House Resolution 541

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 7086, a bill "to establish the Mount Olympus National Park, in the State of Washington, and for other purposes", and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

EVENING SESSION, THURSDAY, JUNE 4, 1936

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that after we conclude the business on the program of the day tomorrow, the House stand in recess until 7:30 p. m., at which time it shall be in order to take up bills on the Private Calendar, and when the Private Calendar is disposed of, if there be sufficient time left, to take up bills on the Consent Calendar.

The SPEAKER. Is there objection?

Mr. BLANTON. With the understanding that no other business shall be taken up?

Mr. BANKHEAD. Of course. That contemplates bills on the Private Calendar and the Consent Calendar and also the Omnibus Calendar if we can reach it.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object, to ask the floor leader if it is the intention to include all bills on the Consent Calendar? Some times the request has been restricted to the calling of Senate bills on the Consent Calendar or House bills where similar bills have been passed by the Senate.

Mr. BANKHEAD. No; there is no such restriction.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

EXTENSION OF REMARKS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. LUNDEEN] may have permission to extend his remarks on the question of the American farmer and to include therewith certain tables.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object. How many tables are to be placed in the RECORD?

Mr. CONNERY. Mr. Speaker, Mr. LUNDEEN is out of town and he requested me through his secretary to ask this permission. I presume the tables will not be very long.

Mr. RICH. Are the tables to be taken out of a magazine article, or are they his own tables?

Mr. CONNERY. I do not know. They are his own remarks.

Mr. RICH. If they are his own tables, very well, but if the tables are taken from some magazine, I object.

The SPEAKER. Objection is heard.

FIRE DEMON'S TOLL—A FIRE A MINUTE—10,000 LIVES A YEAR—$250,000,000 LOST THROUGH CARELESSNESS AND GREED

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. LUNDEEN] have permission to extend his remarks on the American Farmer.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUNDEEN. Mr. Speaker, a few days ago I voted for the flood-control appropriation bill. I served as a member of the Flood Control Committee during the Seventy-third Congress. I have had opportunity to learn something about the causes of the disastrous floods with which we have been visited in recent years.

FLOODS CAUSED BY DESTRUCTION OF FORESTS

Our increasing flood danger is directly connected with the destruction of our forests. For hundreds of years the Indians lived directly in the present flood paths. Numerous mounds can be seen today in many sections of the Mississippi Delta where the Indians lived. Since then, along with oil fields and mines, our precious heritage of trees has been ruthlessly exploited for profit.

There is a direct ratio between the destruction of our forests and the disasters we have suffered from flood. Conservation of water and of soil is inseparably bound up with conservation of trees. In 1 year our per capita fire loss was

4 times that of France, 6 times as great as England's, 7 times that of Germany, 20 times as much as Holland's. (From National Board of Fire Underwriters.) And why? Largely because there are more wooden buildings in America than in Europe. Timber is comparatively cheap here. We burn it in the forests, and we burn it thoughtlessly and carelessly when it has been fashioned into useful structures.

While we burn our timber, vital and far-reaching developments are taking place. Soil is becoming barren. Great areas that formerly retained their moisture by virtue of their blanketing of grass and trees become parched and dry, and the top soil blows away. Often the desert marches in and takes possession.

During the past three centuries of reckless cutting and widespread burning of our forests, our virgin timber, originally covering 822,000,000 acres, has shrunk to about 137,000,000. (National Board of Fire Underwriters.) We are burning up the future. In addition to these burned areas, 5,500,000 acres of timber are cut each year, with little thought of saving the young growth, or of reforestation.

ARID WASTES WITHOUT FORESTS

If this ruthless destruction of trees continues, the future will bring more disastrous floods, soil erosion, and desert wastes. Agricultural products and vegetation will suffer from alternate drenching and baking when our streams, rivers, and irrigation systems are deprived of the gradual feeding given them by the forests. Waterways will become swollen to dangerous proportions, and after they have flooded over, before long they will be almost dry. Development of water power will be checked. The soil of mountain slopes gives way without interlacing tree roots which now keep it in place. Waterways are being filled with silt. Wildlife becomes extinct. Without forests much of America will become a wide expanse of burned and barren soil such as is found in many sections of China.

Already from the denuded slopes a flood at least 30 times greater than would pass through forested hillsides sweeps down upon communities, carrying millions of tons of silt and other debris.

FLOOD DAMAGE CAUSED BY FIRE IN CALIFORNIA

A major cause of flood is fire. If we wish to prevent floods, we must conserve our forests. On January 17, 1934, the Department of Agriculture issued a bulletin stating that the fire, which in the fall of 1933 destroyed the brush cover on 5,000 acres of watershed in the Los Angeles, Calif., area, was the primary cause of the great loss of life and excessive property damage done by the disastrous storm in southern California on December 30 and 31, 1933.

On Thanksgiving Day in 1933, a fire known as the Pickens Canyon fire burned over 5,000 acres in four small canyons near Los Angeles. Immediately after the fire, the Forest Service, in cooperation with local authorities, sowed about 4,000 acres of the area with mustard to reestablish a protective cover for the watershed. But this cover crop had not yet germinated when the major storm of December 30 and 31, 1933, occurred. Millions and millions of tons of material moved down the mountainside in channels that could not carry the load. Homes, bridges, and streets were destroyed. Hundreds of people were trapped. Sixty persons were drowned or smothered within this mud and soil flow. The property damage was at least $5,000,000.

For several years the United States Forest Service had had under way a run-off experiment in San Dimas Canyon, not far from the Pickens Canyon area. Shortly before the storm, several small plots used in this study had been experimentally burned over. Twelve inches of rainfall were recorded at San Dimas during the December 30–31, 1933, storm, about the same amount as that recorded in Pickens Canyon. During the storm the unburned plots showed an average of only 8 buckets of surface run-off, while the burned-over plots showed 300 buckets for the same period. This meant that more than 30 times as much water came off a burned area as off an unburned area. Mr. E. I. Kotok, director of the Forest Service's regional experiment station in California, stated at the time that if the protective brush cover had been left intact in the Pickens Canyon area less than one-thirtieth of the run-off would have occurred. He stated:

This is the most striking example that we have ever recorded of the potential capacity of vegetative cover to retard the run-off, even in torrential rainfall.

EARTHQUAKES CAUSED BY FLOODS

More tragic even than the actual loss in dollars and lives at the time of such a flood is the irreparable damage to the soil upon which future life depends. Each succeeding flood paves the way for greater disasters of the future.

The Senator from Mississippi [Mr. BILBO] stated on the Senate floor the other day that at the present time about 400,000,000 cubic yards of earth are being deposited in the Gulf of Mexico each year, and today the Delta of the Mississippi River is being extended into the Gulf of Mexico by sediment deposit at the rate of 1 mile for each 20 years. Scientists believe that this constant accumulation of sediment will cause an overbalance of earth structure which will affect the lower strata of earth and cause earthquakes in the future. Earthquakes result sometimes from the readjustment of the harder rocks below to the increased load above.

Scientists tell us that the great earthquake at Madrid, Mo., in 1811 occurred from causes due to soil erosion. Mr. F. W. Sohon, of Georgetown University seismological observatory, states that there is a direct relation of eroded material to earthquakes. The denuded areas become lighter and must be pushed up, while the areas receiving the additional load, by becoming heavier, must be expected to sink.

USE FIREPROOF MATERIALS

It is true that our bountiful forests have sometimes been cut for useful purposes. We have fashioned homes, schools, buildings, ships, and furniture for our comfort and ease. We have fashioned too many useful articles from wood when we might have built from metal or stone, conserved our forests, and prevented destruction by fire. In comparison with fire losses in European countries, ours is not a record of which we can be proud. We have about 13 percent more fire loss per capita than European countries. For the cheapness of our trees, we have paid with fire.

COST OF THE FIRE DEMON

War is the only element in modern life more destructive than fire. Each day we pay the fire demon a tribute of nearly a million dollars; each year we pay with ten thousand lives. On the average, since 1918 we have had a fire a minute—1,500 a day. In 1935 our fire loss was approximately $259,159,945. For several years (1922 through 1926) it was over $500,000,000. In 1932 it was $406,885,959. This sum is sufficient to maintain and operate the Navy Department for a whole year. Twenty first-line battleships costing $20,000,000 each, could be built. It could build, or buy and pay cash in full for 80,000 modern one-family suburban homes costing $5,000 each and housing 480,000 people—a city of residences the size of Minneapolis.

The 1935 fire loss would take care of a million unemployed for 6 months under the liberal terms of the Frazier-Lundeen social-security bill. The aggregate loss for 20 years exceeds 8 billion dollars, making an annual average of $420,000,000. Although there was some reduction in fire loss in 1935, indications are, according to officials of the Underwriters Association of the District of Columbia, that the 1936 losses are mounting over 1935.

STREET OF DESOLATION

Estimates are that from 60 to 90 percent of these fires are strictly preventable. With the amount which might be saved from fire if people took proper precautions we could build the Panama Canal twice over each year. The buildings consumed by fire, if placed on lots of 65 feet frontage, would line both sides of a street extending from New York to Chicago. A person journeying along this street of desolation would pass in every thousand feet a ruin from which an injured person was taken. At every three-quarters of a mile he would see the charred remains of a human being who had been burned to death.—(From Safeguarding the Home Against Fire, by National Board of Fire Underwriters, prepared with assistance of U. S. Office of Education.)

TREND OF FIRE LOSSES

The preliminary estimate of the fire loss of the United States is $259,159,945, based on estimates of the National Board of Fire Underwriters. This is over $3,000,000 less than 1934, and is the lowest figure reported since 1916. The losses are lowest in the summer months and highest in the winter. The highest month last year was December, with a loss of $27,969,288; the lowest was September, with $16,641,882. (See appendix A for comparative monthly estimates, 1933, 1934, and 1935; appendix B for aggregate fire loss year by year for 20 years (1916–35).)

LARGE-LOSS FIRES

In 1935 there were 30 fires involving a loss of $250,000 or over. This is a decrease of four large-loss fires from 1934. These fires were in all parts of the country. The only ones which could be classed as group fires or conflagrations were the series of fires in Los Angeles County on October 23, which taken together destroyed 222 buildings and caused losses of over $3,600,000 including damage to watershed property.

These are the losses from large fires which occurred during 1935:

Large-loss fires, from N. F. P. A. Quarterly, January 1936, pages 191–192

Jan. 21, Kansas City, Mo., terminal grain elevator	$283,000
Feb. 23–28, Dyersburg, Tenn., cotton storage tents	313,000
Feb. 25, Detroit, Mich., high school (Quarterly, Apr. 1935, p. 329)	582,000
Feb. 27, Steubenville, Ohio, mercantile	250,000
Mar. 1, Alva, Okla., State teachers college	313,000
Mar. 15, Savannah, Ga., pier warehouse (Quarterly, Apr. 1935, p. 341)	387,000
Mar. 16, Peoria, Ill., whisky distillery	568,000
Mar. 27, New York, N. Y., tenant manufacturing	359,000
Apr. 19, Saginaw, Mich., city hall	322,000
Apr. 20, Brooklyn, N. Y., rubber warehouse (Quarterly, July, p. 65)	300,000
Apr. 25, Salem, Oreg., State capitol (Quarterly, July 1935, p. 42)	1,000,000
May 12, Barrackville, W. Va., coal mine	250,000
June 2, Erie, Pa., railroad docks and warehouses	360,000
June 18, New Orleans, La., department store and office building (Quarterly, Oct. 1935, p. 125)	338,000
June 24, Fort Lauderdale, Fla., yacht storage basin	375,000
June 24, Stockton, Calif., stock feed mill (Quarterly, Oct. 1935, p. 167)	400,000
June 24, Deal, N. J., dwelling	450,000
June 29, New York, N. Y., apartment under construction	250,000
June 29, Philadelphia, Pa., alcohol distillery	250,000
July 22, Peoria, Ill., whisky warehouse and distillery (Quarterly, Jan. 1936, p. 244)	2,100,000
Oct. 3, Mexia, Tex., cotton compress	275,000
Oct. 7, Chicago, Ill., soybean plant (Quarterly, Jan. 1936, p. 233)	600,000
Oct. 17, Tacoma, Wash., hotel (Quarterly, Jan. 1936, p. 227)	320,000
Oct. 23, Los Angeles County, forest and brush fires (Quarterly, Jan. 1936, p. 255):	
La Flores	845,000
Latigo	1,464,000
Kagel Canyon	290,000
Sherwood Lake	1,218,000
Oct. 24, North Kansas City, Mo., lacquer factory (Quarterly, Jan. 1936, p. 247)	250,000
Nov. 9, Hinsdale, N. H., paper mill	381,000
Dec. 13, Cleveland, Ohio, mail-order warehouse and tenant manufacturing	346,000

MINNEAPOLIS FIRE LOSSES 1935

In Minneapolis, Minn., the fire department answered fewer calls in 1935 than in 1934, although fire losses were greater, due to large fire losses in December. The Minneapolis fire department responded to 4,399 alarms in 1935 compared with 5,294 in 1934. Losses in 1935 were $921,453.90, compared with $857,116 in 1934. The 1935 losses increased over the previous year for the first time since 1930, when losses totaled $1,511,903.

The greater fire losses were:

A $90,000 grain elevator fire at 2300 Marshall Avenue, December 8.

A $45,000 fire at the Minneapolis Moline Power Implement Co., 2900 Minnehaha Avenue, December 11.

A $37,900 fire at the F. W. Woolworth Co. and adjoining stores at 300 and 314 West Broadway.

There were 27 fires with losses over $5,000.

There were 271 false alarms. The average cost of each run, including runs on false alarms, was about $150.

—Minneapolis Star, January 1936.

MINNEAPOLIS AND MINNESOTA FIRE DEPARTMENTS

Heroic self-sacrifice on the part of our corps of firemen is taken for granted. They are doing their part to prevent and control fires, and are paid none too well for their services. They need the cooperation of every citizen in their campaign to outwit the fire demon's closest ally, carelessness, the cause of 60 to 90 percent of all fires.

While a member of the Minnesota legislature I consistently voted for firemen's legislation—I called attention to fire, flood, and disaster, and proposed remedial legislation. I asked that a fire, flood, and disaster fund be established as early as 1913. This would have saved thousands of families from misery in the Minnesota forest fires and other calamities and disasters. I will continue my efforts along this line of public service.

LOSS OF LIFE BY FIRE

About 10,000 people in the United States are burned to death each year. Compared with other accidents, deaths from burns are exceeded only by those from motor vehicle accidents, falls, and, in some years, drownings. The death rate from burns in 1933 was 5.8 per 100,000 population. About one-fourth of all deaths from burning occur to children under 5 years of age (National Safety Council, Accident Facts 1935).

It is believed that the number of lives now lost by fires is less than formerly. Prior to 1920 the annual loss of lives by fire was reported as 15,000, comparing with the present figure of 10,000. About one-third of the fatalities are included in the census statistics under other classifications. When a person jumps from a burning boat and drowns, his death is caused by fire, but is classified as "drowning."

FATALITIES BY AGE AND SEX

Nearly half the fire fatalities are of children under 15 years of age.

Fatalities by age and sex

[U. S. Census Bureau]

	1929	1930	1931	1932	Total 1929–32	Percent
Men	2,323	3,092	2,337	2,530	10,282	33.5
Women	1,969	1,988	1,816	2,002	7,775	25.2
Children under 15 years	3,478	3,341	3,128	2,797	12,744	41.3
Total	[1] 7,770	[1] 8,421	7,281	7,329	30,801	------

[1] There are minor discrepancies between these figures and other Census Bureau figures for the same years.

OCCUPANCY CLASSIFICATION FOR FIRE FATALITIES

Over 52 percent of the loss of life occurred in residential properties from June 20, 1930, to December 18, 1935, according to the National Fire Protection Association. Men are shown to be the principal victims for the reason that the National Fire Prevention Association fire-record files are more complete for fires in industrial properties than for fires in residential occupancies. These figures cover about 15 percent of the loss of life by fire during that period.

Age and sex of victims			Occupancy classification								No data[1]
			Dwellings, apartments, etcetera		Buildings other than dwellings		Outside of buildings		Response to alarms		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Men	3,527	53.1	1,013	29.1	765	76.4	1,617	80.7	91	93.9	41
Women	1,319	19.9	1,007	29.0	116	11.7	190	9.5	4	4.1	2
Children	1,734	26.2	1,430	41.1	106	10.9	188	9.4	2	2.0	6
No data	48	.8	27	.8	10	1.0	11	.4	0	.0	0
Total	6,628	100.0	3,477	100.0	999	100.0	2,006	100.0	97	100.0	49
Percentage distribution of fatalities between various classifications			52.4		15.2		30.3		1.5		0.6

[1] Includes cases where data are insufficient to show occupancy, class of building, or whether fatality occurred in or outside building.

FACTORIES BETTER PROTECTED THAN SCHOOLS

Of the victims of fire in dwellings, 41 percent were children. In spite of the greater fire hazard of manufacturing institutions, the average loss of life per fire in schools and institutions has been more than twice as great. We have inferior fire protection in our schools and institutions compared with the means installed in private factories. Automatic sprinklers and other modern fire-protection means are generally found in the larger manufacturing properties. Privately owned factories are given more adequate protection than children in school.

Here are the classes of fires in which loss of life occurred from June 20, 1930, to December 18, 1935. The actual number of fires listed amounts to about 15 percent of the total:

	Number of fires	Men	Women	Children	No data	Total
Fires in buildings:						
Airports and hangars	7	9	0	0	0	9
Apartments, hotels, lodgings, tenements, etc.	307	301	161	133	9	604
Barns and stables	35	19	1	24	0	44
Churches	10	7	2	4	0	13
Construction operations	7	17	0	0	0	17
Dwellings—rural	945	357	397	874	11	1,630
Dwellings—urban	865	317	435	417	7	1,176
Fireworks and munitions plants	24	55	9	4	0	68
Gas works	5	21	0	0	0	21
Garages and filling stations	45	56	0	3	0	59
Grain elevators	11	30	0	0	0	30
Institutions, schools, etc	55	135	67	6	4	212
Manufacturing occupancies	151	219	15	6	5	245
Mercantile occupancies	76	91	5	1	1	98
Motion-picture theaters	6	8	1	1	0	10
Other known buildings	120	111	30	64	0	205
Fires outside of buildings:						
Airplanes	171	323	28	6	0	357
Automobiles	225	267	86	36	10	399
Automobile gasoline and oil-tank trucks	15	23	0	3	0	26
Forest or brush fires	35	62	1	4	0	67
Mining property	47	468	0	0	0	468
Oil or gas wells	17	51	3	4	0	58
Oil refineries and bulk distributing plants	26	59	2	1	0	62
Out-of-door fires (bonfires, etc.)	206	88	20	118	1	227
Railroad fires	21	57	0	3	0	60
Ships and boats	62	163	50	14	0	227
Tankers and barges	15	81	0	0	0	81
Response to alarms	73	91	4	2	0	97
No data	32	41	2	6	0	49
Total	3,614	3,527	1,319	1,734	48	6,628

(National Fire Protection Association.)

I am placing in the appendix a more detailed table showing the causes of deaths in fire. This shows the reason for the loss of life, rather than the cause of the fire. (See appendix C.) The largest number lost their lives because they were trapped in burning buildings. Airplane fires caused 357 deaths. Fires in automobiles, busses, and trucks were responsible for 399 deaths. Children playing with matches caused 130 deaths. A large number of children were burned to death when left alone for a short time. In many such cases it was impossible to enter the burning building to save the children.

LOSS OF LIFE IN FIRES, 1936

Since the beginning of 1936 the National Fire Protection Association has received reports of 293 fires in which loss of life occurred; a total of 558 lives were lost in these 293 fires.

FIRE CREATES BUSINESS AND LABOR LOSS

In addition to loss in lives and property, fire brings its economic losses in business and in jobs. Fire destruction always results in the loss of time, labor, and materials. Burned property can never be restored. Large fires cause serious interruption of business. They frequently destroy records that cannot be replaced. Heavy losses cause a rise in insurance rates, and increase the cost of living. Loss of employment and contraction of sales result when the operations of a business firm are interrupted by fire. Fires have sometimes removed the means of support for thousands of workers and forced them to migrate to other cities in search of employment. The public pays, directly or indirectly, for fire loss.

CAUSES OF FIRES

The National Board of Fire Underwriters has prepared a table showing the fire losses in the United States by cause, during 1932 and 1933. (See appendix D.) According to this, matches and smoking caused the greatest fire loss in 1933; defective chimneys and flues came second, and incendiarism third. Other causes of fires are listed as follows:

Stoves, furnaces, boilers, and their pipes; misuse of electricity; spontaneous combustion; sparks on the roof; petroleum and its products; lightning; hot ashes and coals—open fires; sparks from machinery; open lights; sparks from combustion; ignition of hot grease, tar, wax, asphalt, etc.; gas, natural and artificial; explosions; rubbish and litter; fireworks, firecrackers, etc.; steam and hot-water pipes; losses due to spreading fires originating from other causes. The National Board of Fire Underwriters publishes a pamphlet, "Safeguarding the Nation Against Fire", containing valuable information concerning these various causes of fire.

MATCHES

While the loss from the cause "matches—smoking" was $14,439,000 in 1933, it amounted to nearly $24,000,000 in 1932. The figures shift from year to year, and 25 percent should be added to these figures for unreported losses. The figures I am giving show only reported losses.

Each year approximately 300 billion matches are consumed. This means 800 million daily, or 500,000 flames every minute, each one of which holds the possibility of causing disastrous fire. The wife of Henry Wadsworth Longfellow, the great American poet, was burned to death because of a lighted match thrown upon the floor. Every day children are losing their lives from the same cause. Matches should be kept in metal or earthenware containers, out of children's reach.

Sometimes rats and mice have been known to pick up stray matches and carry them off for nest building, often near a chimney for the sake of warmth.

Matches should not be left around. Ash receivers should be handy wherever smoking is permitted, but they should be kept away from papers. When lighting a match on a box, the match should be struck away, not toward, the person striking it. When matches are lighted on boxes or "books", the box or paper flap should be closed before lighting, so that the flame will not catch fire to the rest of the book or box.

One of the most expensive cigarette fires was caused when two careless individuals violated the "no-smoking" regulation of a Jersey City, N. J., warehouse and caused a $2,000,000 warehouse fire in which four buildings were destroyed, together with several adjacent properties, 20 railroad locomotives, and several loaded freight cars.

DEFECTIVE CHIMNEYS AND FLUES

Defective chimneys and flues caused the second greatest fire loss in 1933, $14,155,567. In 1932 the loss was $19,761,761.

Defective flues result from poor construction. The National Board of Fire Underwriters recommends that chimneys, beside being built solidly from base to cap on a stable foundation laid in the ground, should have fire-clay flue lining and should be cleaned of soot accumulations at least once a year, particularly if bituminous coal is used. Bricks used for chimneys should always be laid flat and not on edge, as by this latter method the structure is weakened and has a tendency to develop cracks through which sparks may escape. Chimneys should never be supported on the timber construction of a building or hung on brackets. Sewer tile is incapable of withstanding wide fluctuations in temperature, and should not be used instead of fire clay.

Sparks from defective chimneys escape into attics. If a chimney passes through a floor, the space between it and floor timbers should be filled with some porous, incombustible material such as loose cinders or refuse plaster, gypsum, or mortar, held in place by a sheet of metal nailed to the underside of the wooden beams. This prevents passage of fire through partitions and also makes it impossible for

mice to build nests in this space. Flues should be cleaned at least once a year. They should never be burned out.

INCENDIARISM

Third on the list of fire causes is incendiarism, taking a toll of $12,956,372 in 1933 and $17,639,122 in 1932. These figures do not cover all the loss; there were many suspicious cases where convictions for incendiarism were not made. Incendiarism is a type of mental disease which psychiatrists term "pyromania." Persons affected with this disease delight in seeing the fire department rush out to answer an alarm, and also in watching the flames devour their prey.

However, aside from planned fires started by mentally diseased people, there are a large number started for the purpose of collecting insurance. At least 6 percent of the fire loss of 1933 was caused by incendiarism. Unofficial estimates vary, and run much higher. Police departments have been carrying on an intense campaign against incendiarism and arson.

ECONOMIC CAUSE OF INCENDIARISM

It is interesting to learn that poverty and unemployment are causes of fire loss. Reporting for the committee on incendiarism and arson of the National Board of Fire Underwriters, sixty-eighth annual meeting, Mr. H. V. Smith, chairman, stated:

One element has been the change in economic conditions which have materially lessened the pressure on assureds to cause or to submit to having a fire. Moratoriums on mortgage foreclosures, availability to Government funds for refinancing mortgages and the somewhat higher commodity prices have all contributed to the reduction of deliberate fires. * * *

Arson, like other crimes committed for money, depends in a large degree upon economic motives—the greedy desire for profit, or the need of funds for the necessities of life. Adequate social security for all the people would do away with the necessity felt by some desperately poor individuals to resort to arson and other crimes as a source of temporary relief.

SPONTANEOUS IGNITION

Spontaneous ignition, taking its toll of $7,301,188 in 1933, is caused by chemical action. Fire is a combination of oxygen with a combustible substance. When these elements merge at a temperature known as the kindling point, fire occurs. The kindling temperature varies from 112 to 1,200 degrees. This temperature may be reached because of chemical action, friction, direct heat or flame, electricity, the sun's rays, or from lightning. When it is reached because of chemical action, it is called spontaneous combustion.

MATERIALS SUBJECT TO SPONTANEOUS IGNITION

Materials subject to spontaneous ignition are, for instance, rags or litter saturated with fish oils, linseed oil, soya-bean oil, cottonseed pressings, practically all vegetable and animal oils and fats, dairy feeds containing vegetable oils, wheat middlings, oats, barley, and other grain, damp hay, sawdust, lime, and charcoal.

Old packages of newspapers have been known to set attics afire from spontaneous combustion. Printer's ink is subject to spontaneous combustion when it reaches the proper temperature. A $100,000 fire in a New York building was caused by painters' oily refuse left in a heap.

Soft coal should be kept cool in order to prevent spontaneous ignition. Sometimes it can be turned over in order to cool the lower strata; in some plants it is stored under water. Soft coal should never be piled around wooden building supports or near a furnace or boiler. Not more than 500 tons should be placed in a single pile, and piles should not be more than 10 or 12 feet deep. In some coal yards pipes about an inch in diameter are placed vertically in the piles, one to each 300 or 400 square feet of area, with the lower ends of the pipes at different distances from the bottom of the heap. Thermometers are lowered each week into the pipes to determine the temperature.

SPARKS ON THE ROOF

Sparks on the roof caused $7,214,369 fire loss in 1933 and nearly $10,000,000 in 1932. Certain types of soft coal give off a great amount of soot, and glowing particles often fly out of chimney tops, causing fires on combustible roofs. Poor grades of wooden roofs are like tinder, ready to ignite from a chance spark. Embers which would roll off a pitched roof of smooth material stick to the roughened surface of wooden shingles.

EXPOSURE

"Exposure" means communicated fire which started in one property and ignited nearby. It is not an original cause of fire. In 1933 it caused $16,224,795 worth of damage, and in 1932, $26,276,387. Flying particles sometimes start fires on the roofs of houses a mile or more from the original fire, and conflagrations result. Exposure problems are most serious in thickly populated districts. Open squares and wide streets reduce the exposure fire hazard.

PETROLEUM AND ITS PRODUCTS

Fire losses from petroleum and its products amounted to $6,562,727 in 1933 and $9,237,926 in 1932. Gasoline is the most dangerous petroleum product. It accumulates in holes in garages. In an automobile repair pit in Newark, N. J., a mechanic was working underneath a car and struck a spark with his wrench. This ignited the inflammable vapors that had accumulated in the pit. He was burned to death when his clothing and the car caught fire. Such pits should be kept well ventilated in order to prevent the accumulation of gasoline vapors. Many fires occur in the home from dry-cleaning with gasoline.

Kerosene is less dangerous than gasoline, but will explode under certain conditions. Many disasters have been caused by pouring kerosene on fires.

ELECTRICITY

The misuse of electricity caused $7,919,775 worth of fire loss in 1933 and $11,883,154 in 1932. To all these loss figures given must be added 25 percent to account for unreported losses. These figures cover only reported losses totalled by the National Board of Fire Underwriters.

Defective wiring and misuse of heating appliances, such as toasters, hair-curlers, irons, hotplates, cause many fires. The National Board of Fire Underwriters considers amateur electric installations dangerous. A common practise is to add lengths of ordinary lamp cord and to loop extensions around nails, fixtures, or other projections. Sometimes this causes breaks in the insulation or in the wire, resulting in short circuits and the blowing of fuses. When blown fuses are doctored up instead of replaced, the wire is apt to overheat and cause fire. A fuse should not be doctored with nonfusing coins or wire. Inspectors of a city fire department once confiscated a bushel basket of pennies which had been used to doctor fuse-plugs.

LIGHTNING

Lightning, "nature's electricity" caused $4,456,686 fire loss in 1933 and $5,480,236 in 1932. Properly installed lightning rods are the best means of protection. Sky-scrapers and tall trees are often struck. New Jersey, Illinois, and New York have suffered more from lightning fire loss than any other States. Any object in the path of lightning which is not a conductor of electricity resists its passage and in that way creates enough heat to cause ignition of the object. Wooden buildings are destroyed unless a lightning rod, properly installed, conducts the charge of lightning safely to the earth.

About the safest place to be during an electric storm is in a steel-frame building, or in a steel car on rails of steel. Lightning is very dangerous where oil tanks are around.

Many fires have occurred to buildings which have lightning rods. It is important that the rods be properly installed and kept in good order. Lightning rods have operated at an efficiency of about 97 percent. Some of the causes of their failure to operate when lightning struck are: lack of grounding to permanent moisture; insufficient number of points; lack of points at chimneys, cupolas, ventilators, spires, gables, and other elevations; underweight materials; points and connections not mechanically or electrically secure; failure to connect downspouts, door tracks and other metal parts to the rodding system; running metal clothes lines from trees to buildings; constructing silos and other additions without extending the rodding system; rusting, corroding, and breaking of conductors.

OTHER KNOWN CAUSES OF FIRE

Other causes of fire, listed as miscellaneous, are ignited photographic film, burning carbon, lime, hot glass, molten metal, radios, which sometimes have storage batteries that give off sparks hot enough to ignite inflammable vapor. The National Electrical Code gives detailed methods of radio installation to prevent fire hazards. Outside antennas should never cross over or under any electric light or power wires carrying more than 600 volts, or any railway or trolley feeder wires. They should not be located so that the breakage of antennas or electric service cables could result in a contact. Inside antennas are considered harmless. Wires leading in from the aerial should be of copper or copper-covered steel, and should enter a building through noncombustible, nonabsorptive insulating bushing. It should not come within 4 inches of electric light and power wires. Approved lightning arresters for lead-in wires are recommended.

SOME KINDS OF FIRES: DWELLING FIRES

The average annual fire loss in dwelling fires from 1930 to 1934, inclusive, is estimated at $97,093,000, for 166,000 fires occurring in the United States each year during that 5-year period. Nine percent of dwelling fires are due to exposure from other burning buildings. Dwelling fires cause more loss of life than any other kind of fire; many of these fires occur while the occupants are sleeping. Fire-prevention methods installed in industrial, mercantile, and public buildings have not been installed in schools or in homes. Even the most palatial residences often have combustible construction, wooden-shingle roofs, and no adequate water supply for fire extinguishment.

TREND OF DWELLING-FIRE LOSSES

The number of fires in dwellings was greater in 1934 than in 1925, although there was a decrease during 1933 and 1934 from the preceding 2 years. The number of dwelling fires amounts to over half the total number of fires for all occupancies.

City dwelling-fire losses are lower per fire because of the greater fire protection available in cities. The average loss per fire for five States and two cities is $591. About 73 percent of the loss occurs in the building itself and 27 percent in the contents of the building.

CAUSES OF DWELLING FIRES

The causes of some dwelling fires have already been mentioned. The greatest number of fires start in basements and kitchens. More than 11 percent started on roofs, porches, and other outside locations.

Fire departments in many cities have fire-prevention agencies. They send uniformed forces into buildings and dwellings for regular fire-hazard inspections. Some of the cities which carry on regular dwelling fire inspections are: St. Paul, Minn.; Cincinnati and Middletown, Ohio; Berkeley, Calif.; Oklahoma City, Okla.; Grand Rapids, Mich.; Omaha, Nebr.; Erie, Pa.; Dallas and Fort Worth, Tex.; Memphis, Tenn.; Parkersburg, W. Va.; Providence, R. I.; Worcester, and Springfield, Mass. Inspections are made at least once a year.

Fire-inspection crews also leave fire-prevention literature in the homes, at the time they suggest removal of certain fire hazards in the dwelling being inspected. The idea has the support of the general public. In only a fraction of 1 percent of the homes were firemen refused entrance. Fire inspection in dwellings has been in effect long enough in some cases to prove its success as a fire-prevention method. In the city of Providence, R. I., here is the record:

NUMBER OF DWELLING FIRES, PROVIDENCE, R. I.

(From N. F. P. A. Quarterly, April 1936—p. 345

Before start of inspections:	
1926	610
1927	478
1928	477
1929	544
1930	549
Since start of inspections:	
1931	413
1932	374
1933	296
1934	292
1935	287

The success of regular dwelling fire inspection recommends it to other cities.

FOREST FIRES

TREES

I think that I shall never see
A poem lovely as a tree.

A tree whose hungry mouth is pressed
Against the earth's sweet flowing breast;

A tree that looks at God all day,
And lifts her leafy arms to pray;

A tree that may in Summer wear
A nest of robins in her hair;

Upon whose bosom snow has lain;
Who intimately lives with rain.

Poems are made by fools like me,
But only God can make a tree.

—*Joyce Kilmer.*

Forest-fire loss is so great, and our means of preventing fires so inadequate that insurance companies will not insure our timberland. Negotiations are being carried on by the Government with representatives of insurance firms in an effort to find some means of insuring our forests—a function which should be performed by the Government.

From 1930 to 1934 there were on an average 169,526 forest fires per year. These fires burned an area of 45,749,286 acres in public and privately owned land per year. The average annual damage was $58,429,204. This figure covers losses in tangible values only, such as improved property and standing timber. It does not include the large intangible damages to young growth, watershed values, wildlife, scenic, and recreational values, and so forth, which cannot be measured in dollars and cents. Nineteen people lost their lives fighting fire on the national forests in 1934. Other losses for 1934 are:

[From U. S. Forest Service]

1934

Number of fires:	
Protected areas	69,318
Unprotected areas	93,345
	162,663
Damage:	
Protected areas	$8,100,350
Unprotected areas	37,272,770
	45,373,120
Land burned over (acres):	
Protected areas	4,173,040
Unprotected areas	37,647,820
	41,820,860

KINDS OF FOREST FIRES

There are three different classes of forest fires for which different fire-fighting technique has been developed. A ground fire is confined to the materials composing the forest floor or beneath the surface as in peat beds. It spreads slowly but is difficult to extinguish. To extinguish it, fire lines are dug into the earth, and water is used to put the fire out.

A surface fire runs over the forest floor, burning the top layer, the loose debris, and smaller vegetation. It spreads rapidly. Fire lines and other cleared lanes are used to control it. The fire is sometimes extinguished with soil.

A crown fire runs through the tops of the trees. It spreads very rapidly and is the most dangerous and destructive of all forest fires. Standing dead trees must be felled, and other fire-fighting technique has been developed for crown fires.

MOST LOSS OCCURS ON UNPROTECTED FOREST LANDS

Ninety percent of the burning occurs on unprotected land. We have 150 national forests for which there has been developed efficient fire protection. The Federal Government and the States are cooperatng in an endeavor to protect about 420,000,000 acres of forest land outside the national forests. The annual toll of forest fires is around 40,000,000 acres of unprotected timberland. On national forest lands, totalling about 170,000,000 acres, the loss is seldom over 500,000 acres a year, and in 1935 it was less than 200,000.

FOREST RANGER SERVICE

In 1935 there were about 10,000 fires on national forests, compared to an average of 8,000 over the years 1931 to 1934. These fires burned 178,133 acres, compared to an average of 440,802 acres during the 4 years 1931–34.

An "extra period" fire is one which is still out of control after 10 a. m. on the day following its discovery. The Forest Service believes that the most significant comparison with progress in forest-fire fighting is that there were 156 "extra period" fires during 1935 compared to an average of 270 in the period 1931–34. Roy Headley, chief of the Service's Division of Fire Control, believes that only so-called "freak" fires can succeed in outwitting the Forest Service fire-fighters today.

Uncle Sam's forest-fire fighters are doing their best. Sometimes fires start in almost inaccessible spots, and spread with unbelievable rapidity because of the topography and weather conditions. Carelessness is the fire fighters' worst enemy. About 90 percent of the forest fires are man caused. Careless smokers and neglected campfires are responsible for most of them. Other causes are incendiarism, debris burning, and lightning. In 1917 over 3,000,000 people visited the national forests. Now we have about 35,000,000 people a year. More people in the woods usually means more fires, although there is a reduction in fire danger from railroads and logging companies.

FOREST-FIRE HAZARDS

The character of the forest area and the weather conditions in the area determine the natural fire hazards. Man, of course, is the greatest hazard of all. In the Lake States, the principal upland forest-fire fuels are grass, pine litter, hardwood litter, dead herbaceous vegetation, and dead and down wood. Dead grass is the most inflammable. Lighter fuels ignite most easily and cause fires to spread more rapidly. Heavier fuels generate more heat and hold fire longer. For these reasons, where both light and heavy fuels exist, the greatest fire hazard presents itself. Inflammability naturally depends upon moisture, which in turn is determined by weather conditions. The greatest fire hazard exists when the forest materials have been dried to the point where the moisture content is less than that of their inflammability point. Fire hazard fluctuates with relative humidity. A psychrometer (an instrument containing a wet and a dry thermometer) is used to determine the humidity of the air. Humidity from 0 to 30 means that fires will catch readily and will burn fiercely. Above 60 percent humidity is low inflammability and fires will not spread readily.

Humidity reaches its low about 8 a. m. and its high about 2 p. m. Temperature has little direct bearing on fire hazard. Its importance is indirect, as it determines the moisture-holding capacity of the air. Wind movement increases fire hazard. Sunshine is also a fire hazard, and fires are more likely to occur during periods of clear weather. Hazard is greater in the pine regions than in hardwoods. Density of the forest tends to reduce the fire hazard by slowing up evaporation. It does this by providing shade, reducing wind movement, lowering temperatures, and raising the relative humidity.—(Information from Gateways to Forestry, Book III, Forest Protection, U. S. Department of Agriculture, Forest Service, North Central Region.)

DROUGHT BRINGS GREATER FOREST FIRE HAZARD

For the past 15 years we have had a dry cycle which reached a climax in the great 1934 drought. The drought placed a difficult problem of fire prevention on the national forests. In 1934, 10,871 national forest fires were fought by the Forest Service, compared with 6,315 in 1933 and 7,037 in 1932. Sixty-four percent more fires were fought in 1934 than in 1933 in the western national forests.

Many forests were made more difficult to protect, by drought, increased use of the forests for recreation, and insect infestations. Burned areas on trees are particularly subject to insect infestations. In the northern Rocky Mountain region, a large number of early fires broke out before the Forest Service guard stations had been completely manned for the season. Between May 15 and June 10, 1934, there was a 10-day period with 150 fires; the greatest number recorded in previous years was 40. I am placing in the appendix a comparison of fires in national forests for the years 1934, 1933, and the 5-year average 1930–34. (See appendix E.)

FLAMES IN THE SKY

Roaring, crackling, belching mile-high billows of black smoke, turning the night sky a lurid orange-red, the flames of forest fire devour growing things in their path. And for that spectacle America pays an annual admission price of some $50,000,000, and indirect charges many times as great.—(Charles E. Randall, U. S. Forest Service.)

The "indirect charges" for forest fires form the largest of all fire loss. We pay in soil erosion, flood, and arid wastes for the destruction of our forests.

FARM FIRES

The average yearly farm fire loss in recent years has been approximately $100,000,000. It is about 30% of the entire national fire loss. This is equal to a per-capita tax of more than $16 on every farmer in the United States. There are about 6,000,000 farms in the country, with 37,000,000 farm buildings. The value of these buildings is approximately $11,000,000,000, and the insurable value of buildings and contents, including produce, livestock, and machinery, is about $23,000,000,000.—(U. S. Department of Agriculture, Bureau of Chemistry and Soils.)

During the 5-year period 1923–27 there was a reported farm fire loss of $93,539 per day. It is customary to add 25 percent for the unreported fire loss. One farm in every thirty had a disastrous experience with fire in these 5 years. The number of loss claims for the whole country was about equal to the number of farms in the New England States. Carelessness was responsible for about 75 percent of the loss.—(Safeguarding the Farm, National Board of Fire Underwriters.)

The report of the Sixty-eighth Annual Meeting of the Board of Fire Underwriters, page 59, shows that comparative fire losses are greater per capita in the country than in the city:

Comparative fire losses

	Population	Total loss	Per capita
1929—Whole country	120,700,000	[1] $459,445,778	$3.81
473 cities	53,411,000	[2] 145,059,043	2.72
1930—Whole country	122,775,046	[1] 501,980,624	4.09
454 cities	50,206,000	[2] 150,981,223	3.01
1931—Whole country	124,070,000	[1] 451,643,866	3.64
454 cities	51,084,000	[2] 125,933,681	2.47
1932—Whole country	124,822,000	[1] 400,559,554	3.21
458 cities	51,295,000	[2] 113,947,789	2.22
1933—Whole country	125,693,000	[1] 269,778,480	2.15
461 cities	51,553,000	[2] 77,686,291	1.15

[1] Estimated from records of the actuarial bureau.
[2] Figures reported by fire departments.

CAUSES OF FARM FIRES

Causes of farm fires are similar to causes of fires in general, but they differ in importance.

1. Defective chimneys and flues.
2. Lightning.
3. Combustible roofs (sparks on roofs).
4. Gasoline, kerosene, and petroleum products.
5. Matches and smoking.
6. Spontaneous ignition of farm products.
7. Stoves, furnaces, and heating apparatus.
8. Hot ashes and coals, including open fires.
9. Electricity and electric appliances.

About 43 percent of farm and rural fires originate from unknown causes. Many of the "unknown" causes turn out to be spontaneous ignition, or arson and incendiarism. About 40 percent of the loss occurs within farm dwellings.—(From Developments in Farm and Rural Community Fire Prevention, by David J. Price, U. S. Dept. of Agriculture, Bureau of Chemistry and Soils.)

COMPARISON OF CITY AND RURAL FIRES

Loss per fire is greater in the country than in the city. In Indiana, 1929 to 1932, the ratio of dwelling losses to the value of property involved was 68 percent in rural areas com-

pared with 6.6 percent in cities of over 5,000. More than half the dwelling loss is in the rural area. This loss is typical of the experience in rural sections of other States. More extensive rural fire-department protection is needed. Towns under 5,000 are generally under volunteer fire-department protection.

While 23.1 percent of the Indiana dwelling fires occurred in rural areas, the loss was greater from rural dwelling fires than the combined losses of all the cities and towns in the State. With only 13.4 percent of the value of the dwellings involved in Indiana fires, rural dwellings suffered 54.9 percent of the State dwelling loss. City dwellings represented 72.6 percent of the value of dwellings involved in fires, but suffered only 29.1 percent of the total dwelling losses. This survey was made by the National Fire Protection Association.

Another survey was made in Oregon for the years 1933 and 1934. The average loss there per dwelling fire in incorporated cities and towns was $201; in rural areas the loss was $1,046. While 12.3 percent of the dwelling fires were in rural sections, 42.2 percent of the loss occurred in these fires.

FIRE PREVENTION—EARLY HISTORY

The first organized fire fighting known by the National Board of Fire Underwriters began after the occurrence of the great London conflagration of 1666. Two-thirds of London was burned in that fire. After that, fire brigades were formed and made subject to call. Even in Nero's day, certain Roman subjects were trained in the use of the fire bucket and a hand pump, but it was not until after the London fire of 1666 that organized fire fighting was given serious study.

Up until 1825 there were five insurance companies in London which maintained private fire brigades, with members known as watermen. The custom was for the watermen to operate only on the property which their companies insured. Plates were furnished the homes which each company insured. The watermen of a certain company would see the company's fire plate hanging over the door. It is said that customarily disinterested brigades from other companies, arriving first upon the scene of a fire, stepped back and waited for the proper corps to come to extinguish the fire. It was all a private business.

It was not until 1865 that organized fire fighting was taken over by the municipal London authorities.

EARLY FIRE FIGHTING IN AMERICA

One of the early records of municipal fire fighting in America dates back to 1659 when the Governor of New Amsterdam, Peter Stuyvesant, purchased and distributed 250 leather buckets and a supply of ladders and hooks. A tax of 1 guilder for every chimney in the town was instituted to provide the cost.

The post of fire chief was apparently inaugurated in 1689, in the town that later became New York City. Later there were fire societies, organized volunteers with definite memberships. This was similar to a cooperative fire-prevention association. Only the members were served.

The paid fire department was started in Cincinnati about the middle of the nineteenth century. After that, other cities followed suit. Fire-fighting methods have steadily been improved, modernized, and enlarged, until New York City in 1933 had a fire department consisting of about 7,000 men, with a chief, 34 deputy chiefs, 96 battalion chiefs, 10 medical officers, 342 captains, 542 lieutenants, 104 engineers of steamers, 20 marine engineers, 24 pilots, 4,800 first-grade firemen, 332 second-grade firemen, 218 third-grade firemen, 202 fourth-grade firemen, and 56 ununiformed firemen. There are 357 companies, including 219 engine companies, 124 hook-and-ladder companies, 10 fireboats, and 4 rescue companies.—(Safeguarding The Nation Against Fire, National Board of Fire Underwriters.)

AGENCIES CONDUCTING FIRE PREVENTION ACTIVITIES: PRIVATE INSTITUTIONS

The National Board of Fire Underwriters, 85 John Street, New York City, has published a national building code which has been adopted by municipalities in every section of the country. This code is an illustrated book of about 300 pages, with an index, giving detailed specifications for the construction of foundations, walls, floors, roofs, and chimneys. Suggestions are also given for construction of theaters and other buildings. A model tenement-house law is included. This code is recognized as a basis for building ordinances.

The National Board of Fire Underwriters is composed of stock fire-insurance companies doing business in the United States. They also publish a number of pamphlets and run advertisements in papers on various aspects of the fire-prevention problem.

The National Fire Protection Association, 60 Batterymarch Street, Boston, Mass., is another organization active in the work of fire prevention. The National Board of Fire Underwriters is one of its members. All sorts of associations, Government bureaus, manufacturing companies, and other organizations interested in fire prevention are members of the National Fire Protection Association. This association publishes a quarterly giving the latest information on fire prevention.

Both of these associations have annual meetings, the minutes of which are published in book form. Individual members of these associations are constantly active in fire-prevention campaigns.

The National Fire Waste Council, 1615 H Street NW., Washington, D. C., is also active in fire-prevention work.

GOVERNMENT FIRE PREVENTION AGENCIES—UNITED STATES FOREST SERVICE

The United States Forest Service has done some fine forest fire-prevention work. I have already mentioned some of their accomplishments. Thirty years ago forest fires were rarely fought unless they endangered other property. There was no planned organization for fire fighting and fire prevention. In 1905 the Forest Service took over the administration of the national forests. Since then there has been a continuous development of personnel, means of fire prevention, transportation, and communication facilities. A continuous program of public education in the matter of forest-fire prevention and care of fire in the woods is carried on.

Trained lookouts watch constantly for the first sight of smoke. They are equipped with binoculars, maps, and proper instruments so that they may locate fires quickly and exactly. As soon as a fire is discovered an alarm is transmitted to the rangers. Organized fire crews are quickly mobilized.

FOREST SERVICE UTILIZES MODERN SCIENCE

Airplanes have been used in national forest-fire prevention for 14 years. They are valuable for scouting and are also used for transportation of men and equipment. Radio and other scientific means are used. Plans are now being made to use planes in direct combat of fires. Some pioneer work has already been done along this line. Plans call for dropping of water or chemicals direct on small fires to retard their progress until ground crews can reach the scene. Values of various chemicals are being tested. Plans are also being made to drop bombs on small fires and in this way throw soil over the fire. Sometimes supplies are dropped to the ground to fighting crews. Tractors are driven through the forests as trail makers, and in this way fire lines are built more quickly than is possible with human labor.

A new type of ultra-short wave radio set which is extremely light can be used on airplanes. The Forest Service at the present time owns no planes, but it can charter them from commercial companies when needed. With the use of radio, the ground crew can talk to the observer in the air.

This year the Forest Service intends to conduct a campaign against carelessness and incendiary fires. Man-caused fires constitute the greatest problem of forest-fire fighters.

Weather observations are made regularly at the different Forest Service stations. Forecasts of forest-fire weather are sent to forest officers. When critical weather conditions are predicted, special preparation is made. During danger seasons the Forest Service employs extra men, and the main

attention of forest supervisors and rangers is devoted to preventing fires and to catching those that do start while they are still small.

COOPERATION OF FOREST SERVICE WITH OTHER GOVERNMENT AGENCIES

Forest fires are frequently followed by beetle outbreaks because of the enfeebled condition of the trees, which lowers their powers of resistance. Insect attacks sometimes reach epidemic proportions after a fire, and control measures are undertaken in cooperation with the Bureau of Entomology. Experimental work in insect control is also carried on in cooperation with the Bureau of Entomology. The principal forest insect pests are tree-bark beetles, gypsy moth, spruce budworms, and the larch sawfly.

The Forest Service also cooperates with the division of forest pathology and the division of blister rust control in the Bureau of Plant Industry, Department of Agriculture, in the matter of combating blister rust and other tree diseases sometimes caused by fire.

COOPERATION OF FOREST SERVICE WITH THE STATES

About 426,000,000 acres of land owned by States and private individuals is used principally for growing forests. The Federal Government offers financial aid to the States to prevent fires in these areas. Provision for such is made in the Clarke-McNary law of 1924. Thirty-nine States cooperate in fire protection, and about 237,000,000 acres, or two-thirds of the total area in this classification is protected in this way.

Almost all forest area burned is on unprotected land. For the fiscal year ending July 1, 1936, the Federal Government appropriated $1,578,632 for this work. State and private funds amounting to $4,748,346 were used during that fiscal year for this purpose. The projects are administered by State forestry departments in cooperation with the United States Forest Service.

In 1911, only 16 States had appropriated funds for protection of forests from fire. Today 39 States are cooperating. But millions of acres are still inadequately protected.

COOPERATION OF FOREST SERVICE WITH C. C. C.

When the civilian conservation camps were established, the Forest Service established about 500 camps on the national forests. C. C. C. labor has been used to build a number of emergency landing fields where planes can land in rough mountainous territory and bring supplies to the scene of the fire. Thousands of miles of truck trails have been built to help make areas of fire danger more accessible; thousands of miles of telephone lines have been added, and thousands of miles of firebreaks have been built.

The Division of Information and Education of the United States Forest Service, North Central Region, at Milwaukee, Wis., has recently published a small mimeographed booklet for the purpose of furnishing an outline in forest-fire causes and prevention which the enrollee in the forestry camps of the C. C. C. may follow.

This booklet deals with the causes of forest fires, weather conditions, and other factors conducive to the starting of fires; suggestions for education in the fire-prevention field; plans for practical fire-prevention study, including fire detection, communication and transportation systems, the proper fire tools, and detailed directions for suppression of various kinds of fires.

When systematic efforts to control forest fires began in the national forests, only one-fifth of the country's forest area was included in the national forests. In 1911 Congress passed the Weeks law for cooperative protection of State and private forest lands situated upon the watersheds of navigable rivers. In 1924 Congress passed the Clarke-McNary Act. This extended Federal cooperation to State and private forest lands.

The Forest Service has made commendable progress in fire fighting, and sufficient appropriations should be made available by Congress to continue and expand this work. The continued improvement of methods, equipment, and fire-prevention education of the general public depends on funds made available by Congress.

W. P. A. FIRE-PREVENTION PROJECTS

The Works Progress Administration is another Government agency which is furthering the cause of fire prevention. Several State or municipally sponsored fire-prevention projects have been submitted. We have one of these projects in Minnesota which has been in operation for several months.

Recently a project was approved by the W. P. A. for a project under the supervision and direction of the Commissioner of Police, Commissioner of the Fire Department, and the Safety Director, of the Buffalo, N. Y., Chamber of Commerce.

By means of community meetings arranged through parent-teacher associations and other community groups, and through short talks in theaters, playgrounds, and other public places, instructions are to be given the residents of the city of Buffalo in safety and fire prevention, to help reduce the number of accidents and fires in the home and on the streets. Federal funds will be used for labor and supervision. The project will also prepare and distribute posters and sometimes have paid speakers. Federal funds amounting to $16,780 have been allocated. The sponsors will furnish $1,230, making a total of $18,010. The project will employ 47 people. Similar projects are being considered in other States.

FIRE PREVENTION WORK OF BUREAU OF CHEMISTRY AND SOILS

The Bureau of Chemistry and Soils, United States Department of Agriculture, has done effective research work in rural and community fire prevention. The farm fire prevention committee of the National Fire Protection Association works under the leadership of the Bureau of Chemistry and Soils. The general principles of fire prevention are applied to farm and rural property. Hazards peculiar to farm property, such as spontaneous ignition of hay and dust explosions are given special study. Fire-protection agencies are established in rural districts, including water supplies and fire equipment. The equipment is developed so that it will be usable by the farmer and other agencies having to do with farm fire prevention.

The farm fire prevention committee also cooperates with the agricultural committee of the National Fire Waste Council, 1615 H St. NW., Washington, D. C. They have developed a volunteer firemen's section to organize and assist newly organized rural fire departments. An enabling act for rural fire departments has been developed. Schools of instruction for rural fire departments have been established. About 100,000 firemen in almost every State attended such schools within the 4 years preceding April 1935. The Volunteer Fireman is the professional journal of the volunteer firemen's section of the National Fire Protection Association.

4-H CLUB ACTIVITIES IN RURAL-FIRE PREVENTION

The Department of Agriculture also cooperates with the farm-fire protection committee and the agricultural committee of the National Fire Waste Council in the matter of organizing a program of fire prevention for 4-H clubs. Oregon was the first State to undertake a 4-H club farm fire-prevention project. Kansas, Iowa, Nebraska, and other States now have such projects. A proposed program of fire-prevention study for 4-H clubs have been developed.

PROPOSED PROGRAM FOR 4-H CLUB ACTIVITIES

There are more than 90,000 4-H clubs with a membership of more than 925,000 boys and girls. These 4-H club members are usually the outstanding boys and girls in their farm communities, and the Department of Agriculture feels that well-formulated 4-H club programs of farm-fire prevention will produce definite results in reducing the farm and rural community fire losses.

For activities of 4-H club and similar farm and rural organizations, the farm-fire protection committee recommends the following list of items for competitive merit rating:

(1) Actual fire inspections of farm property each year, with proper reports covering all inspections.

(2) Actual correction or removal of recognized fire hazards on farm property.

(3) Participation in farm meetings, such as Grange and institutes, with talks on farm-fire prevention.

(4) Preparation of articles on farm-fire prevention for farm papers and delivery of essays or radio talks on the subject.

(5) Saving and protection of life in farm fires.

(6) Organization of rural community fire departments and development of fire-fighting methods.

(7) Development of educational programs on fire prevention in rural schools.

(8) Rural community fire surveys and comparisons with other communities, counties, or States.

(9) Proficiency in handling fire-fighting equipment, such as fire extinguishers, hose lines, hand equipment, and other devices.

(10) Introduction and development of farm-fire prevention in 4–H clubs in the community, county, or State.

FREE FIRE PREVENTION PUBLICATIONS OF DEPARTMENT OF AGRICULTURE

There are a number of publications on fire prevention issued by the Department of Agriculture which anyone can secure by sending in a request for these publications to his Congressman. These publications are:

Farmers' Bulletin No. 1512. Protection of Buildings and Farm Property From Lightning.

Farmers' Bulletin No. 1590. Fire-Protective Construction on the Farm.

Farmers' Bulletin No. 1643. Fire Safeguards for the Farm.

Farmers' Bulletin No. 1667. Rural Community Fire Departments.

Farmers' Bulletin No. 1678. Safe Use and Storage of Gasoline and Kerosene on the Farm.

A publication, Technical Bulletin No. 141 of the Department of Agriculture, entitled "The Spontaneous Combustion of Hay" by Charles A. Browne, can be purchased from the Government Printing Office for 10 cents.

Agricultural Experiment Station Bulletin No. 296, by Henry Giese and Earl D. Anderson, of Iowa State College, compares farm fire losses between different communities, counties, and States.

There are also several mimeographed addresses by David J. Price, principal engineer in charge of the chemical engineering division, Bureau of Chemistry and Soils, of the Department of Agriculture, and these are available as long as they last:

1. Present Status of Dust Explosion, Prevention in Industrial Plants.

2. Explosive Dusts.

3. How Dust Explosions Can Occur While Firemen Are Fighting Fires.

4. Recent Developments in Dust Explosions During Fire-Fighting Operations and Farm and Rural Community Fire Prevention.

5. Some Practical Ways of Putting Across the Farm Home Fire-Prevention Program Through 4-H Club Work.

6. What the 4–H Clubs Can Do to Reduce Farm Fire Losses.

7. Developments in Farm and Rural Community Fire Prevention.

MINNEAPOLIS FLOUR-MILL DUST EXPLOSION

Pioneers will remember the teriffic flour-mill dust explosion back in the seventies in Minneapolis causing the loss of nearly 100 lives. A monument to these soldiers of the industrial fields stands in Lakewood Cemetery, Minneapolis. On the base is this eloquent inscription:

Labor, wide as the earth, has its summit in Heaven.

MINNESOTA'S FIRE-PREVENTION PROGRAM

The Minnesota State fire marshal's office, under the direction of Dewey W. Johnson—Farmer-Labor appointed—has carried on an intensive campaign to reduce fire losses and prevent Minnesota fires. A complete survey has been made of the causes of fires, and the fire marshal believes that 90 percent of our fires are caused by carelessness. Last year, during National Fire Prevention Week, October 6 to 12, 1935, the Minnesota State fire marshal's office set forth a local community program which was published in the State's press, broadcast over radio, and by other means carried to Minnesota citizens. This community program consisted of nine points:

[Stillwater (Minn.) News, Oct. 11, 1935]

1. Maintain adequate fire-fighting equipment.
2. Abundant water supply.
3. Train personnel of fire department.
4. Careful fire-inspection work.
5. Fire-alarm telegraph system.
6. Salvage work.
7. Standardized hose couplings.
8. Rapid response to fire when called by the citizens.
9. Program for the prevention of incendiary fires.

FIRE PREVENTION ADVOCATED FOR INDIVIDUALS

For individuals the State fire marshal's office had a 14-point program published during Fire Prevention Week:

1. Don't put a penny in the fuse box—put it in the bank. Get the proper size fuse. Before attaching the electric iron, vacuum cleaner, cooking utensils or any other electrical device to your light circuit, consult an electrician as to the ability of your wiring to withstand this additional load.

2. Be careful with ashes within the basement or outside of the house. Do not allow rubbish and paper to accumulate.

3. Beware of oily rags and clothes. They may ignite spontaneously. If you leave them alone for a few hours only, they may start a fire.

4 Shut off your engine when filling gasoline. Do not fill gasoline stove in a closed room. Do not permit an open flame or light in a room where gasoline is stored. Always provide plenty of ventilation where combustibles are kept.

5. In using fluids for cleaning, use only noninflammable cleaners. Remember that a pint of inflammable fluid has as much explosive power as 10 pounds of dynamite.

6. Do not build a fire in an open fire place and go away and leave it, and also use a substantial spark screen.

7. Do not use any matches except safety matches, and keep them away from children. Before throwing away a burned match, break it and be sure that it is out. Remember a match may have a head but no brains.

8. When going into closets or dark corners, use an electric flashlight for such purpose.

9. Do not thaw frozen water pipes by applying a torch or open flame. Wrap loosely with cotton cloth and pour hot water over it, or send for the plumber.

10. Do not depend upon your landlord to protect you from fire. Inspect your home yourself and make all unsafe things safe.

11. Do not set gas stoves right up against walls or partitions. Set it at least 6 inches from wall. Protect the wall with sheet iron or asbestos board. Never connect gas stove with rubber hose. Use iron pipes.

12. Do not string electrical wires over nails, iron pipes, or metal, or run them through lath and plaster partitions without proper insulation.

13. Again do not tamper with your fuse box. Remember fuses are the safety valve of your electrical system. When they blow out, something is wrong.

14. Do not start up your fires in furnace, stove, or grate without having had the furnace or stove cleaned, chimney and smoke pipes examined thoroughly.—(Stillwater (Minn.) News, Oct. 11, 1935.)

RECOMMENDATIONS OF DEWEY W. JOHNSON, NOW FARMER-LABOR CANDIDATE FOR CONGRESS AND STATE FIRE MARSHAL

After writing a series of articles for the magazine "Northwest Insurance" and many Minnesota papers, Dewey W. Johnson, State fire marshal, has reached a number of conclusions with reference to causes of fire, and fire-prevention methods for Minnesota.

NEW RURAL FIRE FIGHTING EQUIPMENT NEEDED

One conclusion drawn is that in the rural areas of Minnesota, especially in towns of 2,000 or less, there is a dangerous scarcity of fire equipment. In the concentrated centers of population in the State there has been also a concentration of fire equipment, due to the requirements of the companies which write fire insurance. But out in the rural areas of Minnesota where the small towns dot the landscape, every 5, 10, or 15 miles, there are no combination trucks or powered pumpers. Rather, one finds hand-drawn hose reels, small chemical tanks cradled in gigs with high wheels; old, rebuilt passenger automobile apparatus made over into fire trucks, manned by volunteer firemen who know they need better equipment and desire it keenly, but who are unable to impress upon officials the need of modernizing their fire departments.

NEW FIRE-FIGHTING EQUIPMENT IN MINNEAPOLIS

In Minneapolis, St. Paul, and Duluth, and the smaller cities of Minnesota, modern fire chiefs get the equipment they desire from their city officials because the city officials have been shown that the best way to prevent fires is to knock the fires down before they reach a good start, or better still, by fire-prevention programs eliminate the causes of fires.

The net result is that Minneapolis has purchased a string of new quads of the finest type and will scrap the passenger-automobile equipment of a former day. St. Paul also is getting off the chemical standard, as is Duluth. The same is true of Winona, Rochester, St. Cloud, Virginia, Crookston, Moorhead, Willmar, New Ulm, Mankato, and a complement of other cities too numerous to mention; but all above the classification of the extreme minimum of 2,500. The problem commences with the smaller communities of Minnesota.

The "blind spot" in Minnesota fire equipment is in the villages and the smaller cities of the State, that group of municipal subdivisions which might be roughly called the rural areas. Once the problem was recognized by the fire marshal, the question then became how best to place the problem before the rural communities and recommend a solution.

W. P. A. FIRE PREVENTION PROJECT IN MINNESOTA

The first thing that the State fire marshal did was to accumulate the facts regarding the problem. The department made application for a fire marshal work project, no. 702, which project, since November 1935, has, by questionnaire and analysis made a complete survey of all fire equipment in Minnesota. The survey disclosed exactly what was apparent to the casual observer. Officials of villages and smaller cities were approached through the work of the deputies of the department, with the idea in mind of educating the virtually unprotected communities to put in a substantial piece of motorized apparatus.

The uniform response of the small fire departments was that they knew their equipment was obsolete and of little use to stop a conflagration, but that the opposition came from municipal officials who were up against the question of finance.

COLD WINTER INCREASED FIRE DANGER

The Department coasted along on this informal campaign the better part of the summer and fall of 1935, but in the winter of 1935 and 1936 Mother Nature brought us the coldest winter on record and thereby dramatized the fire demon and gave him free play in his destructive work through a combination of deep snows and extremely low temperature.

It was impossible for volunteer fire departments to pull hand-drawn equipment through the heavy snow and cold or to buck snowdrifts out into the countryside with light passenger automobile equipment to fight farm fires. In fact, when a crisis was caused by natural elements, fire reaped havoc in the smaller communities and rural districts of the State of Minnesota. Farms and towns were isolated for long periods, and rural Minnesota came to realize that a modern program of warfare against fires was just as necessary in the country as in the city. The "coasting campaign" of the summer and fall of 1935 had made little impression until the things that had been said during that campaign were proved to be true.

Approximately twoscore people lost their lives in the rural-area fires during the extreme cold wave of January and February, and out in rural Minnesota there were over a hundred fires with losses of $5,000 or over, up to and including the New Ulm tragedy of a quarter of a million.

COOPERATIVE FIRE-FIGHTING PLAN ADVOCATED

With the break-up of the winter it was apparent to the fire marshal of Minnesota, and to Insurance Commissioner Frank Yetka, who is State fire marshal, ex officio, that the time had come to strike out on a program and sell every town in Minnesota on the idea of buying modern fire apparatus of substantial design to protect the municipalities.

Included in the program was a plan of cooperation between the surrounding farm areas and the municipalities to buy a piece of fire apparatus, subscribed and paid for by the surrounding rural districts. This apparatus would be placed in the municipality, stored and manned by the municipality, for the fighting of countryside fires, bearing in mind also that the farm fire truck would be a splendid piece of auxiliary apparatus to be used with the major piece of town apparatus which was designed to meet specifications for the municipality.

RURAL COOPERATIVE FIRE EQUIPMENT LAW OF MINNESOTA

The Minnesota fire marshal then brought into use a law passed by the legislature of 1927, which we call the "rural cooperative fire equipment law", the citation of which is Mason's 1927 Laws, section 1027, subsection 1, ad sequitur. This law grants power to the town boards of townships, which is the rural subdivision of government, to assess against the benefited properties in the township the cost of fire apparatus and equipment to be used for fighting fires upon the farms which are the benefited property. In addition, this law gives the town board the power, after procuring authorization of the town meeting, to join together with other townships and adjacent municipalities to work out a common fire-fighting program.

Basing a campaign upon this statute, the State fire marshal met with the Milan fire department and officials of surrounding townships, and a program was worked out there to have these surrounding townships subscribe and pay for a piece of fire apparatus to be stored at Milan, in their fire house, and to be manned by members of the Milan fire department. This truck was to be used for fighting farm fires in the area near and adjacent to Milan, Minn.

Similar meetings have been held at Melrose, Jordan, New Prague, and other towns in Minnesota. As a result there is rather a unified movement started in the State among scores of towns at the present time to buy equipment based upon cooperative effort.

COOPERATIVE MUTUAL INSURANCE COMPANIES HELP

The success of the plan is now but a question of time. Through the cooperation of news gathering organizations, farm publications and rural newspapers the plan has been placed before the people of Minnesota, and the response has been both overwhelming and astounding.

The "Gordian Knot" of financing seems to have been cut, because the question of upkeep and maintenance, which was at first a difficult one, has been solved. The township mutual insurance companies, of which there are 168 in Minnesota, are eager and willing to contract with the municipality in which the apparatus is stored for fire-fighting service on the farms of their assureds. This income from the township farm mutuals is sufficient to purchase the gasoline and other incidentals required for the maintenance of fire apparatus and equipment, and replacement of such details as hose, ropes, etc., at proper times.

NEW FIRE-FIGHTING APPARATUS RECOMMENDED

If this problem works itself out logically it will mean the addition of not less than 500 pieces of farm fire-fighting apparatus in Minnesota, and the fire marshal is recommending it strongly in every municipality into which they go. He believes it is not good firemanship for a municipality having only one piece of fire apparatus to take that piece of apparatus out of town or to another town and leave their own community unprotected. Even though the apparatus is gone only for 1 or 2 hours, that may be the time when a fire will break out in the home town, and wipe it out.

But when the municipality can cooperate with the surrounding countryside through the township structure, be there four, five, or six of them, in a mutual fire protection arrangement, there is a solution of a difficult problem where nobody can be the loser and everyone gains. The farmer gets protection, and so does the municipality in charge of the apparatus. The municipality furnishing fire-fighting apparatus for the rural districts gets the good will of the countryside, and when they get the good will of the countryside they also get its business.

FARM FIRE-FIGHTING APPARATUS INEXPENSIVE

A very adequate piece of farm fire-fighting apparatus can be purchased on the open market for about $3,000. To arrive at the average cost per family, divide $3,000 by 625, the average number of farms benefited. This gives the low cost of $4.80 per family. The farmer need make this investment only about once in 20 years.

FARMERS AND COOPERATIVE FIRE FIGHTING

The farmers are just as enthusiastic as the volunteer firemen who anticipate the arrival of a new, shiny piece of motor apparatus to take its place in the municipal fire department.

Important is the question of appropriation of sufficient money by the town boards for winter snow removal in order to keep the country roads open so that this apparatus can be moved about. This detail of the publicity program through the State press and farm papers remains to be handled, but it is of the same nature as the communications problem—to get the farm apparatus to the fire the municipality storing the equipment must know of the fire. The quickest way is by telephone. Many farmers, although they produce a large percentage of the Nation's wealth, have no telephones. In such cases, the fire marshal recommends that one of each four farmers install the telephone and spread the cost for it among each other. The average farm of 80 or 160 acres would be one-quarter of a mile, which distance can be covered in a few minutes by some member of the family to put a call in for the fire apparatus.

RECOMMENDED RURAL APPARATUS

A real farm fire-fighting apparatus carries its own water in case there is no cistern, well, pond, or stream on the farm. The equipment can negotiate heavy going, and can throw an adequate stream of water for at least 15 minutes before it is necessary to refill the 320-gallon tank either by hand or by hard suction. The fire marshal recommends the following equipment for farm and rural fire fighting:

Motor, 75 horse-power; 300-gallon pump, wheel base, 160 inches; one 320-gallon water tank; one booster pump; 150 feet of 1-inch hose connected directly to booster pump; hose body with a capacity of 1,000 feet of 2½-inch hose and 500 feet of 1½-inch hose; one 1-inch nozzle; one wye from 2½-inch hose to connect two 1½-inch hose; two 1½-inch shutoff nozzles; 45 feet of 2½-inch suction hose in three sections; one 5-gallon pump can; two portable electric lanterns; one 25-foot extension ladder; one hose reeler; three baled-hay hooks; one short cellar pipe; one roll of roof paper, nails, and hammers; one sprinkler head shutoff; spanner belt and spanners for each man; one 1-inch nozzle; one 1½-inch nozzle; two hydrant wrenches; one hydrant gate, reduced to 2½-inches; one debris fork; one flashlight; one large horse blanket for use in first aid or wrapping anyone who might be burned or killed in fire.

CARELESSNESS IS WORST ENEMY

Methods of controlling fires once they have started have been studied and developed by agencies of State and Federal Governments, and by private institutions. Remarkable progress has been made in this field. The outstanding conclusion of everyone who studies the subject of fire control and fire prevention is that carelessness is to blame for most fires. Estimates of the percentage of fires caused by carelessness run from 60 to 90 percent.

Our program of fire prevention should be concentrated on the conservation of our trees, the use of proper construction materials, and fire-fighting apparatus, and, most of all, upon carelessness.

I AM CARELESSNESS

I am more deadly than bullets, and I have wrecked more homes than the mightiest of siege guns.

I steal in the United States alone over $300,000,000 each year.

I spare no one and find my victims among the rich and poor alike, the young and old, the strong and the weak; widows and orphans know me.

I massacre thousands upon thousands of wage earners in a year.

I lurk in unseen places and do most of my work silently. You are warned against me, but you heed not.

I am relentless. I am everywhere; in the home, on the street, in the factory, at railroad crossings, and on the sea.

I bring sickness, degradation, and death, and yet few seek to avoid me.

I destroy, crush, and maim; I give nothing, but take all.

I am your worst enemy.

I am Carelessness.—(Roy K. Moulton, Grand Rapids, (Mich.) News.)

APPENDIX A

Comparative monthly loss estimates, 1933, 1934, and 1935

[National Fire Protection Association]

	1933	1934	1935
January	$35,547,565	$28,002,583	$23,430,504
February	30,661,481	31,443,484	25,081,025
March	35,321,248	31,312,359	24,942,703
April	27,825,970	22,028,943	23,267,929
May	24,338,714	25,271,459	21,238,295
June	21,578,609	20,005,692	18,499,095
July	20,004,049	19,484,027	19,293,619
August	23,626,505	19,613,146	18,137,000
September	20,447,571	16,243,870	16,641,882
October	21,465,382	18,236,272	19,785,871
November	22,454,200	20,114,346	20,871,584
December	27,626,439	23,895,879	27,969,298
Total 12 months	316,897,733	275,652,060	259,159,945
Adjusted loss figures (released later in year)	271,453,189	262,848,122	

It may be noted that the final adjustment loss figures for both 1933 and 1934 are less than the preliminary loss figures for those years. It may fairly be assumed, therefore, that the adjusted loss figure for 1935 may also be lower than the preliminary estimate.

APPENDIX B

[National Fire Protection Association]

AGGREGATE LOSS FOR 20 YEARS EXCEEDS $8,000,000,000

The 1935 fire loss brings the total direct fire waste of the United States during the past 20 years up to $8,413,980,536, an annual average of approximately $420,000,000. The following table gives the annual fire losses since 1916:

1916	$258,377,952
1917	289,535,050
1918	353,878,876
1919	320,540,399
1920	447,886,677
1921	495,406,012
1922	506,541,001
1923	535,372,782
1924	549,062,124
1925	559,418,184
1926	561,980,751
1927	472,933,969
1928	464,607,102
1929	459,445,778
1930	501,980,624
1931	451,643,866
1932	406,885,959
1933	271,453,189
1934	262,848,122
1935 (estimated)	255,190,657

APPENDIX C

Causes of loss of life

[From N. F. P. A. quarterly, April 1936]

Causes of loss of life	Men	Women	Children	No data	Total
Airplane fires	323	28	6	0	357
Airplane crashed on house	8	4	6	0	18
Automobile, bus, truck, and tractor fires	267	86	36	10	399
Automobile gasoline and oil tank trucks	23	0	3	0	26
Boat and ship fires:					
Motorboat and yacht explosions and fires	21	2	1	0	24
Escaping from boat fire, drowned	21	3	7	0	31
Ship fires (see also flammable liquids, gasoline tank vessels)	90	44	6	0	140
Chemicals and explosives:					
Blasting powder, dynamite, and dynamite caps	21	1	6	0	29
Fireworks factories	12	7	4	0	23
Manufacturing of explosives	31	2	1	0	34
Nitrocellulose materials	11	6	3	1	21
Nitroglycerine at oil well	7	3	0	0	10
Miscellaneous chemicals	7	0	0	0	7
Children alone in house	0	0	149	0	149
Children and matches	0	0	130	0	130
Clothing ignited:					
Bonfire, campfire, rubbish fires	17	12	49	0	78
Candle or torch	3	5	2	0	10
Electrical appliances and heaters	6	11	10	0	27
Fireplace or open grate	7	23	18	0	48
Furnaces, stoves, and heaters	21	112	36	0	169
Gas heaters	3	4	5	0	12
Matches	2	9	1	0	12
Oil stove, lamp, and heaters	9	20	13	0	42
Smoking (see also smoking in bed)	7	2	0	0	9
Miscellaneous, clothing ignited	15	5	7	0	27
No data, clothing ignited	5	10	5	0	20
Dust explosions	39	1	0	0	40
Electrical burns	4	0	1	0	5
Entering or reentering burning buildings	45	31	13	0	89
Escaping from fire—jumped or fell	22	8	4	0	34

Causes of loss of life—Continued

Causes of loss of life	Men	Women	Children	No data	Total
Explosions (miscellaneous):					
Acetylene plant or tank	5	0	1	0	6
City gas (including appliances)	63	30	14	0	107
Electrical transformers or switches	7	0	1	0	8
Gas well (natural gas)	9	0	0	0	9
Gas works	17	0	0	0	17
Hexane, soybean processing	13	0	0	0	13
Illicit stills	18	4	2	0	24
Incendiary	9	12	3	0	24
Industrial explosions (miscellaneous)	32	1	0	3	36
Miscellaneous explosions	29	10	9	0	48
Unknown explosions	12	6	0	1	29
Fire fighting	166	6	0	0	172
Fireworks	10	1	17	1	29
Flammable liquids and vapors:					
Alcohol explosions and fires	7	0	3	0	10
"Empty" tanks (welding, children playing with, etc.)	4	0	1	0	5
Flammable liquids on clothing—open flame	5	2	3	0	10
Gasoline distributing stations	11	0	0	0	11
Gasoline stoves or lamps	12	18	27	6	63
Gasoline tank vessels and barges	77	0	0	0	77
Gasoline torches	5	0	2	0	7
Heating flammable liquids on stoves	4	5	8	0	17
Home dry cleaning	17	71	14	0	102
Other cleaning with gasoline	6	2	3	0	11
Oil-furnace explosion	4	0	0	0	4
Oil-refinery explosion	56	2	1	0	59
Oil stoves, lamps, and lanterns	35	47	37	0	119
Oil well	23	0	0	0	23
Starting fires with gasoline	23	23	43	2	91
Starting fires with kerosene	62	102	131	0	295
Miscellaneous gasoline fires and explosions	123	33	49	0	205
Miscellaneous (other than gasoline)	23	6	13	1	43
No data as to flammable liquid involved	2	1	0	0	3
Forest fires (including fire fighting)	62	1	4	0	67
Mine fires and explosions	455	0	0	0	455
Motion picture film ignited	6	6	13	0	25
Overcome by smoke—suffocation	110	79	73	9	271
Overexertion, shock, or excitement	46	24	0	0	70
Railroad fires	57	0	3	0	60
Response to alarms	91	4	2	0	97
Smoking in bed	80	28	0	0	108
Trapped in burning buildings	645	334	712	14	1,750
Trapped starting incendiary fire	7	0	0	0	7
Miscellaneous known causes	21	0	5	0	26
No data	10	22	18	0	50
Total	3,527	1,319	1,734	48	6,628

APPENDIX D

Fire losses in the United States, by cause, 1932 and 1933

[From Accident Facts, 1935, National Safety Council]

Causes	1932	1933
Matches—smoking	$23,888,249	$14,439,000
Defective chimneys and flues	19,761,761	14,155,567
Incendiarism	17,639,122	12,956,372
Stoves, furnaces, boilers, and their pipes	14,333,427	9,761,058
Electricity, misuse of	11,883,154	7,919,775
Spontaneous combustion	9,904,940	7,301,188
Sparks on roof	9,452,598	7,214,369
Petroleum and its products	9,237,926	6,562,727
Lightning	5,480,236	4,456,686
Hot ashes and coals: open fires	4,002,058	2,905,059
Sparks from machinery	3,216,610	1,921,929
Open lights	2,304,631	1,861,094
Sparks from combustion	1,956,032	1,388,342
Ignition of hot grease, tar, wax, asphalt, etc	1,400,823	1,241,591
Gas, natural and artificial	2,014,008	1,172,286
Explosions	1,658,801	1,118,046
Rubbish and litter	955,216	680,773
Fireworks, firecrackers, etc	326,206	310,009
Steam and hot-water pipes	45,444	181,977
Miscellaneous known causes	2,511,731	1,519,612
Exposure (including conflagrations) [1]	26,276,337	16,224,795
Unknown causes	152,438,283	101,870,296
Total	320,687,643	217,162,551
25% to cover unreported losses	80,171,911	54,290,638
Grand total	400,859,554	271,453,189

[1] Losses due to spreading fires originating from various causes.

Source: Actuarial Bureau of the National Board of Fire Underwriters.

APPENDIX E

Comparison of fires on national forests, calendar years 1934, 1933, and 5-year average, 1930–34

[From Report of the Chief of the Forest Service, 1935, p. 23]

Item	Fires			Percentage of total		
	1934	1933	Average, 1930–34	1934	1933	Average, 1930–34
Class:	*Number*	*Number*	*Number*			
Burns of 0.25 acre or less	6,023	3,626	4,625	55.40	57.42	56.30
Burns of between 0.25 and 10 acres	3,139	1,777	2,246	28.88	28.14	27.34
Burns of 10 acres and over	1,709	912	1,344	15.72	14.44	16.36
Total	10,871	6,315	8,215	100.00	100.00	100.00
Cause:						
Railroads	239	94	152	2.20	1.49	1.85
Lightning	4,773	2,307	3,343	43.91	36.53	40.70
Incendiarism	1,118	708	1,165	10.28	11.21	14.18
Debris burning	550	305	373	5.06	4.83	4.54
Lumbering	116	90	93	1.07	1.43	1.13
Camp fires	991	698	829	9.11	11.05	10.09
Smokers	2,582	1,809	1,850	23.75	28.65	22.52
Miscellaneous	502	304	410	4.62	4.81	4.99
Total	10,871	6,315	8,215	100.00	100.00	100.00

Calendar year	Total area of national forest land burned over	Total damage of national forest land burned over	Total cost of fighting fires, exclusive of time of forest officers
	Acres	*Acres*	
1934	555,309	1,720,365	[1] $3,175,543
1933	132,147	324,758	[2] 935,339
5-year average, 1930–34	346,227	1,322,922	2,069,981

[1] $1,040,507 of this amount were Emergency Conservation Works funds.

[2] $593,532 of this amount were Emergency Conservation Works funds.

RECORD OF THE ROOSEVELT ADMINISTRATION

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert therewith an address delivered by my colleague [Mr. RAYBURN] before the State Democratic Convention of Texas.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech of Hon. Sam Rayburn accepting the temporary chairmanship of the Democratic State convention at San Antonio, Tex., May 26, 1936:

Mr. Chairman and members of the convention, my fellow citizens, I thank you from the bottom of my heart for the signal honor that you have conferred upon me. At no time in my life would I have deemed it a higher privilege to have come before a convention of Texas Democrats than now, because I come to you not with apology but as a representative of a proud, militant, and victorious Democracy. From every side and from every section come bright reports of our prospects in the coming election.

There have been many crises in the history of our country. We have had wars, we have had depressions, we had a War between the States when the lightning of sectional antagonism threatened to shatter this mighty Republic. We had the panic of 1873, of 1893, and in 1914 to 1918 the earth was swallowed up in the greatest reign of madness it had ever known, when ideals were shattered and hearts were made sick. In my opinion, the most serious, far-reaching, and dangerous crisis that ever threatened this country were the years from 1929 until March 4, 1933. More people had lost the faith of their childhood in governments and in men and had done it to such an extent that we stood upon the verge of disaster. After March 4, 1933, the mist began to clear and small rays of sunshine could be seen, because a leader had appeared upon the scene who had a program and the courage and the ability to carry it out. From the hour of his inauguration the people took heart. I say to you that, in my opinion, the most heartening utterance that has been delivered in America since the Declaration of Independence fell from the trenchant pen of Thomas Jefferson was the inaugural address of Franklin D. Roosevelt.

Think for a moment of the situation that faced this administration when it came to power. The 14,000,000 people with hands willing to work and their employment gone. If these 14,000,000 breadwinners each had a wife and one child, that would make 42,000,000 people who had no buying power. Add to that the 33,000,000 on the farms whose income was so reduced by starvation prices that their buying power had been absolutely destroyed or reduced to the very vanishing point. Add these two classes together and you have 75,000,000 of our 120,000,000, or 60 percent, who could not buy even the stern necessities of life, because they had not the wherewithal to do it. Is there any wonder that factories were closed, that business was stagnate, that consternation faced every element of business in the country when they looked these stern facts in the face? Something had to be done and had to be done quickly. In order to put these people to work and give them a buying power, industry had to be revived and agriculture rehabilitated. The critics said it would cost money. We said so too. It has cost money, but, in my opinion, it has been worth it. We have had to make our debt something like $10,000,000,000 in these more than 3 years to bring about recovery. In 1917 and 1918 we spent and loaned to foreign countries $26,000,000,000 in a period of 20 months that was all used for destruction and not for building. It was necessary I grant you; we would do it again. But to take $10,000,000,000 to fight an enemy not on a foreign soil but at our own doors and in our own homes is also justified. We have done it and we would do it again. You hear the hue and cry of the opposition that our public debt is so big that it can never be paid and yet we owe only a few billions more than we owed at the end of the World War.

In the spring of 1933 the great bankers and great businessmen came down to Washington and said, "Mr. President, something must be done." They could see their great banks and their great businesses trembling on the verge of ruin and the happiness and prosperity of themselves and their families and the whole country going glimmering. The President said, "Of course something must be done, and that something is going to cost money", and he asked them, as he stated in his Atlanta speech last fall, how much money could this country owe and its economic and financial structure remain safe. They said, "Mr. President, this country could safely owe $50,000,000,000." They were in distress then. They have recovered, many of them completely and all to a very large extent, under the wise laws of this administration. They are out of distress and are joining a desperate opposition in the hue and cry that we cannot afford to owe the little more than thirty billion that we now owe. They should not stop this program of recovery and they will not. We intend to go on, reelect President Roosevelt, and carry on until not the few alone but the many are again upon their feet with hope and faith and confidence restored and prosperity general.

Let us look at the record a while, specifically and in general.

In 1920, during the last 2 years of Wilson administration, the gross income of American farmers was $13,600,000,000. In 1932 it had declined to $5,300,000,000, a difference of more than $8,000,000,000.

In 1935 the gross income of the American farmer had moved back up $8,110,000,000.

In 1932 the ratio of prices received by farmers to the prices paid by them for what they had to buy was 61 as compared to 100, in 1933 it was 64, in 1934 it was 73, and in 1935 it was 85.

The cash income of farmers in 1932 was $4,300,000,000. In 1935 it was approximately $7,000,000,000.

In 1920 the farm population of the Nation was 31,614,000. In 1932 it had, on account of bad conditions, fallen to 30,585,000. By 1935, because of improved conditions of farm life, it had increased to 32,800,000.

We have but to look at the plight of agriculture on March 1, 1933, and the prices received then and the prices received now by the farmer to see at a glance what the agricultural program has meant to the farmers. Take a few examples: Cotton, for instance, on March 1, 1933, was selling at an average of 5.90 cents per pound and on January 1, 1936, at 11.35 cents per pound, an advance of 92 percent. Dairy products, cattle, and hogs have had similar increases. The average for sweetpotatoes in 1932 was 40 cents per bushel and in 1935, 65 cents per bushel; hogs in 1932 selling for 3.40 cents per pound and in 1935, 7.30 cents; sheep in 1932, 2.35 cents per pound and in 1935, 4 cents; chickens in 1932, 9 cents per pound and in 1935, 13 cents; beef cattle in 1932, 3.30 cents per pound and in 1935, 5 cents; butter from the farm in 1932, 19 cents per pound and in 1935, 27 cents.

How were the banks of the Nation faring during this time? The Treasury Department records show that during 1930, 88 banks failed; in 1931 there were 357 failures; 322 in 1932; 438 in 1933; only 1 in 1934; and 4 in 1935. From November 1, 1935, to date there have been no bank failures in the United States. During 1933, 435 suspensions occurred before and during the banking holiday, while only 3 occurred during the remainder of that year. In addition, receivers were appointed to complete the liquidation of 250 banks for suspension before and during the banking holiday, and which were later reorganized with part payments to depositors.

In the five banks which were suspended during 1934 and 1935 all depositors' accounts up to $5,000 were insured by the Federal Deposit Insurance Corporation.

The Emergency Banking Act and the Glass Banking Act of 1935 were passed. Under these acts deposits in national banks had reached an all-time peak, while the total deposits in all the banks in America had increased by more than $6,000,000,000 in the space of 3 years.

In 1929 the commerce of the United States with foreign nations amounted to $9,500,000,000. In 1932 it had dropped to $3,100,000,000, or a loss of $6,400,000,000.

When Mr. Roosevelt entered the Presidency nearly 1,000,000 homes in the towns and cities of the country were on the verge of foreclosure and dispossession. Through the Home Owners' Loan Corporation, which was established by Congress at the request of the President, more than $3,000,000,000 have been placed at the service of home owners throughout the Nation for long-term loans at a low rate of interest.

Following the recommendation of President Roosevelt, the powers of the Reconstruction Finance Corporation were enlarged. This agency has disbursed more than $10,500,000,000 for the revival of American finance and industry. Of this amount, $1,200,000,000 was loaned on farm products such as cotton, wheat, corn, tobacco, and other commodities, most of which has been repaid. Also, of this amount, $1,170,000,000 went to the depositors of closed banks; $670,000,000 was loaned to railroads; $1,350,000,000 was loaned to banks and trust companies; $380,000,000 was loaned to mortgage-loan companies; $294,000,000 was loaned to self-liquidating construction projects; $178,000,000 went to agricultural credit companies; $832,000,000 went to purchase preferred stock in more than 4,000 banks; $435,000,000 went to purchase capital notes and debentures in 2,847 banks; $344,000,000 went to purchase securities from the Public Works Administration, which had been given by local institutions, public and private.

When Mr. Roosevelt became President, unemployment existed to the incredible figure of almost 14,000,000 persons. During the past 3 years, unemployment declined from 14,000,000 to 9,000,000, a reduction of about 40 percent. Farm income in the past 3 years has increased by $3,000,000,000. Two million homes in town and country have been saved to their owners.

The value of securities issued for new and refinancing purposes increased from $1,732,000,000 in 1932 to $3,526,000,000 in 1935.

The aggregate annual income of the American people increased from thirty-nine billion on December 31, 1932, to fifty-four billion in 1935, an increase of fifteen billion.

The value of securities listed on the New York Stock Exchange has increased from fifty-four billion on December 31, 1932, to eighty-six billion on the same date in 1935, an increase of thirty-two billion in 3 years.

Commercial failures in the United States have dropped from 31,822 with liabilities of $928,000,000 in 1932 to 12,185 with liabilities of $264,000,000 in 1935.

Contracts for residence construction increased from $250,000,000 in 1933 to $550,000,000 in 1935, and home-building permits increased from 27,000 in 1932 to 40,000 in 1935.

The urban-home-loan debt has declined from $21,000,000,000 in 1931 to $18,000,000,000 in 1935.

The total wealth of the Nation has increased by more than $50,000,000,000 since the advent of the Roosevelt administration, in spite of the false claim of its enemies that it is seeking to destroy property and the profits of property.

In 1932 American industrial production was 63 percent of normal. In 1935 it was 88 percent.

In 1932 employment in America was 64 percent of normal. In 1935 it was 82 percent.

In 1932 pay rolls in America were 46 percent of normal. In 1935 they were 70 percent of normal.

The consumption of electricity increased from less than 12,000,000,000 to more than 13,000,000,000 kilowatt-hours from 1932 to 1935.

The number of passengers traveling on airplanes increased from 540,000 in 1932 to 825,000 in 1935, and the amount of freight thus transported increased from 1,600,000 pounds to 4,500,000 pounds.

The net income of the class I railroads in the United States for 1935 was the highest since 1931, and the prospects for still further advancement are acknowledged on every hand.

Inland water-borne commerce increased from 32,000,000 tons in 1932 to 57,000,000 tons in 1935.

Registration of passenger motorcars increased from 20,800,000 in 1932 to more than 25,000,000 in 1935.

Industrial production increased from 31,000,000,000 in 1932 to more than 45,000,000,000 in 1935.

In a few of the private commercial firms we find:

Net profits of American Telephone & Telegraph Co. in 1935 were $132,794,782, compared with $111,167,554 for 1934.

Telephones in the United States increased by 650,000 during the past 2 years.

Bethlehem Steel had a deficit in 1932 of $19,404,431, while its net profit for 1935 was $4,291,253, a gain of $23,600,000.

Anaconda Copper had a deficit in 1932 of $7,571,946, and its profit for 1935 was $11,181,348.

Montgomery Ward had a deficit of $5,686,000 in 1932, while its net profit for 1935 was $9,161,054.

United States Gypsum had a profit in 1932 of $1,599,416, but its net profit in 1935 was $3,491,000.

United States Steel Corporation had a deficit in 1932 of $71,175,705, and in 1935 its net profit was $1,084,917, a gain of about seventy-two millions in the past 3 years.

Du Pont had a profit of $26,234,779 in 1932, while its net profit for 1935 was $62,085,000, or a gain of $35,850,221 in the past 3 years.

The Chrysler Corporation had a deficit of $11,254,232 in 1932 and a net profit for 1935 of $34,975,000.

General Motors had a profit of one hundred and sixty-five thousand in 1932, while its net profit for 1935 was the tremendous sum of one hundred and sixty-seven millions.

Johns-Manville Co., a producer of building materials, had a deficit of $2,829,026, while for 1935 its net profit was $2,164,858.

Deere & Co., producers of farm machinery, had a deficit in 1932 of $5,167,104, while for 1935 its net profit was $6,105,000.

From 1932 to 1935 the profits of the Sun Oil Co. increased from $4,000,000 to $7,000,000.

National Steel Co.'s profits increased from $1,662,000 to $11,136,000 during this same period.

American Woolen advanced from a deficit of $5,500,000 to a profit of $2,740,000.

In 1932 the Westinghouse Electric Co. had a deficit of $8,600,000, while in 1935 its profit was $8,800,000, a gain of $17,400,000 in 3 years under Mr. Roosevelt.

In 1932 the Armour & Co. corporation had a deficit of $2,526,000, while for 1935 its profit was $5,626,000.

In one single year the Republic Steel Corporation has transformed a deficit of $3,500,000 in 1934 to a profit of $4,455,000 in 1935.

These are a few of the examples of recovery that have come to the farming and all industry since the Roosevelt administration came into power March 4, 1933.

From 1922 to 1932 there were issued by the corporations of this country and offered to the public $50,000,000,000 in securities. The Commerce Department of the Government made an investigation of these securities and gave as their deliberate opinion that $25,000,000,000 were not worth the paper upon which they were written. Under this administration the Securities Act was passed, which was intended to and has cleared up this unwholesome, unfair, and dishonest situation. Under that act no security can be offered to the public through the instrumentalities of the mails, express, telegraph, telephone, or radio without first being registered with the Securities and Exchange Commission and every fact and circumstance surrounding the security laid before that Commission. This act alone will, in my opinion, save to the innocent investors in this country from two to three billion annually.

The manipulation on the great stock exchanges of the country were in a great degree responsible for the terrible debacle of 1929, when the value of stocks and bonds crashed and business in general went to smash. In 1934 we passed a bill known as the stock-exchange regulation bill, which drives manipulators and desperadoes from their places in these marts of trade. This act was not designed to destroy legitimate places for the sale and exchange of stocks and bonds, but to make every man feel and know that he, in buying and selling stocks and bonds, was being dealt with fairly and honestly. Under this act the Securities and Exchange Commission has the right to approve or reject any proposed rule or regulation of the stock exchanges of the country.

Up until 50 years ago no corporation under the law of any State was allowed to own stock in another corporation. At that time some States, like New Jersey and Delaware, went into the business of chartermongering and passed laws to allow one corporation to own stock in another corporation. In the years that followed there grew up what is known as the holding company. A pure holding company neither owns physical property nor operating property, but it is organized to own and deal in the securities of other corporations. These creatures of our legal ingenuity are operated by a few clever men. They are used as the agencies for disfranchising stockholders of thousands of necessary and prosperous operating companies. They are used to take the control and direction of these local companies away from those who built them and place it in a city oftentimes far removed. Through the simple device of pyramiding, a small investment by those in control of the top holding company enables them to do as they like with hundreds of millions, and in some instances even billions, of other people's property. In one system the pyramiding goes so far as to pile one company on top of another until there are 10 corporations in the pyramiding, or the local operating company is 9 companies removed from the corporation at the top which controls it, along with hundreds of others. In this particular set-up an investment of $1 at the top enables the managers of the top to control over $30,000 of book value of the operating companies, or with less than $50,000 to control over a billion dollars of book value. Many of these holding companies control properties in many States, and one became such a sprawling empire that it controlled operating properties in 32 States of the Union.

Through these devices the holding-company management, with investment of a small amount of money, were controlling a vast majority of the whole electric and power industry. Absentee management and dictatorship resulted. We passed the Utility Holding Company Act of 1935 to free the operating electric industry from these leeches, who were sucking the lifeblood out of the operating companies and who by these methods were trying to concentrate in a few hands control of the wealth of the country. Millions in money were spent by these people in hiring high-powered lawyers and dissemination of false propaganda in an effort to defeat this effort to bring about fair play, honest dealing, and common honesty. They misrepresented and maligned practically every man prominent in the labor of the enactment of this law. Every man who was for this sort of a bill was called a "red" or a fool, or both. This mean and vicious propaganda went to the extent of charging that the President of the United States was crazy, as was developed before the Black Lobbying Committee. Three weeks before the Black Lobbying Committee brought out this dirty business some of the hirelings of the utilities in this State were whispering this hell-born lie. My exasperation at things of this kind cannot be expressed better than to say that if the men who would circulate this slander on the great and good man now in the White House were sired by the devil and born in hell they would be a disgrace to the country of their birth. By this act the local operating utility company will be free from these monsters in the form of pyramid holding companies and allow honest investment in local utility companies to return a profit and the saving of more money that the holding companies have been syphoning off may be applied to the reduction of unconscionable high rates that the people of this and many other States have paid.

We have passed a rural-electrification bill providing for a 10-year program, with an appropriation of $425,000,000, to electrify the farm homes of the country. We want to carry on our program in this as in other things of making life for the farm man and the farm woman easier, more pleasant, and more profitable. Nothing can come to the farm home that will lift more of the burden from the back of the farm woman than to have electricity. To show you how little rural electrification this section of the country has, I have but to say that in the Fourth Congressional District, which I have had the honor to represent for many years, there are 30,890 farms. There are only 621 farms that have electrification.

My friends, I could stand here for hours and tell you what has been done during this administration for the uplift and the betterment of this country, but I will not weary your patience. In my opinion, Franklin D. Roosevelt and John N. Garner are the greatest team that ever served in the high positions of President and Vice President of the United States. Speaking in his native State to his neighbors, his friends, and those who love him, let me say that there was never a man, Vice President of the United States, who worked more intelligently and more patriotically with the President than has our beloved fellow citizen, John N. Garner. He has been a help and not a hindrance to the President. He has known his place and has kept in it.

When the passions and the prejudices have passed and impartial history of this period is written, Franklin Delano Roosevelt will stand forth as the upstanding, forward-looking humanitarian, and wise statesman of the age. More laws have been passed under his administration that the plain citizen could feel than in any other administration in the history of the Republic. He had and has a program and, let me repeat, he has the courage and the ability to carry it out. After the darkest period in American history he appeared. Under his leadership and statesmanship the sunshine is breaking through the clouds, the mists are clearing away, and, under God, we will again live in a land where there is fair play, honesty in dealings, and where prosperity and peace will come to remain among all our people.

NAMING CERTAIN STREETS IN THE MALL

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 588, for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the joint resolution.

The Clerk read as follows:

House Joint Resolution 588

Joint resolution for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues

Whereas in that portion of the Mall, so-called, in the city of Washington, D. C., constituting the approach to the National Capitol as it is now being developed, there has long been located Ohio, Missouri, and Maine Avenues, named in honor of the respective States; and

Whereas in the creation of said Mall carrying out the plans of the United States Government for the improvement of the National Capital, the avenues heretofore known as Ohio, Missouri, and Maine Avenues have been discontinued and eliminated; and

Whereas the State of Oklahoma has no suitable designated avenue perpetuating its honor in the National Capital; and

Whereas there have been created in the Mall four avenues running parallel to each other east and west from Union Square to Fourteenth Street: Therefore be it

Resolved, etc., That the four avenues extending east and west in the Mall between Third Street and Fourteenth Street and south of the National Museum and north of the Smithsonian Institution in the National Capital, the city of Washington, D. C., shall be named as follows: In honor of the State of Missouri the most southerly of such avenues shall be known as Missouri Avenue; in honor of the State of Maine the most northerly of such avenues shall be known as Maine Avenue; in honor of the State of Oklahoma the more northerly of the two center avenues shall be known as Oklahoma Avenue; and in honor of the State of Ohio the more southerly of the two center avenues shall be known as Ohio Avenue.

The SPEAKER. The question is on the engrossment and third reading of the House joint resolution.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

REPORT OF SPECIAL COMMITTEE INVESTIGATING MUNITIONS INDUSTRY

Mr. LAMBETH. Mr. Speaker, I offer a privileged resolution (S. Con. Res. 37) from the Committee on Printing.

The Clerk read as follows:

Senate Concurrent Resolution 37

Resolved by the Senate (the House of Representatives concurring), That 44,000 copies of part 3 and subsequent parts of Senate Report No. 944, submitted to the Senate pursuant to Senate Resolution 206 authorizing the appointment of a special committee to make certain investigations concerning the manufacture and sale of arms and other war munitions, be printed for the use of the Senate and House of Representatives.

With the following committee amendment:

In line 8 strike out "and the House of Representatives" and insert "the Special Committee on Investigation of the Munitions Industry."

The SPEAKER. The question is on the amendment.

Mr. SNELL. Mr. Speaker, as I understand the reading of that resolution, it provides for the printing of reports from the special committee of investigation?

Mr. LAMBETH. It is the printing of the report of the Senate Committee on Munitions Investigation.

Mr. SNELL. Mow many copies?

Mr. LAMBETH. Forty-four thousand. That is an unusually large number, but the Members of both bodies have been circularized, and the requests are for about 80,000. By agreement with the chairman of the committee, we have compromised on 44,000.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. LAMBETH. I yield.

Mr. BLANTON. Under the amendment none of the copies are for the use of the House?

Mr. LAMBETH. Oh, yes.

Mr. BLANTON. I understood that was stricken out.

Mr. LAMBETH. As the Senate passed the bill there was no provision for the distribution between the House and the Senate, but the custom has always been where these special committees make investigations they have to handle the distribution rather than to put them in the folding room. The chairman of that committee has received a large number of requests from the House and Senate, and they will be filled as they have been submitted.

Mr. BLANTON. That is all right.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. LAMBETH. I yield.

Mr. RICH. I understood from the chairman of the Senate committee that the Members of the House who made requests for a small number will receive them, but consideration will be given to those who made requests for a thousand or more?

Mr. LAMBETH. That is correct.

Mr. THURSTON. Mr. Speaker, will the gentleman yield?

Mr. LAMBETH. I yield.

Mr. THURSTON. How many pages will there be in these reports?

Mr. LAMBETH. There are six separate sections of the reports, dealing with different phases of the investigation. I cannot advise the gentleman as to the exact number of pages.

Mr. THURSTON. Hundreds or thousands of pages?

Mr. LAMBETH. Oh, hundreds, I think. This is the report; not the hearings.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. LAMBETH. I yield.

Mr. SABATH. What hearings is this request for?

Mr. LAMBETH. The hearings of the Senate Committee on Munitions.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question now recurs upon the adoption of the Senate concurrent resolution.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

TRAFFIC CONDITIONS IN THE DISTRICT OF COLUMBIA

Mr. LAMBETH. Mr. Speaker, I offer a privileged resolution (H. Res. 537), which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 537

Resolved, That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on the District of Columbia of the House of Representatives be, and is hereby, empowered to have printed 1,000 additional copies of the hearings held during the current session before a subcommittee appointed by the chairman of said committee to make a study of and report its findings to the full committee as to traffic conditions in the District of Columbia.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION OF COTTON COOPERATIVES

Mr. LAMBETH. Mr. Speaker, I offer a privileged resolution (S. Con. Res. 39), which I send to the desk.

The Clerk read as follows:

Senate Concurrent Resolution 39

Resolved by the Senate (the House of Representatives concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Appropriations of the Senate be, and is hereby, empowered to have printed 2,000 additional copies of the hearings held before the subcommittee of said committee of the Senate during the first session of the Seventy-fourth Congress, pursuant to the resolution (S. Res. 185) authorizing the Committee on Appropriations to conduct an investigation of the expenditures by the Federal Government for the cotton cooperatives and so forth. These 2,000 copies are to be divided as follows: 1,500 copies of volume no. 1 and 500 copies of volume no. 2.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. LAMBETH. I yield.

Mr. TABER. Will the gentleman explain this briefly?

Mr. LAMBETH. This is a resolution passed by the Senate for printing additional copies of the hearings before the Senate Committee on Appropriations, dealing with the investigation of cotton cooperatives. It provides for 2,000 additional copies.

Mr. TABER. Why do they not pay that out of the contingent fund of the Senate, as we do generally on such propositions?

Mr. LAMBETH. I do not understand that in the matter of printing additional copies of hearings they have authority to do that. Under the Printing Act they must have authority by resolution if the cost exceeds $500. The cost of this will be $1,088.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the concurrent resolution.

The Senate concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

GARFIELD ARTHUR ROSS

Mr. O'BRIEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4079) for the relief of Garfield Arthur Ross.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Garfield Arthur Ross, of Chicago, Ill., the sum of $5,000 in full settlement of his claim against the Government for personal injuries sustained as a result of subjecting himself to the required antityphoid serum injections during the spring of the year 1931, such injections having been administered by a Government doctor as a prerequisite to his admission as a trainee in the citizens' military training camp at Fort Sheridan, Ill.

With the following committee amendment:

Page 2, line 2, after the word "Illinois", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and

upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WORKMEN'S COMPENSATION AND SAFETY INSURANCE LAWS ON PROPERTY OF UNITED STATES GOVERNMENT

Mr. WELCH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12599) to provide more adequate protection to workmen and laborers on projects, buildings, constructions, improvements, and property wherever situated, belonging to the United States of America, by granting to the several States jurisdiction and authority to enter upon and enforce their State workmen's compensation, safety, and insurance laws on all property and premises belonging to the United States of America.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. RICH. Reserving the right to object, that gives permission to the authorities of a State to look after workmen on Federal buildings?

Mr. WELCH. Yes. The specific purpose of this bill, I may say to the gentleman from Pennsylvania, is to take care of a situation that developed in the construction of the Golden Gate Bridge. The bridge is on Government property on either side of the Golden Gate, and the insurance companies are evading their responsibility by reason of this fact.

Mr. RICH. It gives the same rights in the case of public buildings in all the States as well.

Mr. WELCH. Exactly.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That whatsoever constituted authority of each of the several States is charged with the enforcement of and requiring compliances with the State workmen's compensation, safety, and insurance laws of said States and with the enforcement of and requiring compliance with the orders, decisions, and awards of said constituted authority of said States hereafter shall have the power and authority to enter onto and upon all lands and premises owned or held by the United States of America by deed or act of cession, by purchase, or otherwise, which is within the exterior boundaries of any State, wherever required or necessary, to enforce and require obedience to the State workmen's compensation, safety, and insurance laws, and to enforce and require obedience to the orders, decisions, and awards of the constituted authorities of the State, on all projects, buildings, constructions, improvements, and property belonging to the United States of America, which is within the exterior boundaries of any State, in the same way and to the same extent as if said premises were under the exclusive jurisdiction of the State within whose exterior boundaries such place may be; and the civil and criminal laws of the several States within whose exterior boundaries such place may be pertaining to and embracing the State workmen's compensation, safety, and insurance laws and pertaining to and embracing the orders, decisions, and awards of the constituted authority of the several States are hereby extended to and cover, for such jurisdictional purposes, the territory above described for criminal as well as for civil infractions thereof and liabilities incurred thereunder.

SEC. 2. For the purposes set out in section 1 of this act, the United States of America hereby vests in the several States within whose exterior boundaries such place may be, insofar as the enforcement of State workmen's compensation, safety, and insurance laws are affected, the right, power, and authority aforesaid: *Provided, however*, That by the passage of this act the United States of America in nowise relinquishes its jurisdiction for any purpose over the property named, with the exception of extending to the several States within whose exterior boundaries such place may be only the powers above enumerated relating to the enforcement of their State workmen's compensation, safety, and insurance laws as herein designated.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF MEMORY OF THE LATE DR. CHARLES P. STEINMETZ

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12756) to authorize the coinage of 50-cent pieces in commemoration of the memory of the late Dr. Charles P. Steinmetz.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in commemoration of the memory of the late Dr. Charles P. Steinmetz there may be coined at the mints of the United States 25,000 silver 50-cent pieces of standard size, weight, and fineness of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage.

SEC. 2. Coins shall be issued at par, and only upon the request of a committee of not less than three persons duly authorized by the officers of the Steinmetz Memorial Committee of the Schenectady Junior Chamber of Commerce.

SEC. 3. Such coins may be disposed of at par or at a premium by the committee, duly authorized in section 2, and all proceeds shall be used in furtherance of the commemoration of the memory of the late Dr. Charles P. Steinmetz.

SEC. 4. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for the security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

SEC. 5. The coins authorized herein shall be issued in such numbers, and at such times as they shall be requested by the committee, and upon payment to the United States of the face value of such coins.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. The Chair will state to those Members having bills on the Private and Consent Calendars who were not here when the order was made a short while ago that the House is going to hold a special night session tomorrow to consider such bills. For this reason, the Chair thinks Members should suspend requests for the consideration of bills of this nature.

Mr. RICH. Mr. Speaker, we shall object to any other bills of this character being brought up at this time.

The SPEAKER. The Chair has only recognized one or two Members since the order was made.

NATIONAL CEMETERY, FORT BLISS, TEX.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 4265) to authorize the Secretary of War to set apart as a national cemetery certain lands of the military reservation of Fort Bliss, Tex.

The SPEAKER. Is this bill on the Private or Consent Calendars?

Mr. THOMASON. This is a Senate bill, passed 2 or 3 days ago.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMASON. Mr. Speaker, I may say that this land already belongs to the United States Government and is part of the Fort Bliss Army post. A cemetery has been there for many, many years, and a great many soldiers of the Regular Army are buried there. This bill is to establish it as a national cemetery and does not involve the purchase of any land.

Mr. SNELL. What is the purpose of the bill?

Mr. THOMASON. The purpose is to provide for a caretaker so this place can be adequately cared for by the Government as a cemetery. The bill passed the Senate unanimously and also was reported out unanimously by the House committee.

The Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to set aside in the United States Military Reservation of Fort Bliss, Tex., a plot of land which shall include the existing post cemetery with such boundaries as he may prescribe therefor as a national cemetery, which hereafter shall be cared for and maintained as a national cemetery under the laws relating to the same.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLOOD CONTROL ON THE MISSISSIPPI RIVER

Mr. WILSON of Louisiana. Mr. Speaker, I call up the conference report on the bill (S. 3531) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3531) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered (1).

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered (2), and agree to the same with an amendment, as follows: By inserting on page 2, line 25, after the word "any", the word "reservoir"; by inserting on page 2, line 25, after the word "project" the words "herein authorized"; by inserting on page 3, line 9, after the words "Secretary of War" the following: "*And provided*, That the construction of any dam authorized herein may be undertaken without delay when the dam site has been acquired and the assurances prescribed herein have been furnished, without awaiting the acquisition of the easements and rights-of-way required for the reservoir area: "And"; by inserting on page 3, line 9, after the word "provided" the word "further,"; by striking out on page 4, line 14, after the word "streams" the period, and substituting in lieu thereof a colon with the words: "*And provided further*, That nothing herein shall be construed to interfere with the completion of any reservoir or flood control work authorized by the Congress and now under way."; and the House agree to the same.

ROYAL S. COPELAND,
DUNCAN U. FLETCHER,
CHAS. L. MCNARY,
JOHN H. OVERTON,
MORRIS SHEPPARD,
HIRAM W. JOHNSON,
A. H. VANDENBERG,
Managers on the part of the Senate.

RILEY J. WILSON,
WILL M. WHITTINGTON,
ROBERT F. RICH,
GLENN GRISWOLD,
Managers on the part of the House.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3531) to amend the act entitled "An act for the control of the floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report as to each of the said amendments, viz:

Amendments

On amendment no. 1: Section 1a, proposed by the House, authorizing the construction of 13 reservoirs on the Arkansas River and 13 reservoirs on the White River, was eliminated from the bill.

On amendment no. 2: Section 8a, proposed by the House, requiring the local interests (a) to provide without cost to the United States all lands, easements, and rights-of-way; (b) to hold and save the United States free from damages; and (c) to maintain and operate all works after completion, was retained with amendments that make the section inapplicable to floodways, but applicable to all levee and reservoir projects in the bill, with provision for construction of any authorized dam after the receipt of assurances, and with provision for the completion of any reservoir previously authorized by Congress and under way, as provided in the omnibus bill.

The effect of the amendments agreed to in conference to section 8a, as proposed by the House, is to require levee and reservoir projects to make the same contributions required of local interests in H. R. 8455, the so-called omnibus bill. The language of section 8a is the identical language in the similar section of the said H. R. 8455. The requirements for local contribution and maintenance along the main stem of the Mississippi River and along the tributaries of said river in the said bill for reservoirs and levees are the identical requirements for local contribution and maintenance in the so-called omnibus bill.

Section 8a, as amended in conference, reads as follows:

"SEC. 8a. That no money appropriated under authority of this act shall be expended on the construction of any reservoir project herein authorized until States, political subdivisions thereof, or other responsible local agencies have given assurances satisfactory to the Secretary of War that they will (a) provide without cost to the United States all lands, easements, and rights-of-way necessary for the construction of the project, except as otherwise provided herein; (b) hold and save the United States free from damages due to the construction works; (c) maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of War: *Provided*, That the construction of any dam authorized herein may be undertaken without delay when the dam site has been acquired and the assurances prescribed herein have been furnished, without awaiting the acquisition of the easements and rights-of-way required for the reservoir area: *And provided further*, That whenever expenditures for lands, easements, and rights-of-way by States, political subdivisions thereof, or responsible local agencies for any individual project or useful part thereof shall have exceeded the present estimated construction cost therefor, the local agency concerned may be reimbursed one-half of its excess expenditures over said estimated construction cost: *And provided further*, That when benefits of any project or useful part thereof accrue to lands and property outside of the State in which said project or part thereof is located, the Secretary of War may acquire the necessary lands, easements, and rights-of-way for said project or part thereof after he has received from the States, political subdivisions thereof, or responsible local agencies benefited the present estimated cost of said lands, easements, and rights-of-way, less one-half the amount by which the estimated cost of these lands, easements, and rights-of-way exceeds the estimated construction cost corresponding thereto: *And provided further*, That the Secretary of War shall determine the proportion of the present estimated cost of said lands, easements, and rights-of-way that each State, political subdivision thereof, or responsible local agency should contribute in consideration for the benefits to be received by such agencies: *And provided further*, That whenever not less than 75 percent of the benefits as estimated by the Secretary of War of any project or useful part thereof accrue to lands and property outside of the State in which said project or part thereof is located, provision (c) of this section shall not apply thereto; nothing herein shall impair or abridge the powers now existing in the Department of War with respect to navigable streams: *And provided further*, That nothing herein shall be construed to interfere with the completion of any reservoir or flood-control work authorized by the Congress and now under way."

RILEY J. WILSON,
WILL M. WHITTINGTON,
ROBERT F. RICH,
GLENN GRISWOLD,
Managers on the part of the House.

Mr. WILSON of Louisiana. Mr. Speaker, I am very glad to announce to the House that the conferees both of the House and of the Senate are in complete accord on the amendments specified in this report. They are also in complete accord on the omnibus flood-control bill, the greatest undertaking of the kind that has ever been known in our country and an urgent piece of legislation at the present time.

Only two amendments were offered to S. 3531 to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes." One was for the White and Arkansas Rivers involving $126,000,000. This was eliminated because the estimated cost did not coordinate with the completion of the project in the lower Mississippi. The other amendment was that of the gentleman from Ohio [Mr. JENKINS], which has been modified so as not to apply to floodways in the lower Mississippi Valley.

I feel that since the House and Senate conferees are in complete accord upon this legislation we should approve the conference report.

Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, I would like to ask the gentleman from Louisiana a question. It deals primarily with the Jenkins amendment to which he referred.

I wonder if the gentleman has a copy of the bill containing this insertion?

Mr. WILSON of Louisiana. Yes.

Mr. JENKINS of Ohio. Will the gentleman inform the House what the amendment to my amendment means? Does it mean anything else except the exact language in which it is set forth?

Mr. WILSON of Louisiana. No; except it applies to the obligation covering the furnishing of flowage rights and easements and relieves the United States Government from any further obligation after the completion of the project. It provides rights-of-way for levees and levee foundations in

the case of every project undertaken, but it does not apply to floodways in the lower Mississippi Valley. I feel the gentleman is in accord with our views.

Mr. RICH. Will the gentleman yield?

Mr. WILSON of Louisiana. I yield to the gentleman from Pennsylvania.

Mr. RICH. I may say to the House that I agree with the statements made by the gentleman from Louisiana [Mr. WILSON] so far as the conferees are concerned. The amendment offered by the gentleman from Ohio [Mr. JENKINS] is retained and this accomplishes the result of making the amendment to the omnibus bill and the amendment to the House bill identical.

Mr. JENKINS of Ohio. The gentleman yielded me 3 minutes?

Mr. WILSON of Louisiana. Yes. I yield the gentleman from Ohio [Mr. JENKINS] 3 minutes.

Mr. JENKINS of Ohio. Mr. Speaker, may I say that we are now about to dispose finally, as far as the House is concerned, of two very important bills. These two bills include all of the flood matters we had up for consideration last week and the week before and involve the expenditure of a good many million dollars. It will be remembered that when we had up for consideration the Overton bill it appeared there was provided therein for the control of flood waters in the Mississippi Valley many millions of dollars. An amendment was placed on that bill making it comply with the omnibus bill, a conference report on which will follow this one.

I want to congratulate the conferees on bringing back to the House a conference report which is in line with the expressed views of the House. The Members of the House voted on the Jenkins amendment and passed it by an overwhelming vote. This vote clearly indicated the desire of Congress with reference to requiring that the same treatment should be given by the Government to the same kind of projects in every section of the country. The principle of the Jenkins amendment is right. Its fairness disarms anyone who seeks to oppose it. It provides that if the Government is to require those living along the waters of the Ohio to pay for the rights-of-way necessary to the construction of an improvement in the river that the same requirements should be exacted from every other section of the country requesting similar improvements.

The conference committee carried out the wishes of the House as shown by a vote of the House, and did so quite completely; therefore I think they should be congratulated, not because I had anything to do with the amendment but because they did their duty and did it well. The Jenkins amendment saved the Government about $150,000,000. This is a tremendous saving, especially when the policy of the present administration is to spend all it can earn and borrow. The Jenkins amendment holds back those who want to raid the Treasury. It provides a fair yardstick of measurement whereby it is possible for all projects to be considered by the same rule; this makes it easier for those of us who are vitally interested in flood control to come forward in the future with a consistent plan and a consistent program covering flood relief. In other words, in the Pittsburgh District, in the Connecticut Valley, and in the Ohio Valley, where certain improvements are to be made under the omnibus bill, we are called upon to match the Government dollar for dollar, and in some cases a little more. Therefore it is only fair, when similar improvements are constructed along the Arkansas or the White River, that they be required to make the same contribution. When I proposed the Jenkins amendment it was with the very definite purpose of requiring that all sections of the country be treated alike. The saving effected by this amendment represents what some certain sections of the country should not have. It is possible that there will be some opposition to the conference report, but it is likely to come from some who have failed to get a portion of "pork."

I am very glad that we have finally worked out a satisfactory program. I think there will be no opposition on the Republican side, and I hope there will be none on the Democratic side.

I am favoring this bill, known as the Overton bill, for I appreciate that the lower Mississippi section needs protection, although we have already spent several hundred millions down there. I think we must take care of the great quantities of water that roll down the mighty Mississippi. For years I have been active in every association and movement that sought to control the mighty and destructive floods that carry such havoc and distress to the millions who live along the beautiful Ohio. I am sure that there is not a single Congressman here today who does not remember reading of the devastating floods in the Ohio Valley this last spring. This can all be prevented. The States have no right to do it, for they do not control the Ohio River. The Government must do it. The Government is commencing this program under the omnibus flood bill which is to be considered immediately following this bill. I bespeak of you that you support that conference report so that we may then have a complete flood-relief program for the whole United States. If this omnibus bill is passed and the improvements intended for the Ohio and its tributaries are constructed, it will mean that 5 or 6 feet will be taken off of the crest of all future floods on the Ohio. When these and other improvements which have been approved by the Army engineers are constructed they will take 8 feet off the crest of all floods on the Ohio. This will save many millions on each flood. It will save lives and untold anguish from constantly threatening dangers. The waters of the Ohio can be easily controlled. There is no uncertain experiment to be tried; all we need is a sufficient amount of money to construct reservoirs on the headwaters of the large tributaries and streams. The Government will commence this program as soon as the money is provided from the passage of the Copeland omnibus bill. Let us pass it today. [Applause.]

[Here the gavel fell.]

Mr. CONNERY. Will the gentleman from Louisiana yield to me for a question?

Mr. WILSON of Louisiana. I yield to the gentleman from Massachusetts.

Mr. CONNERY. I understood the gentleman to say that an agreement had been reached on the Copeland bill also?

Mr. WILSON of Louisiana. Yes. A complete agreement has been reached on both bills.

Mr. Speaker, I move the previous question on agreeing to the conference report.

Th previous question was ordered.

The conference report was agreed to.

IMPROVEMENT ON AREAS BETWEEN SHORE AND BULKHEAD LINES IN RIVERS AND HARBORS

Mr. MANSFIELD. Mr. Speaker, I call up the conference report on the bill (S. 3071) providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3071) providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments, and agree to the same.

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
WM. L. PIESINGER,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

ROYAL S. COPELAND,
DUNCAN U. FLETCHER,
CHAS. L. MCNARY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3071) providing for the placing of improve-

ments on the areas between the shore and bulkhead lines in rivers and harbors submit the following written statement explaining the effect of the action agreed upon:

The bill provides that where bulkhead lines have been or may be provided in or along navigable waters, except the inland waterways, in accordance with law, the Secretary of War may grant authority to the owners of shore lands and the submerged lands in front thereof to fill in and erect structures on the whole or any part of the area between ordinary high-water line on the shore and the established bulkhead line; and that when such authority has been granted the said area shall be deemed to be exempt from any servitude in favor of the Federal Government for the benefit of navigation, and if required and taken thereafter by the Government for navigation purposes the owners thereof shall be entitled to just compensation for the improvement and structures made and created in pursuance of such authorization.

The bill, as it passed the House, covered all navigable waters, the words "except the inland waterways" being struck out of the Senate bill. The House recedes from this amendment, and agrees to the same, your conferees having been advised that harbor lines have not been established on inland waterways except at some of the larger towns and cities.

J. J. MANSFIELD,
JOS. A. GAVAGAN,
W. L. FIESINGER,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

Mr. MANSFIELD. Mr. Speaker, I shall consume only about 2 minutes.

This bill provides that where the Secretary of War grants a permit for adjoining landowners at any harbor to establish improvements behind bulkhead lines, and they erect permanent improvements thereon, they cannot thereafter be required to move them back without compensation. Heretofore the War Department has had authority to compel the owners under all circumstances to remove such improvements on land behind and abutting on bulkheads at their own expense.

The bill as it passed the Senate did not apply to inland waterways. The House committee amended the bill making it apply to rivers and other inland waterways. The Senate does not agree to that amendment, and the House conferees were willing to recede on that point. There are many reasons for this action, and it is impossible to state them all; therefore I will mention only one.

In the pending controversy over the boundary line between the District of Columbia and the State of Virginia, the grant made by Lord Baltimore to the State of Maryland back in 1791 is an issue in the case. The Department of Justice takes the view that this bill, if applied to inland waterways, would complicate the legal questions involved in that controversy. It would also bring about complications at other places. Therefore the conferees concluded they would recede from the House amendment.

Mr. ROMJUE. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Missouri.

Mr. ROMJUE. How does the property owner secure his right to build these bulkheads? Does he have permission granted to him?

Mr. MANSFIELD. He has to get that permission from the Secretary of War.

Mr. CARPENTER. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Kansas.

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of agricultural imports.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARPENTER. Mr. Speaker, for many years those in power in Washington and those who desired to be in power in Washington made glowing promises to the farmers of this country of what they would do for them. They fulfilled these promises by passing higher tariff laws and creating world-trade barriers, resulting in much benefit to the large manufacturing industries of the country, but at the same time raising the prices of these manufactured goods to the farmers, while cutting off the farmers' markets and decreasing the price of the farmers' products. We are all familiar with the results that followed, leaving the farmer of this country in a terrible condition. His debts piled higher; he had abundant crops but no markets, and an extremely low price for his products.

Something had to be done and this quickly. It was accomplished by the present administration, much to the surprise and mortification of those who had betrayed the farmers.

We are all familiar with the much better condition that the farmer and agriculture in this country are in today, and no one knows it better than the farmer himself. It is this very thing that worries those who wish most to destroy this administration. It is something new and unheard of to keep campaign promises to the farmers and to see them receive benefits from their Government. Consequently something must be done to destroy their confidence, and how should this be done: By the same old methods that have prevailed from the time of Adam and Eve—to start rumors and make people dissatisfied. It, of course, makes no difference so far as the purpose is concerned whether the rumor has any basis or not. So what was done in this instance? They spread rumors that this country was being flooded with agricultural products from foreign countries when the farmer was asked to curtail his production by the Government, which was at the same time taxing the people to pay for this curtailment. This was calculated to make the farmer so mad and aggrieved that he would forget all that this administration had done for him and to turn on it and destroy it. Here is a typical example of these rumors disseminated by the partisan press.

IMPORTS FLOOD UNITED STATES

Commerce Department figures just released show that foreign farm produce invaded the American market to a tremendous extent in 1935 over 1934, the increase in some cases exceeding 2,100 percent. The Department's figures:

Commodity	Year 1934	Year 1935
Wheat (60-pound bushels)	7, 736, 532	27, 438, 870
Corn (56-pound bushels)	2, 959, 256	43, 242, 296
Oats (32-pound bushels)	5, 580, 407	10, 106, 903
Butter	1, 107, 020	22, 674, 642
Beef, fresh	140, 474	8, 584, 114
Pork, fresh	127, 746	3, 922, 609
Canned meat	46, 777, 875	76, 653, 242
Animal oils and fats, edible	1, 723, 261	18, 895, 241
Hides	200, 770, 332	303, 475, 633
Tallow	42, 813, 299	245, 850, 922
Carpet wool	85, 181, 282	171, 504, 101

As pointed out by certain writers, exhibits are being taken around to farm meetings by pretty girls, showing beef supposed to be imported from South America, hams from Poland, corned beef from Uruguay, all of which are supposed to be sold in the various cities of this country, but upon close examination, it is stated, quite often bear the labels of Chicago meat packers.

What is the true situation? According to the Department of Commerce's records, we imported a total of $1,100,000,000 worth of products classified as agricultural during the year 1935. As was pointed out by Secretary Wallace in a recent speech delivered at the University of Nebraska at Lincoln, this is a large sum, though a good deal less than the 10-year average of one and two-thirds billion dollars, or the 20-year average of one and three-fourths billion dollars, or $2,000,000,000 worth of agricultural products that were imported into this country in 1929, while in 1920 there were three and one-half billion dollars' worth. Of the amount imported in 1935, there was included coffee, rubber, raw silk, tea, cocoa, spices, and bananas, none of which are produced in this country. That amounted to about $334,000,000, or one-third of the total. Leaving out these items there was only some $600,000,000 worth of agricultural products imported in 1935. Of this amount the largest item is sugar, which amounted to $133,000,000. But by reason of the great consumption of sugar it is necessary that a great amount of sugar be imported from sugar-producing countries.

According to the rumors and propaganda that I first referred to, the story is that this country is being flooded with agricultural imports due mainly to the trade agreements that have been promulgated by this Government recently.

Let us look at the proposition of the trade agreements in relation to agriculture for the year 1935. May I say I have received my information from reliable sources? Some critics of the trade-agreements program who find cause for alarm in the generally healthy picture of the increase of foreign trade of the United States for 1935 seem to be concerned regarding imports of agricultural products. These critics, some of whom represent the tariff views of the industrial East, have implied that agricultural imports have resulted from lower rates of duty brought about by trade agreements.

In the first place, if those who attempt to connect increased imports of agricultural products with trade agreements will take the time and trouble to examine the imports in relation to the concessions granted on agricultural products in the trade agreements thus far concluded, they will see that there was little relationship between these factors during 1935. For one thing, only four agreements, those with Cuba, Haiti, Belgium, and Sweden, were in effect during any part of 1935. Only the agreement with Cuba was in effect for the whole of the year. In the Swedish agreement there were no agricultural concessions granted; imports, however, from Sweden did increase during the period in which the agreement was in effect over a similar period of 1934, as did exports. During the months of 1935, in which the Haitian agreement was in force, agricultural imports from that source, owing to a shortage of crops, decreased over a comparable period of 1934. In the Belgian agreement only small and insignificant concessions were made on agricultural products, and there were only slight increases in the imports of these concession items during 1935.

The misleading statements regarding the ill-effects of trade agreements appear to be made by those primarily responsible for the disastrous tariff acts which have done so much to undermine the conditions of American agriculture. These partisan calamity howlers do not want agriculture or any other business to maintain its steady improved condition under the Democratic Party. They are using every means in an attempt to show that the present administration is not a friend to agriculture. A comparison of conditions in 1932–33 and 1935–36 is sufficient evidence of how agriculture has been treated by the party in power. Compare the farmers' prices and their national income in 1935 with 1932 and it will readily be understood how much better off the farmers are today than in the depths of the depression.

A detailed inspection of the foreign-trade movement shows that much of the increase in total imports of 1935 represent raw materials and reflect the improvement in American economic conditions. A large part of the increased agricultural imports of 1935 are represented by such products as crude rubber, $17,000,000; raw silk, $24,000,000; bananas, $4,000,000; and tea, $1,000,000, all classified as agricultural products; agriculture, of course, will not be misled by the viewers with alarm at such increased imports of so-called agricultural products, combined in an aggregate to make the picture look dark. Such imports reflect the improvement in American purchasing power, and in no way compete with domestic articles. Increased imports as well as exports represent increased activities in American factories and employment to labor and in fact aid the sale of American agricultural products.

It is true that primarily, as a result of the drought of 1934–35, we temporarily increased our imports of some farm commodities which are competitive with American products, but in such instances, it should be remembered that the imports came in under the rates of duty in the Tariff Act of 1930, and that the farmers were receiving adequate prices for their products. The fact that these products have entered shows the farmers are relatively better off than in 1932, when imports were much less than in 1935.

Much is being said concerning the reciprocal trade treaty with Canada. Figures for January and February, the first 2 months the treaty was in effect, indicated that American agriculture was benefited materially. According to a dispatch from Canada, trade figures show that Canada bought more goods from the United States than from any other country for a period of 11 months ending in February of this year.

Canada's imports from the United States, according to this dispatch which appeared in the Washington Star of April 5, 1936, in February, second month of operation of the bilateral trade agreement, amounted to $25,974,701, or an increase of $2,476,972, over February of 1935.

Canada's imports from the United States for the 11 months ended with February reached $286,689,071, as compared with $272,307,233 in the previous parallel period, an increase of $14,381,838.

Canada's imports from all countries in those 11 months totaled $510,037,970, an increase of $35,797,975. Imports from British Empire countries came to $163,430,164 against $143,989,541 previously.

What is the situation in regard to my own State and how is it affected by the foreign trade agreement program?

Kansas, in common with a number of other interior States, is more vitally interested in foreign trade than the export statistics themselves indicate. Total direct exports from Kansas in 1929 amounted to $23,806,000; in 1932, they amounted to $10,584,000, or a decrease of 55.5 percent. The per-family trade of Kansas (four to a family) was about $51 in 1929 and $22 in 1932, but such figures should not be taken as the whole measure of the importance of exports to the State. Kansas products are shipped to coastal points without export declarations and sent out as the products of other States.

Much of Kansas' interest in export trade may be in the sale of her products in the great industrial centers where they are used in the manufacture of finished products which themselves find outlets in foreign markets. To use one illustration, hides and skins are Kansas products which are used in considerable quantities in the manufacture of automobiles, as well as in other export products. The automobile industry, employing millions of men directly and indirectly, exported nearly 15 percent of its production in 1934. This industry utilizes a number of the products of Kansas as well as of every other State of the Union. A full restoration of the automobile industry in domestic and foreign markets means an improvement in the demand for, and a firming of the prices of the many domestic products which go into their production.

What is true of Kansas' interest in automobile exports is true also in varying degrees of Kansas' interest in the export of other manufactured products containing raw materials originating in that State. A general revival of export trade, which dropped from a value of more than $5,000,000,000 in 1929 to about $1,500,000,000 in 1932, and to only $2,100,000,000 in 1934, would stimulate the demand for, and help to restore the prices of, Kansas' principal raw materials and foodstuffs.

The value of direct and indirect exports, together with the value of raw materials used in the manufacture of finished goods for export, does not tell the whole story of Kansas' interest in foreign markets. A thriving export trade such as this country enjoyed in the late twenties contributed greatly to the industrial activity and general prosperity of the sections producing for export trade which spread to the whole country. There was an insistent demand in those sections of the country for foodstuffs, raw materials, such as wheat and flour, poultry and eggs, beef, corn, pork, hides and skins, and petroleum, produced in Kansas. The drastic decline in export trade along with domestic trade has meant curtailment of production and increased unemployment in the industrial centers, and consequently decreased consumption of Kansas products. Furthermore, the loss of foreign markets for petroleum products has depressed the price of crude petroleum, one of the principal products of Kansas.

The decline in export trade adversely affects the economy of States which do not export directly in large volume, as well as those which are more dependent upon it. In short, a decline in export trade is quickly reflected in the falling off of the demand for the raw materials and foodstuffs of the interior States. The identity of interest by States in foreign trade cannot be definitely measured; Kansas, in its

well-being, cannot be separated as an economic island from the other States of the Union. Trade agreements made for the national welfare directly benefiting any particular State must eventually reflect on the prosperity of Kansas, as well as other States, if the program is to be a success in the larger sense.

The main cause of the disastrous decline of foreign trade since 1929 was the increased number of trade barriers which this and other countries raised up against imported products, and the self-containment "at any price" doctrine. People too readily forget that tariffs tend to hold up prices at unreasonable levels of many of the manufactured products and materials required by Kansas producers, farmers, and consumers. Also these barriers have scaled down the purchasing power of foreign countries for our export products, and were a factor contributing to the increase of foreign restrictions against the importation of American products.

The benefits of this program of trade recovery should be just as far reaching as were the serious effects of the loss of foreign trade after 1929. Every State suffered because of the drying up of the channels of foreign trade. Every State should share in the restoration of the flow. In practically every agreement concluded thus far, lard, an important export from Kansas, has received favorable treatment.

The attached table summarizes the principal concessions obtained on products directly exported from Kansas:

Principal commodities directly exported from Kansas	Countries granting concessions on Kansas products
Lard	Belgium, Canada, Colombia, Cuba, Haiti, Netherlands, Switzerland, Nicaragua. Exports of lard to Cuba increased by nearly 100 percent for the first year of the agreement.
Wheat flour	Cuba, Canada, Honduras, Nicaragua, Netherlands.
Wheat	Switzerland, Netherlands, Canada.
Pork products	Belgium, Canada, Colombia, Cuba, Honduras, Haiti, Sweden.
Oleo oil and stearin	Cuba, Netherlands, Canada.
Barley	Cuba, Canada.
Sausage casings	Belgium, Canada, Netherlands, Switzerland.
Canned meats (beef, pork).	Canada, Cuba, Colombia, Honduras, Belgium.
Eggs in shell	Canada.
Gasoline	Switzerland, Sweden.

It is seen that concessions of one sort or another have been obtained on practically every product directly exported from Kansas. As indicated in the attached memorandum, a listing of the products directly exported from a State by no means shows its total interest in export trade.

Exports from Kansas

[Official sources]

Classification	1929	1932	Percent of decrease (−) or increase (+), 1929 to 1932
Total exports	$23,806,000	$10,584,000	−55.5
Lard	6,436,000	2,102,000	−67.3
Wheat flour	4,646,000	655,000	−85.9
Pork products, except lard	2,846,000	607,000	−78.7
Wheat	1,495,000	4,001,000	+167.6
Bacon	1,195,000	42,000	−96.5
Oleo oil	916,000	151,000	−83.5
Gasoline	689,000	5,000	−99.3
Other meat products	560,000	363,000	−35.2
Metals and manufactures	507,000	45,000	−91.1
Barley	478,000		
Machinery, vehicles, and parts	445,000	77,000	−82.7
Sausage casings	396,000		
Canned meats	351,000	73,000	−79.2
Eggs in the shell	297,000		
Broomcorn	191,000	71,000	−62.8
Inedible vegetable products	188,000	63,000	−66.5
Total above items	21,636,000	8,255,000	−61.8
Percent of total exports	90.9	78.0	

In regard to cattle, the total imports for 1935 were substantially less than the imports for cattle in the years 1927 to 1929, inclusive. The imports of canned beef for 1934 were less than for the years 1928, 1929, and 1930, and for the year 1935 less than for the year 1929 (the United States Department of Agriculture report, May 15, 1936).

Agriculture imports as a result of the lessened influence of the drought during January 1936 were less than imports for the same month a year earlier. According to the following table, the Department of Agriculture estimates the total receipts from the sale of principal farm products increased steadily from $4,000,000,000 in 1932 to $6,000,000,000 in 1935, and that total receipts for the month of January increased from $306,000,000 in 1933 to $516,000,000 in 1936. According to this table, which I am herewith inserting, the receipts from the principal central farm States increased from $86,491,000 for the month of January 1933 to $170,058,000 for the month of January 1936.

Total receipts[1] from sale of principal farm products, by years and for month of January

	Total, all States	To States of Minnesota, Iowa, Illinois, Kansas, North and South Dakota, Nebraska, and Missouri
Year 1932	$4,235,362,000	$1,267,470,000
Year 1933	4,709,866,000	1,415,268,000
Year 1934	5,547,094,000	1,580,946,000
Year 1935	6,250,089,000	1,798,118,000
January 1933	306,055,000	86,491,000
January 1934	374,434,000	106,875,000
January 1935	421,156,000	127,200,000
January 1936	516,346,000	170,058,000

[1] Excludes governmental benefit payments.

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture.

Mr. MANSFIELD. Mr. Speaker, I move the previous question on agreeing to the conference report.

The previous question was ordered.

The conference report was agreed to.

FOREIGN TRADE—ITS NECESSITY—ADMINISTRATION'S RATIONAL PROGRAM IS INCREASING ITS VOLUME—BENEFITS TO INDUSTRY, INCLUDING CONNECTICUT

Mr. CITRON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. CITRON. Mr. Speaker, under the able direction of our capable Secretary of State, the Honorable Cordell Hull, the present administration is promoting our foreign trade. This is being accomplished by a program of arranging reciprocal tariff agreements, which are already showing beneficial results to our country and lifting our foreign trade from the ruinous state in which it found itself in the last few years of the Hoover administration.

ROOSEVELT ADMINISTRATION MAINTAINS THE PROTECTIVE TARIFF

The administration of President Roosevelt maintains a protective tariff for industry and agriculture, based on rational ideas and common-sense business practices.

I am a believer in the protective-tariff system. On several occasions I conferred with our administrative departments about the dumping tactics of the Japanese and others in the textile field. After a report by the United States Tariff Commission on this problem, based upon thorough study and investigation, the President recently ordered an increase of about 42 percent in the tariff duties upon textile imports. This was done to affect all foreign nations equally and without malice to any in particular. I therefore submit that our administration is wisely and effectively protecting our industries and agriculture against foreign competition, in addition to promoting the improvement of our foreign trade.

WHAT BUSINESS AND INDUSTRY AND SOME REPUBLICAN WRITERS THINK AT THIS TIME OF SECRETARY HULL'S RECIPROCAL TARIFF AGREEMENTS

National Automobile Manufacturers' Association

I have the report, dated May 27, 1936, of the Automobile Manufacturers' Association of this country, requesting Republican support for trade agreements and urging the

Republican convention delegates to adopt a policy of reciprocal treaties. Surely this is not a Democratic Party organization, yet here is found recognition of a successful policy of this Democratic administration.

Winthrop W. Aldrich

In a speech made May 22 of this year, Mr. Winthrop W. Aldrich, chairman of the Chase National Bank, of New York, and president of the New York State Chamber of Commerce, admitted the efficacy of the trade agreements negotiated by Secretary Hull. "I am myself a firm believer in the principle of the protective tariff", said Mr. Aldrich, and added regarding Secretary Hull's policy that "it is a wise and sound policy." I do not know whether Mr. Aldrich is an active Republican, but one thing is certain and that is that he has no connections with this administration. A great businessman and financier recognizes the progressive strides made by our present Secretary of State.

United States Chamber of Commerce

I need not repeat here the resolutions or statements offered by the United States Chamber of Commerce endorsing such a program. Suffice it to say that coming from this group such approbation is a double acknowledgment of the accomplishments of our State Department. Great farm organizations have also expressed approval, but I do not repeat their words because the critics of the administration will reply, "Well, they are supporters of the administration anyway."

David Lawrence

But what can these critics say to this statement from Mr. David Lawrence, as stanch a Republican as can be found anywhere, yet who daily praises the reciprocal tariff agreements?—

* * * The New Deal will be able, nevertheless, to point with pride to the series of treaties of which the French pact is the climax.

Walter Lippmann

And behold! Mr. Walter Lippmann, a pro-Republican and no free-trader, admitting that Mr. Hull has made progress in "opening up the highways to commerce."

RIDERS OF THE REPUBLICAN ELEPHANT ARE ENVELOPED IN A FOG OF MENTAL CONFUSION—ARE SOME OF THEM BECOMING FREE-TRADERS AND A MENACE TO THE MANUFACTURERS OF MY STATE AND OTHER STATES?

In contrast to the positive program of President Roosevelt, the Republican leaders are floundering on in a mire of carping criticism, unable to explain their attitude or to suggest any constructive ideas. When I say this I respectfully refer to other matters in addition to that of our foreign commerce. It is unnecessary for me to detail relief for the unemployed; social security and old-age pensions; assistance to home owners, farmers, banks, insurance companies, and industry; protection of investors, stockholders, bondholders, and customers of electric light, gas, and power companies from the evils and abuses of holding companies (like Insull's); protection of investors from fake stock manipulators by the Securities and Exchange Commission; Federal housing program; guaranteed bank deposits; legislation for adjusting labor disputes, and so forth. Of course, by virtue of the Constitution all this is limited to matters affecting interstate commerce, but such great accomplishments are worthy of a great administration.

Mr. Speaker, the elephant may be huge, but according to some Republicans themselves (not excluding Senator BORAH) the weight of its riders—the Du Pont Liberty League, the Power Trust, and Messrs. Roraback and Hilles—has so burdened the poor creature that it cannot extricate itself. A fog of mental confusion has enveloped the elephant and its riders, and with the approach of a bleak night there already rise in the air the wailing cries of woe from the throats of Republican job seekers and hungry spoilsmen, gathered in national convention in Cleveland.

Is Congressman James Wadsworth for free trade and opening our country to the competition of cheap labor of foreign countries?

Some days ago the estimable gentleman from New York [Mr. WADSWORTH] expressed the view—

That readjustment can be brought about more quickly by reopening the doors of foreign trade. * * * As a creditor we may not expect the payment of debts due to us unless we permit the debtor to do business with us to a reasonable extent at least. A protective-tariff system is the legitimate weapon of a debtor nation.

Shades of Matt Quay and Boies Penrose and Boss Grundy, the acknowledged father of the Hawley-Smoot tariff! Hearing from a Republican that debtor nations of the United States have the same right to restrictions against our goods as we have to theirs, must be shedding tears in his declining years—listening to a Republican saying that we must permit a debtor to do business with us!

But instead of talking, this administration has entered upon a policy recognizing that this country needs to extend, expand, and enlarge business, trade, and commerce.

The gentleman from New York, while recognizing this fact, in the next breath, however, criticizes the administration for taking definite, careful, and studied action for accomplishing his constructive proposal. I have reference to his opposition to the trade-agreements program which is designed to increase our commerce.

Congressman Treadway, like other Republicans, criticizes, but offers no constructive proposal

Now the distinguished gentleman from Massachusetts [Mr. TREADWAY] said in the House on January 14, 1936, in one of his regular fulminations:

One of the chief problems before the country is the finding of markets for the products of our farms and factories.

With that point of view no one can disagree. This administration has passed many measures designed to enable our farms and factories to enjoy better markets both at home and abroad. Apparently the gentleman from Massachusetts had in mind strictly the domestic markets, because when one speaks of foreign trade he becomes unreasonable. He takes the view that this kind of trade is wholly bad. His desultory attacks on the administration's method of developing foreign trade for our farms and factories are continuous.

In the past Congressman TREADWAY has apparently been an advocate of bilateral balancing—that is, maintaining that we should buy no more from a country than we sell to it. Then, in a speech on the floor on May 19 of this year he criticized the mutual agreements of the French treaty. Without coming to some understanding with France, how would he approach such a balance, since we normally export about twice as much to France as we import from that country. He states that the United States granted reductions on 71 separate items and received only 19 reductions. Of course, he leaves out of account the fact that the items on which the United States obtained concessions represented a greater volume of trade than the items on which concessions were granted. In addition to these 19 reductions there were increased quotas for other American products in the French markets.

No criticism of the trade-agreements program by the gentleman from Massachusetts [Mr. TREADWAY] is complete without reference to star-chamber proceedings, which, he claims, are followed in negotiating trade agreements with foreign countries. He overlooks the fact that the same kind of hearing is held on trade agreements before any change is made in rate reductions as were held under the purely "scientific" tariff making under the flexible provisions of the Tariff Acts of 1922 and 1930. After the hearings by the Tariff Commission, no one knew what the findings of the Commission were until the President made his changes in rates known to the public. Mr. TREADWAY's party sponsored such star-chamber proceedings under the flexible provisions of the above-known acts, but is now ready to criticize the Democratic acceptance of such procedure. I hope he does not criticize the President's order increasing tariff duties on textiles, which applies equally to all countries.

Since 1927 the United States and France have been engaged in a commercial war, which, if continued, might have led to sad consequences.

PRESIDENT WASHINGTON FAVORED EQUALITY OF TREATMENT TO ALL NATIONS, SPECIAL FAVORS TO NONE; SO DID SECRETARY OF STATE HUGHES

As regards the most-favored-nation treatment, or extension of duties to all countries which give us the same treat-

ment, the domestic producers are adequately safeguarded against a flood of imports. The idea that the domestic market is completely thrown open to the world is absurd. The gentleman and other Members of his party frequently revert to what Washington said in his Farewell Address concerning permanent alliances with foreign countries. Apparently he failed to read the whole of the Washington address in which our first President advocated equality of treatment to all countries.

I do not admit by making this statement that Washington was a Republican, but some outstanding Republicans have advocated and maintained that equality of treatment in commercial agreements was the only safe and sane course for the United States to take. As a matter of fact, Mr. Hughes, as Secretary of State, in 1923 definitely stated in an exchange of notes with Brazil that such would be the policy of the United States. All commercial agreements negotiated since that time have carried the most-favored-nation principle.

DOMESTIC AND FOREIGN COMMERCE

Mr. TREADWAY and other gentlemen of the opposition apparently consider that only an increase in domestic commerce is a blessing. Many of those who criticize the trade-agreements program and the results which it has accomplished must hold that foreign commerce is a curse. I consider that both domestic and foreign commerce are blessings and that they complement each other. The development of both domestic and foreign commerce is essential for national recovery. The following figures show that relationship of our import and export trade for the last decade:

Year	Exports	Imports	Percent imports of exports
1926	$4,809,000,000	$4,431,000,000	92.1
1927	4,865,000,000	4,185,000,000	86.0
1928	5,128,000,000	4,091,000,000	79.8
1929	5,241,000,000	4,400,000,000	83.9
1930	3,843,000,000	3,061,000,000	79.6
1931	2,424,000,000	2,091,000,000	86.2
1932	1,611,000,000	1,323,000,000	82.1
1933	1,675,000,000	1,450,000,000	86.5
1934	2,133,000,000	1,655,000,000	77.6
1935	2,282,000,000	2,047,000,000	89.7

It will be seen that during the last decade the highest ratio of imports to exports was 92 percent in 1926. That year, as is well known, was chosen by statisticians as representing a norm, a standard by which well-being for the United States is measured. The official wholesale price index number is based on that year. It is significant that the ratio of imports to exports in 1926 was the highest during the last decade. This relationship is not entirely accidental. If one were to listen to the exponents of isolation, it might be concluded that the United States is being destroyed at the present time by increased imports. The above data show that the ratio of imports to exports was 89.7 percent in 1935. Compare this ratio with that for the ideal year, 1926, under the Republican administration. Furthermore, the imports in 1935 were less than half the figure for the standard year 1926.

When the reciprocal tariff bill was before the other body, Senator GORE, of Oklahoma, gave what I deem an excellent explanation of trade, not just domestic trade but all trade, domestic as well as foreign. On that occasion the Senator said:

> • • • Trade is little more than barter; barter is little less than trade; but trade, like barter, is the process by which two men get what both men want, each parting with what he does not need, and both profiting by what neither loses. The blessings of trade are reciprocal.

In my mind, that definition can hardly be improved upon. Further, the Senator from Oklahoma stated:

> When the first clubfooted savage, who could neither fish nor fight, turned his hand to making arrowheads and exchanged them for fish and furs, trade was under way. He was both a manufacturer and a merchant. Someone has said that when the first cave man took a quarter of a dinosaur on his back and trekked across the veldt and exchanged it for the hide of a saber-toothed tiger, intertribal trade, international trade, was born then and there.

It is frequently stated that exports are less than 10 percent of our production, and therefore not important. Such a general average has little validity, for some industries export as much as 40 or 50 percent of their production and could not exist without export markets. For example, typewriters, an important product of my State, are usually exported to the extent of from 25 to 40 percent of the production.

Where is the consistency in this argument? It is true that unregulated imports in some lines would injure domestic industry, but there is no responsible official of the administration who proposes to remove all tariff protection. I challenge anyone to name a person who advocates such a policy. Check through every reduction in duty made through reciprocal-tariff agreements and you will see how carefully this administration is handling tariff adjustments.

There is, of course, no place for a representative of an industry to sit in on the negotiations to write its own ticket. All interested parties are invited to present their cases before the committee for reciprocity information. Every possible view is welcomed and receives consideration before any recommendations in rates are made to the President.

CHAIRMAN FLETCHER'S REPUBLICAN "LITTLE BRAIN TRUST"

From time to time, Mr. Speaker, the opposition uses as a term of criticism, "free-trader", as applying to certain high governmental officials. If we desire to go into this proposition, I might mention that the Republican so-called "brain trust" apparently has strong free-trade leanings. If the advice of the "little brain trust" is to be followed by the Republican Party, perhaps it may be called the free-trade party. At least three members of the "brain trust" signed the famous manifesto of 1,000 economists, asking Mr. Hoover to veto the notorious Hawley-Smoot Tariff Act—an act which is now being revised by the Democratic Party in a sane and orderly manner.

One member of this "little brain trust", formerly employed at the Agriculture Department, is reported as having had a hand in preparing a memorandum favoring the dairy concessions granted in the Canadian agreement. Still two other noted economists and professors emeritus of Harvard University have taught and written in accordance with sound Adam Smith economic doctrine on the tariff question.

SOME "BLUE CHIP" REPUBLICANS WHO HAVE FAVORED RECIPROCITY

In this connection it may be well to recall what some outstanding leaders of the opposite party have said relative to tariff reciprocity. Senator CAPPER, on June 4, 1934, said in support of the Trade Agreements Act:

> I am willing to stake my Republicanism on the stand taken by that great Republican President, William McKinley. I quote from his speech at Buffalo:
>
> "A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in the fancied security that we can forever sell everything and buy little or nothing."

At that time Senator CAPPER stated that Alexander Hamilton himself supported trade agreements with foreign countries. He also noted that James G. Blaine was a supporter of trade agreements. Mr. CAPPER further stated that William McKinley did not pioneer in advising reciprocity in tariff, but noted that William H. Taft believed in the principle.

Of course Mr. Taft believed in it, for it is well known that he was responsible for negotiating the agreement with Canada in 1911, which failed to be ratified by that country. Incidentally, the concessions which the United States granted on agricultural products in the recent agreement are insignificant in comparison with the proposed agreement of 1911. In that agreement all agricultural products were reciprocally placed on the free list.

Ogden Mills, by implication, appears to have approved the objective of the trade-agreements measure. In his Topeka speech of January 1934 he said:

> We will have to abandon the present policy of isolation and intense nationalism and to some extent modify recent tariff practices. This may sound strange, coming from an orthodox Republican, but I have never understood that a sound system of protection, based upon the cost of production at home and abroad, if intelligently applied, means the erection of impassable tariff

barriers, the destruction of our commerce with the rest of the world, and the sacrifice of the efficient farmer to save the inefficient manufacturer. * * * I am prepared to take my stand with a great Republican President who, in his last speech, delivered in Buffalo just before his assassination, said—

And Mr. Mills quoted from President McKinley the same quotation I have already stated.

Mr. Stimson, last Republican Secretary of State, in addition to approving the objectives of the reciprocal-tariff measure, urged in a broadcast that it be made into law.

Other outstanding Republicans have also approved the trade-agreements program. For example, the Honorable William S. Culbertson, formerly Ambassador to Chile, stated:

We should therefore support as a measure of a sound national policy the Trade Agreements Act of 1934. * * * If I had the time, I could demonstrate that all the principles of this measure were first employed in the Republican Tariff Acts of 1890 and 1897 and applied by various Republican Secretaries of State.

Mr. Castle, formerly Under Secretary of State, paid Mr. Hull a very high compliment on his program for lowering tariffs.

REPUBLICAN CHAIRMAN OF TARIFF COMMISSION PROPOSES RECIPROCAL AGREEMENTS FOR REPUBLICAN PLATFORM

Mr. O'Brien, Republican Chairman of the Tariff Commission, proposed a plank for the Republican national platform approving in essence the reciprocal-tariff program, and said:

The tariff question we must accordingly approach in a spirit of broad statesmanship and not in slavish devotion to out-worn slogans. We therefore pledge the party to the continuation of such implements of international tariff adjustments as already exist, perfected as they should be in necessary details under Republican legislation, to the end that we may have an intelligent and responsible national leadership in the taking of our part in dealing with the complicated problems of world trade.

COLONEL KNOX—REPUBLICAN ASPIRANT FOR PRESIDENCY

Lastly, Colonel Knox, an avowed candidate for the Republican nomination for President, has also suggested a change in the Republican position on the tariff and approved the principle of reciprocity and stated that he was in favor of "real trade agreements." Possibly by real trade agreements he meant that he would reduce the duty on many more products than the Democrats have done.

LOGROLLING

One of the outstanding evils of congressional tariff making is, of course, the parade of lobbyists in Washington and the inevitable logrolling which accompanies an old-fashioned Republican tariff measure. In this connection Senator CAPPER has said:

Our experience in writing tariff legislation, particularly in the post-war era, has been discouraging. Trading between groups and sections is inevitable. Logrolling is inevitable, and in its most pernicious form. We do not write a national tariff law. We jam together, through variously unholy alliances and combinations, a potpourri or hodgepodge, sectional and local tariff rates which often add to our troubles and increase world misery.

Mr. O'Brien also said regarding logrolling in this proposed Republican plank:

The bewildering complexity of modern industry makes intelligent consideration of tariffs by Senate and House and conference committees impractical and leads inevitably to logrolling, under which the general welfare is often subordinated to the interests of particular groups and localities. Against these evils the Republican Party has long inveighed.

It will be recalled that Mr. Hoover used as his main reason for signing the Tariff Act of 1930 that the flexible provision would permit a reasonable remedy in tariff adjustment without congressional action, and added that—

This provision was a progressive advance and gives great hope of taking the tariff away from politics, lobbying, and logrolling.

MY OWN STATE

As is well known, my own State is a highly industrialized State and manufactures a great variety of products. My State must create wealth by fabricating raw and semiraw materials primarily from other regions or from foreign countries. Many industries in Connecticut depend on tariff protection for their continuation, and I recognize this, as was shown by my efforts for an increased tariff for textiles. On the other hand, a number of industries of Connecticut are directly dependent on imported materials to keep their labor employed and their factories going. The jewelry industry, for example, uses imported materials from 26 countries. Many of these products used in Connecticut industries are not produced in the United States at all.

To mention some of these import items used by the jewelry industry gives a romantic touch to commerce. Some of these imported materials used in Connecticut with their principal sources are as follows:

Jade, China; sapphires, Ceylon; rubies, Burma; cobalt, Canada; emeralds, Colombia; topaz, Egypt; opals, Hungary; amethysts, Russia; pearls, India; platinum, Ural Mountains; chrome, Rhodesia; tin, Malay.

It is noted that the jewelry industry alone calls upon every continent of the world for the above-mentioned materials. A number of these items are, of course, not subject to duty. These imported items indicate the dependence of one important Connecticut industry on materials and supplies from all parts of the world.

At present I am concerned about the possibilities of increasing the export trade in certain items from Connecticut. The trade agreements already signed have obtained some benefits for my State, as well as for others. First, I should like to examine the trade of Connecticut in general terms.

Connecticut's exports

Exports from Connecticut, valued at $53,000,000 in 1929, declined by 72 percent, to $15,000,000, by 1932, the last year for which statistics are available. These figures mean an income of $132 for every family in the State in 1929 and only $36 per family in 1932. The leading exports were typewriters, hardware, electric machinery, other machines, tires, copper cables, toilet preparations, rifles, cotton manufactures, cutlery, and office appliances.

Canadian agreement helps Connecticut industry and labor

Practically every agreement will benefit, directly or indirectly, some of Connecticut's industries. Canada has lowered its duties on a long list of fabrics and textile manufactures. Our textile exports to Canada were valued at $41,000,000 in 1931 and had declined to $6,000,000 in 1935. Owing largely to restrictions, we had lost 90 percent of our exports to Canada of laces and embroideries which were once valued at $1,000,000. The textiles include those of cotton, wool, hair, flax, rayon, jute, and hemp. The articles affected ranged from hosiery, lace, gloves, and other clothing to household goods, webbing, blankets, and textiles. The metal and metal products which should benefit from the Canadian agreement consist of too many items to list, ranging from ferro-alloys and ingots to pipes and wires, and to machine tools, hollow ware, screws, nails, bolts, and precision tools, which have all been accorded concessions, including clocks, watches, and jewelry. Agricultural, industrial, and automotive machinery should benefit, as well as mining, railway, and industrial machinery. Most office machines and equipment have been conceded by Canada 20-percent reduction in duty. Among the miscellaneous items are fishing tackle, guns, revolvers, gas meters, lighting fixtures, and rubber goods.

Among the Connecticut industries which have stated that they would benefit from the Canadian agreement are steel, printers and publishers, automobile parts and accessories; and among textile manufactures, those making bag fabrics, novelty fabrics, burlap, silk and rayon, velvet and dress goods.

While time has been too short to measure permanent results, an editorial in the Times of Hartford says:

It is certainly true that tariff barriers raised against trade harm all countries. Far better, if it can be devised, is a system of agreements designed to facilitate the exchange of goods of mu-

tual benefit. The advocates of barrier tariffs have had their chance. Those who believe agreements to facilitate trade are possible are now entitled to theirs.

Connecticut benefits from reciprocal agreements with other countries

The Swiss agreement reduced by 20 percent the Swiss duty on cash registers and accounting machines, as well as stands for all office machines. Switzerland has also granted a large quota for electric refrigerators and refrigerating equipment.

Colombia has reduced its duties on underclothing of cotton, linen, silk, or rayon, as well as shirts, handkerchiefs, and so forth. It has also reduced by 33 to 82 percent its duties on our corsets. It has bound against increase many of the hardware and metal products manufactured in Connecticut and reduced by two-thirds its duties on most building hardware and typewriters. Its duties on dentifrices have been reduced 35 percent.

Nine months' figures are available as to the effects of the Belgian agreement. Belgium's imports from the United States increased 69 percent as compared with the corresponding period before the agreement, whereas her imports from all other countries increased only 40 percent.

Among the increased exports of interest to Connecticut are tobacco, hosiery, rubber hose, and radio tubes. Exports to Belgium since the agreement have more than doubled in the case of cigarettes, belting, typewriters, and automobile parts, whereas our exports of women's clothing have quadrupled.

Cuban agreement

Twelve months' experience under the Cuban agreement shows increases in the case of rubberized piece goods, cotton thread, colored cotton duck, bleached sheeting, khaki, other dyed yarn, fabrics, silk tram, rayon yarn, knit rayon goods, elastic webbing, tacks, nails, bolts, rivets, table and kitchen cutlery, insulated copper wire, electric refrigerators, flashlights, radios, stationary engines, valves, calculating machines, typewriters, and cosmetics. Our exports to Cuba have doubled in the case of canvas shoes with rubber soles and rayon hosiery. Since the agreement we have sold three times as much gingham, silk, hosiery, radio transmitting sets, and steam boilers. Our exports to Cuba of woven rayon, dress and piece goods increased from $250,000 worth to over $1,000,000.

Brazil, Netherlands, and some South American countries

The Brazil agreement resulted in a 25-percent reduction in the Brazil duties on cotton shirts, radio apparatus, gasoline pumps, steel files, rubber hose and tubes, and certain paints. The duties were reduced 20 percent on automobiles, trucks and parts, and on soap and surgical gauze. Larger reductions were granted for steel furniture, lacquers, and certain varnishes. The Brazil duties were bound against increase in case of agricultural machinery, refrigerators, sewing machines, cash registers, typewriters, calculating machines, and typesetting machines. Our exports to Brazil fell from $109,000,000 in 1929 to $40,000,000 in 1934.

The Netherlands agreement should also benefit Connecticut's industries. As the Netherland duties are generally low, the most extensive concessions were the binding of the present duties on a number of commodities. In addition, quotas were obtained for wire nails and tacks, drawn wire, locks and parts, footwear, fabrics of rayon, cotton and wool, ribbons, tape and elastic bands, outer clothing, hosiery, knitwear, underclothing, shirts, and various paper and cardboard.

From Haiti we obtain lower duties on sewing machines, radios, and appliances, and the binding of duties on pipes and fittings, medicines and pharmaceutical electrical machinery and apparatus, and automobiles.

Our exports to Nicaragua have fallen from $7,000,000 in 1929 to $2,000,000 in 1934. Nicaragua has lowered its duties on proprietary and patent medicines, varnishes, paints, and rubber heels. It has promised continued free entry of a long list of industrial machinery, electrical equipment, and has bound existing low duties in the case of batteries, radio apparatus, typewriters, and cotton hosiery.

Our exports to Guatemala have declined from $11,000,000 in 1929 to $4,000,000 in 1935. Guatemala has reduced its duties on certain fish products, varnishes, enamels, and lacquers, metal furniture, and radio receiving apparatus. It has bound against increase its duties on yarn, cotton piece goods, silk hosiery, cotton shirts, automobiles, typewriters, and calculating machines.

Finland

Finland's imports from the United States declined from $30,000,000 in 1928 to $9,000,000 in 1935. Its imports from us of wire and steel products declined from $670,000 in 1929 to $4,000 in 1934; of machinery, from $1,000,000 to $400,000; of office machines, from $300,000 to $126,000; of automobiles, from $1,300,000 to $150,000; and of textile fabrics and manufactures, from $400,000 to $149,000. Finland has reduced its duties on steel furniture and has bound existing duties against increase in the case of refrigerators, calculating machines, cash registers, typewriters, duplicating machines, and automobiles and parts.

French agreement

Our exports to France declined from $270,000,000 in 1929 to $117,000,000 in 1935. France has reduced its duties on automobiles and granted enlarged quotas. It has granted supplementary quotas for refrigerators, radios, typewriters, silk hosiery, agricultural machinery, and has reduced the import tax for all of these commodities. Important concessions have been granted for fresh and canned fruits. France has agreed to purchase more tobacco; and although most of the purchases by the tobacco monopoly have been for cigarettes, Connecticut growers may be able to recover some of the important markets in France that they formerly enjoyed. Enlarged quotas have been obtained for certain varnishes and paints, artificial teeth, hosiery, agricultural machinery, engines, refrigerators, typewriters, drills, taps, reamers, pneumatic tools and machine tools, and automobiles. Duties have been reduced by France on sewing-machine parts, cash registers, automobiles, fountain pens, automatic pencils, and automobile parts.

CONCLUSION

In conclusion, Mr. Speaker, I predict that international trade will increase. The world realizes that it benefits all nations, creates friendlier relations among peoples, and is a means to lift all countries out of the depths of despair and hatred. We can thank ourselves that we have such a far-sighted and capable person as Mr. Cordell Hull in the office of Secretary of State. He is helping our country materially and spiritually, bettering our business and other relations with the nations of the world. I have shown specifically what these trade agreements mean to my State, but the same can be shown for every State and section. The whole country is the beneficiary of his work.

PUBLIC WORKS ON RIVERS AND HARBORS FOR FLOOD CONTROL

Mr. WILSON of Louisiana. Mr. Speaker, I call up the conference report on the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered (1): That the House recede from its disagreement to the amendment of the Senate numbered (1), and

agree to the same with an amendment, as follows, in the Senate engrossed amendment:

Section 2: Page 2, line 7, by substituting the word "allied" in lieu of the word "other";

Page 3, lines 15 and 16, by striking out the words "and supervision of the Chief of the Soil Conservation Service" and the word "specifically";

Line 18, by substituting the words "Secretary of War" in lieu of the words "Chief of Engineers";

Line 21, by striking out the period after the word "involved" and substituting in lieu thereof a colon and the words *"Provided,* That the foregoing grants of authority shall not interfere with investigations and river improvements incident to reclamation projects that may now be in progress or may be hereafter undertaken by the Bureau of Reclamation of the Interior Department pursuant to any general or specific authorization of law."

Section 3: Page 4, line 18, by striking out the period at the end of the word "streams" and inserting in lieu thereof a colon and the words: *"And provided further,* That nothing herein shall be construed to interfere with the completion of any reservoir or flood control work authorized by the Congress and now under way."

Section 5: Page 43, between lines 12 and 13, by inserting the words: "Logansport, on Wabash River, Indiana; Construction of remedial works for flood relief; data in office of Chief of Engineers; cost, $612,000.";

Page 15, by striking out lines 1 to 15 inclusive;

Page 18, by striking out lines 16 to 21 inclusive.

Section 6: Page 63, line 15, by striking out the words "at Fremont".

Section 7: Page 67, line 22, by substituting the word "Arkansas" in lieu of the word "Alabama"; and the Senate agree to the same.

RILEY J. WILSON,
WILLIAM WHITTINGTON,
GLENN GRISWOLD,
ROBERT F. RICH,
Managers on the part of the House.

ROYAL S. COPELAND,
MORRIS SHEPPARD,
DUNCAN U. FLETCHER,
CHAS. L. MCNARY,
HIRAM W. JOHNSON,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to bill (H. R. 8455) entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report as to each of the said amendments.

THE SENATE ENGROSSED AMENDMENT

The Senate engrossed amendment containing nine sections, as proposed by the Senate, with the amendments set forth in the conference report, were substituted for all of the House bill containing two sections after the enacting clause.

SECTION 1. DECLARATION OF POLICY

Section 1 is a declaration of policy and declares that flood control on navigable waters or their tributaries is a proper activity of the Federal Government in cooperation with States, their political subdivisions, and localities thereof; that investigations and improvements of rivers and other waterways, including watersheds, for flood-control purposes are in the interest of the general welfare, and that the Federal Government should improve or participate in the improvement of navigable waters or their tributaries, including watersheds thereof, for flood-control purposes if the benefits to whomsoever they may accrue are in excess of the estimated costs, and if the lives and social security of the people are otherwise adversely affected.

All of the projects contained in the bill as it passed the House that complied with the said declaration of policy were retained in the bill, and all of the projects added to the bill in the Senate that complied with the said declaration based upon the report and recommendation of the Chief of Engineers are retained in the bill.

SECTION 2. INVESTIGATIONS

Section 2 provides for investigations for flood control by the War Department and investigations for watersheds by the Department of Agriculture.

SECTION 3. LOCAL CONTRIBUTIONS

Section 3 provides for local contributions substantially as provided by section 2 of the bill when it passed the House, with the provision that when the amount of the estimated costs of lands and easements and rights-of-way exceeds the estimated costs of construction, the local interests shall pay only one-half, and with the further proviso that whenever 75 percent of the benefits accrue to lands outside the State the local interests are not required to provide maintenance.

Said section 3 was amended as shown by the conference report by adding at the conclusion of the said section the following: *"And provided further,* That nothing herein shall be construed to interfere with the completion of any reservoirs or flood-control works authorized by the Congress and now under way."

Said section 3, as relates to levees and reservoirs, is identical in its effect with section 8a of S. 3531, the Mississippi River Flood Control Act. The effect of the amendments agreed to is to require all levees and reservoir projects under both H. R. 8455, the bill herein, and S. 3531, the said Mississippi River bill, to make the same contributions. The requirements for local contributions and maintenance for reservoirs and levees in the pending bill are identical with the requirements for local contributions and maintenance covering levees and reservoirs in the said Mississippi River bill.

SECTION 4. COMPACTS

Section 4 provides for compacts between the States respecting flood control.

SECTION 5. FLOOD CONTROL ACT OF 1936

Section 5 provides that the flood-control works enumerated therein shall be prosecuted under the direction of the Secretary of War and Chief of Engineers, as therein stipulated.

SECTION 6. PRELIMINARY INVESTIGATIONS

Section 6 is new matter that was not contained in the House bill, and provides for joint preliminary examinations for flood control under the War Department, and for run-offs and water retardation and soil erosion under the Department of Agriculture.

SECTION 7. CONTINUED SURVEYS FOR FLOOD CONTROL AND POWER

Section 7 authorizes and directs the Secretary of War to continue the studies of the Table Rock Reservoir, the Wild Cat Shoals Reservoir, and other reservoirs mentioned for flood-control operations and hydroelectric power development.

SECTION 8. NO APPLICATION TO MISSISSIPPI RIVER

Section 8 provides that the bill in no wise deals with the Mississippi River or amends any laws respecting it.

SECTION 9. AUTHORIZATION

Section 9 provides for an authorization of $310,000,000 for the projects and $10,000,000 for examinations and surveys, with the proviso that not more than $50,000,000 shall be expended during the fiscal year ending June 30, 1937.

NO POWER PROJECTS INCLUDED

The bill as approved in conference follows the declaration of policy and included only projects for flood control and eliminated all power projects. The recommendations of the Chief of Engineers were followed on all the projects included in the bill, and all projects carried in the House bill that were not flood-control projects and that did not come within the provisions of the declared policy respecting benefits were eliminated from the bill.

RIGHTS-OF-WAY AND MAINTENANCE

The bill provides for a Federal policy and responsibility for flood control. It establishes a general policy that is applicable to the largest and smallest rivers and their watersheds, under which the local interests are required to furnish rights-of-way and easements for levees and reservoirs and to maintain the projects when completed.

Section 3 of the Senate engrossed amendment agreed to in conference respecting local contributions is the similar provision for levees and reservoirs for the Mississippi River flood-control bill, and is as follows:

"SEC. 3. That hereafter no money appropriated under authority of this act shall be expended on the construction of any project until States, political subdivisions thereof, or other responsible local agencies have given assurances satisfactory to the Secretary of War that they will (a) provide without cost to the United States all lands, easements, and rights-of-way necessary for the construction of the project, except as otherwise provided herein; (b) hold and save the United States free from damages due to the construction works; (c) maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of War: *Provided,* That the construction of any dam authorized herein may be undertaken without delay when the dam site has been acquired and the assurances prescribed herein have been furnished, without awaiting the acquisition of the easements and rights-of-way required for the reservoir area: *And provided further,* That whenever expenditures for lands, easements, and rights-of-way by States, political subdivisions thereof, or responsible local agencies for any individual project or useful part thereof shall have exceeded the present estimated construction cost therefor, the local agency concerned may be reimbursed one-half of its excess expenditures over said estimated construction cost: *And provided further,* That when benefits of any project or useful part thereof accrue to lands and property outside of the State in which said project or part thereof is located, the Secretary of War with the consent of the State wherein the same are located may acquire the necessary lands, easements, and rights-of-way for said project or part thereof after he has received from the States, political subdivisions thereof, or responsible local agencies benefited the present estimated cost of said lands, easements, and rights-of-way, less one-half the amount by which the estimated cost of these lands, easements, and rights-of-way exceeds the estimated construction cost corresponding thereto: *And provided further,* That the Secretary of War shall determine the proportion of the present estimated cost of said lands, easements, and rights-of-way that each State, political subdivision thereof, or responsible local agency should contribute in consideration for the benefits to be received by such agencies: *And provided further,* That whenever not less than 75 percent of the benefits as estimated by the Secretary of War of any project or useful part thereof accrue to lands

and property outside of the State in which said project or part thereof is located, provision (c) of this section shall not apply thereto; nothing herein shall impair or abridge the powers now existing in the Department of War with respect to navigable streams: *And provided further,* That nothing herein shall be construed to interfere with the completion of any reservoir or flood-control work authorized by the Congress and now under way."

ADDITIONAL AMENDMENTS

The conferees agreed to the amendments to the Senate engrossed amendment, as shown in the conference report, by inserting a proviso at the end of section 2 that reclamation projects are not to be interfered with, by substituting a project for Logansport without increasing the costs, by striking out the St. Francis and Yazoo projects and by correcting two errors, as set forth in the conference report.

The bill as it passed the House carried authorizations amounting to $370,929,000. The bill as approved by the conferees carries authorizations aggregating $300,572,300. There is thus a net decrease of $70,356,700. The decrease is largely composed of the eliminations of the St. Francis and the Yazoo projects, which are in the said Mississippi River bill.

The differences in the project items included in the House bill and included in the agreement of the conferees are tabulated and are as follows:

Comparison of House bill 8455 with agreement of conferees

Project	Amount included in House bill (H. R. 8455)	Amount included in agreement with conferees	Decrease	Increase
Lake Champlain Basin:				
Lamoille River, Vt	$66,000	$66,000		
Rutland, on Otter Creek, Vt	49,500	49,500		
Proctor, on Otter Creek, Vt	22,500	22,500		
North Adams, Hoosic River, Mass	66,000	66,000		
Bennington, Hoosic River, Vt	216,000	216,000		
Hoosic Falls, Hoosic River, N. Y	43,000	43,000		
Merrimack River Basin, N. H. and Mass.: Reservoirs		7,725,000		$7,725,000
Connecticut River Basin: Reservoirs in Vermont and New Hampshire		10,028,900		10,028,900
Southern New York and eastern Pennsylvania: Reservoirs and other works		27,154,000		27,154,000
Susquehanna River Basin:				
Williamsport, Pa	1,880,000	2,444,000		564,000
Harrisburg, Pa	80,000	104,000		24,000
Sunbury, Pa	72,000	93,600		21,600
York, Pa	1,700,000	2,210,000		510,000
Milton, Pa		263,900		263,900
Montgomery, Pa		139,100		139,100
Muncy, Pa	277,500	360,800		83,300
Jersey Shore, Pa	304,500	395,900		91,400
Lock Haven, Pa	2,200,000	2,860,000		660,000
Bloomsburg, Pa		131,300		131,300
West Pittston, Pa		100,000		100,000
Swoyersville and Forty Fort, Pa		529,800		529,800
Kingston and Edwardsville, Pa		1,658,200		1,658,200
Plymouth, Pa		728,000		728,000
Nanticoke, Pa		381,700		381,700
Wilkes-Barre and Hanover, Pa		2,129,400		2,129,400
Potomac River Basin:				
Washington, D. C	571,000	571,000		
Cumberland, Md. and W. Va	743,400	743,400		
Moorefield, W. Va	41,500	41,500		
Harpers Ferry, W. Va	164,900	164,900		
Tar River: Channel improvement		82,500		82,500
Savannah River: Augusta, Ga	685,070	685,000		
Chattahoochee River: West Point, Ga., and Lanette, Ala	700,000		$700,000	
Choctawhatchee River Basin:				
Geneva, Ala	187,600		187,600	
Elba, Ala	263,500		263,500	
Caryville, Fla	132,600		132,600	
Escambia River Basin:				
Brewton, Ala	235,000	235,000		
Flomaton, Ala	149,000	149,000		
Mobile River Basin:				
Rome, Ga	170,000	330,000		160,000
Ittawamba County, near Fulton, Miss	109,000	109,000		
Pearl River: Jackson, Miss	10,000	10,000		
Big Back River, Miss.:				
Backwater area	950,000		950,000	
Headwater area	2,041,000		2,041,000	
Channel improvement plan		850,000		850,000
Brazos River: Flood-control survey	225,000		225,000	
Red River Basin:				
Eagle Town Reservoir, Okla	5,398,000		5,398,000	
Red River Parish, La	150,000	150,000		
Bayou Pierre, La	300,000	300,000		
Natchitoches Parish, La	315,000	315,000		
Saline Point, La	135,000	135,000		
Black Bayou, La	125,000	125,000		
Fire Point, La	135,000		135,000	
Bayou Bodcau, La	1,825,000	1,825,000		
Bayou Des Glaises, La	280,000	280,000		

Comparison of House bill 8455 with agreement of conferees—Con.

Project	Amount included in House bill (H. R. 8455)	Amount included in agreement with conferees	Decrease	Increase
Red River Basin—Continued.				
Wallace Lake, La	$380,000	$380,000		
Shreves Island, La	97,500		$97,500	
Grant Parish-Colfax, La	450,000		450,000	
Ouachita River Basin:				
Columbia, La	339,100	339,100		
Jonesville, La	368,200	368,200		
Homochitto River: Channel improvements and dams	30,000	50,000		$20,000
Buffalo River: Channel improvements and dams	20,000	35,000		15,000
Arkansas River Basin:				
Caddoa Reservoir, Colo	7,728,000	9,700,000		1,972,000
Kaw, Okla	32,500	32,500		
Tulsa and West Tulsa, Okla	308,000		308,000	
Near Fort Gibson, Okla	7,900	7,900		
Near Dardenelle, Ark	93,500	93,500		
Clarksville, Ark	70,000	70,000		
West of Morrilton, Ark	603,000	603,000		
Counties in Oklahoma and Arkansas	79,000		79,000	
Faulkner County, Ark	109,000		109,000	
Little Rock, Ark		110,500		110,500
North Little Rock, Ark	406,000	401,000	5,000	
Arkansas City, Kans	94,000		94,000	
Winfield, Kans	108,000	108,000		
Augusta, Kans	109,800	109,800		
Hutchinson, Kans	1,060,000	1,050,000		
Wichita and Valley Center, Kans	2,603,100	2,603,100		
Big Slough to Belle Plaine, Kans	1,650,200	1,650,200		
Tenkiller Ferry Reservoir, Okla	7,863,000		7,863,000	
Conchas Reservoir, Okla	8,691,000	12,270,000		3,579,000
Eufala Reservoir, Okla	1,863,000		1,863,000	
Optima Reservoir, Okla	1,350,000	1,350,000		
Fort Supply Reservoir, Okla	2,360,000	2,360,000		
Fort Reno Reservoir, Okla	4,007,000		4,007,000	
Nimrod Reservoir, Ark	1,012,000		1,012,000	
Blue Mountain Reservoir, Ark	1,637,000		1,637,000	
Florence, Kans	17,000	17,000		
Cottonwood Falls, Kans	7,200	7,200		
Emporia, Kans	22,700	22,700		
Neosho Rapids, Kans	38,900	38,900		
Hartford, Kans	43,200	43,200		
Burlington, Kans	27,000	27,000		
Leroy, Kans	9,600	9,600		
Neosho Falls, Kans	32,400	32,400		
Iola, Kans	20,700	20,700		
Humboldt, Kans	19,300	19,300		
Chetopa, Kans	28,600	28,600		
Cherokee County, Kans	234,000	234,000		
Lyon County, Kans	237,100	237,100		
Morris County, Kans	150,000		150,000	
Pensacola Reservoir, Okla	6,263,000		6,263,000	
Markham Ferry Reservoir, Okla	2,591,000		2,591,000	
Fort Gibson Reservoir, Okla	3,915,000		3,915,000	
Wister Reservoir, Okla	1,758,000		1,758,000	
West of Fredonia, Kans	189,900	189,900		
West of Benedict, Kans	195,000	195,000		
West of Elk City, Kans	81,400	81,400		
Caney Creek, Okla. and Kans	157,600	157,600		
Verdigris River, Kans	231,800	231,800		
Hulah Reservoir, Okla	1,325,000	1,325,000		
Fall River Reservoir, Kans	1,050,900		1,050,900	
Oologah Reservoir, Okla	2,144,000		2,144,000	
Braman Reservoir	299,300		299,300	
Great Salt Plains Reservoir Okla	941,000	972,000		31,000
Drury Reservoir, Kans	1,526,000		1,526,000	
South of Antwine, Okla	186,800		186,800	
Mannford Reservoir, Okla	2,265,000		2,265,000	
Blackwell, Okla		50,000		50,000
White River Basin:				
East Poplar Bluff and Poplar Bluff, Mo	546,800	546,800		
Poplar Bluff, Mo., to Knoble, Ark	1,972,000	1,972,000		
Little Black River, Mo. and Ark	754,900	754,900		
Skaggs Ferry, Ark	63,000	63,000		
Big Bottom, Ark	128,700	128,700		
Newport, Ark	138,600	138,600		
Village Creek, White River, and Mayberry, Ark	931,500	931,500		
Clarendon, Ark	286,000		286,000	
Clarendon to Lambrook, Ark	4,695,300		4,695,300	
Clarendon to Laconia Circle, Ark		8,960,000		8,960,000
Big Creek and L'Anguille River, Ark	86,400	86,400		
Des Arc, Ark	42,400		42,400	
De Valls Bluff, Ark	7,700		7,700	
Wildcat Shoals Reservoir, Ark	22,000,000		22,000,000	
Lone Rock Reservoir, Ark	9,810,000		9,810,000	
Norfork Reservoir, Ark	6,600,000		6,600,000	
Clearwater Reservoir, Mo	3,594,000		3,594,000	
Hilliard Reservoir, Mo	494,000		494,000	
Harviell Reservoir, Mo	341,000		341,000	
Water Valley Reservoir, Ark	4,397,000		4,397,000	

Comparison of House bill 8455 with agreement of conferees—Con.

Project	Amount included in House bill (H. R. 8455)	Amount included in agreement with conferees	Decrease	Increase
White River Basin—Continued.				
Warm Fork Reservoir, Mo.	$1,286,000		$1,286,000	
Hardy Reservoir, Ark.	1,940,000		1,940,000	
James Creek Reservoir, Ark.	1,209,000		1,209,000	
Myatt Creek Reservoir, Ark.	857,000		857,000	
Bell Foley Reservoir, Ark.	2,109,000		2,109,000	
Greers Ferry Reservoir, Ark.	1,904,000		1,904,000	
Upper Mississippi River:				
East St. Louis, Ill.	960,000	$1,158,000		$198,000
East Cape Girardeau and Clear Creek, Ill.	397,400	395,000	2,400	
North Alexander, Ill.	320,200	271,000	49,200	
Clear Creek district, Illinois	508,200	649,000		140,800
Preston district, Illinois	358,300	244,000	114,300	
Grand Tower district, Illinois	262,600		262,600	
Degognia and Fountain Bluff, Ill.	600,000	330,000	270,000	
Perry County districts, Missouri	1,205,800	859,000	346,800	
St. Genevieve district, Missouri	393,000	177,000	216,000	
Fort Chartres and Ivy Ledge, Ill.	213,600	120,000	93,600	
Harrisonville and Ivy Ledge, Ill.	272,200	453,000		180,800
Columbia district, Illinois	983,900	546,000	437,900	
Wilson, Wenkel, and Prairie Du Pont, Ill.	386,100	520,000		133,900
Chateau Island district, Illinois	202,500		202,500	
Chateau, Nameoki, and Venice, Ill.	260,500	132,000	128,500	
Woodriver district, Illinois	126,500		126,500	
St. Louis County district, Missouri	259,000	259,000		
Wiedmer Chemicals district, Missouri	76,500	76,500		
Green Island district, Iowa	68,000	68,000		
Carroll County district, Illinois	13,200	13,200		
Keithsburg district, Illinois	11,000	11,000		
Henderson County district, Illinois	13,600	13,600		
Green Bay district, Iowa	100,000	100,000		
Gregory district, Missouri	44,400	44,400		
Fabius River district, Missouri	82,000	82,000		
South Quincy district, Illinois	46,000	46,000		
South River district, Missouri	37,000	37,000		
Sny Island district, Illinois	71,000	71,000		
Carroll district, Iowa	59,000		59,000	
Mississippi and Fox River district, Missouri	916,000		916,000	
Union Township district, Missouri	41,600		41,600	
Riverland district, Missouri	73,000	73,000		
Dry Run Reservoir, Iowa	91,000	91,000		
Red River of the North:				
Souris River, N. Dak. and Canada flood-control survey	40,000		40,000	
Lake Traverse-Bois de Sioux	1,115,200	1,115,200		
Minnesota River: Lac qui Parle Reservoir, Miss	464,000	464,000		
Kaskaskia River: Shelby County to New Athens, Ill.	8,856,000		8,856,000	
Illinois and Des Plaines River Basins:				
Between Beardstown, Ill., and mouth	730,000	730,000		
Lost Creek district, Illinois	46,100	46,100		
Liverpool district, Illinois	48,600	48,600		
Henepin district, Illinois	46,800	46,800		
Big Lake district, Illinois	52,500	52,500		
Seahorn district, Illinois	32,000	32,000		
Lady, Langellier, West Mantanras, and Kenton Valley district, Illinois	188,400	188,400		
Banner special district, Illinois	128,700	128,700		
Rocky Ford district, Illinois	47,900	47,900		
Pekin and La Marsh district, Illinois	145,300	145,300		
Spring Lake district, Illinois	384,200	384,200		
East Liverpool district, Illinois	137,700	137,700		
East Peoria district, Illinois	29,000	29,000		
Thompson Lake district, Illinois	351,000	351,000		
Kelly Lake district, Illinois	100,200	100,200		
Kankakee River Basin:				
Momence, Ill.	2,540,000	2,540,000		
Between Shelby Bridge and Baum's Bridge, Indiana	176,600	176,600		
Rock River Basin:				
Perry Slough near Hillsdale, Ill.	91,000	109,000		18,000
Jonesville and Indiana Ford Dams, Wis.	29,000	29,000		
Freeport on Pecatonic River, Ill.	463,400	463,000		

Comparison of House bill 8455 with agreement of conferees—Con.

Project	Amount included in House bill (H. R. 8455)	Amount included in agreement with conferees	Decrease	Increase
Sangamon River Basin:				
Mouth of Sangamon River, Ill.	$122,400	$122,400		
Sangamon River-Salt Creek to Robey, Ill.	773,000	773,000		
Salt Creek in vicinity of Middletown, Ill.	48,000	48,000		
East of Hubley Bridge, Illinois	20,300	20,300		
Lussenhaf levee, Illinois	1,850	1,850		
Swagh Whitney, Young-Holbits levee, Illinois	10,200	10,200		
Donavon levee, Illinois	28,400	28,400		
Mason and Menard district, Illinois	78,900	78,900		
Tar Creek levee, Illinois	34,800	34,800		
Watts levee, Illinois	34,400	34,400		
Farmers levee and drainage district, Illinois	242,600	242,600		
Clear Lake levee, Illinois	69,250	69,250		
Oakford special district, Illinois	25,500	25,500		
Near Springfield, Ill. (bridge charge)	90,000	90,000		
Sangamon River and Salt Creek, clearing at bridge sites	12,500	12,500		
Panther Creek, Ill.	143,000	143,000		
Bell and Mertz levee, Illinois	31,100	31,100		
Henderson River: Aluve Oquawka, Ill.	201,300		$201,300	
Fox River, Mo.: Channel improvement	60,000		60,000	
Ohio River Basin:				
Allegheny Reservoir, Pa.	6,479,000			
Conemaugh River Reservoir, Pa.	3,250,000			
Tionesta Creek Reservoir, Pa.	2,244,000			
French Creek Reservoir, Pa.	394,000			
Crooked Creek Reservoir, Pa.	1,788,000	20,646,000		$385,000
Red Bank Creek Reservoir, Pa.	2,206,000			
Loyalhanna Creek Reservoir, Pa.	1,419,000			
Mahoning Creek Reservoir, Pa.	2,481,000			
Bluestone Reservoir, W. Va.	11,600,000			
Big Bend Reservoir, W. Va.	1,320,000			
Clendenin Reservoir, W. Va.	1,566,000	19,616,800		84,800
Falmouth Reservoir, Ky.	3,709,000			
Cave Run Reservoir, Ky.	1,337,000			
Youghiogheny River: Flood-control project	1,580,000		1,580,000	
Wabash River:				
Terre Haute, Ind.	37,500	37,500		
Lyford levee unit, Indiana	84,650	84,650		
Levee unit no. 10, White River, Ind.	39,000	39,000		
Levee unit no. 9, White River, Ind.	4,025	4,025		
Gill Township levee, Indiana	180,250	180,250		
Levee unit no. 2, Wabash River, Ind.	734,900	734,900		
Levee unit no. 1, Wabash River, Ill.	812,225	812,225		
Levee unit no. 3, White River, Ind.	634,475	634,475		
Levee unit no. 5, Wabash River, Ind.	1,339,500	1,339,500		
Levee units nos. 3 and 4, Wabash River, Ill.	1,580,000	1,580,000		
Rochester and McClearys Bluff levee, Illinois	345,300		245,000	
England pond levee unit, Illinois	214,200		214,200	
Russell and Allison levee, Illinois	1,040,000		1,040,000	
Tripond levee, Illinois	239,100		239,100	
Levee unit no. 8, White River, Ind.	376,000	376,000		
Brevoort levee unit, Indiana	976,500	976,500		
West Terre Haute, Ind.	80,000		80,000	
Indianapolis, Ind.:				
Warfleigh	1,020,000	1,020,000		
Fall Creek	540,000	540,000		
Logansport, Ind.	612,000		612,000	
Montezuma, Ind.	7,000		7,000	
Clinton, Ind.	19,000		19,000	
Delphi, Ind.	11,800		11,800	
New Harmony, Ind.	122,000		122,000	
Elnora, Ind.	61,000		61,000	
Wabash, Ind.	205,000	205,000		
Peru, Ind.	1,720,000	1,720,000		
Anderson, Ind.	127,000	127,000		
Medora, Ind.	45,000		45,000	
Hazelton, Ind.	78,000		78,000	
Muncie, Ind.	840,000	840,000		
Shoals, Ind.	127,000	127,000		
Spencer, Ind.	87,000		87,000	
Cumberland River:				
Pineville, Ky.	296,000	444,200		148,200
Middlesboro, Ky.	536,000	536,000		
St. Marys River, Ohio: Channel clearing	192,000		192,000	

Comparison of House bill 8455 with agreement of conferees—Con.

Project	Amount included in House bill (H. R. 8455)	Amount included in agreement with conferees	Decrease	Increase
Missouri River Basin:				
Kansas Citys, Mo. and Kans.	$6,928,100	$10,000,000		$3,071,900
Council Bluffs, Iowa	1,908,300	1,332,300	$576,000	
Kansas River:				
Topeka, Kans	1,026,100	845,300	180,800	
Lawrence, Kans	195,800	163,100	32,700	
Smoky Hill Reservoir, Kans	4,500,000		4,500,000	
Cheyenne River: Belle Fourche, S. Dak	24,100	24,100		
Yellowstone River: Forsyth, Mont	65,900	65,900		
Little Missouri River:				
Wibaux, Mont	52,700	42,300	10,400	
Marmath, N. Dak	28,200	21,700	6,500	
Milk River:				
Saw, Mont	27,700	26,800	900	
Glasgow, Mont	27,100	25,800	1,300	
Harlem, Mont	11,300	9,700	1,600	
Los Angeles and San Gabriel Rivers, Calif.: Reservoirs and principal flood channels	67,162,000	70,000,000		2,848,000
Santa Ana River, Calif.: Reservoirs and related flood-control works	12,455,000	13,000,000		545,000
Eel River, Calif.: Flood protection in delta		144,000		144,000
Columbia River Basin: Levees in Washington and Oregon along lower reaches of Columbia River (these are given as a single amount in the House bill, but are broken down into separate units in the Senate bill)	3,375,000	5,956,300		2,581,300
Stillaguamish River: Channel improvements in Washington	261,000	261,000		
Skagit River:				
General flood-control works in Washington	2,000,000		2,000,000	
Avon cut-off to Padilla Bay		3,150,100		3,150,100
Snohomish River: Bank protection and channel improvements in Washington	2,000,000		2,000,000	
Nooksack River: Bank protection and channel improvements in Washington	1,000,000		1,000,000	
Willamette River: Bank protection and channel clearing in the Willamette Basin in Oregon		2,430,000		2,430,000
Puget Sound and tributary, Washington	125,000		125,000	
Cowlitz River Basin:				
Kelso to Toledo, Wash	120,000		120,000	
Big Bottom, Wash	869,000		869,000	
Levee districts in Washington		210,400		210,400
Lewis River:				
Channel improvement	240,000		240,000	
Levee district in Washington		208,000		208,000
Puyallup River:				
Upper Puyallup, Wash., bank protection	50,000	50,000		
Mud Mountain Reservoir, Wash.	3,177,000	3,177,000		
Tacoma, Wash	893,700	894,000		300
Obion, Hatchie and Forked Deer Rivers, Tenn., Ky., and Miss	285,000		285,000	
St. Francis River, Mo. and Ark	16,000,000		16,000,000	
Connecticut River: Bank protection and channel improvement	1,000,000		1,000,000	
Withlacoochee River, Fla	30,000		30,000	
Umatilla River: Pendleton, Oreg		200,000		200,000
Mississippi River: Tiptonville to Obion River, Tenn		730,000		730,000
Arkansas River:				
North Little Rock to Gillette, Ark		2,424,000		2,424,000
Faulkner County, Ark		100,000		100,000
Logansport, Ind		612,000		612,000
Total	370,929,000	300,572,300	159,043,000	88,686,300
Net decrease			70,356,700	

RILEY J. WILSON,
WILL M. WHITTINGTON,
ROBERT P. RICH,
GLENN GRISWOLD,
Managers on the part of the House.

Mr. WILSON of Louisiana. Mr. Speaker, I am very proud to announce to the House that this comprehensive flood-control program, authorized in the bill we have under consideration has the unanimous approval of the conferees on the part of the House and Senate.

In my judgment this is the most important undertaking in this direction that has ever been authorized by this or any other Congress and promises more for the future of our Nation in the protection of life and property and in avoiding disastrous floods than any measure heretofore enacted, while at the same time preserving opportunities for towns, cities, and rural districts to have protection from such floods in the future.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield for a question?

Mr. WILSON of Louisiana. I yield.

Mr. JENKINS of Ohio. There is nothing in any of the amendments that restricts the rights of the Army Engineers to have full control of this work?

Mr. WILSON of Louisiana. No; that matter was considered and the first amendment of the House bill was a declaration of policy.

Mr. GRANFIELD. Mr. Speaker, will the gentleman yield for a question?

Mr. WILSON of Louisiana. Yes.

Mr. GRANFIELD. As I understand it, this report contains an item with reference to flood control of the Connecticut River.

Mr. WILSON of Louisiana. Yes.

Mr. GRANFIELD. Has that item been changed in any way from what was contained in the bill as it came from the Senate?

Mr. WILSON of Louisiana. Not at all. Every item in here has the approval of the Chief of Engineers as being economically justified and it is contended that the projects will have a value averaging one dollar for every dollar expended by the Government.

Mr. GRANFIELD. And the Connecticut River item of $10,028,000 is the amount agreed upon for our relief?

Mr. WILSON of Louisiana. Yes.

Mr. GRANFIELD. I wish to express my appreciation to the gentleman from Louisiana for his splendid cooperation in behalf of the flood sufferers of the Connecticut Valley. He will recall that his Committee on Flood Control approved my bill, H. R. 8562, to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods, back in 1934. At last the people of the Connecticut Valley are receiving action on the part of our Government in connection with flood relief, and I am particularly pleased to have been a part in the movement to bring about this relief.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. I yield.

Mr. RICH. Any items that were taken out of the bill were not taken out at the request of the Members, but on account of the fact that the Army Engineers would not consider them because they were for power rather than for flood control, and that is the reason that any such project was stricken from the bill.

Mr. WILSON of Louisiana. Yes; the recommendation of the engineers was that the main object of the item was flood control and not power development.

Mr. RICH. And the Army Engineers recommended those projects that were fundamentally sound insofar as the expenditures were for the purpose of preventing destruction in the localities where they are to be located.

Mr. WILSON of Louisiana. Yes.

Mr. CITRON. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. I yield.

Mr. CITRON. To mention the Connecticut River, have the Army engineers any discretion to change their plans in any way? For instance, I understand the plans that were made for the Connecticut River were based on studies following the flood of 1927. During the spring of this year there was another flood in this river, and I understand the Army engineers are making certain studies taking into consideration the recent floods. Under this bill, as it appears before us now, have the Army Engineers a certain amount of discretion to take into consideration any new matters that may have risen as a result of the studies they are now making?

Mr. WILSON of Louisiana. They will be confined, of course, in their expenditures to the provisions of this act, but

there are further authorizations for surveys and reports, and the projects may be enlarged as the work progresses wherever it is deemed advisable.

Mr. CITRON. Can they change or alter some of the projects if they keep within the amount of the authorization?

Mr. WILSON of Louisiana. They have certain discretion in carrying out the projects if they keep within the expenditure authorized, and if there is a need for a further project, of course, you can come back from time to time, as is done in connection with river and harbor works, and get additional appropriations.

Mr. CITRON. And if the Army Engineers keep within the amount of their authorization, they have a certain discretion to change or alter the present plans?

Mr. WILSON of Louisiana. Yes.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. I yield.

Mr. CONNERY. There is an item in the measure for the Merrimack River?

Mr. WILSON of Louisiana. Yes.

Mr. CONNERY. And that has not been changed since it was originally authorized?

Mr. WILSON of Louisiana. Not since it passed the Senate. After the bill passed the House we had the disastrous floods that have been referred to. I think the House had a great deal of foresight in taking up this program before the floods came. Following the floods we went through the State of New York and authorized $200,000 for surveys there, and the Corps of Engineers have gone forward and made additional surveys and additional recommendations, which have been approved and placed in the bill in the Senate. We have approved those items.

Mr. CONNERY. My colleague the gentlewoman from Massachusetts [Mrs. ROGERS] and I have been working on this matter for the past 14 years, and we are pleased that it is now in the bill.

Mr. WILSON of Louisiana. I am pleased that we have made some progress, and I congratulate the Members from Massachusetts, Mrs. ROGERS and Mr. CONNERY, for their splendid services. [Applause.]

Mrs. ROGERS of Massachusetts. I thank the gentleman, and I understand that a certain sum can be used for flood control locally. For instance, in the district of my colleague the gentleman from Massachusetts [Mr. CONNERY], at the city of Lawrence and the city of Haverhill, Congressman ANDREW's district, and at the city of Lowell in my own district, some money can be taken for use in flood protection there as well as in connection with the reservoirs in New Hampshire.

Mr. WILSON of Louisiana. I am not sure I understand the gentlewoman from Massachusetts. Does she mean within the project?

Mrs. ROGERS of Massachusetts. Yes; within the project and the estimate.

Mr. WILSON of Louisiana. Yes.

Mrs. ROGERS of Massachusetts. It could be taken from the total amount appropriated and some of it used locally, because the reservoirs in New Hampshire alone will not afford enough protection for the cities. The engineers made this report a number of years ago as a result of a meeting I held in Lowell, but the recent flood exceeded in severity their estimates.

Mr. WILSON of Louisiana. If they are included in the projects, adjustments can be made, of course, with the approval of the engineers.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. I yield.

Mr. WHITTINGTON. For the information of the membership of the House, it is true, is it not, that the statement of the managers on the part of the House in connection with the conference report contains in one column a list of the projects in the bill as it passed the House and in an opposite column a list of the projects as approved by the conferees?

Mr. WILSON of Louisiana. Yes.

Mr. WHITTINGTON. So that the Members can see the projects included in this bill.

Mr. WILSON of Louisiana. There is full information about the projects; yes.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks on this bill and the Overton bill at this point in the RECORD.

The SPEAKER. Without objection it is so ordered.

There was no objection.

CONFERENCE REPORT S. 3531

Mr. WHITTINGTON. Mr. Speaker, the statement on the part of the managers of the House explains the effect of the conference report.

Amendment no. 1 inserted by the House provided for the construction of 13 reservoirs each along the Arkansas and White Rivers at Federal expense. The amendment was really nullified by amendment no. 2 adopted by the House, inserted as section 8a, and known as the Jenkins amendment.

It has been stated that the Chief of Engineers recommended the construction of the 26 reservoirs. This statement is misleading. The Chief of Engineers never at any time or in any place recommended that the 26 reservoirs along the Arkansas and White Rivers be constructed at Federal expense, but did state that the 26 reservoirs along the Arkansas and White were the best reservoirs when constructed for flood control with respect to the lower Mississippi River of any of the 157 reservoirs studied and investigated. He said that if any reservoirs were to be constructed for flood control along the lower Mississippi River, the 26 reservoirs should be constructed. He said he would recommend that they be constructed as additional factors of safety, but that he could not recommend that they be constructed at Federal expense, or that they be substituted for either the Boeuf or the Eudora diversion. Moreover, the Chief of Engineers stated that if the said reservoirs were constructed for the reduction of floods along the lower Mississippi River, they would not be beneficial for local flood control in the areas in which they were located. He also stated that if the 26 reservoirs were constructed for flood control for local purposes they would not be beneficial for the reduction of floods in the lower Mississippi River.

While he recommended, if the local interests so desired, that they construct the 26 reservoirs as additional factors of safety, the Chief of Engineers repeatedly stated that he could not and would not recommend that they be included in the Overton or Mississippi River flood-control bill, inasmuch as they would add $126,000,000 to the cost and inasmuch as they could not be substituted for either the Eudora or the Boeuf diversion. He repeatedly stated that the 26 reservoirs would not provide for more than one-third of the required reduction in flood heights in the vicinity of the mouth of the Arkansas River and that the Eudora diversion, at a cost of $103,000,000, would give three times the benefit that would accrue from the expenditure of $126,000,000 for the 26 reservoirs along the Arkansas and White Rivers; he took the position that it was necessary to divert a million cubic feet per second at the mouth of the Arkansas, and that the said 26 reservoirs would only be a substitute for from 330,000 to 360,000 cubic feet per second, and that only when the floods came out of the Arkansas River.

The conferees eliminated the 26 reservoirs from the said Mississippi River bill.

Section 8a, providing for local contribution as modified, is retained in the bill. This is the so-called Jenkins amendment. As was stated by the gentleman from Ohio [Mr. JENKINS], when he proposed it, it was not original with him; it was the identical section that the Senate had inserted in the omnibus flood-control bill, known as H. R. 8455. It was not original in the Senate. Substantially the same provisions obtained in the omnibus bill when it was passed by the House; moreover, the same provisions obtained in the Flood Control Act of May 15, 1928, for the control of floods along the lower Mississippi River. Under section 3 of the act of May 15, 1928, for the control of floods along the lower

Mississippi River, the local interests are required to provide rights-of-way along the main stem of the Mississippi River and to maintain the flood-control works when constructed.

The Flood Control Act of May 15, 1928, required that the Federal Government bear the costs of spillways and floodways. The gentleman from Ohio [Mr. JENKINS] very frankly admitted that it was not the intention of his amendment to cover floodways. The conferees thereupon retained the so-called Jenkins amendment and modified it so as to require the local interests to furnish rights-of-way for reservoirs and levees. It has no application to floodways; it would only be applicable to the reservoirs along the St. Francis and Yazoo Rivers. Like the similar section in the so-called omnibus bill, section 8a was amended so that it would not apply to the Sardis Reservoir in Mississippi. This reservoir was previously authorized. By use of the word "previously" in this statement and in the statement of the managers, I mean previously authorized in the bill. Section 8a is an amendment following section 8. The Sardis Reservoir was authorized by section 1 and by section 4 of the bill. Under the authorization the United States was to provide all lands, easements, and rights-of-way necessary for the construction of the project. The initial allocation of $1,000,000 for the Sardis Reservoir, as recommended by the Chief of Engineers and as carried in sections 1 and 4 of the bill, was made by the President out of the Relief and Emergency Appropriation Act of 1935. During the present session the annual War Department appropriation bill carried an appropriation of $2,500,000 for the construction of the work during the next fiscal year. The so-called Jenkins amendment has no application to the said Sardis Reservoir, and the amendment, as modified, provides that nothing herein shall be construed to interfere with the completion of the said reservoir authorized by Congress and now under way. It is fair to say that a proviso in the exact words was inserted in the so-called omnibus bill and that this proviso eliminates the Blue Stone Reservoir in the Ohio Valley and the Conchas Reservoir in New Mexico along a tributary of the Arkansas River from the comparable section of the omnibus flood-control bill with respect to local contribution; in other words, the Sardis Reservoir, the Blue Stone Reservoir, and the Conchas Reservoir are eliminated from the provisions of section 8a inasmuch as they are authorized and under way.

The effect of the so-called Jenkins amendment on the Mississippi River bill will not in reality modify the project along either the St. Francis or the Yazoo Rivers. Forty-eight million dollars under sections 1 and 4 of the bill are authorized for flood-control works along the Yazoo River. The probability is that the seven detention reservoirs would cost the Federal Government in excess of the $48,000,000. Of course, the local interests are required to provide for highway relocations and for maintenance, but under section 4 the Chief of Engineers is authorized to substitute levees for any or all of the reservoirs. Without the insertion of the so-called Jenkins amendment, inasmuch as under the terms of the act the local interests were required to furnish the rights-of-way for levees, and inasmuch as the Chief of Engineers was given the power to substitute, the probability is that for the remaining six reservoirs the Chief of Engineers will substitute diversions, floodways, or auxiliary channels, as authorized by section 4.

In the St. Francis River, under the provisions of section 4, the Chief of Engineers could not have substituted reservoirs if the cost to the Government had been in excess of $16,000,000, the amount authorized to be expended by the Government for reservoirs.

In the circumstances, therefore, the Jenkins amendment made no substantial change in the Mississippi River bill. It will require as much money for the building of levees, with local contribution, as for the building of reservoirs under the terms of the act.

CONFERENCE REPORT, H. R. 8455

I call attention to the statement of the managers on the part of the House. It is a clear explanation of the bill as agreed to in conference. For the first time an act has been passed by Congress declaring a policy of national flood control. Investigations are provided for so as to include watersheds and soil erosion; a definite policy respecting local contributions that is applicable to all of the rivers and watersheds of the country is adopted. The provisions for levees and reservoirs in the said H. R. 8455, known as the omnibus bill, are identical with the provisions for local contributions in the Overton or Mississippi River flood-control bill. The Conchas Reservoir and the Blue Stone Reservoir are excepted from the provisions of the act inasmuch as they are under way and previously appropriated for.

Section 4 provides for contracts between the States respecting flood control. Hereafter the omnibus bill will be known as the Flood Control Act of 1936. Additional provisions are made for control investigations, in order that the studies may embrace run-offs and water retardation and soil erosion, under the supervision of the Department of Agriculture. The bill has no reference to the Mississippi River, and it so states.

Under the declared policy of the bill, only such projects were embraced as the Chief of Engineers recommended to be in compliance with the declaration of policy. The policy was that the benefits should exceed the costs.

For the first time, along all rivers and streams, a uniform policy for local contribution has been announced. The omnibus bill provides for flood control in 40 States. As I have stated, the Mississippi River and legislation dealing therewith are excluded. The gentleman from Louisiana [Mr. WILSON] has substantially no projects in the omnibus bill. The Big Black River is largely located in the districts of my colleagues, Representatives FORD and MCGEHEE. The other projects in Mississippi are not located in any part of the district that I represent.

The omnibus bill therefore contains the same yardstick for reservoirs and for levees that is provided in the Mississippi River Overton bill. I direct particular attention to the comparison of the projects contained in the bill as it passed the House and in the bill as agreed to by conference, set forth in the statement of the managers. When the bill passed the House the authorizations amounted to $371,000,000. Projects were included on the floor and otherwise that were not recommended by the Chief of Engineers and that did not comply with the declaration of policy now contained in the act. These projects, including the reservoirs along the White River and including a majority of the reservoirs along the Arkansas River, were therefore eliminated from the bill by the Senate and in conference.

Personally, I have repeatedly stated I should like to see the 26 reservoirs constructed, but it is fair to say that the Wild Cat Shoals Reservoir along the White River is primarily a power project and if constructed for flood control alone is not economically justified. The Chief of Engineers reported that the same situation obtained as to other reservoirs along the White River. Two of the 13 reservoirs along the Arkansas River are retained in the bill. Four other reservoirs along tributaries of the Arkansas are retained in the bill. All reservoirs on the White and Arkansas Rivers, as well as all other reservoirs that did not come within the announced and declared policy to show they were economically justified, were eliminated from the bill.

I believe the time will come when the Government will adopt the policy of constructing reservoirs at Federal cost. This will enable the utilization of such reservoirs for flood control, reclamation, and power. It is a natural resource of the people. The pending measure, however, deals only with flood control and the conferees only adopted those projects recommended by the Chief of Engineers as economically justified for flood control.

The bill provides for projects aggregating $300,000,000. Such is the amount of the authorization; it is $70,000,000 less than the amount carried in the bill when it passed the House.

For the first time Congress recognizes a Federal interest and a Federal responsibility in flood control and the conference report on the so-called omnibus bill should be promptly adopted.

Mr. WILSON of Louisiana. Mr. Speaker, I ask unanimous consent that all Members of the House may extend their remarks in the RECORD on this bill and the Mississippi Valley bill for 5 legislative days.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, I wish to say that in this work on the flood-control bill the chairman, the gentleman from Louisiana [Mr. WILSON], has been untiring in his work for the benefit of flood control in this country. I also want to say that the gentleman from Ohio [Mr. JENKINS] and the gentleman from Kansas [Mr. CARLSON] have also been untiring in their efforts for flood-control work. They were diligent in working for real flood-control legislation. They showed a knowledge of the requirements and stood by sound principles of good laws. No men on this side of the House have done more than these two Members for national flood-control legislation, and I do congratulate them on their accomplishment.

Mr. WILSON of Louisiana. I appreciate what has been said, and I wish to compliment the gentleman from Pennsylvania [Mr. RICH], for the services he has rendered for flood control, also Mr. CARLSON.

Mr. FORD of Mississippi. Will the gentleman yield?

Mr. WILSON of Louisiana. I yield.

Mr. FORD of Mississippi. I desire to ask if there is any restrictive legislation placed in the bill as amended by the Senate that will prevent the beginning of the project when the money is made available?

Mr. WILSON of Louisiana. Not if the local requirements are met.

Mr. FORD of Mississippi. It is left to the Army Engineers and the President of the United States.

Mr. WILSON of Louisiana. Under the Secretary of War, if the requirements are met and the money is appropriated.

Mr. FORD of Mississippi. I notice that there is an item for the Black River, and I want to express my appreciation to the chairman and others for including that item in the bill.

Mr. HAINES. Will the gentleman yield?

Mr. WILSON of Louisiana. I yield.

Mr. HAINES. I want to express my appreciation to the gentleman from Louisiana for including the item with reference to York, where we had such a disastrous flood in 1933. I also want to ask the gentleman what local contribution must be made?

Mr. WILSON of Louisiana. That is set out in the act. Rights-of-way, assurances to the Government in waiving all claims for any damage that might occur.

Mr. HAINES. And the site for flood-control dams acquired by local authorities?

Mr. WILSON of Louisiana. Yes.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. MARTIN of Colorado. I should like to ask the gentleman whether or not it is a fact that the projects included in the bill were first approved by the Army Engineers, and only those included in the bill?

Mr. WILSON of Louisiana. Yes; by authorization of the engineers.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. HOLMES. My question is probably irrelevant to the report, but I am wondering whether or not, in the deliberations and consideration of these flood-control projects, the gentleman had in mind anything in the Blackstone Valley of Massachusetts, which takes in part of Massachusetts and Rhode Island, at the time of the discussion?

Mr. WILSON of Louisiana. I do not know whether any surveys have been made there or not. I do not recall.

Mr. HOLMES. They have been authorized in a bill which we passed here a year ago.

Mr. WILSON of Louisiana. The surveys?

Mr. HOLMES. Yes.

Mr. WILSON of Louisiana. If they are not in there, then I take it the surveys have not been completed.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. RANKIN. I understood the gentleman to say that all of these projects have been approved by the Army Engineers?

Mr. WILSON of Louisiana. Yes.

Mr. RANKIN. There is one here for $109,000, including the Tombigbee River.

Mr. WILSON of Louisiana. Yes.

Mr. RANKIN. And that has all been approved by the Army Engineers?

Mr. WILSON of Louisiana. Yes; as being economically justified and as being a feasible project. They have recommended it, and the committee has adopted it and placed it in the bill.

Mr. RANKIN. What is necessary to be done by the people in that area, if anything, in order to get the improvement carried out?

Mr. WILSON of Louisiana. They must furnish the rights-of-way and the easements necessary for the Government to go in and complete the work.

Mr. GILDEA. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. GILDEA. On August 22 of last year my colleague from Pennsylvania [Mr. RICH] said that he had put in a request for an expenditure of $1,880,000 in this bill, just to show how easy it is to get it. He said it was not approved by the Army Engineers.

Mr. WILSON of Louisiana. Everything that is in the bill was approved by the Army Engineers.

Mr. GILDEA. Has it been approved since August 22 of last year?

Mr. WILSON of Louisiana. I do not know the date of approval. I spent days with the Army Engineers, and all of the things in the bill are recommended by them.

Mr. GILDEA. I want to point out the north and west branches of the Susquehanna join at Sunbury, and the flood damage was caused at the juncture of those rivers. The appropriation in this bill is merely for levees along Shamokin Creek, and if we build the levees in this bill we will dam the river rather than relieve the situation.

Mr. WILSON of Louisiana. That may be modified by the Corps of Engineers or an additional survey may extend the project and secure more money, but we cannot settle that at this time.

Mr. GILDEA. The question in my mind is this. We are always asked, Where are we going to get the money? That increased the amount $500,000. We could get the money for Sunbury by taking it from Williamsport.

Mr. WILSON of Louisiana. The committee could not approve that.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. FULLER. Is the gentleman going to yield any time to those who are opposed to the bill?

Mr. WILSON of Louisiana. If they request it.

Mr. FULLER. I want a little time.

Mr. WILSON of Louisiana. I did not know that anybody was opposed to the bill.

Mr. FULLER. I am.

Mr. WILSON of Louisiana. How much time does the gentleman desire?

Mr. FULLER. Oh, a short time.

Mr. WILSON of Louisiana. Mr. Speaker, I yield the gentleman from Arkansas 5 minutes.

Mr. FULLER. Mr. Speaker, this is a bill that amounts to nothing to Members who are going home with it. The provisions surrounding this bill are such that hardly any of the reservoirs can be built. This is a case in which the members of the committee have got what they wanted and have made an abject surrender to the wishes and demands of the House, and they put it on the frivolous ground that the Army Engineers have said so-and-so, and they are listening to the dictates of these self-annointed Army Engineers. You can take any of their testimony at any session of Congress and prove the converse of it at the next session of Congress. You can take the record in this case, and it is not

based on the engineers' report from the War Department in the truest sense of the word. It is based upon political influence that has been brought to bear upon the Army Engineers.

Some members of this committee have projects in this bill and they are going to go back home and tell the people they have gotten this for them, where the Government is to spend a million and a half dollars for the purpose of building a dam for reservoir purposes, when, as a matter of fact, it will require two million and a half dollars to buy the rights-of-way and to pay for the damages in communities where the people cannot afford it. The great State of Pennsylvania has been offered a lot of slop in this matter, and it is nothing but slop. They were allotted many reservoirs in this bill, and not one of them will be built, and you know it, if you have sense enough to know the terms and conditions of the bill. Without an exception, that is the truth. This committee surrendered in view of the fact that these Army Engineers last year approved 26 projects that the House put in—3 of them in my congressional district. The House put these same 26 projects in the bill this year and the same committee abjectly surrendered. But they got theirs while the getting was good. They are bringing back to us now a bill that is useless and will be of no benefit for flood control. There is not a man in this House who does not know that is true. When you tell me you are going to make the local community put up half of the expenses for a reservoir to take care of a flood three or four hundred miles down the stream, with no local benefits at home, you are just talking tommyrot. No people will do it.

Mr. DRIVER. Mr. Speaker, will the gentleman yield?

Mr. FULLER. I certainly will.

Mr. DRIVER. Does the gentleman not recall that this House by a record vote approved an amendment offered by the gentleman from Ohio [Mr. JENKINS] in the exact language now contained in this bill with respect to local projects?

Mr. FULLER. Certainly I know it; but the gentleman was against it.

Mr. DRIVER. I was.

Mr. FULLER. And so was I. Now, please do not take up my time.

Mr. DRIVER. I am against it yet; but the House voted that way.

Mr. FULLER. Certainly. I know that is true, but at the same time let me tell the gentleman from Arkansas [Mr. DRIVER], who got his pet measure through a little while ago——

Mr. DRIVER. And we have put up more than the amount that is levied under this bill.

Mr. FULLER. Do not get me away from my remarks. This same House at the same time put 26 other projects in this bill. This committee abjectly surrendered and never stood up for these provisions nor for the wish of the House. When you gentlemen go back home and tell your constituents that you got a reservoir because of the influence you had up here, wait until after election and see whether they say what kind of a liar you are. [Laughter.] They know, and you know, that you cannot buy the lands for these reservoirs. This is simply a starter and will later have to be changed so the Government will pay all, or at least materially contribute, for damages. That is why the conferees should not have so readily agreed. You know and I know that if the Government puts up the money for building only the reservoirs that the local people could not and would not put up that much money for the purpose of paying for the lands taken and all damages. This amendment was offered by our Republican Member from Ohio [Mr. JENKINS] for the purpose of killing the bill. In their great desire to get this relief for flood control in another measure, and to save any argument, the committee conferees surrendered without a fight and without regard to the House. Next session, if any dams are to be built, an effort will be made to eliminate the political Jenkins amendment.

In the meantime, the Power Trust will probably acquire the power sites in my district. They have an application pending for the same. The Army Engineers, who show more dictatorship than Hitler, will not stand for any dams which include power, although connected with flood control. These same Army Engineers have loaned engineers to the Power Commission to pass upon such matters as the application of the White River Power Co. for the electric-power permits in my district.

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. WILSON of Louisiana. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has 40 minutes remaining.

Mr. FULLER. I want to thank the gentleman for that 5 minutes. He can have the other 40 minutes.

[Laughter.]

Mr. WILSON of Louisiana. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma, [Mr. NICHOLS].

Mr. NICHOLS. Mr. Speaker, I presume the House will probably adopt this conference report. I have seen this House on several occasions send conference reports back with instructions from the House to insist on certain things being put in which were contained in the original bill by the House. On two different occasions in the Seventy-fourth Congress, the House has put into legislation these 26 reservoirs. I am told that the reason they have not remained in the bill is because the Army Engineers have said something. I have never found out what, but the Army Engineers have said something, and therefore these reservoirs, or any part of them, could not remain in the bill.

I happen to know it would have done a great deal of good had 8 or 10 of these reservoirs been permitted to remain in the bill and the balance taken out, but the Army Engineers say they cannot stay in, despite the fact that there is testimony in abundance, given before this same Flood Control Committee, wherein the Army Engineers said these reservoirs were most important. At one point in the recent speech I quoted from the record from the testimony of one of the generals of the Army Engineers, where he said that the construction of these 26 reservoirs would do more to control the floodwaters on the Mississippi River than any other one thing. Despite that, we find our conferees coming back here, after having made no more than a passive fight to keep in the bill the thing that the House of Representatives had twice put in the bill, overridden by the conferees from another body.

Of course, as I say, you will probably adopt this conference report, but what we should do is to send it back to conference and instruct the conferees of this House to insist on the provisions put in the bill by the House of Representatives, or at least that they fight long enough to reach a compromise with those of another body, instead of permitting them to put in the bill what they want and saying to the House, "You do not count. It does not make any difference what you fellows in the lower branch of this Congress want, we are running this show." If you will look at the papers of a few days ago you will find that the great dust bowl out there where about 6 or 7 months of the year the citizens are all covered with dust, driven from their homes, only 3 or 4 days ago was flooded. Now the flood waters are driving them from their homes. The construction of these new reservoirs in this dust bowl would protect those people from these same floods. That is just as important today as is the construction of levees on the lower Mississippi River. In addition to that, it would also contribute something to controlling the flood waters on the lower Mississippi River. The Arkansas and White Rivers continue to be the forgotten intercoastal streams of all our great rivers. It is now time that we demand recognition for them.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. McFARLANE. Why does not the gentleman make a motion to instruct the conferees so that we can get the desired results on this proposition?

Mr. NICHOLS. The proper motion will be made.

Mr. RICH. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. WILSON of Louisiana. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. I may say to the House on behalf of the conferees, the gentleman from Mississippi [Mr. WHITTINGTON], and the gentleman from Louisiana [Mr. WILSON], that they have nothing in this omnibus bill that applied to their districts, and I may say to my colleague from Oklahoma that we were very much interested in trying to have some of those 26 dams placed in this omnibus bill. I think every member of the committee would have been glad to have included some of those dams, but the whole policy of the President and of the Senate was to have a flood-control bill. When the conferees met on Friday, Senator COPELAND asked the Army representative, Captain Clay, to check up and see if it would not be possible to include some of these reservoirs in the bill as flood-control items. They have four of them in the bill. On Monday he returned to the committee and said that the Army Engineers considered the remainder of these projects to be power projects—not flood-control projects. I make this statement in fairness to the members of the committee who tried to do everything they could to support the Miller amendment, and I think they would have stood by the Miller amendment to a man because they were interested in it. If the Army Engineers had not made that adverse report they would have included them in the bill.

Mr. MILLER. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. MILLER. I have read the record of what occurred in the Senate on the Overton bill, and I agree that what the gentleman has said is the present attitude of the Army Engineers as expressed to the conferees, but I should like for this House to know this one thing, that the Army Engineers came before the conferees on both the Overton bill and the omnibus bill, H. R. 8455, and said to the conferees, "Now, you cannot put in any of those reservoirs on the Arkansas and the White." Just a few months ago, however, they filed a solemn written statement with the Flood Control Committee of the House in which they said that these 26 reservoirs were the best reservoirs in the Mississippi Valley and would contribute more to the control of flood waters in the Mississippi River than any other reservoirs that could be built. A few months later they made the statement the gentleman from Pennsylvania told you they made. I just wanted the RECORD to show the inconsistency of the Army Engineers.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. FULLER. Of the 26 reservoirs, the 3 in my district are the only exceptions for power purposes. The others are not for the generation of power. I am not in the flood territory, I live in the mountains. They recommended last year that they were the greatest power sites in the whole country, where electricity could be generated at 8 mills per kilowatt-hour to be sold to the public. In addition it would be one of the greatest aids toward flood control for all that territory. They put them in last year but left them out this year. They gave the gentleman one this year, did they not?

Mr. RICH. No; they were in the bill last year, flood-control dikes; no reservoirs.

Mr. FULLER. But with this provision in the bill the reservoirs cannot be built in the gentleman's district, and the gentleman knows it.

Mr. RICH. The gentleman means because the local interests have to buy the rights-of-way?

Mr. FULLER. Yes.

Mr. RICH. I realize that the people of my district are going to fight that; but I want to say to the gentleman that somebody has got to establish a policy of who will pay for sites for flood control. Certainly the Army Engineers are qualified to make recommendations as to what should be done for flood control; and if we do not take their recommendation, whose shall we take? General Markham and his assistants are honest men and qualified engineers. The point is we must give consideration to the recommendations of some organization, and if we cannot trust the Army Engineers, whom can we trust? They are in my judgment most qualified. We might change the name of the Army Engineers to that of Government engineers.

[Here the gavel fell.]

Mr. WILSON of Louisiana. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Speaker, the House conferees have been accused of changing the policy of this omnibus bill. The bill as it passed the House last year required local interests to pay for the rights-of-way, to maintain and to operate these projects. This bill as it comes from the conference committee contains exactly that provision. This bill has never carried any provision that would require the Federal Government to pay for land and rights-of-way. That is why every project that is in this bill will be worthy, will be justified, will carry sufficient benefit to justify its being built, because the local interests will have to put up the money to buy the rights-of-way before the reservoirs can be constructed.

We never have had a Nation-wide flood-control policy. We have had river and harbor bills providing that rivers could be dredged for navigation; and we had the Flood Control Act of 1928 covering the lower Mississippi; but the rest of the streams in the United States have never been embraced within a general-policy bill. There has never been empowering legislation which would give the Federal Government the right to erect flood-control works on tributaries.

The pending bill—H. R. 8455—the conference report on which we are considering now, is the enabling legislation which recognizes the interest of the Federal Government in tributary flood control. If this bill does not carry every project some Member thinks is necessary and that is probably justified, it can be put in the bill in some future year. All the river and harbor projects were not included in the first river and harbor bill.

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. FERGUSON. Yes.

Mr. DISNEY. The gentleman says we are laying down the policy. The whole bill is simply an authorization.

Mr. FERGUSON. That is right.

Mr. DISNEY. Why not add to the policy the authorization for the projects that the engineers say are the most important, the 26 that have to do with flood control of the Arkansas and White Rivers? Since we have the policy, why not add the authorization? They will all have to stand on their own bottoms so far as an appropriation later is concerned.

Mr. FERGUSON. They tried to confine this bill to strictly flood-control projects.

Mr. DISNEY. Yes; but in only 3 or 4 out of the 26 is there the element of power value. Flood control is coupled with them.

Mr. FERGUSON. I may say to the gentleman that the Army Engineers decided what were strictly flood-control projects. Every other project that was in the original House bill is to be resurveyed to establish whether they are flood-control projects or not.

Let me impress one thing on the membership. When you say a dam can be built to cover both power and flood control, let me say that the only way a dam can hold water back is to have some empty space, and the only way a dam can be used for the manufacture of power is to keep it full of water and use the water for the generation of power.

Mr. DISNEY. No; that is not so.

Mr. FERGUSON. When the statement is made that you can combine flood-control and power projects it would necessitate building the dam that much higher in order to maintain a space to hold the water.

Mr. NICHOLS. Will the gentleman yield?

Mr. FERGUSON. I yield to the gentleman from Oklahoma?

Mr. NICHOLS. May I ask the gentleman this question, since he bases all of his statement on what the Army Engineers have stated: Would it not be a pretty good idea just

to pass a bill turning over to the Army Engineers the power to legislate on flood control?

Mr. FERGUSON. We have to have some authority to go by. We have to have something to base flood-control legislation on. If we do not agree to this conference report and accept this bill, we are tearing down the foundation on which we could build a house.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. FERGUSON. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true that the bill presently under consideration provides for rivers and streams in 40 States of the Union and does not embrace any in the lower Mississippi Valley, the alluvial region?

Mr. FERGUSON. That is right. If we do not pass this bill, we lose our only chance of taking care of tributary flood control.

[Here the gavel fell.]

Mr. WILSON of Louisiana. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. MILLER].

Mr. MILLER. Mr. Speaker, I should like to review, if I may, what has been done.

The conference report on the Overton flood-control bill has been approved by this House. That bill deals with the lower Mississippi. In that conference report you struck out the 26 reservoirs on the Arkansas and White Rivers.

I should like to point out, if I may, what we are doing by the adoption of the report on the Overton bill and the adoption of this report insofar as the amount of local contribution to the costs of the work is concerned. The same rule of local contribution is laid down in the Overton bill as is laid down in H. R. 8455, which is that the local interests must supply rights-of-way for levees and reservoirs and the flowage rights for all reservoirs, as well as maintain and operate the works after completion, and hold the Government harmless insofar as damages may occur. That rule, upon its face, looks all right, but let us consider it for a moment.

I call attention now to H. R. 8455. There are some local projects and some reservoirs to which the rule ought to apply, while it should not apply to reservoirs built solely for flood-control purposes. However, you are laying down the same rule for all of them.

Mr. Speaker, I am not criticizing the conferees, because they did the best they could in view of the attitude of the Army Engineers. Let me remind you of what the Army Engineers are doing. I have a great respect for their engineering ability, but so far as their management of national affairs is concerned, I would rather put our national affairs in the hands of hundreds and hundreds of men whom I could name than into the hands of the Army Engineers, and they should not be permitted to dictate or even say what should be done insofar as policy is concerned. Turn to page 71 of this bill, and it will be noted that the first reservoir authorized is one in New Mexico to be used for irrigation and water-supply purposes, as well as incidental flood-control work. The local interests ought to furnish that right-of-way, because there is a direct local benefit. The rule adopted in this bill is just in such cases. They go on and provide for reservoirs in Pennsylvania and other places which will be used for flood-control purposes only, and the local interests are required to furnish the rights-of-way. That is not right. It is wrong. In such a case you take for reservoir purposes 50,000 or 100,000 acres of land and use it for flood-control purposes. You take the land from the tax rolls and still require that community to pay for the land that is to be flooded by the building of the reservoir.

Mr. Speaker, we should not adopt any such general rule but it is the rule that has been adopted in connection with the Overton bill. I do not think there is anything that can be done now except to adopt the conference report. But let it be understood, Mr. Speaker, with the adoption of this conference report, the determination of the question of local contribution to reservoir costs, in future legislation will not be foreclosed. Let it be thoroughly understood that the next session will iron this matter out as it ought to be, so that justice may be done to every community where a project may be located.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. When all is said and done the fact is that the same yardstick with respect to reservoirs applies to every river in the United States, without exception?

Mr. MILLER. The gentleman is correct, but the point I make is that some of these reservoirs are used for local purposes, for irrigation purposes, and for water benefits, and I do not want to go on record as approving this rule. However, I am going to vote for the conference report because it is apparently the best that can be done now.

[Here the gavel fell.]

Mr. WILSON of Louisiana. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. MILLER. Mr. Speaker, I do not want to foreclose myself, and I do not want to be bound by any such rule in the future.

If I come back here I do not want to be told in the future that I supported a bill laying down a certain rule and be charged with trying to change it. The time is coming when we are going to have to change this rule in order to do justice to all the communities affected.

Mr. FULLER. Will the gentleman yield?

Mr. MILLER. I yield to my colleague from Arkansas.

Mr. FULLER. The gentleman does not have any idea that if we spend hundreds of millions of dollars on this proposition the people are going to stand for a future Congress coming here and passing another "pork barrel" bill such as this?

Mr. MILLER. No.

Mr. FULLER. The gentleman does not think any of them will be built, does he?

Mr. MILLER. I do not see how flood-control reservoirs can be built under this rule of local contribution; but I am going to say this to the gentleman, as I stated the other day in my argument for the 26 reservoirs on the Arkansas and the White, if you and I are in Congress 5 years from today we are going to vote for a comprehensive flood-control plan that embraces every watershed in the United States. [Applause.] When we do this, and thus constructively solve the flood-control problems of the Nation, I do not want anyone contending that the local interests should pay for the lands and rights-of-way embraced in the reservoirs, unless the dams are used to promote local interests such as irrigation and water supply for the local community. Sometime a sufficient number of reservoirs will be built on the Arkansas and White Rivers to solve our flood-control problem, and when we do this, I want it done at the expense of the Government. [Applause.]

Mr. WILSON of Louisiana. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Speaker, this bill is simply an authorization bill—not an appropriation resolution. It authorizes these projects. You can go through this bill and look it over, with the result that you will find that nearly every flood-control project in here is simply picked bodily out of the 308 report which Congress provided for several years ago. The Army engineers have simply looked at these projects. They have the work yet to do, and the money has yet to be appropriated.

We have a policy laid down in the bill providing that local benefits must be paid by the local communities, yet you are leaving out the 26 reservoirs in the White and Arkansas Basins that correspond exactly, so far as the Engineers' report is concerned, as the projects in the bill. In other words, they had a general survey by the Army Engineers in the 308 report. When you lay down a policy and authorize other projects, what good reason is to be provided why we should not authorize these 26 reservoirs, except that because, forsooth, the Army Engineers say "nay, nay"?

This is all that is involved. The Army Engineers have approved a vast number of projects in the bill that are in the same shape technically, or so far as mechanical feasibility may be concerned. The Army Engineers have said that they are mechanically feasible, but they do not know what they amount to so far as economic feasibility is concerned.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. MAY. And many of the projects that have not been approved may be considered by them hereafter.

Mr. DISNEY. Yes; and all it amounts to strategically is that if we let the 26 reservoirs go now, we are making a mistake. This big, comprehensive program is going to be the program, and we will have the same old fight about the matter later on if we do not complete the job here and now.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. FULLER. With reference to the dam in Arkansas, as well as the one the gentleman has in mind, the Power Trust is now making an application to the Federal Power Commission and they are going to get it, and the Army Engineers are working with them and going along with them.

Mr. DISNEY. The hand of the Power Trust is involved everywhere, adversely to all power projects, of course. The Grand River items are left in for a survey only, when they should have been allowed to stay in as we passed House bill 8455 originally. Grand River has enormous hydroelectric potentiality, which fits in with the President's program for rural electrification. I am trying to impress on the House the fact that the 26 reservoirs are exactly like all the other reservoirs in the bill, and there is no logical reason why the 26 should not be in here except the Army Engineers served notice on the conference committee that it cannot be done or shall not be done. Now, who controls? The Army Engineers or the Congress? Who determines the policy, who passes the appropriation bills to pay the bills finally? Congress.

The Army Engineers do not know any more about these projects than they did in 1928. I defy any member of the Flood Control Committee to deny the statement that the projects in the bill are simply under the 308 report designated as mechanically feasible. As to their economic feasibility, the Engineers have not gone into that, and they have just as good and sound reasons to say that nearly every project in the bill should be omitted as to say that the 26 reservoirs should be stricken.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. WHITTINGTON. Is it not true that in this bill, on the Arkansas River, six reservoirs are carried in this omnibus bill?

Mr. FULLER. No; only four.

Mr. WHITTINGTON. Six on the Arkansas and its tributaries, and 2 of the 13 on the Arkansas that you have been contending for.

[Here the gavel fell.]

Mr. WILSON of Louisiana. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. DISNEY. Further answering the gentleman from Mississippi, there is no more reason for the nine to be taken out of the bill than there is for the four to be in the bill. No one of them is particularly better than the other and they ought all to be in. There cannot be a definite reason furnished why they should not be put in.

I would hate to see the bill defeated. I have fought for it for 3 years. I think the House ought to have some rights, some place, sometimes, without some bureau directing not only the policy, but the exact details of the legislation. I hope the conference report will not be adopted and that the committee be forced to include the 26 projects.

[Here the gavel fell.]

Mr. WILSON of Louisiana. Mr. Speaker, I just want to say in conclusion that the policy adopted was whether or not the project was economical and would bring the benefit of a dollar for every dollar expended. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. THOMPSON) there were 117 ayes and 18 noes.

Mr. THOMPSON. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-eight Members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 297, nays 51, not voting 76, as follows:

[Roll No. 118]

YEAS—297

Adair	Dockweiler	Lambertson	Reed, N. Y.
Allen	Dondero	Lamneck	Rich
Amlie	Dorsey	Larrabee	Richardson
Arends	Doughton	Lea, Calif.	Risk
Ayers	Doutrich	Lehlbach	Robinson, Utah
Bacharach	Doxey	Lemke	Robsion, Ky.
Bacon	Drewry	Lesinski	Rogers, Mass.
Bankhead	Driscoll	Lewis, Colo.	Rogers, N. H.
Barry	Driver	Lewis, Md.	Romjue
Beam	Duffey, Ohio	Lucas	Russell
Beiter	Duffy, N. Y.	McAndrews	Ryan
Bell	Duncan	McClellan	Sanders, Tex.
Biermann	Dunn, Pa.	McCormack	Schuetz
Blackney	Eckert	McGehee	Scott
Bland	Edmiston	McGrath	Scrugham
Blanton	Ekwall	McKeough	Sears
Bloom	Ellenbogen	McLaughlin	Secrest
Boehne	Engel	McLeod	Seger
Boileau	Evans	McMillan	Shanley
Boland	Faddis	McReynolds	Shannon
Boykin	Fenerty	Maas	Short
Boylan	Ferguson	Mahon	Sisson
Brewster	Fiesinger	Main	Smith, Conn.
Brooks	Fitzpatrick	Maloney	Smith, Va.
Brown, Ga.	Flannagan	Mansfield	Smith, Wash.
Buck	Focht	Mapes	Smith, W. Va.
Buckler, Minn.	Ford, Calif.	Marshall	Snell
Burdick	Ford, Miss.	Martin, Colo.	Snyder, Pa.
Burnham	Frey	Martin, Mass.	Somers, N. Y.
Cannon, Mo.	Fulmer	Mason	South
Carlson	Gambrill	May	Spence
Carmichael	Gavagan	Mead	Stack
Carpenter	Gearhart	Meeks	Starnes
Carter	Gifford	Merritt, Conn.	Steagall
Cavicchia	Gingery	Michener	Stubbs
Celler	Goldsborough	Millard	Sullivan
Chandler	Goodwin	Miller	Sumners, Tex.
Chapman	Granfield	Mitchell, Ill.	Sweeney
Christianson	Gray, Ind.	Mitchell, Tenn.	Taber
Church	Gray, Pa.	Monaghan	Tarver
Citron	Greenwood	Montague	Taylor, Colo.
Clark, Idaho	Greever	Moran	Taylor, Tenn.
Clark, N. C.	Gregory	Moritz	Terry
Cochran	Griswold	Mott	Thom
Colden	Guyer	Murdock	Thomason
Cole, Md.	Haines	Norton	Tinkham
Cole, N. Y.	Hancock, N. Y.	O'Brien	Tobey
Collins	Hart	O'Connell	Tolan
Connery	Harter	O'Connor	Tonry
Cooley	Hartley	O'Day	Treadway
Cooper, Ohio	Hess	O'Leary	Turner
Cooper, Tenn.	Higgins, Mass.	Oliver	Turpin
Corning	Hildebrandt	O'Neal	Vinson, Ga.
Costello	Hill, Knute	Owen	Vinson, Ky.
Cox	Hollister	Palmisano	Wadsworth
Cravens	Holmes	Parks	Wallgren
Crawford	Hope	Parsons	Walter
Creal	Houston	Patman	Warren
Crosby	Imhoff	Patterson	Wearin
Cross, Tex.	Jacobsen	Patton	Welch
Crosser, Ohio	Jenckes, Ind.	Pearson	Werner
Culkin	Jenkins, Ohio	Peterson, Ga.	West
Cullen	Johnson, Tex.	Peyser	Whelchel
Cummings	Johnson, W. Va.	Pfeifer	White
Curley	Kahn	Pierce	Whittington
Darden	Keller	Pittenger	Wigglesworth
Deen	Kelly	Powers	Wilson, La.
Delaney	Kennedy, Md.	Quinn	Wilson, Pa.
Dempsey	Kennedy, N. Y.	Rabaut	Wolcott
DeRouen	Kinzer	Ramsay	Woodruff
Dickstein	Kleberg	Randolph	Woodrum
Dies	Kocialkowski	Rankin	Zimmerman
Dietrich	Koppleмann	Ransley	
Dingell	Kramer	Reece	
Dobbins	Kvale	Reed, Ill.	

NAYS—51

Andresen	Cartwright	Crowe	Eicher
Ashbrook	Castellow	Crowther	Farley
Buchanan	Colmer	Disney	Fletcher

Fuller	Jones	Nichols	Taylor, S. C.
Gehrmann	Kenney	Pettengill	Thompson
Gilchrist	Kniffin	Polk	Thurston
Gildea	Knutson	Ramspeck	Umstead
Gillette	Lambeth	Reilly	Williams
Harlan	Luckey	Rogers, Okla.	Withrow
Hobbs	Ludlow	Sauthoff	Wolfenden
Hoffman	McFarlane	Schneider, Wis.	Wood
Hull	Marcantonio	Stefan	Young
Johnson, Okla.	Massingale	Sutphin	

NOT VOTING—76

Andrews	Dirksen	Hill, Ala.	O'Malley
Barden	Ditter	Hill, Samuel B.	Peterson, Fla.
Berlin	Dunn, Miss.	Hoeppel	Plumley
Binderup	Eagle	Hook	Rayburn
Bolton	Eaton	Huddleston	Richards
Brennan	Englebright	Kee	Robertson
Brown, Mich.	Fernandez	Kerr	Sabath
Buckley, N. Y.	Fish	Kloeb	Sadowski
Bulwinkle	Gasque	Lanham	Sanders, La.
Burch	Gassaway	Lee, Okla.	Sandlin
Caldwell	Green	Lord	Schaefer
Cannon, Wis.	Greenway	Lundeen	Schulte
Cary	Gwynne	McGroarty	Sirovich
Casey	Halleck	McLean	Stewart
Claiborne	Hamlin	McSwain	Utterback
Coffee	Hancock, N. C.	Maverick	Weaver
Daly	Healey	Merritt, N. Y.	Wilcox
Darrow	Hennings	Montet	Wolverton
Dear	Higgins, Conn.	Nelson	Zioncheck

So the conference report was agreed to.

The following pairs were announced:

General pairs:

Mr. Rayburn with Mr. Darrow.
Mr. Cary with Mr. Engelbright.
Mr. Hancock of North Carolina with Mr. McLean.
Mr. Kerr with Mr. Wolverton.
Mr. Huddleston with Mr. Stewart.
Mr. Schulte with Mr. Halleck.
Mr. Lanham with Mr. Ditter.
Mr. Richards with Mr. Bolton.
Mr. Robertson with Mr. Eaton.
Mr. Maverick with Mr. Fish.
Mr. Bulwinkle with Mr. Lord.
Mr. Wilcox with Mr. Dirksen.
Mr. Fernandez with Mr. Andrews.
Mr. Burch with Mr. Gwynne.
Mr. Weaver with Mr. Plumley.
Mr. Hill of Alabama with Mr. Higgins of Connecticut.
Mr. Gasque with Mr. Lundeen.
Mr. Merritt of New York with Mr. Utterback.
Mr. Nelson with Mr. Coffee.
Mr. Peterson of Florida with Mr. O'Malley.
Mr. Barden with Mr. Healey.
Mr. Green with Mr. Binderup.
Mr. Hamlin with Mr. Sadowski.
Mr. McSwain with Mr. Claiborne.
Mr. Daly with Mr. Lee of Oklahoma.
Mr. Dunn of Mississippi with Mr. Hennings.
Mr. Schaefer with Mr. Brown of Michigan.
Mr. Sirovich with Mr. Brennan.
Mr. Kloeb with Mr. Dear.
Mr. Casey with Mr. Sandlin.
Mr. Kee with Mr. Sanders of Louisiana.
Mr. Buckley of New York with Mr. Caldwell.
Mrs. Greenway with Mr. Hook.
Mr. Gassaway with Mr. McGroarty.
Mr. Montet with Mr. Houston.
Mr. Eagle with Mr. Samuel B. Hill.

The result of the vote was announced as above recorded.

EFFICIENCY OF THE AIR CORPS

Mr. HARTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11920) to increase the efficiency of the Air Corps, and agree to the Senate amendments.

The Clerk read the Senate amendments as follows:

Page 2, line 16, after "appoint" insert: ", by and with the advice and consent of the Senate."

Page 3, line 4, strike out "that" and insert: "such temporary appointments may be vacated at any time upon the recommendation of the Secretary of War: *Provided further*, That."

Page 3, line 22, after "appoint" insert: "to temporary rank."

Page 4, line 4, strike out "Secretary of War" and insert: "President."

Page 4, line 6, after "relieved" insert: "from such commands."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were agreed to.

NATIONAL DEFENSE

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11140) to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States, with Senate amendment, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection?

There was no objection.

The Speaker appointed the following conferees on the part of the House: Mr. HILL of Alabama, Mr. ROGERS of New Hampshire, and Mr. MCLEAN.

Mr. FERGUSON. Mr. Speaker, my colleague [Mr. GASSAWAY] is ill and necessarily absent. If he were here, he would have voted yea on the adoption of the conference report upon the flood-control bill.

TREASURY AND POST OFFICE APPROPRIATION BILL

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10919) making appropriations for the Treasury and Post Office Departments for the fiscal year 1937, with Senate amendments thereto, that the House insist upon its amendment to Senate amendment numbered 49 and further insist upon its disagreement to Senate amendments numbered 48 and 52, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees:

Mr. LUDLOW, Mr. BOYLAN, Mr. GRANFIELD, Mr. O'NEAL, Mr. TABER, Mr. MCLEOD.

THE FLORIDA SHIP CANAL

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain tables.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Mr. Speaker, by reason of action in the Senate on Saturday last, the House again will be called upon to decide whether or not it will be a party to proceeding with the construction of the Florida ship canal.

This project was begun under an allotment of $5,200,000 of the emergency relief appropriation, 1935, and will require, to complete, an additional $138,000,000. These figures were supplied to the Appropriations Committee by the Chief of Engineers.

This project has never been authorized by Congress, and it was for that reason that the House refused to appropriate for it in the War Department appropriation bill. Here is what was said in the House hearings about the Florida ship canal:

Mr. POWERS. General Pillsbury, just to clear up something in my own mind, will you tell me this about the Florida ship canal? Was that approved by the same type of board that the Passamaquoddy project was approved by?

General PILLSBURY. No; to the best of my recollection, that was not recommended by any board. The report is now before the Board of Engineers for Rivers and Harbors, and, upon the request of Members of Congress from Florida, the Board has adjourned the hearing on the proposition until interested parties should have a further opportunity to assemble data in support of it.

Mr. POWERS. Do I understand, then, that the Florida ship canal has never been approved by any board of the Army Engineers or anyone else?

General PILLSBURY. I do not recollect any.

Captain CLAY. There was a special board, and they did point out that, although it lacked complete economic justification with a part of its cost charged to relief, it would be suitable as a relief project.

At the time the War Department appropriation bill was presented to the House on February 10, 1936—4 months ago—it was stated to the House in the committee's report that there was ample time for the appropriate legislative committee to study the project in order that the House might at least have the views of such committee before being called upon for the first time to appropriate money for continuing with the project, and it was stated then that the appropriation could be made later in a deficiency measure if favorably endorsed.

After the lapse of 4 months there has been no effort made to get legislative authorization in the usual way. Instead, the proposition is to let three unnamed engineers—not Army engineers, upon whom we have always relied in the past—to

determine whether or not the Government shall proceed with this costly undertaking, which lacks economic justification, and which will mean and can only mean the indefinite postponement of the commencement of meritorious regularly authorized projects all over the country, simply because there will not be enough money to proceed with this Florida ship-canal project at an economical rate of progress and to undertake those projects which are awaiting Federal funds in the usual way for their commencement.

As to these projects, I quote the following from the report of the Senate Committee on Appropriations on the War Department appropriation bill:

A list of authorized river and harbor projects follows. They are widely distributed, and the committee believes the unemployment situation in many localities will be relieved by these useful public works.

Each of these projects has been approved by the Army engineers, endorsed by the appropriate committees, and adopted by the Congress. The following report has been presented by the Army engineers:

Amounts which can be profitably expended during the fiscal year 1937 on projects authorized by Congress necessary in the interest of commerce and navigation and on which no substantial delay is expected in the fulfillment of conditions of local cooperation

	Proposed tentative allocation
Cape Cod Canal, Mass	$6,000,000
Boston Harbor, Mass	80,000
Corea Harbor, Maine	44,300
Saco River, Maine	69,000
Gloucester Harbor and Annisquam River, Mass	32,500
Weymouth Fore River, Mass	274,000
New Bedford and Fairhaven Harbor, Mass	54,000
Vineyard Haven Harbor, Mass	30,000
Thames River, Conn	820,000
Stamford Harbor, Conn	170,000
Connecticut River below Hartford, Conn	280,000
Port Chester Harbor, N. Y	12,000
Mattituck Harbor, N. Y	30,000
Sag Harbor, N. Y	59,000
Coney Island Creek, N. Y	55,000
Buttermilk Channel, N. Y	783,000
Tarrytown Harbor, N. Y	7,600
Rondout Harbor, N. Y	15,000
East Chester Creek, N. Y	50,000
New York Harbor, N. Y	1,420,000
Bay Ridge and Red Hook Channels, N. Y	83,000
Harlem River, N. Y	700,000
Hudson River Channel, N. Y	375,000
Great Lakes to Hudson River Waterway	5,000,000
New York and New Jersey channels	2,500,000
Hudson River, N. Y	100,000
Maurice River, N. J	65,000
Manasquan River, N. J	46,000
Shrewsbury River, N. J	393,000
San Juan Harbor, P. R	254,000
Delaware River, Philadelphia-Trenton	300,000
Shoal Harbor and Compton Creek, N. J	44,000
Rahway River, N. J	35,400
Chesapeake & Delaware Canal, Del. and Md	5,493,000
Inland waterway, Rehoboth Bay to Delaware Bay, Del	170,000
Harbor of Refuge, Delaware Bay, Del	65,000
Big Timber Creek, N. J	38,500
Mantua Creek, N. J	25,000
Baltimore Harbor and Channels, Md	50,000
Little Wicomico River, Md	70,000
Jackson Creek, Va	11,800
Horn Harbor, Va	12,000
Meherrin River, N. C	40,000
Winyah Bay, S. C	375,000
Waterway, Winyah Bay to Charleston, S. C	36,000
Pocomoke River, Md	151,000
Twitch Cove and Big Thoroughfare River, Md	20,000
Starlings Creek, Va	27,000
Washington Harbor, D. C	152,000
Potomac River water front, D. C	15,000
Totuskey Creek, Va	35,000
York River-Back Creek Channel, Va	20,000
James River, Va	705,000
Hampton Creek, Va	78,000
Phoebus Channel, Va	9,800
Rollinson Channel, N. C	27,000
Smiths Creek, N. C	11,000
Inland waterway, Beaufort-Cape Fear River (New River, N. C.)	117,300
Savannah Harbor, Ga	945,000
Savannah River below Augusta, Ga	345,000
Brunswick Harbor, Ga	173,000
St. Johns River, Jacksonville to ocean	674,000
Fort Pierce Harbor, Fla	210,000
Lake Worth Inlet, Fla	450,000
Port Everglades Harbor, Fla	$1,134,000
Miami Harbor, Fla	800,000
Caloosahatchee River and Lake Okeechobee drainage areas, Fla	1,862,000
Anclote River, Fla	90,000
Tampa Harbor, Fla	522,000
Intracoastal waterway, Miami to Florida Bay, Fla	130,000
Caseys Pass, Fla	80,000
Intracoastal waterway, Choctawhatchee Bay to West Bay, Fla	1,770,000
La Grange Bayou, Fla	75,000
Intracoastal waterway, Choctawhatchee Bay to Pensacola Bay, Fla	15,000
Bayou Lacombe, La	5,600
Bayou Lafourche, La	351,000
Waterway, from intracoastal waterway to Bayou Dulac, La	56,250
Black Warrior, Warrior, and Tombigbee Rivers, Ala	2,429,000
Sabine-Neches Waterway, Tex	1,800,000
Galveston Harbor, Tex	354,000
Galveston Channel, Tex	75,000
Texas City Channel, Tex	144,000
Houston Ship Channel, Tex	1,900,000
Aransas Pass to Corpus Christi Channel, Tex	279,000
Pass Cavallo to Port Lavaca, Tex	12,000
Louisiana-Texas Intracoastal Waterway (Sabine River to Corpus Christi section)	2,000,000
Southwest and South Passes, Mississippi River, La	150,000
Clear Creek, Tex	3,000
Wolf River, Tenn	405,000
Mississippi River between Ohio and Missouri Rivers	1,000,000
Mississippi River between Missouri River and Minneapolis	31,821,350
Illinois River, Ill	7,018,000
Missouri River, mouth to Kansas City	1,000,000
Missouri River, Kansas City to Sioux City	14,000,000
Missouri River at Fort Peck	20,000,000
Ohio River:	
Lock and dam construction	800,000
Open-channel work	1,345,000
Tygart River, W. Va	3,700,000
Kanawha River, W. Va	1,625,000
Allegheny River, Pa	170,000
Grand Marais Harbor, Minn	48,000
Keweenaw Waterway, Mich	1,300,000
Presque Isle Harbor, Mich	575,000
Erie Harbor, Pa	30,000
Sturgeon Bay and Lake Michigan Ship Canal, Wis	675,000
Kewaunee Harbor, Wis	60,200
Two Rivers Harbor, Wis	30,000
Leland Harbor, Mich	60,000
Grays Reef Passage, Mich	132,400
Calumet Harbor and River, Ill. and Ind	600,000
Waukegan Harbor, Ill	25,000
Lake Calumet, Ill	460,500
Indiana Harbor, Ind	94,000
Michigan City Harbor, Ind	80,000
St. Marys River, Mich	175,500
Straits of Mackinac, Mich	50,000
Channels in Lake St. Clair, Mich	160,000
Detroit River, Mich	130,000
Alpena Harbor, Mich	190,000
Huron Harbor, Ohio	135,000
Lorain Harbor, Ohio	1,003,200
Buffalo Harbor, N. Y	693,000
Black Rock Channel and Tonawanda Harbor, N. Y	225,000
Oswego Harbor, N. Y	180,000
Los Angeles and Long Beach Harbor, Calif	1,500,000
San Joaquin River, Calif. (Morman Channel)	112,000
Middle River and connecting channels, California	6,500
San Francisco Harbor, Calif	54,000
Lower San Francisco Bay, Calif	300,000
Richmond Harbor, Calif	57,700
Napa River, Calif	62,500
Redwood Creek, Calif	94,000
Sacramento River and tributaries (debris control), California	4,645,000
Coos Bay, Oreg	184,000
Umpqua River, Oreg	450,000
Youngs Bay and River, Oreg	5,000
Columbia River at St. Helens, Oreg	50,000
Columbia River at Booneville, Oreg	2,425,000
Swinomish Slough, Wash	207,000
Columbia River, Celilo Falls to Wallula	250,000
Snake River, Oreg., Wash., Idaho	17,500
Dry Pass, Alaska	79,000
Wrangell Harbor, Alaska	56,000
Stikine River, Alaska	600
Petersburg Harbor, Alaska	94,000
Cordova Harbor, Alaska	180,000
Nome Harbor, Alaska	10,000
Grays Harbor, Wash., jetty reconstruction	2,335,000
Total	150,000,000

The War Department appropriation bill makes available $14,750,000 for going ahead with the projects on that list. Those not fortunate enough to share in that relatively small amount must await their chances of a future appropriation for their commencement.

The river and harbor appropriations are now at an all-time high and should be reduced and not added to.

SUGAR

Mr. JONES. Mr. Speaker, I ask unanimous consent that the committee report on House Joint Resolution 619 may be filed at any time before midnight tonight, and also the minority views.

The SPEAKER. Is there objection?

There was no objection.

JEFFERSON DAVIS

The SPEAKER. Under special order, the Chair recognizes the gentleman from Georgia [Mr. TARVER] for 15 minutes.

Mr. TARVER. Mr. Speaker, today is the one hundred and twenty-eighth anniversary of the birth of Jefferson Davis.

I realize the anxiety of Congress to dispose of pending business without undue delay and adjourn. In that purpose I heartily concur. But even under such conditions I am not unreasonable when I ask you to pause for a brief interval and to pay tribute, in which all unbiased and intelligent people can now wholeheartedly join, to an outstanding soldier, statesman, and patriot, whose memory is entitled to equal veneration with that of other great men whose lives and accomplishments have been interwoven with crucial events of our Nation's history.

The time allowed me is too short for me to enter upon any extended discussion of his life and character. Indeed, it is unnecessary that anyone should do so, for those who desire to be fair have long ago sought impartial sources of information available in libraries throughout the country and have become convinced not only of his great ability but of the purity of his purposes and the nobility of his mind and heart. If there still are those in this modern day, more than 70 years after the end of the War between the States, who cannot lay aside the memories of the bitterness of that struggle and be fair to those on both sides who participated in it, no statement that I or anyone else could make would possibly affect their mental attitude. I prefer to believe that the viewpoint of most people of other sections than the South is represented by the statement of Charles Francis Adams, made more than a quarter of a century ago in a review of a life of Jefferson Davis then recently issued from the press. He said:

> No fatal mistake, either of administration or strategy, was made which can be fairly laid to his account. * * * He did the best that was possible with the means that he had at command. Merely the opposing forces were too many and too strong for him. Of his austerity, earnestness, and fidelity, it seems to me there can be no more question than can be entertained of his capacity.

The people of the South have always been in accord, and there is no reason why the people of other sections should not accord as well, with the sentiments ably expressed by Senator Benjamin H. Hill, of my own State, when he said:

> I know Jefferson Davis as I know few men. I have been near him in his public duties. I have seen him by his private fireside; I have witnessed his humble Christian devotions, and I challenge the judgment of history when I say no people were ever led through the fiery struggle for liberty by a nobler, truer patriot, while the carnage of war and the trials of public life never revealed a purer and more beautiful Christian character.

Jefferson Davis' father, Samuel Davis, was a native of Georgia, where he served his country with distinction during the Revolutionary War. His ancestors had been among those to receive grants from William Penn. His great-grandfather had a brother David, who was the father of Samuel Davies—note the different spelling of the name—who became the fourth president of the College of New Jersey, now Princeton University. I mention these facts to show that the North as well as the South has reason to be proud of the family of the former President of the ill-fated Confederacy; and that honor and courage, fidelity and ability are not indigenous alone to any particular soil, although the obligations of men as they conceive them to be may be affected by their surroundings and the rights and interests of those about them.

That statement is further illustrated by the fact that Kentucky was the birthplace of both Jefferson Davis and Abraham Lincoln, the one growing to manhood in Mississippi and the other in Illinois. Who can believe that if the chance that sent Lincoln to Illinois had directed him to Mississippi instead, and if Jefferson Davis had emigrated from Kentucky to Illinois, the one would have directed the Union in the War between the States and the other presided over the destinies of the Confederacy? Even the greatest of men are to a large extent the creatures of circumstance. It is well to credit men with fine traits of character developed by adherence to high ideals, and which are commendable, whether they are developed in an Abraham Lincoln or a Jefferson Davis. It is not well either to credit or charge men with the results of influences in their lives which they could no more resist than the floating leaf could resist the action of the whirlpool.

Whether the conception had by Jefferson Davis of his duties and responsibilities as a citizen of Mississippi when his State seceded from the Union was right or wrong is beside the question in trying to arrive at a correct estimate of his character. I believe he was right. Doubtless many of you believe he was wrong. But I also believe—and I think every reason of logic sustains the belief—that if Abraham Lincoln had grown to manhood in Mississippi, instead of Illinois, he, too, would have been alined on the side of the Confederacy.

Every act of Davis' life was consistent with the highest ideals and the noblest of characters. Many portions of his career are little known, or, at least, not often mentioned. Graduating from West Point in 1828, he spent the 7 years immediately following as an officer in the United States Army, during which time he distinguished himself in the Black Hawk War. In 1835 he resigned from the Army, married the daughter of Gen. Zachary Taylor, and retired to civil life in Mississippi. The untimely death of his bride in a few months brought great sorrow, which for a time retarded his hopes and aspirations.

In 1844 he became a Member of this body and from that time on until after the war was identified with the public life of the Nation, serving during this period as United States Senator with distinction in a body which numbered among its membership some of the great names in American history: John C. Calhoun, Daniel Webster, Henry Clay, Thomas H. Benton, Lewis Cass, Salmon P. Chase, Stephen A. Douglas, and many others. Among all of these brilliant men, he took rank with the foremost, and by some, including the historian Prescott, he was referred to as the most accomplished Member of that body.

In the interim between his service in the House of Representatives and his service in the Senate, he commanded a regiment of Mississippi volunteers in the Mexican War, resigning his seat in Congress for that purpose. At the Battle of Buena Vista he and his regiment were largely responsible for turning the tide. In that battle he was severely wounded. Gen. Zachary Taylor said of him: "Napoleon never had a marshal who behaved more superbly than did Colonel Davis today." Thus did he demonstrate the glorious patriotism of a man, who, so far from weighing consequences to himself of devotion to his country, was willing to sacrifice life itself if necessary in its defense. It is impossible to read of the Jefferson Davis of the Black Hawk and Mexican Wars, the Jefferson Davis whose voice rang out so many times in the halls of the House of Representatives and the Senate in efforts to compose the bitter sectional differences that existed and prevent the fratricidal strife of the sixties, without realizing that the man who responded so nobly to patriotic impulses in those times of trial could not have been actuated by other than the highest and purest motives in the part he thereafter took in the War between the States.

His term of service during the administration of President Franklin Pierce as Secretary of War further disclosed those same qualities of lofty character, high patriotism, and

able statesmanship which distinguished his later service as President of the Confederacy.

I shall not discuss at length that service. The blazing spotlights of every history in the land are upon it. Because I thought they would furnish a measure of interpretation of his acts in that capacity, I have sought to stress the facts with regard to parts of his career which are too little discussed. Not only the period of his life's history before the War between the States should be studied in this connection but the long and honorable record of good citizenship which he had after the war and until the time of his death in 1889.

That his every act and utterance while he served as President of the Confederate States—a position which, by the way, he did not seek—was influenced and dictated by the same pure impulses and emotions that distinguished his entire career cannot be doubted. Had he led a successful cause, his name would now be chronicled in the world's history alongside that of Washington. In the minds of fair-minded Americans who, I confidently believe, are in the great majority, he ranks with the greatest men of our Nation who have distinguished themselves either in victory or defeat. While he was accorded harsher and more cruel treatment after the war than other leaders of the Confederacy, and efforts were made to attach stigmas to his name that none would consider for a moment in connection with such men as Lee, Jackson, Stephens, and Gordon, yet it cannot be successfully denied that he served with as pure motives and with as great ability in his particular field the same cause in which they won undying glory, and must always have with them a place in the hearts of his people.

It required nearly 250 years for the people of England to recognize the greatness of Cromwell and to erect a monument to him near where his body was gibbeted and his head thereafter exposed to the jeers of every passerby. Thank God, it has not required so long for America to forget the bitterness of the sixties and pay tribute where it is due.

There may still be some who object to the recognition of great traits of character in one with whom they or their ancestors once entertained bitter differences of opinion. It is to the credit of the American people that they constitute a small and unimportant minority. When such as these are inclined to give vent to unthinking prejudices and bitter reflections, may I not suggest to them that they endeavor to emulate the example of Jefferson Davis, of whom it has truly been said:

He was an archer regal,
Who laid the mighty low,
But his arrows were fledged by the eagle
And sought not a fallen foe.

[Applause.]

FISCAL POLICIES OF THE GOVERNMENT

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER pro tempore (Mr. KOPPLEMANN). Is there objection?

There was no objection.

Mr. GIFFORD. Mr. Speaker, it may have been noticed that I have been rather insistent for 2 or 3 days in asking for time under a special order. So many special orders have been granted on the other side that I felt we had the right to insist upon one on this side. Certainly I do not wish to continue the embarrassment by any objection from our side to those who may want a few moments to speak, but a short time ago I made a few remarks on the floor relating to the advantages and disadvantages of the deflation of the currency and I did wish to discuss with my colleagues a little further the present fiscal policies of our Government and what has been aptly termed of late "nervous money." I shall now be content to ask permission that I may extend my own remarks in the RECORD at this point upon that subject.

The SPEAKER. Is there objection?

There was no objection.

Mr. GIFFORD. Mr. Speaker, on Memorial Day a great patriot, Gen. John J. Pershing, issued a warning of the real danger of dictatorship in these United States. As the occasion demanded, his words were carefully guarded. We can only assume the persons and the organizations he may have had in mind.

The following is a brief quotation from his address:

It is almost axiomatic to say that a people who complacently submit to unreasonable demands of a clamorous minority will certainly become the prey of a dictator.

In effect, he urged us to pledge anew our faith in our democracy, but he painted a gloomy picture. I have been reading of so-called giants of the present day who are now molding public opinion. The following were mentioned by the writer: Tugwell, Coughlin, Townsend, and Father Divine. It may have been minorities swayed by such as these that General Pershing had in mind. But there have been other successful minorities that have gained their ends which, of course, he did not see fit to mention on such an occasion.

Of these "giants", by far the most able, patient, and apparently successful in the gradual attainment of his philosophy is Professor Tugwell. He knows what he wants, and is extremely clear in his statements, when allowed to discuss his doctrines. He seems to adhere resolutely to his early statement of a few years ago. I quote:

We have a century and more of development to undo—the first series of changes will have to do with statutes, with constitutions, and with government. It will require the laying of rough hands, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police power for enforcement. A kind of civil-service loyalty and fervor will need to grow gradually into acceptance.

In his famous Los Angeles speech of rather recent date, he declared that he wanted a disciplined state and hoped to bring it about by the ballot or a so-called peaceful revolution. He desires a submission of the people under leadership, as he expressed it. This was, indeed, a purely Fascist speech. Father Coughlin also seems to desire to bring about a revolution by the ballot, although he apparently wishes to achieve economic changes merely. He well knows that such a revolution invariably goes much further and affects also the morals and religion of a people and probably fears that this would result. Certainly these abrupt changes in our economic life would most naturally affect our present viewpoints as to moral dealings and would mean opposition to the power of the clergy if the new viewpoint should run counter to their codes.

As a warning of the results of the various "isms" now in complete control of other nations, I would read an excerpt as follows:

Perhaps it is sufficient to say, very briefly and incompletely, that all three—fascism, nazi-ism, and communism—are negations of democracy, that all three go on the assumption that government is omnipotent, that the individual has no rights which government need respect, that government has unlimited power to compel the individual to do what government demands; that all three include enormous concentration of power in an individual or group, going so far as fairly to be called dictatorship; that all three include suspension, partial or complete, of the legislative branch of government; that all three look upon the existence of any minority party, any organization of any kind opposed to the group holding power, as treason. And to American minds it will help if we add that all three variations of the European conception deny those principles which in America are incorporated into the Bill of Rights and the rest of the Constitution. All three deny freedom of opinion and freedom of the press, because freedom of the press turns minorities into majorities and therefore cannot be endured; all three deny the independence of the courts; all three deny the right of habeas corpus and the right of trial by jury; two of the three deny freedom of religion.

There is little cause for wonder that the general paints a gloomy picture.

Immediately ahead of us is an election, at which time our people will be called upon to choose between candidates and platforms which will either lead us nearer to submission under leadership or will reassert that liberty is still more to be desired than regimentation. Apparently secure behind the scenes, Dr. Tugwell will probably be heard from but little in this campaign. Well does he know that, although a conciliatory platform will be written and plausible speeches in explanation of the carrying out of his so-called doctrines under the pleas of emergency will be made, he nevertheless

has good cause to believe that the path already taken under his direction will be resumed should his candidate be successful. Of course, he must now realize that any platform adopted by the so-called Democratic Party can, and probably will, be thrown into the Potomac immediately after the election. Although gloriously supported by the electorate, such was the fate of the 1932 platform.

Even with the costly so-called social reforms carried on by this administration, the severest critics appear to be those who should seemingly be most favorable. Recent pronouncements of Coughlin and Townsend are indeed rather surprising. Can they regard the President as being insincere? Until recently it was supposed that the overtures of this administration would serve to secure the support of these "giants" of public opinion.

However, I shall for the present pass over the effects of the doctrines of regimentation, social justice, and the getting-something-for-nothing schemes. I find the financial picture a gloomy one, not only when we look ahead to what is facing us in the future but even when we view the present unfortunate prevailing conditions. In matters of finance no man now feels safe. As time goes on he will feel less safe. That moment must come when citizens may hesitate to finance further huge governmental spendings. We now not only carry on vastly increased ordinary expenditures of Government, including wasteful and nonliquidating projects of little permanent value, but have also embarked upon vast socialistic experiments under the name of social security, regarding the results of which no economist dares express opinion. It is unnecessary to depict conditions which will result at that moment when Government financing meets with such resistance. Lest I may again be classed as a prophet of the Jeremiah type, I would say that I am simply following the warnings of the large number of those who have been connected with the finances of this administration, but who have severed such connection and, because of their acquired knowledge, are now thundering their warnings in widely read magazines and the columns of the newspapers. It is hoped that these warnings will be heeded by an aroused electorate.

I have been greatly interested in reading, of late, of nervous money, so-called. Owing to wars, rumors of wars, and the chaotic conditions in so many nations, possessors of wealth desire to keep liquid their assets and transfer them, at pleasure, to those nations which at the time seem to be the safest havens. In 1934 more than $1,000,000,000 in gold and silver was sent for safekeeping to the United States. In 1935 more than $2,000,000,000 was received. Previous to this some $7,000,000,000, and possibly a much greater amount, was deposited or invested here for the benefit of foreigners. No one can possibly predict the moment when this wealth may be quietly withdrawn. It has great potentialities of causing us financial trouble, as was exemplified in the crash of 1929, when not only foreigners but our own nationals withdrew funds for safer havens or for hoarding. In passing, may I call attention to the extraordinarily profitable opportunity presented to foreigners to bring in gold, receive $35 per ounce, and invest in our securities, thus securing an advantage over our own people who are forced to use a 59-cent dollar. They would also be entitled to sell these same securities and have the privilege of converting their dollars into gold, if they live in countries which are still on the gold standard, and send it back home again. This privilege is, of course, denied our own citizens. What is to be done about this situation? Certainly it would appear that before any drastic action could be taken more complete actual knowledge of the character and amount of these transactions should be obtained. Of course, it may be suggested that foreigners who purchased our securities before devaluation may have suffered losses and that the present discrimination in their favor may serve as a salve to this discrimination.

Heretofore, investments by universities, hospitals, and other endowed organizations could be made for reasonably long terms and with reasonable safety in mortgages and first-class bonds providing a dependable and even return. Plans for regular activities and future development could be formulated. Today mortgages and bonds seem to be regarded as perhaps a greater gamble than common stocks, commodities, and real estate. Short-term bonds, callable almost at will when interest rates might be more favorable, now present a real problem for investors. The banks, of course, welcome these more frequent commissions. The investor must give up his profitable investment and seek another. Either way he is left holding the bag.

The little fellows with their $22,000,000,000 in investments in life-insurance companies and the some 15,000,000 small depositors, aggregating $10,000,000,000 in savings banks, have also noted with misgiving the attitude of their own Government toward them. The devaluation of their dollar, the seizure of their gold, the granting of moratoria on mortgages, the assistance and apparent encouragement given even to municipalities in the matter of going into bankruptcy, the frantic attempts to raise prices on their purchases—all these, when fully realized, will undoubtedly tend to excite their interest when they are again to deposit their ballots. These conditions are practically new to our American life. Often have we endured business crashes, bank failures, and business rascalities without resorting to such governmental interventions carrying the seeds of worse conditions sure to follow. These acts of our own Government have shocked the conscience of those who reposed confidence in it and who even assisted in their beginnings. In short, we are now enforced gamblers in an attempt to secure return on investment.

Little consideration is given to those who have been thrifty and saved their earnings. All efforts seem to be directed to take from those who have and distribute to those who have not. Low returns on investment reduce proportionally the value of the investment itself. We hesitate to believe it, but wealth actually vanishes in the process of distribution. Profits, or so-called income, are taxed to the extreme point. They are not allowed to be used to reduce the investment. Only until the entire investment is returned should profits possibly be assessed. Even sales of properties acquired by investment could then be classed as income for taxable purposes, but the investor has been made secure from the vagaries of our tax processors. Another example: An investment of $150,000 has quickly been reduced to a value of $50,000. The income has amounted to only $5,000 but a deduction of $100,000 could, of course, be taken. If during the next year the same should recoup in value to the original $150,000, would this be regarded as profit? Certainly a tax of perhaps 40 percent would be demanded if the securities representing the $50,000 were sold and reinvested in other securities which climb to the value of $150,000. It seems like a ridiculous situation, but is not too uncommon. Such methods of plundering the taxpayer, combined with extravagant expenditures and huge borrowings, are viewed with alarm; confidence is to a large extent destroyed.

If these conditions are not checked very, very soon, we are led to the inexorable condition of inflation, the results of which have been amply and fully exemplified by many other nations formerly acknowledged to have been of great financial stability. Are there any signs of these warnings being heeded? Small wonder that many formerly connected with the financial policies of this Government have taken almost precipitate flight, anxious to avoid association with the results that they feel sure are to ensue. We may well ask, "Who is now advising the Executive on fiscal policies?" We can only suspect them to be those who will bend to his will or desires. Even though business is claimed to have reached a 90-percent recovery, Congress finds itself called upon to spend $600,000,000 more than last year and to inflict upon the Nation a new tax bill of even larger dimensions. Business recovery was bound to come. Replacements had to be made. The Government has doubtless aided recovery to some extent by many of its activities. However, it has proceeded beyond the bounds of reason, and the huge debt of the Government and its constant urging of its citizens to borrow and go into debt carry possibilities of worse depressions. Business would have recovered in a large degree without all this, and any boast of the administration that

it has been the full cause of recovery must, indeed, remind us of chanticleer crowing because of the sunrise he had caused.

The day of payment must come. What further sacrifices will be demanded of those who have risked their savings? Small wonder that recklessness of spending for one's own pleasure, rather than the exercise of thrift, is now so plainly evident among our citizens. Just now, this profligate administration may be expecting to harvest the votes of those who have not. But perhaps more of these than is now anticipated will, before the election, awaken to the sad truth. They may come to the full realization that even though they may have little now, a continuance of these present extravagances can only mean the further postponement of the desired day when they can hope to secure a worth-while livelihood by their own initiative and endeavor and no longer be dependent upon governmental charity.

Your candidate for President in 1932, with great emphasis, promised retrenchment, a balanced Budget, less borrowing, and all other necessary measures leading to a sound fiscal policy. He has completely repudiated these promises and done the most extreme opposite. Yet it is with apparent confidence that he will go before the same electorate again, pouring honey into the microphone in the form of new promises, and in effect reminding the voters of the Santa Claus which he has been to so many of them. The slogan "Do not bite the hand that feeds you" has been adopted. Ah, but do they really believe in such a Santa Claus? We await the answer in November.

JAPANESE COMPETITION IN THE TEXTILE INDUSTRY

Mr. Speaker, a short time ago the administration, through the Secretary of State, announced that, effective June 20, imports of cotton fabrics from Japan would be subject to an increase of 42 percent in tariff duties. This action, under authority of section 336 of the Tariff Act of 1930, which granted the President the right to increase duties up to 50 percent, was belatedly taken after many appeals and protests had been made by Members of Congress representing sections of the country whose textile industries had been suffering tragically from the competition of goods manufactured in Japan.

Within the industry it was hailed as a step in the right direction, but there is no real likelihood that it will effect a real solution of the problem. Indeed, it appears to many that the action is merely in the nature of a sop or gesture, perhaps for political purposes, in an effort to conciliate the textile-manufacturing sections. In any event it would appear to be a case of supplying the stable door with a very flimsy lock after many horses had been stolen, since the number of mills which have already succumbed in part, at least, as a result of this unfair competition constitutes an American tragedy.

Secretary Hull predicted that this new arrangement would constitute a more "definite, adequate, and satisfactory" undertaking, which is probably incontrovertible, for certainly the former so-called voluntary gentleman's agreement was in no sense definite, adequate, or satisfactory. Under that the Japanese Government had, in effect, promised that there would be no abnormal increase in the amount of cotton cloth exported to the United States. Yet statistics show that during the first quarter of this year more than twenty-one and a half million square yards came into this country from Japan, as compared with less than 13,000,000 for the corresponding period a year ago. But even if the new arrangement is more definite and satisfactory than the former one, can anybody really believe that it will prove adequate in placing a curb on such importations, a curb sufficient to check this disastrous competition? Our manufacturers say not.

Speakers supporting the administration's policy in these matters have endeavored to make much of the alleged fact that, even with that marked increase of imports, they constituted only about one-half of 1 percent of the total yardage of American production. In the matter of mere percentage this is admittedly not large, but the statement begs the real question. As I have previously stated on many occasions, domestic prices are, to a very great degree, determined by the price charged for competing goods, regardless of the amount thereof. And so long as any textile goods are allowed to come into competition with those of American manufacture, carrying a tariff which will permit of their being sold for less than our concerns can create and market them, they will adversely affect the price range of such domestic goods. Bear in mind the fact that Japanese goods are produced by women forced to tend more spindles per person than is permitted under our system and yet the highest paid of them receive but the equivalent of 23 cents a day, as compared with the 23 cents and more per hour paid to our operatives and made necessary by the American standard of living for labor.

To me it is inconceivable that even the newly established rate of duties can be effective in materially equalizing the difference and checking the flow of competing goods into this country. All it will do is to some slight extent cut down the profits—which must have been enormous—to the Japanese manufacturers.

Heretofore the administration has been exceedingly kind to Japan in this matter, with serious and at times fatal consequences to our own industry. Reliance was placed upon that gentleman's agreement that the Nipponese Government would not permit any abnormal increase of cotton imports, yet during the month of March of this year, the importation of Japanese-made cotton cloth reached the all-time high of 8,666,687 square yards, according to a statement of the Department of Agriculture.

And recently Shingo Tsuda, the president of a big Japanese spinning concern and one of that nation's leading industrialists, frankly served notice on America and the world that no amount of tariff increases—he mentioned the figures of 70 to 80 percent ad valorem against Japanese goods—would keep their goods out of our markets. He stated in effect that the foreign demand for Japanese cotton goods will increase in proportion to increases in tariff rates against them, and even limitless increases in tariff rates will be utterly ineffective to prevent the movement of goods. It is a strong statement, and perhaps goes further than the facts would warrant in his concluding assertion, but it is obviously based on the theory which I have enunciated that Japan holds an absolutely commanding position in the matter of cost of production, and also that any lower price to the consuming public, no matter how small the margin may be, will result in a demand for the cheaper goods. And this inevitably establishes, or seriously affects, the prices which can be charged for American-made goods. How contradictory is the administration's attitude. On the one hand the President asserts that prices must be raised in order to protect and preserve the standard of living and give more jobs and better wages to American industry. On the other hand the administration asserts that reciprocal trade demands that we accept goods from Japan and elsewhere, the effect of the admission of which is to defeat that other object.

Of course, I am well aware that in matters of this nature there are inevitably conflicts of interest, and that sometimes compromises have to be made to serve the interests of all the parties involved. This point was made by the gentleman from Texas [Mr. MAHON] in his defense of the administration's procedure on May 29. He made much of the fact that, apparently as a result of the reciprocal trade agreement, we sold Japan a million and a half bales of raw cotton last year, this resulting in a favorable trade balance for the United States. But had that trade agreement anything real to do with the matter? If the administration contends that the increased exports were the result of these newly consummated trade agreements, how does it account for the fact that during the first quarter of this year our exports also increased to Germany by 50 percent, to the Union of South Africa by 34 percent, to the United Kingdom by 10 percent, and to Soviet Russia by no less than 262 percent? We have no trade agreements with any of those countries?

No, gentlemen, Japan did not buy our cotton in an increased amount as a return favor for what amounted to an invitation to her to send us more manufactured textile

goods. She bought it because she had to have it and for the time being could obtain it from us at something approximating the world price, thanks to the methods pursued by the administration to subsidize the cotton producers for raw cotton sold above. But that this subsidy was not sufficient to move the entire stock of surplus raw cotton is clearly evidenced by the fact that we have many millions of pounds still on hand in Government warehouses. Moreover, it should be clear that even this increase in our cotton export to Japan was a temporary thing, resulting from the laws of supply and demand. And that the whole policy which has been adopted by the Government regarding the raising of farm prices through the restriction of acreage carries within it the seeds of destruction is nowhere more clearly evidenced than in the matter of cotton. Once we had almost a monopoly of that important commodity. The world had to come to us for it. But as a result of the artificial raising of prices through lessened production, several other nations have been encouraged to go into cotton growing on a steadily increasing major scale. Parts of South America, India, and Egypt are now well on the road to becoming sources of world supply in the cotton field and they will be able to sell the commodity for less than we can—unless the Government is for all time to grant increasingly large equalizing subsidies. The probabilities are that due to their lower labor costs and standards of living they will in time be in a position to undersell us as drastically as the Japanese can and do in the matter of manufactured textiles. Then you may be very sure that, as the supply available for export in these other countries increases and the cost goes down, Japan will buy from them, rather than from us. They are essentially businessmen and no sentiment engendered of friendly reciprocal treaties will be allowed to stand in the way of securing the best possible buy.

I am entirely sincere in my repeated statement that I, as much as anyone, wish to see the American farmer made prosperous, and if that can be achieved by a reasonable cooperation by the textile industry, it is only fair that the latter should make its proportionate contribution for the benefit of the Nation as a whole. But I cannot believe that the methods at present being pursued can bring more than a very temporary alleviation to the cotton grower and that if persisted in they will utterly destroy his foreign market, and "the last state will be worse than the first." And most emphatically I believe that the contribution which the textile industry, in the North and South alike, has been called upon to make—small as it may appear in the matter of percentage—has been, and is, utterly unreasonable. The very existence of a great industry with a huge amount of invested capital and employing millions of workers is threatened, just as a huge building may be threatened by a thing no larger than a termite.

When the subject of national defense is before us we are all emphatic on one point. While we refuse to be the aggressor we are determined to have a defense wholly adequate to protect America and American home interests against any invasion. Yet something in the nature of an invasion has been and is occurring right now, which threatens our national well-being and the jobs, if not the lives, of countless of our countrymen. If it continues more and more mills must close, more and more men and women be forced into the ranks of the unemployed and onto the relief rolls.

The administration seems to have become belatedly aware that there is really a serious situation and has taken at least a step in the right direction. I believe, however, that what has been done is not nearly enough. The President apparently is unwilling to take stern measures and probably under the authority improperly delegated to him he does not have the power to set up safeguards which could be made adequate. It is the duty of the Congress to resume its own proper functions and provide such an adequate national defense against the threat which continues to exist against the well-being—if not the very existence—of one of its most important industries.

THE NATION'S YOUTH

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address by Dr. Brown, assistant to the Director of the Emergency Conservation Work.

The SPEAKER. Is there objection?

There was no objection.

Mrs. O'DAY. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following statement by Dr. Edgar G. Brown, special assistant to the Director of Emergency Conservation Work, given at the thirtieth general conference of the African Methodist Episcopal Church in New York City, May 16, 1936:

President Roosevelt, in a recent speech, said:

"There are none of us who do not hope that our children get a better break than we have had. We want them to have an opportunity for profitable character building; decent, wholesome living; good work; and good play."

This stement is exemplary of the inclusiveness of the spirit and practice of the New Deal administration.

Mrs. Franklin Delano Roosevelt, addressing a group of colored educators under the auspices of the national conference on "Fundamentals in the Education of Negroes", in Washington, D. C., May 9, 1933, said:

"I noticed in the papers this morning the figures given of the cost in certain States per capita for the education of a colored child and of a white child, and I could not help but think as I read that item how stupid we are in some ways, for, of course, in any democracy the one important thing is to see, as far as possible, that every child receives at least the best education that child is able to assimilate. I feel that, while we have been fortunate in this country in having many fine men and women interested in the education of the Negro race, we have also been slow, many of us of the white race, in realizing how important it is that your people should have the best educational advantages, important not only to your race, but to ours as well."

June 26, 1935, by Executive Order 7036, President Roosevelt created the National Youth Administration. August 1, 1935, Mrs. Mary McLeod Bethune, of Daytona, Fla., for many years one of the leading educators of the colored race, and Dr. Mordecai W. Johnson, president of Howard University, were appointed by the President as members of the N. Y. A. national advisory committee.

April 29, 1936, in the drawing room of the White House, from 9 p. m. until nearly midnight, the President reviewed with members of the national advisory committee the phenomenal progress made to date in this new social project, which guarantees greater security to the Nation's youth and an abiding faith in themselves and their elders.

Aubrey Williams, the inspired genius and executive secretary of the N. Y. A., presented each member of the committee. In her turn Mrs. Bethune recited the accomplishments of the colored youth as reflected in the statistical records of the organization.

Mrs. Bethune made particular mention of the excellent work of Miss Juanita Sadler, of the national Y. W. C. A., who had been loaned to the N. Y. A. to act as special adviser on the program for the colored youth. She spoke of Miss Sadler's administrative ability, tact, and firmness in pressing forward in the extension and effective solution of race adjustment.

Mrs. Bethune's report to the President can be summarized as follows:

Twenty-eight colored leaders are members of the State N. Y. A. advisory committees, North and South. An equal number of colored assistant State directors and trained college men and women of the colored race are filling high executive positions in New York, Pennsylvania, Florida, Virginia, Kentucky, Illinois, Tennessee, Indiana, Ohio, Missouri, Georgia, Colorado, California, and Texas, whose State programs include the largest number of young colored men and women.

The N. Y. A. is helping approximately 26,500 colored youth to continue in school through payments for part-time work under supervision of school authorities. These young people range in age from 16 to 25. There are approximately 5,000 of these students in undergraduate classes. Seventy graduate college students are enrolled. The average monthly rate per college student is $15, while the graduate students receive from $25 to $30 monthly. The remaining 14,000 of high-school class are being paid a maximum of $6 monthly.

Of the $50,000,000 expended by the N. Y. A. during the past year, it is conservatively estimated that the financial benefits to the colored youth of the country has been more than one-tenth of the total.

Dr. Ambrose Caliver, former dean of Fiske University and a specialist in Negro education, United States Office of Education, was loaned to the Federal Emergency Relief Administration. He recommended to Administrator Hopkins the appointment of James A. Atkins as assistant to direct the field activities of the emergency-education program as it concerned colored men and women. It is estimated that about 30,000 otherwise unemployed colored school teachers have been given work at better salaries on the average, especially in the South, than they had ever received

before. It should be noted that the minimum salary set by Administrator Hopkins has meant a much higher scale of wages of the hundreds of thousands of colored persons on W. P. A. projects throughout the country. Likewise the largest number of colored citizens have been employed under the Administration's Federal work program in capacities commensurate with their special training than ever in the history of private employment. Hundreds of research experts, administrative officials, supervisors, skilled workmen, and white-collar workers of the Negro race have been given an equal opportunity under the Federal program.

On November 1, 1935, there were 61 colored C. C. C. companies on soil-conservation work under the United States Department of Agriculture. Reforestation was second and recreational improvement in State parks was third. These C. C. C. youths are engaged in doing levee work, drainage, flood control, and fire prevention. Millions of dollars have been saved the country by the activities of the C. C. C. enrollees in flood control, fire prevention, and the like.

One of the most interesting projects undertaken by the C. C. C., in my opinion, is the archeological work done by the enrollees at Yorktown, Va. This was done by colored C. C. C. boys.

Reflecting the general improvement in conditions throughout the country among colored people is the statement of Dr. J. E. Walker, president of a life-insurance company of Memphis, Tenn. Practically all of the business of the company is among colored people in Mississippi, Arkansas, Louisiana, Texas, and Tennessee. The company suffered the usual loss of business during the dark days prior to 1932. In 1930 officials were forced to borrow from the R. F. C. to continue in business. Early in 1932, Dr. Walker reports, it was found necessary to take over a number of farms on whom the company held mortgages. Things were dark indeed. But, to quote Dr. Walker:

"Better conditions were reflected shortly after beginning of the A. A. A. program and have continued to improve. In 1934, in fact, our business was better than in any year of the existence of our company. In March 1935 we were able to pay our loan to the R. F. C."

In addition to the temporal gain for our race, we must not overlook the great revival of the spirit of religion that has swept our people. I doubt if there is any problem, social, political, or economic, that would not yield under the fire of such an awakening. At our neighbor's fireside we find new fuel for the fires of faith on our own hearthside.

My vote is all for the New Deal and my unswerving and enthusiastic approval of the President's leadership is a source of inexpressible joy to me.

EXTENSION OF REMARKS

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein two short newspaper extracts.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, we are not permitted to put newspaper articles in the RECORD. I object.

YOUTH STRIKES BACK

Mr. FENERTY. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a radio address which I delivered.

There was no objection.

Mr. FENERTY. Mr. Speaker, under leave to extend my remarks I insert the following stenographic report of address by me to young Republicans of the Nation over the Columbia network, Philadelphia, Saturday, May 23, 1936:

It is in every sense appropriate that this summons of the Young Republicans of the Nation should resound with a mighty call from this old city where American constitutional freedom was born and from the belfry of whose Independence Hall, as from Pharos, the light of an ordered liberty streamed to the uttermost rims of the earth.

For the issue that this year confronts the American people involves not merely the selection of a President, but the vastly more vital question as to whether or not America, as the last defender of constitutional liberty in a desolate world, will surrender to the imported theories of men who, like Mr. Tugwell, insolently deride what they call our hysterical adherence to the Constitution—or who, like Mr. Wallace, arrogantly assert that the time has come when you Americans must submit to having your thinking done for you.

I have called this issue vital for the reason that victory for the New Deal in November may be the last act of the drama of democratic government in America, for it is quite conceivable that 4 more years of socialism and political corruption may permanently render the youth of the Nation unfit for self-government by burning up the spiritual oases in which popular government must nourish itself if it would continue to live.

The battle lines are today clearly and distinctly drawn. The conflict is not between Democrats and Republicans, but between right and wrong theories of government, between government by the people and government by dictation, between the old liberalism, which emphasized free opportunity and the natural dignity of man, and the new regimentation that would reduce him to the level of a communized high-powered beast.

During the past 3 years the processes of government, as we know them, have been perverted to strange and alarming uses. We have seen our Government, under the dominance of men whose ideas are born in the secretariats of foreign lands, build up what they call "new instruments of public power", instruments which President Roosevelt, with charming modesty, admits would be dangerous in the hands of anyone but himself.

We have beheld our people driven to the extremity of panic and fear, because an administration, sworn to be their servant, has entered into business competition with the citizens and forced them into bankruptcy. We have observed hundreds of thousands of ambitious men and women reduced to poverty in the name of planned economy and have witnessed the hunger and sufferings of millions, because those who dictate the policies of government have created such an extensive artificial food shortage that it is now necessary for the New Deal to spend your money for foodstuffs imported from the farmers of other lands.

Juggled statistics and dishonest bookkeeping and deliberate misstatements are mustered to support the President's claim that we are coming back better than ever before "because we planned it that way." It might be uncharitable to ask the President if he foresaw the defeat of his favorite schemes by the people's highest Court, or if he planned to increase our hunger until we were obliged to call foreign farmers to our aid, or if he planned to increase our taxes and the national debt to the total of thirty-five thousands of millions, or even if it were part of his plan so to increase unemployment that there are now over 3,000,000 more people out of work than there were 5 years ago.

As the workers and increasing unemployed of the Nation bend almost to the breaking point beneath the wastefulness which taxes the sweat of their brows so that nearly a million Federal employees may batten on the Public Treasury, there has been created a tremendous spoils system without an example in history—a system that places a premium on dishonesty and makes phonograph records of hundreds of thousands of its victims who dare not do else than abjectly repeat their master's voice.

Such is the government of reform gone mad under the New Deal—reform of business and of agriculture; reform of the lives of the people, of the Constitution, of the Supreme Court—reform of everything but the New Deal politicians themselves, who most need it, and who do not realize that their very mania for reform is not a remedy but itself the symptom of a new disease.

But when the New Deal has died and history has impartially weighed its good and its bad, heaviest in the balance of un-American evil will be its persistent agitation, as evidenced by the President's Baltimore address a few weeks ago, to inflame American youth against its ancestry, the shameful attempt to drive a cleavage between the young and the old and array youth on the side of the social revolution, as we see an American President take to his heart the pink propaganda of the irresponsibles and aline himself with them as an inciter of discontent and revolt among the youth of the land.

Are we, sons of a new generation, ready, under the threat of a New Deal lash, to concede that for 300 years all the wisest of men have been wrong in aiming at a complete realization of individual liberties and rights, and that we must now timidly turn back to paternalism, bureaucratic discipline, and Executive orders?

Perhaps the most amazing and amusing of the delusions that have obsessed this present administration is the assumption that all who do not weakly surrender to its dictatorship are traitors to the Nation. Under other administrations a political antagonist was called an opponent. But under the young men who lay the flattering unction to their souls that they have a monopoly on the brains of America—if you differ with the radical theories which they have garnered from the slopes of the Ural Mountains of Russia—you are condemned in such terms as "rascal", "leech", "bloodsucker", "Tory", "representative of entrenched greed"—or by names so much more wildly picturesque that one suspects the "brain trust" of spending its office hours in a searching perusal of the old dime novels and penny dreadfuls.

It is a rather silly and ludicrous procedure. But even President Roosevelt, who imagines that everybody is against him, in his most volatile and emotional effusions can scarcely accuse you young men and women as having (to use his own words) "ganged up" on him simply because you will not placidly submit to being made the instruments of a politician's pet hates, and you probably object to having your young lives mortgaged to pay old men's bills.

And what does the President offer us as a substitute for the America of our fathers which he thus so summarily and airily dismisses into the limbo of forgotten things? United to the opportunity to despise our elders, he suggests the right to hold fast to our dreams. He calls upon us to escape from ourselves and our own generation by imputing to our fathers the blame for all the sorrows and tribulations of this earthly vale of tears.

With the same adroit technique which he has repeatedly employed in his incitement to class unrest, the President, in a spirit of defeat and desperation, seeks to turn us against our own fathers. But we are not to be fooled by that. We have known that procedure before. We saw the President use it when he encouraged the resentment of the debtor against his creditor; when he fostered the enmity of the worker against his employer; when he fomented the bitterness of the farmer against the processor; when he aroused the hatred of the unemployed against the taxpayer. And, with the artfulness of the master politician, he never fails to cater to the prejudice of the group with the larger number of votes.

So, in alluding to the achievements of the men who made America and enabled her in less than a century to develop high spiritual

and social concepts side by side with a material progress that created for our people three times as much wealth as had been amassed by all other nations since the dawn of time—the customary Rooseveltian smile curved into a cynical dismissal of all the wisdom of the past in his single sneering observation: "You have a right to expect something better than that."

Better than what, Mr. President? Better than the Washingtons, the Jeffersons, the Lincolns? Better than the teachings of the men who fearlessly cast off the yoke of just such a dictatorship as that which you now seek to impose upon us? Shall we exchange the liberty of our fathers for your alphabetical regulations? Shall we barter our freedom of the press for the restraint by which you sought to shackle it? Shall we surrender our freedom of speech and of communication to your Black investigating committee, with its unreasonable seizure of private telegrams? Are we to substitute your Tugwells and Frankfurters and Ezekiels and Wallaces for the

"Men who matched the mountains,
Men who matched the plains;
Men with empires in their purpose
And new eras in their brains"?

The generation you laugh at, Mr. President, may have used the horse and buggy, but it carried the ark of liberty in its covered wagons. And you forget that every older generation was once a younger generation with courage to translate its ideals into reality, because it spurned the blandishments with which you would now reduce to flabbishness the generation to which we belong. When we ask for work, you give us a dole; when we ask for bread, you throw us a stone; and, in a counsel of cowardice and of enervation, you would leave flaming youth to flicker and sputter in its socket when it yearns to burn with the ardor of true Americanism. You would take the red blood from our American veins to attempt a transfusion into the anemic arteries of your dying New Deal.

But we do not want someone to hate. We want someone to help. We want nothing from any older generation that we do not merit by our own work and vigor and self-reliance. We do demand freedom and American opportunity for our individual enterprise, the same opportunity that enabled other generations to carve out their own destinies. But we refuse to be cogs in a New Deal bureaucratic machine. And we must not be reduced to poverty and regimentation in the furtherance of any man's ambition or in the name of anybody's scheme. Let those who counsel despair and cringe in cowardice follow the will-o'-the-wisp of collectivism and New Deal sophistry, if they will. Let them continue to cry to your Democratic money changers for the corrupting, vote-getting subsidies with which it is hoped to transform free America into the trodden fodder for dictatorship. They will never know the thrill of patriotism; they are blind to the beauty of sacrifice.

But there is a niche in history beside Washington and Lincoln for the man who will summon our youth into a cohesive national entity forged together by a common impulse for the salvation of America, a man who has the character to lead, and the imagination and intelligence to rebuild the awakened forces of Republicanism—a man who can foresee our luminous future in the afterglow of our glorious past—and who, with Sinai's thunders on his tongue, can make vocal the aspirations of the heart of America's young and recall them from the bogs of Democratic confusion to the certain and secure moorings of constitutional liberty.

And as a Republican American, who believes in America and her destiny and makes apologies to nobody, I assert that I would rather see the Republican Party go down to eternal defeat in defense of the principles of American constitutional liberty than prolong its existence by a base betrayal to those alien-minded theorists who, if they could, would destroy all that has made America great and beloved among the nations of the earth.

So, men and women of America, we give you a leadership that will not retreat but will face fundamentals. There is no place in our ranks for the waverers who, judging the future by their own cowardly consciences, are too timorous to follow us into battle for the reemancipation of the people. For ours is no campaign of negative grievances. It is not merely a repudiation of New Deal venom and vindictiveness against American traditions. No; it is a masterful leadership that scorns the little Americans who would be recreant to the valor and sacrifice of our fathers—a leadership that realizes that our Constitution is no more lifeless because those who wrote it have gone from our midst than a Gothic cathedral is less beautiful because its master builders have joined the immortals.

So, out of the darkness of New Deal stupidity and wantonness must come the clear determination of our people. Let no man stampede you into uprooting old landmarks, into destroying proven ideals. Remember whose children we are, whose inheritance we possess, as, with swords uplifted in defense of the citizens' rights, with souls attuned to the throbbings of the Nation's heart, our eyes newly agleam with reborn Republican hope, we march on shoulder to shoulder to redeem our people from Democratic perfidy and injustice, as we face the light that filters through the clouds of depression, to lead our America onward into the radiance of the new Republican day.

HOUR OF MEETING TOMORROW

Mr. BANKHEAD. Mr. Speaker, in view of the time we will lose this afternoon because of an early adjournment, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. DIES for an indefinite period because of important business.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 565. An act for the relief of James L. Barnett; to the Committee on the Civil Service.

S. 1636. An act to amend the Interstate Commerce Act, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1815. An act to require certain documents of vessels not wholly owned by citizens of the United States and navigated in the territorial waters of the United States, its Territories, or its possessions, to regulate vessels engaged in the fisheries, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 2550. An act to incorporate the American National Institute (Prix de Paris) at Paris, France; to the Committee on the Judiciary.

S. 3041. An act to authorize the appointment of John Easter Harris as a major, Corps of Engineers, Regular Army; to the Committee on Military Affairs.

S. 3143. An act for the relief of the Passaic Valley Sewerage Commissioners; to the Committee on Claims.

S. 3238. An act to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works; to the Committee on the Judiciary.

S. 3373. An act to credit the tribal funds of the Indians of the Fort Belknap Indian Reservation in Montana with certain sums expended therefrom for the purchase and maintenance of a tribal herd, and for the purchase of horses destroyed during a dourine epidemic; to the Committee on Indian Affairs.

S. 3627. An act for the relief of Francis Gerrity; to the Committee on Military Affairs.

S. 3723. An act granting an annuity to Theresa E. Thoreson; to the Committee on the Civil Service.

S. 3733. An act authorizing the issuance of a patent to certain lands in the State of Montana to Florence Kerr Facey; to the Committee on the Public Lands.

S. 3736. An act authorizing and directing the appointment of Joseph W. Harrison as a captain in the Chaplain Reserve Corps; to the Committee on Military Affairs.

S. 3822. An act to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890; to the Committee on the Judiciary.

S. 3866. An act to further extend the period of time during which final proof may be offered by homestead and desert land entrymen; to the Committee on the Public Lands.

S. 3869. An act to authorize payment of the amounts due on delinquent homestead entries on certain Indian reservations; to the Committee on Indian Affairs.

S. 4094. An act to provide for the transfer from the Treasury Department to the Navy Department of the property in Bremerton, Wash., known as the Navy Yard Hotel site; to the Committee on Public Buildings and Grounds.

S. 4152. An act validating certain conveyances by Kickapoo Indians of Oklahoma made prior to February 17, 1933, providing for actions in partition in certain cases; to the Committee on Indian Affairs.

S. 4289. An act to correct the military records of DeRosey C. Cabell, McFarland Cockrill, James N. Caperton, Junius H. Houghton, Otto F. Lange, Paul B. Parker, James deB. Walbach, and Victor W. B. Wales; to the Committee on Military Affairs.

S. 4293. An act for the relief of George W. Middleton; to the Committee on Military Affairs.

S. 4341. An act to give precedence to certain proceedings to which the United States is a party, and for other purposes; to the Committee on the Judiciary.

S. 4352. An act to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Clinton, Okla.; to the Committee on the Judiciary.

S. 4393. An act to authorize the revision of the boundaries of the Snoqualmie National Forest, in the State of Washington; to the Committee on the Public Lands.

S. 4483. An act to authorize the issuance of a special series of postage stamps commemorative of the three hundredth anniversary of the founding of Harvard University; to the Committee on the Post Office and Post Roads.

S. 4491. An act for the relief of Arthur Lee Dasher; to the Committee on Military Affairs.

S. 4520. An act to amend the act approved June 29, 1935 (49 Stat. 436–439), entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges"; to the Committee or Agriculture.

S. 4528. An act to regulate the conduct of elections in Puerto Rico; to the Committee on Insular Affairs.

S. 4530. An act to reenact section 259 of the Judicial Code, relating to the traveling and subsistence expenses of circuit, district, and customs judges; to the Committee on the Judiciary.

S. 4538. An act providing for an examination and survey for a deep-water channel from New Iberia, parish of Iberia, La., to the Gulf of Mexico; to the Committee on Rivers and Harbors.

S. 4546. An act to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes; to the Committee on Agriculture.

S. 4565. An act to authorize the sale, under provisions of the act of March 12, 1926 [Public, No. 45], of surplus War Department real property; to the Committee on Military Affairs.

S. 4567. An act to authorize the Secretary of Agriculture to extend and renew for the term of 10 years a lease to the Chicago, Milwaukee & St. Paul Railway Co. of a tract of land in the United States Department of Agriculture Range Livestock Experiment Station, in the State of Montana, and for a right-of-way to said tract, for the removal of gravel and ballast material, executed under the authority of the act of Congress approved June 9, 1926; to the Committee on Agriculture.

S. 4596. An act to amend section 21 of the Permanent Appropriation Repeal Act, 1934; to the Committee on Expenditures in the Executive Departments.

S. 4616. An act for the relief of G. A. Trotter; to the Committee on Claims.

S. 4619. An act to amend the Communications Act of 1934, approved June 19, 1934, for the purpose of promoting safety of life and property through the use of wire and radio communications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 4625. An act for the relief of Vincent Ford; to the Committee on Military Affairs.

S. 4643. An act authorizing the Secretary of War to lend certain Army equipment to the Diamond Jubilee Committee, Yankton, S. Dak., for the accommodation of persons attending the celebration to be held by such committee during June 1936; to the Committee on Military Affairs.

S. 4648. An act to promote safety at sea in the neighborhood of ice and derelicts, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 4652. An act to provide for the administration of the United States Soldiers' Home; to the Committee on Military Affairs.

S. 4656. An act to amend the statutes providing punishment for transmitting threatening communications; to the Committee on the Judiciary.

S. 4659. An act to authorize the payment of an annuity to William H. Moran, Chief of the Secret Service Division of the Treasury Department, upon his retirement, in recognition and appreciation of his services to the United States; to the Committee on Civil Service.

S. 4667. An act to prohibit the commercial use of the coat of arms of the Swiss Confederation pursuant to the obligation of the Government of the United States under article 28 of the Red Cross Convention signed at Geneva, July 27, 1929; to the Committee on Foreign Affairs.

S. 4671. An act to amend the act approved February 1, 1928, concerning actions on account of death or personal injury within places under exclusive jurisdiction of the United States; to the Committee on the Judiciary.

S. 4699. An act to provide a commissioned strength for the Corps of Engineers, United States Army, for the efficient performance of military and other statutory duties assigned to that corps; to the Committee on Military Affairs.

S. 4707. An act for the relief of certain purchasers of lots in Harding town site, Florida, and for the relief of the heirs of Lewis G. Norton; to the Committee on the Public Lands.

S. 4709. An act authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the Delaware River between points in the village of Barryville, Sullivan County, N. Y., and the village of Shohola, Pike County, Pa.; to the Committee on Interstate and Foreign Commerce.

S. 4710. An act authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the West Branch of the Delaware River between a point in the vicinity of the village of Hancock, Delaware County, N. Y., and a point in the town of Buckingham, Wayne County, Pa.; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 115. Joint resolution designating the last Sunday in September as "Gold Star Mother's Day", and for other purposes; to the Committee on the Judiciary.

S. J. Res. 237. Joint resolution to provide for the appraisal and purchase of certain articles owned by President and Mrs. George Washington; to the Committee on the Library.

S. J. Res. 246. Joint resolution requesting the President to proclaim October 9, 1936, as Leif Ericson Day; to the Committee on the Judiciary.

S. J. Res. 270. Joint resolution to provide for the appointment of a committee to study the question of Puerto Rican independence; to the Committee on Rules.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 190. An act granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Reservation to Ira D. MacLachlan Post No. 3, the American Legion, for 15 years;

H. R. 1997. An act to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State park system, approved March 3, 1933;

H. R. 2479. An act for the relief of Charles G. Johnson, State treasurer of the State of California;

H. R. 2501. An act for the relief of Mrs. G. A. Brannan;

H. R. 2737. An act extending and continuing to January 12, 1938, the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.", approved January 12, 1925;

H. R. 3914. An act for the relief of Oscar Gustof Bergstrom;

H. R. 5722. An act to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia;

H. R. 7025. An act authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes;

H. R. 7688. An act to provide for the appointment of substitute postal employees, and for other purposes;

H. R. 7825. An act for the relief of Michael Stodolnik;

H. R. 7930. An act to eliminate certain lands from the Craters of the Moon National Monument, Idaho;

H. R. 8039. An act for the relief of John B. Meisinger and Nannie B. Meisinger;

H. R. 8074. An act to amend the act of March 3, 1925, relating to Fort McHenry;

H. R. 8278. An act for the relief of Earl Elmer Gallatin;

H. R. 8312. An act to add certain lands to the Rogue River National Forest in the State of Oregon;

H. R. 8495. An act to amend certain plant-quarantine laws;

H. R. 8884. An act for the relief of Mrs. Ollie Myers;

H. R. 9009. An act to make lands in drainage, irrigation, and conservancy districts eligible for loans by the Federal land banks and other Federal agencies loaning on farm lands, notwithstanding the existence of prior liens of assessments made by such districts, and for other purposes;

H. R. 9170. An act for the relief of Montie Hermanson;

H. R. 9991. An act to extend the time for applying for and receiving benefits under the act entitled "An act to provide means by which certain Filipinos can emigrate from the United States", approved July 10, 1935;

H. R. 10174. An act for the relief of Ezra Curtis;

H. R. 10785. An act for the relief of John B. H. Waring;

H. R. 10849. An act to authorize an appropriation for improvement of ammunition storage facilities at Aliamanu, Territory of Hawaii, and Edgewood Arsenal, Md.;

H. R. 11006. An act providing for the examination of the Nueces River and its tributaries in the State of Texas for flood-control purposes;

H. R. 11052. An act for the relief of Joseph M. Purrington;

H. R. 11164. An act for the relief of Arthur Van Gestel, alias Arthur Goodsell;

H. R. 11616. An act to fix the compensation of the Director of the Federal Bureau of Investigation;

H. R. 11768. An act authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose;

H. R. 11792. An act declaring Bayou St. John, in the city of New Orleans, La., a nonnavigable stream;

H. R. 11821. An act to correct an error in section 16 (e) (1) of the Agricultural Adjustment Act, as amended, with respect to adjustments in taxes on stocks on hand, in the case of a reduction in processing tax;

H. R. 11929. An act granting to the State of Iowa for State park purposes certain land of the United States in Clayton County, Iowa;

H. R. 11969. An act to promote national defense by organizing the Air Reserve Training Corps;

H. R. 12370. An act to authorize a preliminary examination of Big Blue River and its tributaries with a view to the control of their floods;

H. J. Res. 377. Joint resolution to enable the States of Maine, New Hampshire, New York, Vermont, Massachusetts, Rhode Island, Connecticut, Pennsylvania, West Virginia, Kentucky, Indiana, Illinois, Tennessee, and Ohio to conserve and regulate the flow of and purify the waters of rivers and streams whose drainage basins lie within two or more of the said States;

H. J. Res. 465. Joint resolution to amend the joint resolution of July 18, 1935, relating to the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in September 1936;

H. J. Res. 497. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Petroleum Exposition, Tulsa, Okla., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 499. Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes; and

H. J. Res. 570. Joint resolution authorizing the President of the United States to award posthumously a Distinguished Service Medal to Maj. Gen. Clarence Ransom Edwards.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2243. An act relating to the allocation of radio facilities;

S. 2303. An act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented;

S. 3043. An act for the relief of the State of Maine;

S. 3452. An act to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes";

S. 3477. An act relating to the jurisdiction of the judge for the northern and middle districts of Alabama;

S. 3885. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 3945. An act to extend the times for commencing and completing the construction of certain free highway bridges across the Red River, from Moorhead, Minn., to Fargo, N. Dak.;

S. 3989. An act to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries;

S. 4184. An act to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925;

S. 4230. An act to amend section 28 of the enabling act for the State of Arizona, approved June 20, 1910;

S. 4298. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933;

S. 4326. An act granting the consent of Congress to the Department of Public Works of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass.;

S. 4340. An act to authorize the President to designate an Acting High Commissioner to the Philippine Islands;

S. 4354. An act to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration, at Little Rock, Ark., the Texas Centennial, at Dallas, Tex., and the National Confederate Reunion, at Shreveport, La., between the dates from June 6 to June 16, 1936, inclusive;

S. 4549. An act authorizing the State Highway Board of the State of Georgia to replace, reconstruct, or repair the free highway bridge across the Savannah River at or near the city of Augusta, Ga.; and

S. 4655. An act relative to limitation of shipowners' liability.

EXTENSION OF REMARKS

THE THOMAS JEFFERSON MEMORIAL

Mr. LUDLOW. Mr. Speaker, as one who has profound faith in the philosophy of Thomas Jefferson, and who prides himself on being called "a Jeffersonian Democrat", I am glad that, at last, a memorial to this great statesman is to be erected in the Capital of the country which, thanks largely to his wisdom and vision, is, and for all ages to come will be, the common man's greatest land of opportunity.

I am sure the people of America will cordially approve the Jefferson Memorial, for sentiment is not yet dead and gratitude, though sometimes hesitant to manifest itself, is not a lost virtue; and I think the people ought to know that this deserved recognition of the greatest of all of the founding fathers is mainly due to a modest Member of this body who is cast in the Jeffersonian mold.

I refer to our colleague, JOHN J. BOYLAN, of New York. The worthy concept represented in this memorial, embodying in visual form a Nation's love for the man who, above all others, erected the ideals of popular government in the Western Hemisphere, is a product of the splendid mind and the splendid heart of the gentleman from New York, Mr. BOYLAN, who has labored for this project year after year, in season and out of season, and whose cup of happiness surely must be flowing over, now that he is about to witness the realization of his dream. Through long association with the gentleman from New York in the committee room and on the floor of this House, I have come to know him and to love him as a real humanitarian and a devoted friend of the common people who comprise the warp and woof of our citizenry.

The district in New York which he represents is to be congratulated on having made a real contribution to the public service of our country, and I hope he will be kept here as long as he lives because the Nation needs him. I do not know of anyone who, in the breadth of his sympathy for the poor, the humble, and unfortunate, more worthily typifies the ideals of Jefferson than Mr. BOYLAN does.

At a time when tyrannical dictatorships are rising to the zenith all over the world and popular government is sinking to the nadir everywhere, it is particularly appropriate that we should erect in the city of Washington, the political center of the Western Hemisphere, this memorial to Jefferson so that the whole world may know that in America, at least, the ideals of humanity are still our ideals and that we have not lost nor in any degree surrendered our appreciation of the value of the franchise of freedom.

Thus it may prove that what we are doing now in erecting this memorial to the great protagonist of liberty will have a greater significance than any of us can envision—a world significance. It will have, if by directing attention to the ideals of America, conceived and fashioned by the genius of Jefferson, it serves to kindle fresh fires on the altars of freedom throughout the world.

I wish devoutly that the erection of this Jefferson Memorial might bring to every human being in the world a mental picture of the difference between dictatorships and rule by the people—between tyrants like Napoleon and patriots like Jefferson. I think these two great world characters are properly comparable, for they lived in the same era and typified the extremes of leadership which still exist and which are being brought into ever bolder relief as dictators grab the thrones of power in other countries, thus drawing the contrast between governments where individual liberty is dead and our own land of opportunity, where the ideals woven into the fabric of government by Jefferson still guarantee to every individual under our flag the right of life, liberty, and the pursuit of happiness.

Some time ago I stood at the tomb of the old Napoleon on the banks of the Seine he said he loved so well, and looked down over the balustrade at the sarcophagus where rest the remains of that incarnation of force and murder, surrounded in magnificent panoply by the battle flags he had captured in his amazing career of conquest and of violence. Somehow I could not become enthused even amid those surroundings of imperial majesty, because I had a sickening sense of the widows and orphans he had made and how he had brought grief and sorrow and desolation into nearly every household in Europe.

As I stood there I resolved that when I returned home I would visit another shrine where I knew my emotions would be quite different. I would visit the tomb of Thomas Jefferson, the friend of man, who wrote into the great Declaration the precious doctrine that "all men are created equal."

A little while ago I made that resolution good. I made my first visit to the tomb of Jefferson.

As I stood on that Virginia mountain side while the rays of early morning gilded the shaft where rest the remains of the greatest humanitarian since Jesus of Nazareth, I was thrilled as I think I never had been thrilled before.

Here—

I said to myself—

lies the great champion and defender of human rights, whose passion was to save and to serve and not, like Napoleon's, to destroy humanity. Let no one say in this presence that the common man is of no importance.

And I was impressed beyond my feeble powers of language to describe by the inscription which he himself wrote for his tombstone and commanded to be placed there.

Here—

It reads—

was buried Thomas Jefferson, author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia.

That inscription, it seems to me, is more eloquent for what it does not say than for what it says. There is not one word in it to indicate that he had been a Member of the Congress of the United States; that he had been Secretary of State of the United States and Minister to France; and that he had held the highest office in the gift of the Republic—the Presidency of the United States.

He wanted to be known not for the positions of distinction he had held but for the service he had rendered to humanity. That was Thomas Jefferson, in my opinion the most incomparably grand figure in American history. We do well to honor him by erecting this memorial in his memory, a memorial which by its stateliness and impressiveness will help to carry the ideals of liberty down to the remotest generation.

OMNIBUS CLAIMS BILLS

Mr. COCHRAN. Mr. Speaker, Thursday evening has been set aside for the consideration of omnibus claims bills. The bills will be found on the Private Calendar. There are five such bills on the calendar. Included in the bills are many meritorious claims, but, as I have pointed out before, there are many bills that this House should not pass.

The President has vetoed many private claims bills, and outside of those coming from the Military and Naval Affairs Committees I have opposed practically every bill vetoed.

Let me call the Members' attention to the speech of Senator BAILEY, which will be found on pages 8624–8625 of the RECORD of June 2. Senator BAILEY is chairman of the Committee on Claims of the Senate. The veto messages of the President on the bills for the relief of Henry Bibus and others, the Collier Manufacturing Co., William W. Danenhower, and Zelma Halverson, four bills originating in the Senate, had just been read.

Senator BAILEY said he was in agreement with the President despite the fact that his committee had favorably reported the four bills. Senator BAILEY said:

Mr. President, I should like to be heard briefly with reference to the veto messages which have just been received from the President. I am in agreement with the President in these matters. I wish to say, as chairman of the Committee on Claims, that I believe it would be a good policy for all Members of the House and Senate who intend to introduce bills asking for relief against the Government to obtain first from the department a report tending to show that the department itself will approve such claims.

For the remainder of this session I think no one should ask us to approve a claim against which the statute of limitations has run, nor should we be asked to report favorably any claim which has not been approved by the department. I think the President's course is one to be commended. Of course, there will be no effort on my part, and I am sure no effort on the part of the committee, to report the measures back with a view to overriding the vetoes.

In view of this statement I think it is a waste of time to even consider the omnibus bills so late in the session, other than Senate bills.

I regret, because my doctor has advised against it, I am not going to be able to personally oppose bills as I have in the past.

Some of the bills that should be defeated are listed below:

H. R. 11215 (OMNIBUS)

TITLE I—H. R. 653—GEORGE R. BROWN

This is a bill to authorize payment of pay and allowances to George R. Brown, a former second lieutenant in the National Guard, to cover a period during which it is claimed he was illegally placed in a discharge status from the service of the United States.

Lieutenant Brown rendered no services during the period in question, never reported to a military post or station, and was not ordered to do so. The accounting officers of the Government in 1918 and the Court of Claims in 1924 found no merit in the claim, and the War Department, in agreement therewith, has reported adversely. Amount claimed, $689.90.

TITLE IV—H. R. 2115—FIRST LT. R. G. CUNO

This bill would reimburse First Lt. R. G. Cuno for damages to his personal property which were sustained by reason of a storm which flooded a warehouse at Langley Field, Va., August 23, 1933, where the Government had stored the property during the officer's absence as a patient at Walter Reed General Hospital. The property was stored free of charge, and, at most, the Government was merely a gratuitous bailee, requiring the exercise of only ordinary care and certainly not liable for damages resulting from unforeseeable causes. The damages to the property may be considered as the result of an act of God, any consequent losses necessarily resting on the owner of the property.

Since as early as 1885 (23 Stat. 350) the Government has accepted only a limited liability for loss, destruction, or damage of property of personnel of the military services (see act of Mar. 4, 1921, 41 Stat. 1436), but it has never gone so far as to insure personal property of an Army officer against loss, damage, and destruction when the custody by the Government was for convenience of the owner of the property.

Hundreds of enlisted men and officers at Langley Field, Fort Monroe, and the navy yard and hospital at Langley Field lost their personal belongings in the flood of 1933.

Is Congress to reimburse this man to the extent of $351.61 and not recognize the others?

TITLE VIII—H. R. 3179—JESSE ASHBY

The claim of Jesse Ashby arose out of work required to be performed under contract dated April 28, 1931, for painting plaster walls in the new Department of Commerce Building, Washington, D. C., and the provisions of this title VIII have for their purpose a reference of his claim to the United States Court of Claims with jurisdiction to hear the same notwithstanding the failure of any Government officer to give proper written orders for additional work with instructions to adjudicate the same upon the basis set forth in the bill. If the Government is going to guarantee a realization of the profit estimated by a contractor, then the protection accorded the Government by the provisions of section 3709, Revised Statutes, will be practically nullified. No amount is estimated.

TITLE XIII—H. R. 6105—FOR THE RELIEF OF THE NEW AMSTERDAM CASUALTY CO.

This bill is for the relief of the New Amsterdam Casualty Co. This company furnished the bond for one Zangwell Engelsher, who had been indicted on six counts for counterfeiting. You have hundreds of similar cases where forfeited bail bonds will be demanded when bills of this character pass.

TITLE XVII—S. 895—TO CARRY OUT THE FINDINGS OF THE COURT OF CLAIMS IN THE CASE OF THE ATLANTIC WORKS, OF BOSTON, MASS.

The claim of the Atlantic Works, of Boston, Mass., is a more or less ancient one, the basis thereof being predicated upon construction of the revenue cutter *Daniel Manning*, under the terms of a contract with the United States dated June 27, 1895. The vessel was completed October 7, 1897, was delivered to and accepted by the United States, and the full contract price, plus the cost of extra work, was paid and received by the contractor as payment in full.

This claim thus appears to be merely another case where the Government is asked to donate or give to a contractor moneys of the taxpayer to partly reimburse such contractor for losses due to errors in estimating its costs and profits on Government work. The amount involved is $22,170.30.

TITLE XVIII—S. 2119—FOR THE RELIEF OF AMOS D. CARVER, S. E. TURNER, CLIFFORD N. CARVER, SCOTT BLANCHARD, P. B. BLANCHARD, JAMES B. PARSE, A. N. BLANCHARD, AND W. A. BLANCHARD AND/OR THE WIDOWS OF SUCH OF THEM AS MAY BE DECEASED

The claim of Amos D. Carver et al., in the sum of $35,916.68, is stated to represent losses incurred by the owners of the schooner *Betsy Ross* by reason of interference with, delays to, and forced cancelation of a private charter of and the appropriation of the use of said vessel by the United States Shipping Board on or about April 5, 1918. The basis for the claim appears to be that the loss was incurred in handling a shipment of wheat for the United States Food Administration from Australia to New York instead of a shipment of chrome ore to the west coast of the United States under a private charter. The United States Shipping Board has denied appropriation of the use of the vessel and the Supreme Court of the United States has confirmed the contention of the Government on the merits to the effect that no liability attached to the United States, this action being on writ of certiorari after judgment by the Court of Claims against the United States.

Is Congress going to overrule the actions of the Court of Claims and the Supreme Court?

H. R. 12322 (OMNIBUS)

TITLE I—H. R. 1369—R. L. TANKERSLEY

This bill would grant to the beneficiary $5,000 from the United States Treasury as damages for personal injuries alleged to have been sustained in an encounter with one Capt. John C. Luikhart, commanding officer of Service Troop, One Hundred and Eleventh Cavalry, New Mexico National Guard, while the organization was in attendance at an encampment at Fort Bliss, Tex. The trouble appears to have been the result of an argument between Mr. Tankersley and the captain regarding the taking of watermelons from the former's patch by certain undisclosed enlisted members of the New Mexico National Guard. The law is clear that members of the National Guard in time of peace are administered, uniformed, equipped, and trained in their status as National Guards of the several States, Territories, and the District of Columbia, and the fact that the Federal Government appropriates money for allotment to the States in assisting them in the training of their troops does not shift the liability either legally, equitably, or morally upon the Federal Government for damages which may have been caused by these State troops.

TITLE II—H. R. 1868—MARY E. RONEY

Five thousand dollars has already been paid to the claimant under the act of Congress of February 11, 1929, as amended by the act of Congress of June 5, 1930 (46 Stat. 500). The accident that resulted in this payment occurred in the District of Columbia, and the passage of this bill would amount to a special exception to the general law made and provided for just such cases, not only by increasing the amount beyond the $5,000 limitation but also by authorizing the entire payment above $5,000 from the Federal Treasury rather than from funds of the District of Columbia.

TITLE III.—H. R. 2148—TO CONFER JURISDICTION ON THE COURT OF CLAIMS TO HEAR, DETERMINE, AND RENDER JUDGMENT UPON THE CLAIMS OF THE ITALIAN STAR LINE, INC., AGAINST THE UNITED STATES

This bill would provide another legal avenue through which the corporation can again bring suit against the United States for recovery of approximately a half a million dollars of the taxpayers' money for the admitted purpose of paying dividends to the Italian-American stockholders in the corporation. This corporation has already tried numerous times to impress several Federal courts with the merits of its claim, but its claims have uniformly been turned down. The memorandum from the Director, Shipping Board Bureau, included in the committee's report, indicates that most of the Government's important witnesses have since died and that the expense of summoning the remaining witnesses in behalf of the Government would entail a tremendous cost.

It is stated further that the Government already has suffered a loss of approximately $1,500,000 out of the transaction. It is submitted that to require the Government to defend another suit at this time, after the death of so many of its principal witnesses, after the statute of limitations has long since run against the claimant, would place the Government at a decided disadvantage and entail an unnecessary and burdensome cost.

This corporation, once indicted for conspiracy to defraud the United States, should not be placed in a position superior to that of an individual litigant who has sued and lost to another private litigant instead of to the Government.

TITLE IV—H. R. 2644—KRIKOR HAROUTUNIAN

There appears to be absolutely no reason, legal, equitable, or moral, why this claimant should be paid $1,000. Haroutunian posted a bond conditioned upon the voluntary departure from the United States of two Turkish nationals temporarily admitted to this country, who by a series of delays, hindrances, and obstacles have to all intents and purposes flouted the immigration laws and still remain in this country.

Why should the United States return a forfeiture exacted under the bond under more or less vicious circumstances enumerated by the Department of Labor in its letter which will be found in the report. A subterfuge undoubtedly was perpetrated in solving and surmounting the immigration hurdles erected by the Congress and the surety certainly should not be rewarded for the success of the enterprise. This title undoubtedly should be stricken from the bill.

TITLE V—H. R. 4500—FRANK LEE BORNEY

The wording of this title would lead to the inference that injuries were sustained by the claimant as a result of innocently coming into contact with a dynamite cap used by the Civil Works Administration contractors. Actually, however, it appears that the Negro youth stole the cap from the cache where they had been placed by the dynamite workers for safety and subsequently in experimenting therewith caused the explosion which resulted in the loss of two fingers. The situation is the same as though he had stolen a loaded revolver and accidently shot himself and then made claim upon the owner of the gun for damages for his injury. There is absolutely no liability on the part of the Government, and it is not believed that Congress should ratify or approve his larceny by rewarding him for his illegal act which accidently resulted in the injury.

TITLE VI—H. R. 4695—STERLING BRONZE CO.

See report of the Comptroller General of the United States, dated April 26, 1934, on pages 34, 35, and 36 of Report No. 2416 of the Committee on Claims, accompanying this omnibus claims bill, H. R. 12322. This bill has to do with the New House Office Building. The report is lengthy and not favorable.

TITLE VIII—H. R. 5826—MISSISSIPPI BARGE CORPORATION

This is a claim by the disputed owner of the steamboat *Dandelion*, claimed to have been sunk by a Government vessel in February 1929, over 7 years ago. The amount of the claim is now $20,000. It appears that this old ship was built in 1893 and was sold by the United States Lighthouse Service to the alleged vendee of the claimant for $2,500. The committee report, while admitting that the purchaser of the vessel from the Lighthouse Service paid only a small sum for the ship, states "There is nothing to show that he did not make repairs before he sold it." It may also be stated that there is nothing to show that he did make any repairs. There seems to be much confusion as to ownership and value of this old crate at the time it was sunk, and it is significant to note that the alleged owners have never pursued their remedies, if any they had, in a court of competent jurisdiction capable of hearing both sides, of viewing the witnesses, and of submitting them to cross-examination by the opposing counsel. Neither is it shown that any attempt was ever made to minimize the damages by salvage operations. The Government agency, the Inland Waterways Corporation, denies liability.

TITLE IX—H. R. 6273—J. H. KNOTT

The only report of the facts in this case is that of the Navy Department, quoted from a report of the driver of the Navy automobile, from which it may be concluded that the victim of the accident negligently walked into the path of the moving machine.

There appearing no negligence attributable to the driver, authorization of payment of this claim by the Congress must be on the theory that the Government is an insurer against injury to those who walk the streets where its vehicles are driven.

TITLE X—S. 427—AUTHORIZING THE REIMBURSEMENT OF EDWARD B. WHEELER AND THE STATE INVESTMENT CO. FOR THE LOSS OF CERTAIN LANDS IN THE MORA GRANT, NEW MEXICO

S. 427 passed the House May 5, 1936.

H. R. 12323 (OMNIBUS)

TITLE I—H. R. 2415—FOR THE RELIEF OF STANDARD OIL CO. FOR LOSSES SUSTAINED BY PAYMENT OF DISCRIMINATORY EXCESS TONNAGE TAXES AND LIGHT MONEYS

This bill involves $60,283. In going over the report I found the Court of Claims held that the taxes imposed were legally assessed and collected. Despite this decision I found a letter from the Secretary of Commerce in the committee report directly in contrast to that of the Attorney General. I immediately wrote the Secretary of Commerce, requesting an explanation.

For the information of Members I submit a letter received from the Secretary of Commerce:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, April 22, 1936.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in Executive Departments, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: I have your letter of the 18th instant, calling my attention to a conflict between my letter of June 10, 1935, with reference to H. R. 2415, a bill for the relief of the Standard Oil Co., and a communication of the Attorney General dated July 1, 1935, on the same subject.

In my letter of June 10, 1935, it was said in part:

"Immediately after the closing of the World War hostilities there were collected by collectors of customs, acting under orders of this Department, from the vessels of the Standard Oil Co. penal taxes under sections 4219 and 4225 of the Revised Statutes, inasmuch as it was considered that the commercial treaty between Germany and the United States had been suspended or abrogated by the war, in which case the said penal taxes would be incurred.

"The Standard Oil Co., however, brought action against the Government on the ground that the collection of these penal taxes was not in accordance with the law. The Government defended the case and the decision of the court was against the Government.

"Inasmuch as under the decision of the court the above collection was erroneous, it appears to the Bureau of Navigation and Steamboat Inspection that the Department should not object to the payment of the sum found due the Standard Oil Co."

These statements are incorrect and are based upon a misconception of the decision of the Court of Claims dated May 13, 1933 (77 Ct. Cls. 206), formed by officials of the Bureau of Navigation and Steamboat Inspection who made the preparatory study for the letter of June 10, 1935.

As is stated in the letter of the Attorney General above referred to, the Standard Oil Co. of New Jersey brought suit in the Court of Claims for refund of tonnage duties and light money collected on certain vessels under the provisions of sections 4219 and 4225, Revised Statutes, respectively (U. S. C., title 46, secs. 121, 128). The Court of Claims decided that the moneys collected from the Standard Oil Co. under the provisions had been lawfully collected and that, therefore, the claim of the Standard Oil Co. had no merit. It is therefore felt that, since the Standard Oil Co. has had its day in court and the determination of its claim on the merits, there is no reason for extending legislative relief which would in effect be a refund of the aforementioned collections.

I regret the error and the resultant confusion arising in this matter. I am addressing a letter under the same date to the chairman of the Committee on Claims, House of Representatives, calling his attention to this matter and requesting his approval for the withdrawal of my letter of June 10, 1935.

Sincerely yours,

DANIEL C. ROPER,
Secretary of Commerce.

In view of the letter of the Secretary of Commerce as well as the report of the Attorney General, I feel the committee should ask that the title be stricken from the bill.

There can be no doubt but that the favorable letter from the Secretary of Commerce resulted in the favorable report on the bill.

TITLE II—H. R. 4789—COAST FIR & CEDAR PRODUCTS CO., INC.

This title covers a case where the contractor asserts a claim for payment for cross ties claimed to have been shipped under a contract dated April 18, 1928, with the Bureau of Reclamation, Department of the Interior. The cross ties—five carloads—as a matter of fact, were in excess of the amount required to be furnished; the Government had no use for them; they were placed upon a railroad siding for disposition by the contractor; the contractor was promptly notified, and subsequently he sold some of this excess to other parties. Both the Department of the Interior and the Comptroller General of the United States have reported adversely on the merits, and the claimant has tacitly admitted the correctness of these reports by never having pursued his remedy in the Court of Claims, where a judicial determination of his rights could have been obtained.

TITLE VIII—S. 373—CONFERRING JURISDICTION UPON THE COURT OF CLAIMS TO HEAR, DETERMINE, AND RENDER JUDGMENT ON THE CLAIM OF ROBERT A. WATSON

This claimant was dealing in the sugar market for the primary purpose of realizing a profit from the transactions and his chief concern appears to have revolved around the possible effect of the Lever Act, upon the profit believed to be necessary in order to meet the risks involved and the necessary financing. Due to an unforeseen break in the price of sugar, the contemplated profits of the claimant apparently were not realized, and it is the purpose of the title to permit suit to be instituted in the Court of Claims for the damage or loss sustained. The financial institutions with which credit apparently was established by Mr. Watson to purchase the sugar took the same chances as any other person in buying with the object of selling their commodities at a profit, and when unforeseeable losses are incurred, such losses properly should fall upon them and not upon the taxpayers of the country.

TITLE IX—S. 1960—FOR THE RELIEF OF THE FLORIDA NATIONAL BANK & TRUST CO., A NATIONAL BANKING CORPORATION, AS SUCCESSOR TRUSTEE FOR THE ESTATE OF PHILIP ULLENDORF, DECEASED

This bill sets aside the statute of limitations and delegates the Commissioner of Internal Revenue to consider a claim for refund of inheritance taxes. The President has time and again vetoed such bills. Why send him another that will meet a similar fate? The Treasury Department strongly opposes passage of the bill.

H. R. 12772 (OMNIBUS)

TITLE I—S. 2268—FOR THE RELIEF OF BAUSCH & LOMB OPTICAL CO.

This is a direct appropriation from the Treasury. The bill does not send the case back to the Court of Claims. The Court of Claims has already decided the case in favor of the Government.

I quote from the decision of the court:

CONCLUSION OF LAW

Upon the foregoing special findings of fact, which are made a part of the judgment herein, the court decides as a conclusion of law that plaintiff is entitled to recover $707.89.

It is therefore adjudged and ordered that the plaintiff recover of and from the United States the sum of $707.89.

The amount asked in this bill is $33,487.34. An amendment should be offered reducing amount to $707.80.

TITLE II—H. R. 10436—FOR THE RELIEF OF THE HEIRS OF MARGARETTA D. FENN

This is a Civil War claim and is based upon stores and supplies alleged to have been furnished the Army of the United States, as well as to damages done to property.

Under the amendment in the omnibus claims bill of 1913, the Congress laid down the policy that it would no longer consider Civil War claims by sending them to the Court of Claims.

I see no reason for resurrecting claims of this character now. To recognize one would mean that the Congress would be justified in recognizing thousands.

H. R. 12788 (OMNIBUS)

TITLE III—H. R. 4655—FOR THE RELIEF OF THE SACHS MERCANTILE CO., INC.

This bill is to pay direct from the Treasury $68,073.47 for alleged losses incurred by reason of a purchase from the Navy Department at a sale by auction. The report asserts the claim is favorably reported by reason of an opinion of the Court of Claims dated February 5, 1934. The opinion referred to is not included in the report.

The letter from the Secretary of the Navy, however, is in the report. I quote the last sentence from the letter of the Secretary of the Navy:

The Navy Department is of the opinion that the enactment into law of H. R. 9294 would be prejudicial to the public interests in that it would create a dangerous precedent that would be cited by persons and corporations seeking congressional relief to cover losses sustained in transactions with the Government when such losses were due to their own poor judgment, negligence, or ordinary business hazards, and therefore recommends against the enactment of the bill H. R. 9294.

H. R. 12788 (OMNIBUS)

TITLE IV—H. R. 4915—FOR THE RELIEF OF GUIDEO BISCARDO, GIOVANNI POLIN, SPIRONELLO ANTONIO, ARTURO BETTIO, CARLO BISCARDO, AND ANTONIO VANNIN

This is another claim for a refund amounting to $3,500 for a forfeited immigration bond. It is true that the aliens were apprehended and deported, but the Department of Labor says that the bondsman in no way assisted the Government in the apprehension of the aliens or furnished any information leading to their apprehension.

TITLE X—S. 918—TO CARRY OUT THE FINDINGS OF THE COURT OF CLAIMS IN THE CASE OF THE UNION IRON WORKS

The title said that this is to carry out the findings of the Court of Claims. If we adhere to the findings of the Court of Claims, the House will defeat this bill. I invite the Members to read the opinion of the Court of Claims, which will be found in the committee report.

As to the conclusion of law, I quote from the Court of Claims:

Upon the foregoing special findings of fact, which are made part of the judgment herein, the court decides, as a conclusion of law, that plaintiff is not entitled to recover, and its petition is dismissed.

Judgment is rendered against the plaintiff for the cost of printing the record herein, the amount thereof to be ascertained by the clerk and collected by him according to law, which amount is found to be $2,159.82.

I now quote briefly from the opinion of the Court of Claims:

The claim is one founded upon a contract with the Government of the United States (sec. 145, Judicial Code), and within the general jurisdiction of this court. The cause or causes of action accrued more than 6 years before either the claim was transmitted to the court by the Senate or petition was filed in court, and the claim is therefore barred by section 156 of the Judicial Code. Were the court to base its judgment on the merits, the petition would still have to be dismissed, since the facts show no breach of contract, and none is alleged. The plaintiff is not entitled to either legal or equitable relief. The claim is one for a gratuity.

In view of this, I recommend to the Members of the House that they carry out the findings of the Court of Claims and save the taxpayers $165,284.53.

TITLE XI—S. 1041—FOR THE RELIEF OF COHEN, GOLDMAN & CO., INC.

This is a direct payment from the Treasury and comes to the Congress after an unfavorable decision by the Court of Claims. The amount involved is $19,030.20. I quote from the report of the Court of Claims, under the heading "Conclusion of Law."

Upon the foregoing findings of fact, which are made a part of the judgment herein, the court decides as a conclusion of law, that the plaintiff is not entitled to recover and its petition is therefore dismissed.

Judgment is rendered against plaintiff for the cost of printing the record herein, the amount thereof to be entered by the clerk and collected by him according to law.

The opinion of the Court of Claims states that in one of the audits of the General Accounting Office on June 29, 1924, within 6 years after the completion of the contracts, issued a certificate of settlement showing $136,526.45 due the Government after allowing the plaintiff a 20-percent bonus of $17,820.35.

There is absolutely nothing in the Court of Claims decision that warrants the Congress in passing this bill.

TITLE XII—S. 2719—FOR THE RELIEF OF CAPT. GUY D. HARTMAN

This is to pay $20,000 out of the Treasury to Captain Hartman as reimbursement for a loss suffered upon forfeiture of appearance bonds in a United States court. This is another bond-forfeiture case and grows out of a violation of the prohibition law.

Captain Hartman maintains that he became sick while in Mexico and was unable to return to this country.

I quote the last two paragraphs of the letter from the Department of Justice:

The prosecutions against Captain Hartman were nolle prossed and it seems that the extent of his punishment was the $20,000 bond forfeiture. Undoubtedly the dismissal of the criminal charges was in consideration of his valiant military record and also his valuable services to the Government in furnishing information relative to the distillery operations resulting in the collection of over $100,000 in taxes and the conviction of most of the defendants. It does not appear that any effort was made to have the default on the fine set aside pursuant to statutory method provided when circumstances justify it. On the other hand, indications are that when the criminal prosecutions were disposed of the fact that the defendant Hartman had suffered a $20,000 forfeiture was taken into consideration. One of his co-defendants, who also avoided a penitentiary sentence, made a $100,000 settlement on tax liability.

There is no question about Captain Hartman having been engaged in the gigantic, illicit whisky enterprise. His going to Mexico was not only to avoid what to him seemed his certain conviction, but was to make himself unavailable as a material witness as to other defendants. Therefore, his claim seems to be without merit.

TITLE XIII—S. 2747—CONFERRING JURISDICTION UPON THE UNITED STATES COURT OF CLAIMS TO HEAR THE CLAIM OF THE CANAL DREDGING CO.

This is to refer a case to the Court of Claims growing out of a contract that amounted to $649,432. I quote in part from the report of the War Department:

The contractor began work on August 15, 1932, and the rate of progress was such that up until April 4, 1934, only 2,486,950 cubic yards of material had been placed in the levee. On numerous occasions, the matter of delay or lack of progress on the work was brought to the attention of the contractor, but without material results. The delay was due entirely to the lack of adequate and suitable plant for hydraulic work, proper superintendence, and financial responsibility.

After it was determined that the work would not be completed within the contract time, the supplemental agreement of June 14, 1934, was entered into providing for the termination of the contract and the payment to the contractor of the sum of $80,230.46 in full settlement under the contract. The contractor voluntarily agreed without any coercion by the Department to a settlement on this basis and to release the Government from any and all claims under the contract and supplemental agreements thereto. The contractor was released from the performance of any further work under the contract.

The Department feels that the Canal Dredging Co. has been adequately compensated for the work performed under the contract in question and therefore recommends that the proposed legislation be not enacted into law.

TITLE XIV—S. 3090—FOR THE RELIEF OF JOSEPH M. CACACE, CHARLES M. CACACE, AND MARY E. CLIBOURNE

This is another bond-forfeiture case.

TITLE XV—S. J. RES. 196—TO CORRECT ERRORS IN THE ENROLLMENT OF PRIVATE ACT NO. 349, SEVENTY-FOURTH CONGRESS, APPROVED AUGUST 29, 1935, AND TO CLARIFY THE DUTIES OF THE COMPTROLLER GENERAL IN CONNECTION WITH SAID ACT

I made a speech on this resolution before the House some time ago. In order to properly understand the resolution it is necessary to get the act of August 29, 1935, referred to. This is an old navy-yard claim, and after pending in the House for about 20 years it was passed in the first session of the Seventy-fourth Congress and provided for the payment of $332,950 to navy-yard workers throughout the United States for overtime, and so forth. Provisions were made in that resolution to pay the attorneys of record who appeared before the Court of Claims in the cases 10 percent of the amount, or $33,295.

The Comptroller General is paying the claims now, where he can find the claimants, but it develops that only about 1 out of 15 claimants is alive, and the money is being paid to the heirs of the claimants.

Under the terms of this resolution Clarence W. DeKnight, an attorney in Washington, is to receive $33,295 for securing the passage of the act. In other words, if this becomes a law, while it is not going to cost the Government any additional money, as it will be taken away from the amount to be paid the claimants by Congress, it is saying that this attorney was responsible for Congress passing the original act.

I well recall that the minority leader, Mr. SNELL, tried over a period of many years to secure the passage of the original claim without success, but Mr. SNELL told me he never heard of nor ever saw Mr. Clarence W. DeKnight during the years that he was working for the passage of this claim.

In my judgment, if we pass this resolution the Congress will be admitting that the original act became law through the influence of an attorney.

I might say that I understand Mr. DeKnight represented a number of claimants before the Court of Claims, and under the terms of the original resolution as signed by the President he will receive 10 percent of the amount paid to the claimants he represented.

I do not think that the Members of Congress are willing to concede that this bill was passed as the result of the work of Mr. DeKnight, but those who did vote for it, I feel, will want to take the position now that they supported it because they thought it was a meritorious claim.

It has been the policy of the Congress to allow 10 percent to attorneys in connection with claims of this character, and why should we set aside that policy now and increase the amount that will be taken from the claimants 10 additional percent?

A CHARGE AGAINST MICHIGAN AUTHORITIES WHICH IS WITHOUT FOUNDATION

Mr. HOFFMAN. Mr. Speaker, just what prompted the gentleman from Michigan [Mr. SADOWSKI], on June 2, 1936, to charge, in substance and to the effect that the attorney general of the State of Michigan, the State police of that State, and the Governor of Michigan, representing the State of Michigan, had failed to take proper steps to prosecute members of the Black Legion for violations of the law because the men so accused "have been affiliated with the Wolverine Republican Club and other Republican organizations * * * and have been the backbone of the Republican Party in those four counties", is not apparent on the face of the record.

The present Governor of the State of Michigan has always stood for law enforcement. The commissioner of public safety, Oscar G. Olander, head of the State police department of Michigan, has held that office through Democratic and Republican administrations. His reputation as a fearless, efficient, law-enforcing officer is more than State-wide. The department, since he came in charge of it, has never been accused of being used for political purposes. No one has questioned the motives of its commanding officers and none has criticized the method in which they have performed their duties until the gentleman from Detroit arose.

He does not present any facts to justify the charge he makes. He fails to put into the RECORD any evidence whatever that the Republican State organization or any Republican county organization has been a party to, or even aware of, any of the activities of the Black Legion. If he has such evidence, he should present it to the proper authorities.

He did fail to call the attention of the House to the fact that the activities of the legion seem to be centered in Wayne County, democracy's stronghold. He should have told the House that the prosecuting attorney of Wayne County is a Democrat and that, so far as we have been informed, and this came through the public press, that prosecutor is the only public official of prominence in an executive position whose name appeared on an application blank for admission to the Black Legion.

He should have told the House that it was the Democratic prosecutor's duty, in Wayne County at least, to bring action against the members of this body and, if the public press is giving us the picture with its usual accuracy, that prosecutor is performing his duty, as is the Republican attorney general of the State and Republican prosecutors in other counties of the State.

The gentleman from Michigan [Mr. SADOWSKI], if he desired to be fair about the matter, should have told the

House that this same prosecuting attorney failed to prosecute Democratic officials charged with election frauds and that, under the direction of the attorney general of the State, 18 persons so charged were later convicted by Republican prosecuting officials.

He might have added that one of those convicted was the then chairman of the Democratic State central committee; that another so convicted, and who was later sentenced to serve 5 years in prison and whose case is now pending on appeal, is a delegate to the Democratic convention at Philadelphia and comes from the same district as does the gentleman from Michigan [Mr. SADOWSKI], who is also a delegate to that convention.

Apparently, the motive actuating the gentleman from Detroit [Mr. SADOWSKI], is that of resentment against these public officials who happen to be in office and who performed their duty when the election frauds of his fellow Democrats were uncovered and brought before the court.

It is with regret that these matters are called to the attention of the Members of the House. But, when a Member arises upon the floor and, without any facts whatever to support his statement, accuses the Governor of our State, the attorney general of our State, and the head of our State police force with countenancing the unlawful acts of the Black Legion, with failing to prosecute violations of the law by members of that body, and when that charge is known, or should be known, by every member of the delegation from Michigan, to be false, I would be lacking in my duty to my State to permit it to be spread upon the RECORD without contradiction.

It is unfortunate that the gentleman's state of mind should lead him to make such an unfair and ridiculous charge. It is to be hoped that, upon reflection, he will advise the House of his error.

THE CONSTITUTION AND THE NEW DEAL

Mr. REED of Illinois. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by me to the Young Republican Group of the National Capital Republican Club on Tuesday, May 19, 1936:

Eighteen months ago it was my privilege to accept the responsibilities and duties of a representative of the people in the Congress of the United States. To my mind the individual Congressman should, in the exercise of his prerogatives, consider, first, the welfare of the entire Nation; second, that of his own State; and, third, that of the district from which he is chosen. Before entering upon his legislative duties he must stand in the Hall of Representatives in our Nation's Capitol, and with his right hand uplifted assume the following oath:

"I do solemnly swear that I will support and defend the Constitution of the United States against all enemies foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely without any mental reservation or purpose of evasion and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

His fealty to the Constitution is not, or should not be, something to be discarded at pleasure. That historic document is the written expression of the will of the people concerning the form of their government. Only they can legally change, modify, or repeal it; and rightfully so, because its observance guarantees to them the blessings of liberty, to gain which so many valiant lives have been sacrificed and so much innocent blood has been spilled.

When 149 years ago those true American patriots met in Philadelphia and formulated that document which was to become the fundamental law of this land, they reasoned wisely and well. They judged the future by the past. They had seen governments fail because of oppressions perpetrated by those who ruled against those who were being ruled. They had seen others crumble because their rulers lacked the power or the ability to adequately administer the functions of statesmanship. They saw in their own Government under the Articles of Confederation, an absence of authority, which paralyzed the hands of the Continental Congress and rendered it impotent and helpless before the governing bodies of 13 independent, jealous, selfish, and none too friendly States. They determined that the new Government must be one in which adequate power would be granted to make, execute, and administer law, establish justice, provide for the common defense, and secure without the danger of oppression the blessings of liberty for which they, their fathers, their brothers, and their sons had so nobly fought. Accordingly, a constitution was drafted in which the affairs of state were divided into three parts, legislative, executive, and judicial. While each was made independent of the other, certain checks and balances were provided so that neither branch might ever become so powerful that it could obliterate either or both of the remaining two. Without these checks and balances, the legislative branch might develop into a despotism, the executive into a dictatorship, or the judicial into an oligarchy. As the result, democracy would be destroyed and autocracy would reign.

So they provided that all legislative power should vest in Congress which should consist of a Senate and a House of Representatives; that the membership of the House should be apportioned according to population and that each State should have equal representation in the Senate; that each House should be a check upon the other in legislative measures except that all revenue matters must originate in the House; that the Representatives, being closer to the people, should serve but 2 years, while the Senators being further removed, and, at that time, elected by the State legislatures, should serve for 6 years. They provided that the executive power should vest in the President, who should be elected indirectly by the people and serve for 4 years. They provided that the judicial power should vest in the Supreme Court, who should hold office during good behavior and should be appointed by the President by and with the advice and consent of the Senate. The House of Representatives was given authority to bring impeachment proceedings against the President, Supreme Court Justices, and all court officers for misconduct, and if found guilty by the Senate, such officials would be removed from office. The President was given authority to veto legislative acts of the Congress, but such acts, if subsequently passed by a two-thirds vote of both legislative branches, would become law, the President's veto notwithstanding. He was authorized to appoint ambassadors, ministers, consuls, judges, and other public officers of the United States, but only by and with the advice and consent of the Senate. He was empowered to make treaties with foreign countries, but again only by and with the advice and consent of the Senate and providing that two-thirds of that body must concur therein.

Thus it can be seen that each of the three branches of our Government could maintain its individual dignity and independence and prevent the others from arbitrary control of the affairs of state. The whole Federal structure, however, was merely a grant of power from the States and so jealous were they of the liberties of their citizens that before the Constitution was ratified it was agreed that 10 amendments, known as the Bill of Rights, be immediately added thereto, which, among other things, would insure freedom of religion, speech, and press; the right to petition the Government for a redress of grievances, the right of security against unreasonable searches and seizures, the right of a fair trial by jury, and the prohibition of excessive bail and cruel and unusual punishments. The great British statesman, Gladstone, once said that the American Constitution was the greatest document ever conceived by the mind of man. Benjamin Franklin, the oldest member of the Constitutional Convention, when being asked on the day following the completion of its work as to whether the new Government was to be a monarchy or a republic, replied, "A republic, if you keep it." The same old sage warningly observed, "They that give up essential liberty to obtain a little safety deserve neither liberty nor safety."

Service in the lower House of Congress during the past session has made me realize more forcibly than ever before three dangerous tendencies of our Federal Government, tendencies which in my judgment seek to undermine the very foundation of our national structure. First, the continual enactment of legislation wherein the Government at Washington seeks to encroach upon the rights and powers of the States; second, the passage of laws that tend to curb and restrict the fundamental liberties of the people as preserved in the Bill of Rights; and third, the delegation by Congress of its constitutional powers and prerogatives to the Executive.

Almost every important act passed by the first session of the Seventy-fourth Congress was subject to one or more of these three criticisms. The Congress which preceded it had passed a great deal of legislation of a new and startling nature. One of the laws it enacted gave to the executive branch of our Government almost complete control over every industry in the United States. It assumed the power of prescribing to businessmen the Nation over conditions of employment, hours of labor, methods of business procedure, and prices at which goods could be bought or sold. Under the Federal Constitution the power of Congress is limited to the regulation of commerce between the States and with foreign nations. No privilege exists in our National Government to come within the confines of a State and regulate its purely internal affairs. The N. R. A., when it sought to regulate commerce within the States, violated the Constitution of the United States. Who can argue with any degree of conviction or sincerity that the regulation of the hours of work for manicurists and hairdressers could rightfully be declared interstate commerce, and who can convince us that the employment of men in a chicken yard, or the manner in which chicken crates should be opened, comes within the purview of commerce between the States?

The Supreme Court of the United States, in the celebrated Schechter case, decided once and for all that the so-called National Recovery Act was an invasion of the rights and powers of the States and that Congress, in enacting this legislation, had gone far beyond the confines of its authority as limited by the Federal Constitution. Yet, in the face of that decision the Seventy-fourth Congress, during one of the last few days of the life of its first session, passed the so-called Guffey-Snyder coal bill which, in effect, set up a little N. R. A. for the bituminous-coal industry; sought to regulate prices, hours of labor, and business methods for the entire bituminous-coal industry of the Nation whether it

were local, interstate, or with foreign nations. This law was so clearly unconstitutional that the President himself in a letter to the chairman of the subcommittee of the House having this bill in charge, said in urging its passage, "I hope your committee will not permit doubts as to constitutionality, however reasonable, to block the suggested legislation." The bill was passed, approved by the President, and took its place as a part of the statute law of this land. Its unconstitutionality was apparent to the leading lawyers of the Nation and yet, in spite of the warning given by our Supreme Court in the Schecter case, businessmen of the United States were subjected to the provisions of this unconstitutional statute until yesterday when that tribunal had an opportunity to pass upon its validity and forever free them from the regulations it sought to impose.

One piece of legislation enacted by the present Congress, and which was subject to publicity the Nation over, was the so-called Wheeler-Rayburn Act, wherein it was sought by the Federal Government, under the guise of regulating public-utility companies, to pass a so-called "death sentence" to holding companies. It is conceded that there have been abuses in the organization and operations of such holding companies and that these abuses should be eliminated, but it is just like the old saying concerning the method by which to cut off a cat's tail. You may cut it off close to the body or you may cut it off at the neck. Of course, in the latter instance you kill the cat, but some of our friends who were proponents of this measure argued, "What matters that; we cut off the tail anyway." Without going into the merits or demerits of that legislation, which finally in a modified form passed the House and Senate and was approved by the President, let me quote you one paragraph of that law:

"It shall be unlawful for any person employed or retained by any registered holding company, or any subsidiary company thereof, to present, advocate, or oppose any matter affecting any registered holding company or any subsidiary company thereof before the Congress or any Member or committee thereof * * * unless such person shall file with the Commission, in such form and detail and at such time as the Commission shall by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers, a statement of the subject matter in respect of which such person is retained or employed, the nature and character of such retainer or employment * * *."

Another paragraph of this law provides that such a violation should be punishable by a fine of not more than $10,000 or by imprisonment of not more than 2 years, or both. If employees of such utility companies are dissatisfied with their wages or working conditions or the administration of the law as it affects them and wish to write or communicate with their Congressman concerning a change in the law or any matter affecting the corporation they must first obtain permission from an established bureaucracy at Washington before they can legally do so. Is not this a direct violation of the right guaranteed by the Constitution to any citizen to petition his Government at any time for a redress of his grievances, a right that was placed therein by our forefathers because of the intolerance of the mother country against the colonists, when, after they petitioned the government setting forth the oppression and injustice they had suffered, the King called them traitors and ordered them arrested forthwith?

I spoke a little while ago about delegation of power. Let me give you an instance of that which occurred before this Congress was 3 weeks old. I believe it was the 18th day of January 1935, when there appeared on the floor of the House of Representatives a bill providing for an appropriation of $4,880,000,000 for various projects to be inaugurated and controlled by the President of the United States, ostensibly for the relief of the unemployed. This bill was brought before the House under a so-called "gag" rule whereby certain sections thereof were not subject to amendment. It turned over this huge amount of money to the President, authorizing him specifically to expend the same in any manner that he should see fit. He had the sole and unlimited right to appoint persons to Government service without regard to the provisions of the civil-service laws, and, without regard to the Classification Act of 1923, to fix the compensation of any officers and employees so appointed, without any limitation whatsoever.

The hearings before the committee which reported this bill, which was the largest peacetime appropriation in the history of this Nation, were limited to the examination of three witnesses, all of them employees of the Government. Section 6 of the bill authorized the President to prescribe such rules and regulations as would be necessary to carry out the purposes of the act, and any violation of such rule or regulation would be punishable by a fine of not to exceed $5,000 or by imprisonment for not to exceed 2 years, or both. Businessmen in the conduct of their business affairs, if in doubt as to their rights under the law, usually consult their lawyers, who, if not cognizant with the particular statute that applies to the state of facts presented to him, has the facilities in his office for finding the law and so advising his client. If it be a question of State law, he consults the statutes of his own State containing the enactments of the State legislature; if it involves Federal law, he consults the statutes of the United States containing the enactments of Congress. With these volumes at his disposal, he is enabled to advise his client as to his rights and privileges concerning the matter about which he is consulted. But there is no place in the statutes of the United States or in the periodicals accessible to the legal profession wherein rules and regulations promulgated by the Executive of the Nation are available for perusal. The $4,880,000,000 appropriation bill contained no provision for the publication of such rules and regulations or for their distribution to persons interested in obtaining them. Obviously the President might write a rule or regulation tonight in the city of Washington and tomorrow a businessman residing in Illinois, California, or Nebraska, not knowing of its existence and having no means by which its existence could be brought to his attention, might easily violate the same and subject himself to the penalty prescribed by this act.

The Constitution of the United States in the first paragraph of article I provides that all legislative power shall be vested in the Congress of the United States * * *. Yet before the first session of the present Congress was 1 month old the representatives of the people passed this bill delegating to the President of the United States the right to make law—a privilege which was solely theirs—law which their constituents had little or no opportunity to ascertain; law which might through innocent nonobservance subject them to severe and undeserving penalties.

For many years this Nation has prospered under a protective tariff. No longer do we hear any serious advocacy of free trade such as was a political issue three or four decades ago. The great political parties have recognized the force and effect of protection of American industry and in subsequence American workmen and the American standard of living. Under the Constitution, Congress, and Congress alone, has the power to fix tariffs and duties on goods manufactured or grown in foreign countries. The President and the United States Senate have the joint authority to negotiate treaties. The Seventy-third Congress, however, disregarding these patent provisions of our fundamental law and abrogating the authority and right it possessed under the Constitution, passed what is known as the Reciprocal Trade Agreement Act, a law permitting the President, upon his own initiative and without the consent of Congress, to enter into negotiations with foreign nations whereby import duties on goods grown or manufactured in such countries may be lowered or abolished in return for similar concessions from that nation to us.

As a representative of the people of Illinois, I am naturally interested in the welfare of all industries located therein, because they affect the prosperity and everyday life of the citizens I represent. One of the great industries of the district I represent is the Elgin National Watch Co. Its product is known the world over and is equal, if not superior, to that produced by any manufacturer on the face of the globe. It pays decent wages and its existence is essential to the welfare and prosperity not only of the people of Elgin but of the citizens of the entire Fox River Valley wherein it is located. A few years ago there were in the United States 50 flourishing watch factories. Today there are only three. They are worth the protection of the American Government. A few months ago our Government entered into a trade agreement with Switzerland. The Swiss, as we know, manufacture watches in great quantities. Their standard of living is not comparable to ours. The wages they receive are far below those received by the poorest paid watch worker of the United States. Under that agreement material reductions were made in the tariffs on watches, watch movements, and clocks. And this, in spite of the fact that Switzerland was then supplying us with 55 percent of our watch requirements.

Incidentally, the watch industry is an important factor of national defense. Our Government depends on it to supply it with time fuses for antiaircraft guns. It is equipped to manufacture them as can no other industry in the Nation. In case of emergency, do we wish to turn to Switzerland to supply us with that which is so essential for the protection of human life and property? Or if war does come, must we be at the mercy of foreign air marauders until we can establish in our own country plants of sufficient capacity to supply us with the immediate needs of our Army and Navy? If foreign competition is both encouraged and promoted by our Government, the three remaining watch factories must go the path of those whom they have thus far survived. Then, such a situation will surely exist.

As an economic proposition, the reduction of American-made goods merely swells the ranks of the unemployed. Every business enterprise, every trade, and every profession is seriously affected by the prosperity or lack of prosperity of their local manufacturers.

Our Government cannot consistently urge American industry that it is its patriotic duty to employ more men when at the same time it permits and encourages a flood of foreign-made goods created by cheap labor to compete with its home products.

Again we are reminded that to a large extent the fault lies in a Congress which delegated to one man the right and authority to do the things that the Constitution said it should do itself, and that this man has in turn redelegated that power to others whose sole ambition seems to be the policy of world equality rather than that of "America first." The dream of a utopian state composed of the whole world without trade barriers necessarily means that the standards of living must be equal the world around. It means that our standard must be lowered to meet that of the Chinese, the Egyptian, the Cuban, and the Russian or that theirs must be raised to coincide with ours. Without doubt ours is the highest of any people, civilized or not, on the face of the globe. For years we have had the opportunity to own our own homes, have received higher wages and enjoyed more of the luxuries and comforts of life than have the people of any other nation in the world. It is because our Government in the past protected us commercially from such nations. It must be apparent, then, that this present-day communistic world trade policy of the administration means that, should it be put into effect our standard of living would go down to their level rather than that theirs could possibly come up to ours. I am not willing to subscribe to that doctrine for 1936, whether or not it be

born in the minds of Stalin, Trotsky, Lenin, or the most learned of our modern American university professors.

Business principles are just as essential in the conduct of our Nation's affairs as they are in the management of private enterprises. Sound businessmen do not encourage competition in their commercial pursuits. Neither should our Government. Sound businessmen do not spend their resources without careful investigation and consideration. Neither should our Government. Sound businessmen do not spend $2 for every $1 of their income. Neither should our Government. While the unemployment problem must be met and liberal Government expenditures must be voted to meet it, yet the tearing down of legitimate business by suspending above the heads of American industry the Damocles sword of proposed foreign competition through reciprocal-trade treaties is, in my judgment, the most damning force that has retarded recovery and prolonged unemployment ever enacted by an American Congress. Years ago businessmen of the United States gave a sigh of relief when they heard that Congress had adjourned. Then they knew that a breathing space until the next session awaited them. Now, when our lawmakers give away their lawmaking power to someone else to be redelegated and exercised at will, there can be no breathing space. Adherence to sound business methods, the replacement of practical men for theorists in Federal service, the encouragement of reemployment in private industry rather than on Government pay rolls, and, in short, strict compliance with the principles laid down in that great document promulgated by Washington, Franklin, Jefferson, and Hamilton will speed us on our way to an America greater than that ever dreamed by man.

VETERANS CAUTIONED ABOUT SPENDING THEIR MONEY

Mr. PATMAN. Mr. Speaker, I am grateful for this early opportunity to issue a word of warning to the 3,518,191 American war veterans who are to receive their adjusted-service certificate bonds from the United States Government on Monday, June 15.

My warning to each of these men is to beware of the crafty chiselers and scandalous schemers who are busily engaged throughout the country in devising shyster ways and means of getting their clutches on the veterans' bonus money.

The $1,924,000,000 that will shortly flow from the Treasury into the hands of ex-service men is a luscious lure that is attracting the unscrupulous, who regard it as a field enormously rich and overflowingly ripe for their picking.

I am humbly grateful for the privilege of fighting 8 long years for the veterans; for the joy of living to see that day dawn when our Federal Government issues payment of its debt to the soldiers, sailors, and marines.

By that same token I am fired with a strong fraternal desire to warn these, my buddies, against the blandishments of business bandits who would snatch the veteran's purse and flee with it.

Now is the time to pause and consider the steps that will be taken by veterans and to urge caution in the disposal of their bonus bonds.

My strongest counsel is for each veteran to go to the bank with which he does business and discuss his personal problem with his banker.

I say the bank, because it is the safest place for (1) the deposit of revenue yield of bonds that have been cashed, and (2) because the United States Government today stands back of the thousands of banks that have insured deposits up to $5,000 through the Federal Deposit Insurance Corporation.

CAUTION IN CASHING BONDS

To those veterans who are obliged to cash in their bonds for needed immediate payment of obligations, I say: Consult your banker first and then cash in only such number of bonds as may be actually needed to meet the individual financial emergency.

This word of counsel is given in warmest friendship for every veteran and for the cause that we have championed together. And it is because I have a firmly grounded faith in our American community banker that I say to the ex-service men, "See your banker first."

Unless veterans are wise in the disposal of their bonus bonds there will be such a titanic torrent of money as to disintegrate the dam of common sense and economy, flood the thirsty sands of greed, and leave nothing but a memory of things that might have been.

The primrose path of summer spending leads straight to poverty. But the man of common sense and vision will bank his bonds against the bitter cold of coming winter.

NOT ORDINARY BONDS

These are not plain or ordinary bonds. They are sound and valuable. They may be redeemed at their face value at any time during the first year, but no interest will be paid if redeemed within a year. Those veterans who hold their bonds for 1 year or more from the date of issue—June 15, 1936—can redeem them at any time thereafter, not only for the face value but plus an additional 3 percent interest. This is extraordinary protection against fluctuation in value. All of these bonds will be dated June 15, 1936.

The bonds are not transferable and not assignable. They are not subject to attachment by legal proceedings. Every bond will run to June 15, 1945. Each bond is redeemable by the Treasury of the United States.

A LARGE AMOUNT DISBURSED

Gen. Frank T. Hines, Administrator of Veterans' Affairs, has told me that if the bonds to be issued were laid end to end they would reach from New York City across the dark Atlantic to London and thence almost to Moscow.

The amount of money represented in the ultimate settlements will approximate the pay of 500 men who received $40 a week continuously for the past 1,935 years. I believe the average payment will amount to $536.

To hundreds of thousands of veterans this will represent a nest egg from which, if properly guarded, a new start in life can be hatched, and I cannot refrain from taking this timely opportunity to reiterate my urgent plea to each veteran who will receive a bonus bond: Spend cautiously. See your banker first.

TABULATED SUMMARY OF AGRICULTURAL APPROPRIATION BILL

Mr. CANNON of Missouri. Mr. Speaker, under leave granted by the House to extend my remarks, I include certain tabulated summaries of amounts carried by the Agricultural Department appropriation bill which was transmitted to the President this week, as follows:

Appropriation bill, 1937—Department of Agriculture and Farm Credit Administration

Budget estimate	$194,389,004
House bill	183,748,147
House bill is under Budget by	10,640,857
Senate bill	223,185,141
Senate bill is over Budget by	28,796,137
Conference bill (being the total if conference report is agreed to and proposed action is taken on amendments in disagreement)	195,304,606
Conference bill is over Budget by	915,602
Conference bill is over House by	11,556,459
Conference bill is under Senate by	27,880,535

NOTE.—The above totals include the reappropriations for elimination of diseased cattle, for which the bill as it comes out of conference provides $21,364,000, and also an estimated total of $500,000 under the indefinite appropriation for acquisition and administration of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds.

Ten-year statement of appropriations carried in the regular annual appropriation act for Department of Agriculture (exclusive of Agricultural Adjustment Administration)

	Exclusive of road items	Road items, Federal-aid and forest roads	Total
1927	$47,924,573	$80,000,000	$127,924,573
1928	51,011,739	77,500,000	128,511,739
1929	60,638,794	78,500,000	139,138,794
1930	62,511,554	82,000,000	144,511,554
1931	72,897,770	82,500,000	155,397,770
1932	78,078,862	137,500,000	215,578,862
1933	66,766,655	108,905,000	175,671,665
1934	60,751,691	39,457,400	100,209,091
1935	50,732,007	9,500,000	60,232,007
1936	65,516,127	55,641,856	121,157,983
1937:			
Regular items	69,571,341	68,304,606	137,875,947
Special items	57,733,265		57,733,265
Total, 1937	123,304,606	68,304,606	191,304,606

Special items for 1937 include:	
Elimination of diseased cattle	$21,364,000
Acquisition of forest lands	2,500,000
Soil Conservation Service	24,869,265
Extension Service (Bankhead-Jones Act)	9,000,000

Department of Agriculture budget, 1937, comparing 1936 appropriations with amounts recommended for 1937 in Budget estimates, House bill, Senate bill, and by conference committee

Appropriation group	Appropriation for 1936	Budget estimates for 1937	Recommended in House bill, 1937	Recommended in Senate bill, 1937	Recommended by conference committee, 1937		
					Total	Increase (+) or decrease (−) compared with 1936 appropriation	Increase (+) or decrease (−) compared with Budget estimates
1. Ordinary activities (annual appropriations):							
(a) Of primary benefit to agriculture	$23,797,281	$26,251,137	$25,832,422	$29,026,231	$25,958,897	+$2,161,616	−$292,240
(b) Of general public interest	25,932,427	29,486,988	26,155,731	29,925,031	27,657,940	+1,725,513	−1,829,048
Total, ordinary activities	49,729,708	55,738,125	51,988,153	58,951,262	53,616,837	+3,887,129	−2,121,288
2. Special items:							
Soil Conservation Service (annual appropriations)	6,949,408	27,500,000	22,469,265	32,500,000	24,869,265	+17,919,857	−2,630,735
Acquisition of forest lands (annual)				10,000,000	2,500,000	+2,500,000	+2,500,000
Forest-fire deficiency (annual)	1,276,709					−1,276,709	
Plains shelterbelt (annual)		1,000,000		1,000,000	170,000	+170,000	−830,000
Chinch-bug control (annual)	2,500,000					−2,500,000	
Screwworm control (annual)	480,000		460,000	460,000	460,000	−20,000	+460,000
Migratory-bird conservation fund	[1] 750,000	[2] 750,000	[2] 125,000	[2] 125,000	[2] 125,000	−625,000	−625,000
Elimination of diseased cattle, etc. (sec. 37, act of Aug. 24, 1935) (annual)	10,000,000	17,500,000	[4]	[4]	[4]	−10,000,000	−17,500,000
Total, special items	21,956,117	46,750,000	23,054,265	44,085,000	28,124,265	+6,168,148	−18,625,735
3. Forestry receipts and other special forestry funds:							
Annual appropriations		50,000	50,000	50,000	50,000	+50,000	
Permanent appropriations	3,016,500	3,253,500	3,253,500	3,253,500	3,253,500	+237,000	
Total forestry receipts funds	3,016,500	3,303,500	3,303,500	3,303,500	3,303,500	+287,000	
4. Payments to States for agricultural experiment stations, extension work, cooperative forest-fire prevention, and cooperative distribution of forest planting stock:							
Annual appropriations	18,702,011	19,850,879	19,698,129	20,495,879	19,774,504	+1,072,493	−76,375
Permanent appropriations	4,686,096	4,696,096	4,696,096	4,696,096	4,696,096	+10,000	
Total payments to States, as above	23,388,107	24,546,975	24,394,225	25,191,975	24,470,600	+1,082,493	−76,375
5. Road funds (annual appropriations):							
Federal-aid highway system	48,559,256	60,000,000	60,000,000	60,000,000	60,000,000	+11,440,744	
Public-lands highways	2,500,000					−2,500,000	
Forest roads and trails	7,082,600	8,000,000	7,082,600	10,000,000	8,000,000	+917,400	
Total, road funds	58,141,856	68,000,000	67,082,600	70,000,000	68,000,000	+9,858,144	
Total, Department of Agriculture, exclusive of Agricultural Adjustment Administration	156,232,288	198,338,600	169,822,743	201,531,737	177,515,202	+21,282,914	−20,823,398
Total, items 1–5 above, consists of:							
Annual appropriations	147,779,692	190,389,004	161,873,147	193,582,141	169,565,606	+21,785,914	−20,823,398
Permanent appropriations	8,452,596	7,949,596	7,949,596	7,949,596	7,949,596	−503,000	
Total	156,232,288	198,338,600	169,822,743	201,531,737	177,515,202	+21,282,914	−20,823,398

[1] Permanent appropriation. In addition, an unobligated balance of $458,668 from 1935 hunting-stamp sales receipts is available for 1936.
[2] Annual appropriation. Repealed as a permanent appropriation, effective after June 30, 1936, by sec. 4 (a) of Permanent Appropriation Repeal Act, 1934.
[3] To be advanced by Treasury, reimbursable from hunting-stamp receipts. In addition, an unexpended balance of $375,000 is estimated available for 1937 from stamp receipts.
[4] The House authorized the expenditure of $17,500,000, the Senate $25,228,000, and the conference committee $21,364,000 from the unexpended balance of Jones-Connally Act funds and funds provided by sec. 37 of the act of Aug. 24, 1935, for the elimination of diseased livestock and removal of surplus agricultural products.

THE BLIND OF THE COUNTRY WILL BECOME SELF-SUSTAINING BY EMPLOYMENT AT WORK THEY CAN DO

Mr. RANDOLPH. Mr. Speaker, this bill, which will become a law as soon as the President affixes his signature to it, will be a godsend to the blind of the United States. As the House of Representatives has unanimously acted today, I want to take this opportunity to thank each and every Member for his sympathetic understanding of the blind man's problems, and for making it possible for this legislation to become a law.

I would like to briefly outline the objectives of this bill in order to show how it will benefit the blind of the United States.

This bill, which permits the blind to operate news, candy, and tobacco stands in Federal buildings, makes it possible for the blind stand operator not only to earn his own living but to demonstrate to the public that a person without sight can earn his own way through life if only given the opportunity to do so.

It has been said that the greatest handicap of the blind is not physical blindness but rather the fact that the public does not understand what a blind person can do if only given a chance. Thus, each stand in a Federal building operated by a blind person wll serve as a model lesson to society. This legislation also provides for a national survey to be made of all kinds of buildings wherein the blind might be given an opportunity to operate vending stands. The Federal building experiment will thus pave the way, so to speak, for thousands of such opportunities to be given to our blind citizens in every part of the country.

Thus, the taxpayers of the United States will save millions of dollars annually by the removal of thousands of rehabilitated blind persons from relief rolls. But, what is really more important, a new light will beam from the darkened eyes of many thousands of our sightless citizens whom this bill will benefit directly, and to them a new lease on life will have come into being. The ambitious blind man who is able to earn his own way through life, if given a chance, despises the dole.

Idleness is another great handicap for the blind. To them, being actively engaged in earning a livelihood for themselves and for their dependents is, like beauty, a joy forever.

A survey will be made, through provisions of this measure, which will show the positions in industries of our Nation in which blind persons can be gainfully and properly employed. There are far-reaching possibilities for good from this information. It will be the dawning of a new and better day for those who cannot see but who desire to earn a living for themselves and their dear ones.

Rehabilitating the blind has always been the greatest problem which agencies for the blind of this country have had to face. This bill will bring about a national, uniform, and coordinate plan of rehabilitating the blind of this country. This will be accomplished by bringing into closer cooperation the Federal Vocational Rehabilitation Service and

its affiliated State divisions of rehabilitation with the State agencies for the blind. The benefits and experiments of one State will be carried over to other States, and thus greater efficiency and economy in the work to be done will result.

I am happy to have had the privilege and honor to sponsor this most worthy bill in this branch of Congress, and I know that Senator SHEPPARD, who worked so diligently in its behalf in the Senate, feels the same about it as I do. I also am deeply grateful for the excellent help given me by Leonard A. Robinson, blind attorney of Cleveland, Ohio. To all those who aided, I am most appreciative.

I am quite confident that every Federal agency and department will cooperate to the fullest extent to make this rehabilitation project for the blind a great success. It would be an act of charity for them to do so. The greatest charity is that which enables one's fellowman to earn his own living so he will not have to depend on relief rolls. Such an act of charity today is regarded as a duty. In this connection, and in conclusion, I think it fitting to quote from Pope's Essay on Man:

> For forms of government let fools contest;
> Whate'er is best administer'd is best.
> For modes of faith let graceless zealots fight;
> His can't be wrong whose life is in the right.
> In faith and hope the world will disagree,
> But all mankind's concern is charity.

STATUS OF SOCIAL-SECURITY LEGISLATION

Mr. DIES. Mr. Speaker, I have asked for permission to revise and extend my remarks in order to furnish information regarding the status of the social-security legislation insofar as it affects the people of Texas. As is well known, Congress passed the Social Security Act last session and it was approved on August 14, 1935. As stated by the Ways and Means Committee in its report, this bill provides for various grants-in-aid to the States; establishes a Federal old-age-benefit system and a Social Security Board; and imposes certain taxes hereinafter described.

Title 1 of the act provides for Federal grants to be made to the States for old-age pensions to persons who have reached the age of 65. In making these grants the Federal Government will match what the States put up within certain limits. The money is to be paid to States whose old-age-assistance plans have been approved by the Social Security Board in compliance with the requirements of section 2, such as:

(a) The plan must be State-wide in operation.

(b) An individual who is denied old-age assistance must be given a fair hearing before the State agency.

(c) The methods of administration of the State plan must be approved by the Board and reports made to the Board.

(d) If the State, using Federal money granted to it, pays pensions to aged persons, and later collects back from their estates some or all of the money so paid, the State must pay one-half of the amount collected to the Federal Government.

(e) A person shall not be denied assistance on the ground that he is not old enough to be eligible for it if, in fact, he has reached the age of 65.

(f) A person shall not be denied assistance on the ground that he has not been a resident long enough if, in fact, he has lived in the State for 1 year immediately preceding his application, and for any 5 years out of the 9 years immediately preceding his application.

(g) A person shall not be denied assistance on the ground that he has not been a United States citizen for a number of years if, in fact, when he receives assistance he is a United States citizen.

SECURITY FOR CHILDREN

Titles 4 and 5 of the bill deal with security for children. As the committee said in its report, children are perhaps the most tragic victims of the depression. More than 40 percent of all persons on relief—approximately 9,000,000 individuals—are children under 16 years in contrast to 28 percent of the population falling in this age group. There are now approximately 7,500,000 men and women over 65 years of age in the United States as compared with 9,000,000 children who are on relief. Nearly 10 percent of all families on relief are without a breadwinner other than a mother whose time might best be devoted to the care of her young children. Forty-five States now have laws providing public aid with respect to dependent children in homes. In many of these States the laws are only partially operative or not at all. Under section 403 of the Federal law, from the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-third of the total sums expended during such quarter under such plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 for any month with respect to one such dependent child and $12 for such month with respect to each of the other dependent children. Any State can submit a proper plan to the Social Security Board and receive approval and the dependent children of that State will immediately begin to receive public aid in accordance with the act. The requirements are similar to those in the case of aged persons under the old-age-assistance provision discussed above.

SERVICES FOR CRIPPLED CHILDREN

Federal aid is also given for hospitalization and aftercare of crippled children. There are between 300,000 and 500,000 physically handicapped children in this country, a large percentage of them the victims of infantile paralysis. Eighteen States are now using public funds for this purpose, and it is for the purpose of stimulating an expansion of this work that Federal aid is given to the States.

AID TO THE BLIND

Section 1003 of the Federal law provides that from the sums appropriated therefor the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing July 1, 1935, (1) an amount which shall be used exclusively as aid to the blind, equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan with respect to each individual who is blind and is not an inmate of a public institution, not counting so much of such expenditure with respect to any individual for any month as exceeds $30. Any State which submits a proper plan can secure its approval and begin receiving Federal aid for the blind within its borders. The requirements are very much the same as in the case of old-age assistance. There are many blind people in Texas who would be greatly helped by this act if the State of Texas would comply with its provisions.

UNEMPLOYMENT COMPENSATION

The Federal law provides for unemployment compensation. It is generally conceded that unemployment is the most serious problem that confronts us. Even during the years 1922–29 an average of 8 percent of the industrial workers in this country were unemployed, and in the four depression years, 1930–33, the unemployment rate was above 25 percent. Titles 3 and 9 of the Federal act seek to encourage States to set up systems of unemployment insurance and to keep them from being handicapped if they do so. The purpose of the act is the accumulation of reserves in times of employment, from which partial compensation may be paid to workers who became unemployed and are unable to find work. A number of European countries have had unemployment laws for some time, and no nation has ever abandoned such laws when once established. The failure of the States to enact unemployment-insurance laws is largely due to the fact that to do so would handicap their industries in competition with the industries of other States. Title 9 of this bill removes this handicap, because it imposes a tax upon employers throughout the country, against which a credit is allowed of up to 90 percent of the tax for contributions made by employers to unemployment-compensation funds established pursuant to State law. The scale of benefits which States will be able to pay from a 3-percent rate of contributions on pay rolls will carry the great majority of unemployed workers

through normal years until they are able to secure employment again. This bill gives to the States wide discretion with regard to the kind of unemployment compensation they wish to enact. In order for any State to secure the benefits of this law for its own citizens the unemployment law of such State must be approved by the Board. Before the Board will approve a State law it must find that:

(a) All compensation is to be paid through employment office in the State.

(b) No compensation shall be payable with respect to any day of unemployment occurring within 2 years after the first day of the first period with respect to which contributions are required.

(c) All money received in the unemployment fund shall immediately, upon such receipt, be paid over to the Secretary of the Treasury to the credit of the unemployment trust fund.

(d) All money withdrawn from the unemployment trust fund by the State agency shall be used in the payment of compensation.

(e) Compensation shall not be denied in such State to any otherwise eligible individual for refusing to accept new work under such conditions as due to strike or labor disputes, and so forth.

TEXAS AND THE SOCIAL SECURITY ACT

I have briefly described the principal provisions of the Social Security Act. I have used the report of the Committee on Ways and Means because it is very excellent and is authoritative. The State of Texas has complied with one provision of the Social Security Act; namely, the old-age-assistance plan. As I recall, Texas passed an old-age-pension plan in November 1935, but due to the fact that the bill did not secure the necessary majority it did not become effective until February 14, 1936.

As I recall, immediately upon passage of the State law the Governor appointed the members of the Texas Old Age Assistance Commission. On February 10, 1936, which was 4 days before the Texas law become effective, but nearly 90 days after its passage and after the members of the commission were appointed, I wired Mr. Carpenter, chairman of the old-age-assistance board, and told him that the Social Security Board had advised me that the Federal Government had done everything it could and was ready to allocate to Texas necessary funds as soon as the board submitted its program to the commission in accordance with the law. In this telegram I told Mr. Carpenter that there were hundreds of very needy people in my district who were in distress and that I wondered when we might expect the State pension plan to be submitted to the Social Security Board for approval. In this same telegram I told him that as soon as this plan was submitted I would do everything in my power to secure immediate approval, as it was imperative that this pension be begun at once and that necessary steps be taken to carry out the intention of Congress. Mr. Carpenter immediately answered my telegram and said that the Social Security Board had advised that State plans would not be considered by them until the law is effective, which, in the case of Texas, was February 14. He stated that he had been advised by the Board that the Texas law complied with the Federal requirements and that he anticipated no difficulty in securing approval when submitted. He said that the commission had worked day and night since this law was passed in setting up an organization necessary to carry it into effect the minute it was effective and that application blanks on old-age assistance would be available on Friday.

Thereafter I kept in touch with the Social Security Board to find out from time to time if the Texas plan had been received. Having been informed every time that it had not, I again wired Mr. Carpenter on April 7 and told him that I had been advised that the plan had not yet been received in Washington; that many of my constituents were writing about it and that I was most anxious to have the plan submitted so that pension checks could be started without delay; that it was my desire to cooperate in every possible way to see that the Texas plan was approved when received here. On April 8 Mr. Carpenter answered my telegram and assured me that the State plan would be submitted in ample time for payments to be made in Texas on July 1.

Mr. Speaker, I am giving these facts to expose some of the propaganda that is being spread throughout my district for the purpose of deceiving some of my constituents into believing that their failure to receive their pension checks is due to some fault on the part of the Federal Government. As a matter of fact, the Federal Government has done everything that it could do. On February 11 we appropriated ample money to match dollars with the State of Texas in the payment of old-age assistance. While we did not appropriate this money until February 11, 1936, the money was effective as of February 1, so that any State which expended funds for old-age assistance under an approved plan during February could have received Federal funds as of February 1, 1936.

If assistance was being administered during February 1936 to aged individuals in the State of Texas in accordance with an approvable plan, Texas would have received Federal grants as of February 1. It is true that the State of Texas could not have secured approval of its plan until after February 14, 1936. But if the State had been in a position to submit its plan to the Social Security Board and had it approved during February, after February 14, and begun the expenditure of State funds for old-age assistance, the eligible aged people of the State of Texas would have begun receiving their Federal assistance as of February 1. Congress appropriated on February 11, $24,660,000 for grants to States for old-age assistance under title I of the Social Security Act for the period February 1 to June 30, 1936. Twenty-six States received grants during the quarter ending March 31, and a few weeks ago I was advised that 17 States have had grants authorized for the quarter ending June 30. Several weeks ago the Social Security Board advised me that 32 States had old-age-assistance plans approved; that 19 States had their plans to aid the blind approved; and that 18 States had their plans to aid dependent children approved. I do not have the information as to the number of States that have complied with the Federal unemployment compensation law.

The method of computing and paying the Federal aid is as follows:

The Board shall, prior to the beginning of each quarter, estimate the amount to be paid to each State under the provisions of clause 1 of subsection (a), such estimate to be based on a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such clause and stating the amount appropriated or made available by the State for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditure, the source or sources from which the difference is expected to be derived, records showing the number of individuals in the State and such other investigation as the Board may find necessary. The Board shall then certify to the Secretary of the Treasury the amount so estimated by the Board, reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, and so forth.

Several weeks ago the Social Security Board advised me that the State of Texas had not as yet submitted to the Social Security Board a certified statement of the amount of money actually available for the payment of old-age assistance. Before any Federal funds are actually granted to the State the Board said such a statement would be required from the State treasury. In the letter to me the Board said that it had the certification of the executive director of the Texas Old Age Assistance Commission that more than $700,000 was available at that time for the payment of old-age assistance for the quarter ending June 30, and that it anticipated expenditures from State funds would not exceed that amount. The Board also stated that it had been given to understand that before the Social Security

Board would be called upon to make a grant to Texas for the quarter beginning July 1, the Texas Old Age Assistance Commission would furnish evidence as to the amount of State money actually available for the payment of aid for the period subsequent to that date. In this same letter the Board said that since many States are in the process of securing new revenue legislation which will be used as a basis for financing the State's share of the cost of old-age assistance, the Social Security Board has not so far required the States to submit evidence of their ability to provide assistance from State funds for a period beyond the quarter for which the grant was made.

It is, therefore, important to remember that the State must make adequate provisions to raise the necessary funds in accordance with this law.

A number of people have asked me if the Federal law made it necessary for the State to set up certain property and income qualifications. Under the Texas law, as I understand it, a single person who has an income from any and all sources exceeding $360 per year, or if married, a combined income from any and all sources exceeding $720 per year cannot receive old-age assistance. Likewise, a person who owns property, real, personal, or mixed other than cash or marketable securities, the fair value of which, taking into consideration assessed valuations for State and county tax purposes less all incumbrances and liens, which exceeds, if single, $5,000 or, if married, $7,500 cannot receive old-age assistance. There is also the property qualifications in regard to cash or marketable securities, the fair value of which exceeds $500, if single, or, if married, $1,000.

Some of the aged people in my district have been told that these provisions were put into the Texas law because it was necessary under the Social Security Act passed by us. This is absolutely untrue. While section 1 of the Social Security Act authorizes the expenditure of the Federal funds for the purpose of enabling each State to furnish financial assistance to aged needy individuals, the act did not define "need", and left largely to the discretion of the State the determination of the question of need. I have been informed by the Social Security Board that wide latitude is left to the State to determine the question of need. So that those who say that these property and income qualifications, as contained in the Texas law, were made necessary by the Federal law are misstating the facts and misrepresenting the truth. This is within reasonable bounds a question for the State to determine. One legislature might think that $370 per year was enough for an aged individual, and that such individual was not entitled to old-age assistance. Another legislature might put the limit at $600 and still come within the Federal law. A Government bureau has heretofore held that a family needs $2,100 a year to live with any degree of comfort in the United States. It is, therefore, certain that so long as the State is not unreasonable it will be given wide latitude in determining who shall receive the benefits of the old-age-assistance laws insofar as the question of need is concerned.

TEXAS AND THE OTHER BENEFITS OF THE SOCIAL SECURITY ACT

As is generally known, Texas has not complied with the other provisions of the Social Security Act, such as aid to dependent children, aid to the blind, and unemployment insurance. I sincerely hope that the State will comply with these provisions at the earliest possible date. Dependent children in other States that have complied with the Federal law are now receiving this Federal aid. The same is true in reference to the blind people. We must not neglect the thousands of dependent children in the State of Texas. We must remember that in less than a generation these children will constitute a large part of the adults who must carry the burdens of our Government. As stated by the Committee on Economic Security, "The core of any social plan must be the child." The aid to dependent children and the blind in the State of Texas is just as important as old-age assistance. Neither can we afford to neglect the unemployment-compensation law.

The unfortunate victims of the depression should be given every security that can be soundly provided. Many forward-looking and progressive States have already enacted unemployment-compensation laws. Every day that the State of Texas delays action to comply with the provisions of the Social Security Act is costing our own citizens the taxes which they must pay for the benefit of the citizens in other States. For instance, a State that had complied with the Social Security Act with respect to aged individuals, dependent children, and the blind during November has already received thousands of dollars from the Federal Treasury. The taxpayers of Texas must help furnish this money without having the satisfaction of knowing that our aged people, our blind, and our dependent children are receiving the benefits of this act. An aged individual in a State which expended money for old-age assistance beginning in February 1936 has already received substantial aid from the Federal Government.

With the great natural resources in the State of Texas and our tremendous wealth, there is no reason why the aged individuals, the dependent children, the blind, and unemployed shall not receive the full benefits of the Social Security Act.

THE YOUGHIOGHENY WATERSHED DEVELOPMENT—FLOOD CONTROL

Mr. SNYDER of Pennsylvania. Mr. Speaker, the floods of 1936 throughout the Nation, eastern and southern United States, again impressed upon our people and Congress the necessity of flood control.

If the Nation had spent $5,000,000,000 for flood control 5 to 10 years ago we would have saved the $10,000,000,000 destruction of floods and erosion that has taken place in the United States since that time. In other words, if we would have spent $5,000,000,000 we would be at least $5,000,000,000 better off.

China was at one time as rich and prosperous in soil and national resources as we were 40 or 50 years ago. China destroyed her timberlands, and thus heavy rains and erosion has given China hundreds of thousands of acres of barren land. The United States to date has been pursuing the same course as China pursued a thousand years ago.

For example, in my own district 50 or 75 years ago, we had ample timberland to protect our soil and absorb our rainfall so as not to have destructive floods. This spring, in my district and the districts surrounding mine, not only my people, but everyone sees that something must be done quickly to save what we have left of our soil and to protect our homes and our industries.

Three years ago I introduced a bill known as the Youghiogheny-watershed development. The survey of the Army Engineers show that by building one big dam between Ohiopyle and Confluence, Pa., on the Youghiogheny River, and from four to seven smaller dams on the upper Youghiogheny River, the Casselman River, and Lower Hill Creek, we could not only hold the water so it would not flood the Pittsburgh district in time of heavy rains and snows, but conserve the water in these dams for domestic purposes in time of drought. Furthermore, the big dam on the Youghiogheny River, referred to above, would be built so as it could be used for power purposes when desired.

In the flood-control bill that passed the House an item of $1,580,000 was carried to build some of the smaller dams referred to. However, the graveness of the recent floods caused the Army Engineers to check more closely on the surveys already made and with the result that we are now asking for a resurvey of the entire Youghiogheny watershed. The people of the Pittsburgh district realize that if this watershed is developed to its fullest capacity that will have greater protection against floods and will have access to fine mountain water for domestic purposes. It is encouraging to the people of my district to know that the Government is interested in developing and protecting the land, the streams, and the homes.

I appreciate very much the consideration given the Youghiogheny water project by the Flood Control Committee, the Army Engineers, and the Members of the House who voted to pass the $1,580,000 unit embodied in the flood-control bill, and I am now asking you to hold in reserve for this

measure when the resurvey by the Army Engineers is completed.

Already the Federal recreational park development program has purchased some 5,000 acres on the headwaters of the Laurel Hill Creek, and with the aid of the C. C. C. boys and the W. P. A. program it has been improved to a degree that some 100 cabins will be ready for occupation by the first of August.

This development means much to the farmers, laborers, and businessmen of not only Somerset County but the entire Pittsburgh, Connellsville, and Johnstown district. In 10 or 15 years from now we will all be doubly proud that we had an active part in this citizenship and Nation-building development. The next generation will sing our praises for handing down to them this improvement.

GREAT BRITAIN'S DUTY IN PALESTINE

Mr. CELLER. Mr. Speaker, for the past 5 weeks an ever-increasing stream of grave news is reaching this country from Palestine. A veritable reign of terror has descended upon the Holy Land. Cowardly and unprovoked assaults upon the indomitable Jewish settlers of Palestine have been occurring with ever greater frequency, in which 28 Jews have been brutally assassinated. Jewish property is being pillaged and wantonly destroyed.

The authorities are either unable or unwilling to adopt stringent measures to protect the flourishing Jewish community in Palestine. Not a single assassin has been apprehended. The Government flatly refused to come to the aid of several Jewish colonies that have been surrounded by savage mobs and are in imminent danger of being wiped out.

This news is regarded with deep concern not only by American citizens of Jewish origin but by all those who have been watching with sympathy the incomparable progress made by the Jews in the reestablishment of their ancient homeland in the land of their fathers.

Be it remembered that Great Britain was entrusted with a mandate by the League of Nations to govern Palestine and to establish there such conditions that would facilitate the creation of a Jewish homeland in the Holy Land. If I am not mistaken, it was David Lloyd George, wartime Prime Minister of Britain, who expressed the view that one of the major achievements of the World War was the establishment of a Jewish homeland in Palestine. This sentiment, that the regeneration of Palestine is to be considered one of the few eminently moral and ethical accomplishments of the carnage of the war, has been voiced by leading statesmen in practically all civilized countries of the world.

Great Britain eagerly sought and freely accepted the mandate over Palestine, with its unequivocal provisions relating to the Jewish homeland policy. The project received the unanimous endorsement of the Congress of the United States of America in a joint resolution of both Houses. It was signed by President Harding and received unqualified approval by American public opinion.

Spurred on by the conviction that Great Britain would institute in Palestine a beneficent and vigorous and enlightening administration, assuring protection to life and property, a substantial amount of American capital has been invested in Palestine and a number of American citizens are residing at present there in the pursuit of peaceful enterprise.

Not only did Americans trust to the ability of Great Britain to assure a reign of law and order in the Holy Land but they have confidently expected that Great Britain would strictly adhere to the policy expressed in the mandate of the League of Nations, which policy is by the terms of the congressional resolution the policy of this country.

It is superfluous to remind the House of the unparalleled plight in which large sections of Jewry find themselves at the present time due to the recrudescence of the spirit of intolerance, bigotry, and racial oppression in certain countries of Europe. These sorely tried people have been looking to Palestine as their only refuge from the intolerable conditions in their countries of birth. They have been coming to Palestine in considerable numbers, transforming what was, up to recently, a veritable desert into one of the most prosperous and one of the most progressive countries in the world. They have truly converted the country into "a land flowing with milk and honey." To paraphrase an old saying concerning the Austria-Hungarian Empire:

If there were no Palestine, it would have to be invented.

In view of all that, is it not natural that people everywhere should expect that the mandatory power would at least vigorously discharge the most elementary and primary duties of government, and that is the protection of life and property?

In conclusion may I read from an editorial in the New York Times of Saturday, May 23:

> • • • Tension throughout Palestine remains dangerously acute. Already the dead number 26 Jews, most of these assassinated; 16 Arabs, most of these killed by the police during riots, and an Austrian catholic, shot while walking the streets of Jerusalem. Despite the stern orders of the Government, the Arab attacks on the Jew continue.
>
> • • • But there will be slight chance of real peace in Palestine unless and until the British Government has convinced both Jews and Arabs of its unalterable determination to carry out the obligations it voluntarily assumed under the mandate.

I sincerely hope that Great Britain will firmly surpress lawless bands of assassins roaming the country, to whom it seemed, for a while, to have surrendered. This country views with concern the recent developments in the Holy Land and earnestly hopes that the mandatory power will proceed in the spirit suggested by the New York Times editorial.

WHERE DO WE GO FROM HERE?

Mr. MARTIN of Colorado. Mr. Speaker, the Supreme Court of the United States has rendered another "horse and buggy" decision. The growing number of such decisions fairly raises the question whether the horse-and-buggy decisions could emanate from a present-day source.

The latest 5-to-4 decision, knocking out the New York State minimum-wage law for women and children, caps the climax of a series of decisions which hold—and where they do not hold, indicate—that the whole body of social-justice and human-welfare legislation enacted by this administration, and not only by this administration but by the States, is unconstitutional and void.

The Court had already separately decided that agriculture and manufacturing and mining are local industries, and that interstate commerce does not take place until the product begins its movement across State lines. This has the effect of excluding almost the entire economic field from Federal control.

THE QUESTION IS

A writer in the Washington Post, whose daily column has invariably been highly critical of the New Deal and all its works, speaking of the decision in the New York minimum-wage case, states the situation in a nutshell when he says:

> The Court, by a 5-to-4 decision, ruled that the State legislatures are without authority to fix minimum wages of workers in a given industry.
>
> A week ago the Court ruled in the Guffey decision that the relationship between employer and employee constituted a local transaction and thus was outside the authority of Congress and the Federal Government.

And he follows with this question:

> Thus who can regulate the relationship of employers and employees?

NATION POWERLESS

In the N. R. A. decision the Court said:

> We are of the opinion that the attempt through the provisions of the code to fix the hours and wages of employees of defendants in their intrastate business was not a valid exercise of Federal power.

Thus labor went out the window on the attempt of Congress to reduce hours and raise wages within the States. Now comes a decision that the State itself has no such power.

In the A. A. A. decision the Court said:

> Its stated purpose is the control of agricultural production, a purely local activity, in an effort to raise the prices paid the farmer.

Thus the farmer went out the window on the attempt of Congress to raise prices. May we not look for a decision in due course that the State also has no such power?

At any rate, these continuing decisions have one merit: they are teaching us what we cannot do, or rather why we cannot do it. It is not a question whether what we attempt to do is necessary or is good: it is only a question whether it is constitutional.

GRIM IRONY

Presumably, maximum hours and minimum wages would be good for women and children; also for men. Reasonable prices, meaning the cost of production and a reasonable profit, would be good for farmers. Pensions would be good for the aged, and so would insurance for the unemployed. All these would be good for society as a whole, making it more stable, more equitable, more civilized. But, says the Court, once again and finally, laws, whether State or National, effecting these beneficent ends violate the freedom of contract guaranteed by the Federal Constitution.

To which four of the nine Justices rejoin:

There is grim irony in speaking of the freedom of contract of those who, because of their economic necessities, give their services for less than is needful to keep body and soul together.

CLOSES THE DOOR

Here is some more irony, from an editorial in the conservative Washington Star of June 2:

The 5-to-4 decision of the Supreme Court yesterday invalidating the New York minimum-wage law for women and children is peculiarly devastating in its effect. It not only throws out the New York law but will kill 16 State laws modeled on the New York statute. It presumably closes the door for some time to come to legislation of this type.

Nor does the irony of this devastating decision end here. It develops that this case involved the laundry business in the State of New York; but I again quote the same editorial—

The law was not contested by the laundry employers' organization, which, at the time of the law's test in the lower court, appeared as friend of the court and petitioned that the law be allowed to remain in effect.

And to fill labor's cup with joy, the editorial concludes:

Yesterday's opinion seems to cast its shadow, along with that of the decision in the Guffey coal case, over coming events in connection with the Wagner labor relations law, which might be considered as doomed.

STATE POWERLESS

In its news review of the decision the same paper says:

The decision and the reasoning upon which it rests clearly show that the State is without power by any form of legislation to prohibit, change, or nullify contracts between employers and adult women workers as to the amount of wages to be paid.

In order that the layman may see at a glance upon what the decision and the reasoning rest, I shall quote the organic law as found in the fourteenth amendment to the Constitution, section 1:

Nor shall any State deprive any person of life, liberty, or property without due process of law.

This is the constitutional provision guaranteeing freedom of contract, referred to in the dissenting opinion of the four Justices in its application to labor as grim irony. Says the fourteenth amendment to labor, "Abandon hope all ye who enter here."

THE JUDICIAL POTTER'S FIELD

The Washington News tells the story in cartoon. A row of new-made graves are marked "N. R. A.", "A. A. A.", "Various farm acts", "Guffey Coal Act", "Railroad Pension Act", "New York minimum-wage law", and so forth. Walking away from the burial plot is a bulky figure in judicial robes, long-handled shovel on shoulder.

Mr. Speaker, it is small wonder that conservative commentators, who hope for the political overthrow of the New Deal, stand aghast at this latest decision of the Supreme Court, and treat the decision under such headings as "Roosevelt gets a break in the Supreme Court wage ruling", and that it may be the turning point.

NEW DRED SCOTT DECISION

There must be a turning point somewhere. It was only 5 years from the Dred Scott decision to the emancipation proclamation. The President of the United States, by proclamation issued under his military powers, reversed the Supreme Court, and his action was made final at Appomattox.

The distinguished Republican Member from New York [Mr. FISH], who has been active in the campaign of Senator BORAH, the only progressive Republican candidate for President, stated on the floor of the House following the decision, and I quote him with his permission:

The Supreme Court has presented the American people with a new Dred Scott decision condemning millions of Americans to economic slavery, and the issue will not down until it has been righted in the public interest.

COURT BARRIER TO SOCIAL PROGRESS

Mr. Speaker, condemnation of this decision seems almost universal. The Supreme Court now occupies the status of a barrier across the stream of social progress. Both the express pronouncements of these decisions, and the obiter dicta and forewarnings, reflecting the viewpoint of the judges, leave little hope that anything will be saved. The T. V. A. decision, in which the administration claimed a "dog-fall", was narrowed to the proposition that Wilson Dam was a national-defense and wartime project, and that the Government had the right to dispose of the surplus electric energy produced by it and to acquire the necessary instrumentalities for its disposal. The decision leaves the door wide open to invalidate the Tennessee Valley Authority.

The decision on the Railroad Retirement Act lays the foundation for invalidating title 2 of the Social Security Act, establishing a system of contributory old-age pensions, and title 3, establishing a system of unemployment insurance. It does, indeed, lay the foundation for invalidating the entire act.

THE TWILIGHT ZONE

Bryan once proposed the Federal licensing of corporations to bridge what is called the "twilight zone" between the Federal Government and the States. It would appear that after 40 years of alleged progress, the twilight zone has expanded until it has swallowed up both States and Nation. After each of these decisions the forces of progress, of social security, and justice have searched its language for a way out, salvaging expeditions, so to speak, but they now find themselves in such a labyrinth of adverse decisions that the ways out appear to have narrowed to two—a change in the personnel of the Court or a change in the Constitution.

DECISIONS DETERMINED BY ECONOMIC VIEWS

Apropos of a change in personnel, I want to recall at this time a statement made by me on the floor of the House on February 6 of this year, when, in discussing the A. A. A. decision and in answer to an observation made by the distinguished minority floor leader, the gentleman from New York [Mr. SNELL], I said:

I want to speak respectfully and carefully in this matter. I cannot help but feel that the majority of the Supreme Court were influenced in that decision by their own economic views and sympathies.

And on Monday, June 1, of this year, the writer of the able dissenting opinion on the New York minimum-wage-law case said:

It is difficult to imagine any grounds, other than our own personal economic predilections, for saying that the contract of employment is any the less an appropriate subject of legislation than are scores of others, in dealing with which this Court has held that legislatures may curtail individual freedom in the public interest.

BACKGROUND OF FEDERAL JUDICIARY

Mr. Speaker, a humble Member of Congress and homemade lawyer may properly find reassurance in the fact that a criticism made by him on the floor of this House nearly 6 months ago with respect to decisions of the Supreme Court is now stated in better legal form by a most able and eminent member of that distinguished body.

It is not necessary to impugn the honesty or the humanity of the five judges who have given their assent to the devastating decisions of the Supreme Court in the past 6 months. It is wholly a matter of viewpoint. Given a man's viewpoint, it will be seen that his acts, his record, fit into it. No finer breed of men ever trod the soil of America than the planters

of the ante-bellum era. They were cultured, they were humane, they were hospitable, but they inherited their estate, and their inheritance conditioned their outlook on life and all its related problems. Human slavery was natural, not repugnant, to them. They no more questioned it than they questioned the trees or the sunshine.

The same may be said of the great majority of the men who sit on the Federal benches of this country. They form a class apart. They are cloistered from the strife of the world. They live "far from the madding crowd's ignoble strife." Their education, their training and environment, if not their birth, have far removed them from the common lot of men and women and children who must struggle, and often in vain, for the bare necessities of life. They see life through the glasses of their environment, the environment of the man with a university education; then a successful law practice, most often in the service of special interests; and then a life position of great power and with no personal concern for the wants of the future.

It is fitting that this latest decision should have been written by a jurist who at the time of his elevation to the Supreme Bench was growing gray in the service of the corporations. He is not the only such on that tribunal, and this type predominates in the make-up of the Federal judiciary generally. As a class, they are men whose background before elevation to the Bench gave them an antipathetic viewpoint on the problems of the workers and farmers, who constitute the great bulk of our population.

WHICH WAY OUT?

But, Mr. Speaker, we cannot predicate basic reforms upon the views or predilections of persons temporarily holding office. While it is true that the change of one man, and at most two, would have resulted in sustaining most of the laws which have been swept from the statute books during the past year, no thinking man would propose such a change as a permanent method of solving the great question to which these decisions have given rise. This is a government of laws, not of men—at least, we accept this in theory. The question, therefore, is, Is the organic law sufficiently flexible to meet the needs of an economic system which not only did not exist but was not even dreamed of at the time the organic law was framed? Is it, as it now reads, the last word?

The decision of the Supreme Court in the New York minimum-wage case has greatly enlarged the scope of this question. It goes far beyond the constitutional questions which proved fatal to N. R. A. and A. A. A. This decision did not invalidate an act of Congress as in violation of the Federal Constitution. It invalidated a State law as in violation of the Federal Constitution. It was not a question whether the State law was in violation of the Constitution of the State of New York; it was in violation of the Constitution of the United States. This means that, even though the law were valid under the State constitution, it would be void under the Federal Constitution. This decision killed similar laws in 16 States. In effect it forbids the enactment of any such law in all States. The States have no power to legislate. The Congress has no power to legislate. If the Congress undertakes to legislate, it brings up against the fifth amendment. The fifth amendment to the Constitution, limiting the Federal power, provides that no person shall be "deprived of life, liberty, or property without due process of law." This applies to the Federal Government. The same language in the fourteenth amendment limits the State power. Between the two provisions both Federal and State Governments are bound hand and foot.

It is this situation that gives point to the editorial observation that the decision presumably closes the door for some time to come to legislation of this type. Until what time to come? the question may be asked. In the light of the widespread pressing conditions, involving millions, which this type of legislation is meant to remedy, and is needed to remedy, we may well ask, "What time to come?" We may further insist that some element in addition to time enters the picture. Time alone, no matter how much time, will not solve it. Time will only make a bad situation worse. The women and children of the country must go back to the sweatshops and take what they get, modified by such amelioration as they may obtain through organized efforts.

I have suggested two alternatives to meet the situation—a change in the personnel of the Court or a change in the Constitution. I have indicated that the latter method only can give permanent and lasting results; and still I have not said that we must change the Constitution. I shall now say this: That either we must decide that social-justice legislation, both National and State, is not necessary, or that the Constitution must be amended.

There is a school of thought holding the view that no change in either the Constitution or the laws is necessary; that these problems will work themselves out; that the worker and the farmer will achieve their own salvation. I do not belong to that school of thought. I do not believe that the conflicting economic forces of the country can themselves voluntarily establish social justice and security for all the people. It has never yet been done and we have not progressed to the point where it may now be done. The preamble to the Constitution of the United States reads as follows:

We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States.

The forces of progress seek to establish justice, insure domestic tranquillity, and promote the general welfare. These are the sole objectives of every act of Congress which has been nullified by the Supreme Court. We now find ourselves deprived of the power to achieve these objectives, because it is said, by a divided Court, that such power is not resident in the organic law of the land. If it be conceded that it should reside somewhere, it seems to me the method is clear.

PROPOSED CONSTITUTIONAL AMENDMENT

Mr. Speaker, I have introduced a House joint resolution providing for the submission of a constitutional amendment giving Congress the power to legislate upon the economic problems, upon the solution of which depends not only the welfare but the perpetuity of this form of government. I claim no credit of authorship. It is only a copy of the resolution introduced in the Senate in the first days of the Seventy-fourth Congress by the brilliant and distinguished senior Senator from Colorado, Hon. EDWARD P. COSTIGAN, who has long enjoyed a national reputation as a progressive thinker and humanitarian in the field of political economics and social betterment. Excluding prefatory recitals, the proposed amendment is as follows:

SECTION 1. The Congress shall have power to regulate hours and conditions of labor and to establish minimum wages in any employment and to regulate production, industry, business, trade, and commerce to prevent unfair methods and practices therein.

SEC. 2. The due process of law clauses of the fifth and fourteenth amendments shall be construed to impose no limitations upon legislation by the Congress or by the several States with respect to any of the subjects referred to in section 1, except as to the methods or the procedure for the enforcement of such legislation.

SEC. 3. Nothing in this article shall be construed to impair the regulatory power of the several States with respect to any of the subjects referred to in section 1, except to the extent that the exercise of such power by a State is in conflict with legislation enacted by the Congress pursuant to this article.

BRASS TACKS, BY DAVID CUSHM'N COYLE, NATIONAL HOME LIBRARY FOUNDATION—BOOK REVIEW

BRASS TACKS—SHOOT FROM THE HIP—BULL'S-EYE

Mr. MAVERICK. Mr. Speaker, a cowpuncher once spoke of experts. He said: "They know all about windage, trajectories, ballistics, velocities, and such like. But I shoot from the hip."

When asked how he always succeeded in making a bull's-eye he said, "I know how to shoot."

David Cushman Coyle, in Brass Tacks, knows how to shoot. The book is published by the National Home Library Foundation, Washington, D. C., and costs 25 cents.

Ever since the depression started I have been reading books about it, and they are all too long and written in a language which somehow I do not comprehend, much less understand. For instance, the other day I tried to read a book written by the most conscientious people imaginable, on a very important subject, but such a mumbo-jumbo of professorial gibberish never twisted my eyes before.

As a matter of fact, by laborious study, I finally understood a few chapters; but had the book been 150 pages instead of 600, and had the language used been in ordinary terminology and not obscurely and quite unnecessarily technical, and in a sort of university jargon, I could have finished reading it.

I did finish reading Brass Tacks. That is because it is not too long; it is plainly written. I feel as though I understand it. That does not mean that I thoroughly understand everything in it, nor that I agree with everything; but it is about our world and is written in our language.

Sherman Mittell, editor and president of the National Home Library Foundation, which published Brass Tacks, says, "It is the most exciting and informative new work by any American writing today." Some experts will not like that, but I think that the average American jury would say he was right.

BELIEVE IT OR NOT, AN ENGINEER WRITES BOOK THAT CAN BE READ

I do not suppose Mr. Coyle's book is the last one to be written in this world, but his accomplishment is to be an engineer and still write with some social consciousness. Coyle is not classed as an "economist", nor a "political scientist." Nor does he deal in the superficial aspects of our civilization like (such as being) a stock-market "analyst", nor as an "expert" who knows all about everything. For many years he has been designing shiny new factories—many which closed up soon after being finished, others which never opened. He has helped plan 50-story office buildings in New York, which are 80 percent empty.

He built so many things that were not used that he finally began to wonder why. So he got to going around, and, according to what he says, he has talked to "New Dealers and Old Dealers, fishermen and cowboys, 'brain trusters' and Congressmen, conservatives and Communists, professors and bankers, stodgy experts and wild-eyed cranks."

SHIRT FRONTS HISS—AND COLLAPSE

The book Brass Tacks is the result. He says:

> The times are ripe, the hiss of collapsing shirt fronts is all about us, the crisis is upon us; we must play up now or give way to those who will. This book is a vote for playing up.

These lines sound all right to me. Talk about Jefferson! Let Liberty Leaguers weep and gnash their teeth. I have an idea that were Jefferson alive he would get on the side lines and cheer such words to beat the band.

IDEAS NO LONGER FIT THE FACTS

What did Jefferson and Franklin face? They faced a new world in which it was necessary to have new methods and new ideas. So the old rules were obsolete. What did they do? They took the old set of rules apart, pitched out of the window what they did not need, saved what was worth saving, added new ones, and started a new system. That system has worked in tolerable fashion for over a century.

Coyle says:

> The American people are perplexed and disturbed. Their affairs are in a mess. Millions are unemployed; others suffer from depleted incomes and insecurity. Savings have been used up; investments have been wiped out. Debts, public and private, pile up faster than they can be paid.
>
> And in the midst of this distress stands the absurd and paradoxical fact that America can easily produce more wealth per capita than ever before in her history. For a situation of this kind—for starvation in the midst of plenty—there must be an answer.

Then Coyle says:

> All that is the matter with us is the fact our past history has left us with a set of ideas that no longer fit the facts.

Jefferson found that to be true in his time. Coyle simply suggests that we do what our Revolutionary forefathers did: Look the situation over, find out what is the matter and what is keeping us from getting what we want, and then remove the cause. That seems obvious and reasonable.

THE NEW IDEA OF THRIFT

He says that one of the first things blocking our way is the old idea of thrift as expressed by Franklin. That may sound silly to some, but Coyle explains that when Franklin praised thrift as one of the highest moral virtues we needed capital and needed it bad. He explains further that every man in our infant Republic who saved out of his earnings and added to his equipment increased by so much the amount of goods we could produce next year. But "now we have come to a time when the insistent demand is not for capital nor for labor, but for buyers to carry away the goods."

It seems to me that what Coyle is saying is that what we need today is not more dead factories, railroads, office buildings, farms, mines, and oil wells. This seems true, because we are not using half of what we now have. What we need is people to buy goods; purchasing power, money to take beans off grocers' shelves, not money to put more beans or shoes or hats which cannot be sold on the shelves.

OLD THINKING—NEW FACTS

What I now state is trite: We have reached an age of plenty. Our thinking is based, however, on scarcity and hardship; we cannot begin to realize what's come over us. Because goods were scarce the owner could demand a price. But goods are no longer scarce. In this picture we dreamed of labor-saving devices and when we should be delivered from back-breaking toil, and, coupling that with our scarcity psychology, we have made ourselves hungry and ill-clad instead of well-fed and well-clothed.

So it looks like our old ideas need checking against actual modern conditions. We can produce a flood of oil, coal, automobiles, and shoes. But we cannot sell. Coyle says the reason we cannot is that we insist on saving all we can, putting our savings into more oil wells, coal mines, and factories so we can produce more stuff that cannot be sold.

SPENDING AND SAVING

Coyle says that we need more income taxes; more inheritance taxes; more corporate surplus taxes; higher wages; old-age pensions; unemployment and sickness insurance; better roads, schools, parks, playgrounds, and other public services; and more profits for the farmer and small-business man—who will spend them. He says it means that we need less sales taxes and consumption taxes and tariffs, lower interest rates, and less profits to the Wall Street bankers.

If we went too far with this program we might get too much spending and too little saving. But anybody who thinks we are apt to do this just does not know the power of the Wall Street bankers, who oppose every single item on this program.

When all our factories are humming, all our farms producing to their limit, all our oil wells running open, all our merchants selling their goods, and all our workmen in jobs we will have to put more money into stores and factories to take care of the expanded demand; then will be the time to say we are spending too much and saving too little.

MAKE THE RICH POORER?—NO

This is not Huey Long's argument for leveling up or sharing the wealth. As Coyle says it:

> Redistribution is not to make the poor richer by making the rich poorer but to increase the total income of the American people by changing the ratio between spending and saving. * * * Most of the additional income for the poor will not come out of the rich; it will come out of not sitting idle. The great reservoir of wealth in this country is the unemployed. By hiring the unemployed to make useful goods and services we can get that wealth for all the people.

Some people argue that if you do not let the wealthy alone they will all get mad and quit. In other words, personal initiative will be ruined for 127,000,000 people unless they each and everyone can try to be multimillionaires. However, I have in my acquaintance a large number of good, intelligent people who will not get to be multis.

We work for a living, but we cannot make a living if there is nobody to sell to. And certainly we cannot make a living if the central controllers of wealth sit tight on the money bags and moan and groan about what they call thrift.

PREVENTING THE NEXT DEPRESSION

Coyle, like all book writers, talks about preventing the next depression. He drags out skeletons from the clothes closets. He seems to enjoy razzing us—and he puts us to thinking.

Now, for several years our smug-mugs have insisted we need capital-goods recovery—possibly I believed it myself, maybe I have said it. They point out that factories which produce heavy machinery, locomotives, freight cars, plant equipment, structural steel, are mostly closed—except in the matter of preparing for war, in which business is quite prosperous. Naturally the workmen are unemployed.

And they say the New Deal is trying to get even more money away from these capital-goods industries and into the consumer markets. This may be true, but suppose we made a big new Reconstruction Finance Corporation and made more locomotives, freight cars, oil refineries, shoe factories—what would we do with them when we cannot use what we have? The point is, if we can only get somebody to buy the products, we would not have any trouble in building the factories, freight cars, and so on. Coyle shows that capital-goods recovery comes after there is a market for consumer goods and not before.

LESS MONEY FOR WALL, AND MORE FOR MAIN STREET, BROADWAY

It seems that we must face the fact that we have certain economic ideas, and we differ upon those. The New Deal program is designed to put less money into Wall Street and more up and down Main Street, Broadway—and out in the Bronx, Brooklyn, Oshkosh, Los Angeles, and Podunk.

The bright boys in Wall Street want inflation—both industrial and financial—for themselves. In other words, they want private inflation at the expense of the people; but inflation for the farmer, the small merchant, laborer, and consumer is both horrible and sinful to contemplate.

Says our doughty engineer:

Recovery by new investment means recovery by adding more debts on top of the old ones.

In order to set off a capital-goods recovery, we should have to be so drunk that we would forget what happened before. For that we need a Wall Street boom.

Mr. Coyle discusses at length the psychology of some people in big business who seem to think that if the Government would just turn its back "something would be doing" and confidence might return, with a few billion dollars added to security prices. But, he says:

Then a new flock of skyscrapers would join the gaunt procession along the New York skyline, new oil derricks would arise to thumb their noses at Mr. Ickes, and new automatic factories would come to free the industrial managers from dependence on labor.

Then the new skyscrapers would begin to draw tenants out of Radio City; the price of oil would begin to have sinking spells; the new automatic factories would begin forcing the old factories into receiverships and their men into the streets.

Suddenly everyone would realize that a crash was coming. Then the deluge, a repossession notice in every garage, and an American in every pot, same as before, only quicker and more of it.

But all that is a dream. The chance that the Government will turn its back and let Wall Street have its fun is small. The President of the United States appears to have an objection to walking under the same pile driver that landed on his unfortunate predecessor.

SOAKING THE CONSUMER IS SOAKING BUSINESS

So that is that. Then, surely, self-liquidating public works will save us.

The name "self-liquidating", like so many other relics of the years before 1933, has that fine nutty flavor that characterized the period. The idea was that such projects paid for themselves, because the people who paid for them were not visible—to the conservative eye. The consumer, however, though microscopic in size, is all the businessman has to live on.

Soaking the consumer is soaking business. Self-liquidating public works help business with one hand and hurt business with the other. They are a boot-strap plan.

Then let us try local self-help.

Local projects can be paid for by local taxes or assessments, borne mainly by the people with small incomes. This has been called local self-help, and meant simply that local taxing bodies, which cannot levy income taxes, ought to be the ones to pay for relief work rather than the Federal Government, which might tax the higher brackets. Here, again, the idea was to help business with one hand and hurt business with the other. More boot straps.

IDLE MEN, DESERTED FACTORIES; PUBLIC WORKS, NO COST; SO?

From these quotations we might conclude that Mr. Coyle does not favor public works. This is not so. What he objects to is public works which take money out of the consumer market and put it in the investment market. How can we stand the expense of a great public-works program? What does it cost? Absolutely nothing, he says; and explains there are millions of idle workmen. The steel mills, cement factories, and lumber camps are deserted. The mills are rotting in idleness. The men are being fed on a dole. If we can use those mills and men to build a bridge, that bridge costs us zero.

TEN MILLION DISEMPLOYED—COSTS TOO MUCH

If we had used all the idle men and factories during the past 7 years to build homes, we could have had a $7,000 home for every family in America—at no cost. As it is, the men and machines have been idle, and we do not have the homes, and roads, and schools, and parks, and playgrounds that they might have produced. Men lose skill and rot; machines rust and fall to pieces.

The cost which even this richest nation in the world cannot stand any longer is 10,000,000 idle men and billions of dollars' worth of idle machines, factories, farms, and oil wells.

And here comes the point which is the real cause of the feeling of dread held by the Liberty League boys and the Wall Street bankers. They say, who is going to pay these horrible debts of the Federal Government? And are we not damning our children and the coming generation to perpetual slavery (to Wall Street) to pay those debts? Mr. Hoover, with his dour countenance lit up with glee for once, has pointed out that it will cost the next generation $2,000,000,000 a year to pay the debt.

Mr. Coyle gives some illuminating studies which might lead to this conclusion: If two billions a year has to be collected in taxes to pay the debt, it goes back to the people who hold the bonds. If taxation were made accordingly, the boys who hold the bonds may have to pay the taxes to pay themselves the Government bonds they hold. In the past the people have always paid these taxes on the bonds held, but that situation might be different in the future.

Hence, having this real thought in their minds, they naturally oppose every progressive move—public works, relief, agricultural legislation, resettlement, old-age pensions, unemployment insurance, and wage legislation of any kind—because of the old thing that has always been the bug under the chip, to wit, percent, or usury, or interest, or what you will.

That is why the same groups speak constantly of "capital-goods recovery", "self-liquidating public works", "local self-help" for relief, and the eternal God-given liberty of the worker, small-business man, and farmer—to starve to death. These central power groups hate the Federal Government and President Roosevelt because they have power to levy income taxes. The local governments, on the other hand, State, municipal, and school, depend on sales taxes, taxes on small business, homes, real estate, and improvements on it. And the small body of the American people do the paying.

The mumbo-jumbo of legalistic phrases, princely paid lawyers, and decisions wherein the Federal Government cannot protect the laborer, and neither can any other government, make them praise "rugged individualism"—the kind of rugged individualism which really stamps out the heart and soul plus the individuality of the American citizen.

FREEBOOTERS SHOUT FOR FREEDOM

Verily the freebooters are shouting for freedom. In truth and in fact they are fooling a good many fine people who really are concerned about liberty. For instance, I saw a small-business man the other day whose every interest is the opposite of the Liberty League send $25 up to help out the Du Ponts. Dumb. But let our engineer speak:

Regimentation is viewed with alarm by conservative writers. The conservatives fear simply that the American people may establish control over the financial group. The value of freedom depends a lot on whose freedom it is. A hundred and sixty years ago our forefathers were engaged in a war to destroy freedom—freedom of the

king—and to create a new freedom for themselves. Today the American people are gunning for freedom again—they are out to take away the liberty of the kings of finance and have it for their own use. Hence the tears about dying liberty.

Oh, oh, oh!

REGIMENTATION—PUBLIC OR PRIVATE

Let us mention this business of regimenting. The regimenting that has been done in this country has been done by big industry, and any one big industrialist alone, like John D., has done more regimenting a dozen times than Roosevelt ever dreamed of.

These are things which some American people do not understand; that the standardization, the regimentation, has been in the hands of these Moscow Tories, these Private Dollar Communists, who have enjoyed all the benefits of monopoly with none of its duties. They simply do not want the Government to have any chance to protect its own people.

Here I say a word for Congressmen—any of them. You can kick us out almost by the time we really get in office. Can you kick out these invisible emperors like Insull, Hopson, Mellon, Morgan, and the rest? Not yet. And that is what they are worried about.

TINTINNABULATION OF BELLS, BELLS—RING OUT THE OLD, RING IN THE NEW

Read this about liberty:

National policies, in these fast-moving times, need to be constantly checked and revised under the pressure of men who are fully awake. From somewhere there must come new men, wild men, who have no respect for "ideologies", who will smash the windows and yell raucously at the comfortable, drowsy bankers. They will annoy the bankers, who are apt to call them bad names, such as "sons of the wild jackass", but the effect is salutary.

And whence shall come the wild men, the prophets, the wakeful men? Same place they have always come from—from the free hills, where a man can make a place for himself without asking anyone, without "yessing" any master mind, without conforming to any plans but his own. Though reactionaries shout for liberty and try to suppress free speech, and though radicals curse the reactionaries and plan to follow their example, the fact remains that no way is known for getting good sense into human affairs except to have somewhere a reservoir of free men.

Americans have a sentimental longing for freedom, and that is well, because freedom, desirable in the past, has now become a vital necessity. Only by enlarging the area of freedom can we hope to develop the necessary intelligence to steer our country safely in the swift traffic of the modern world.

ENCOURAGE SMALL BUSINESS

And speaking of small business and a free country in general, he says:

If the American people can be led to adopt policies that will first of all encourage small business rather than big business, and that will reluctantly but firmly drive the remaining big business into public ownership, they will be able to maintain and protect a system of free prices.

Free men we must have in order to keep our Government awake. Free initiative in business we must have as a nursery for free men. A free price system we must have, because the price of free initiative is free prices.

Laissez faire is as dead as the feudal system, but individualism is only in its infancy. Business is apparently developing in two opposite directions, both of them leading toward an enlarged distribution of freedom.

One kind of industry, the so-called natural monopoly, is headed for gradual absorption into full public control. The effect of this development will be to destroy the liberty of action of certain promoters of holding companies, but it will enlarge the freedom of the common people by removing the hand of big business from their necks.

The other kind of industry, that in which there is no mechanical advantage in large operations, is in the long run apparently headed for decentralization. All these developments are making possible an expansion of the area within which free action will be allowable.

Mr. Coyle tells us of what any person with eyes can see. It is merely that a lot of snags and old wrecks and sand bars are cluttering up the channels of progress. Our ship of state is still a good ship, and democracy is, in my opinion, the only proper pilot; but if democracy is to succeed and the ship go down the channel safely, the channel has got to be clear. Concerning this, Mr. Coyle says:

The next step is to find out which of the old axioms, old economic laws, old moral standards, and old valuations have ceased to be valid and need to be revised.

Of course, any change in the old set of rules will be vigorously protested by the people who have their hands on the money bags.

The defenders of the old order are well entrenched. They own newspapers and newsreels; they have money to hire speakers and to buy expert testimony. They can flood the mails with lies and with statistics that would make any common lie hide its face on George Washington's shoulder. They have power to make the very dead send telegrams to Senators. They can hire lawyers to say that no man may be deprived of his racket without violating the Constitution.

From this it seems that if we are to use our matchless power to produce more than plenty, we must have more freedom for the average man; less stock-market hijackers; less for concentration in a few industries and more for spending; more consumer goods and service; less idle farms, mines, and factories; more economic security for everybody; more income, inheritance, surplus, and excess-profits taxes; less tariffs, sales taxes, processing taxes, and taxes on homes, farms, and small businesses—to leave money in the consumers' markets; more Government control of monopolized industries; less control over competitive industries. That is Coyle's story.

How are we to get all this? How can we retain a maximum of freedom without leaving some group free to wreck the place? How are we to change the rules without stopping the game? By what procedure can all this be done? By democratic political action. Coyle's faith in democracy is profound.

Even if the people were to make a mistake, the Presidency could not be held for long against their interests. The fate of the old order is that the old leaders cannot steer the ship of state anywhere except onto the rocks, as they did last time. They are in the unfortunate condition of the goat in the express car—"he done et up whar he gwine." This is no time for nonsense. The pilot house will be too hot for any man whose only idea is to stop the ship against the nearest cliff.

After years of Tweedledum and Tweedledee the people are again coming to take a vital interest in politics. Politics is the key to power. As the people become more certain of what they want, they will grasp more firmly the political situation. The possibility of plenty lies ahead; behind is the unsatisfied desire of a thousand generations. Slowly and with false starts, advancing and retreating, but with gradually increasing understanding, the American people begin to move toward the promised land.

Read that book, everybody.

And let us get going.

FEDERAL AID FOR STATE HIGHWAY—BENEFIT TO MICHIGAN HIGHWAY SYSTEM—MICHIGAN GRATEFUL TO PRESIDENT ROOSEVELT, DEMOCRATIC CONGRESS, STATE HIGHWAY COMMISSIONER VAN WAGONER

Mr. SADOWSKI. Mr. Speaker, it is well that we consider carefully each bill that is placed before us so that we may look into the future and see just what will be the effect of the measure should it become law. At the same time it is well that we occasionally check back to see how these same measures have fulfilled our expectations.

This Congress has been confronted with problems that at times seemed impossible of solution. Not the least of these has been to determine a program that would be effective in restoring prosperity to the Nation. One of the major phases of our answer to this problem has been a program of public works. The idea in every case was to provide jobs for the unemployed, while at the same time providing worthwhile improvements for the public's use. An important phase of this public-works program has been the improvements made possible on our highway systems. Mr. Speaker, I submit that these funds which have been devoted to this type of improvement have most admirably filled their purpose.

In my own State of Michigan, improvements on the highway system have been outstanding for the thousands of men they have returned to a self-supporting basis and for the permanent improvements that have been made in the roads themselves.

Altogether the Michigan State Highway Department has received some $40,000,000 in Federal funds for road construction since July 1, 1933. This has meant employment

for approximately 125,000 men and the improvement of 1,341 miles of roads.

Men who were formerly on relief have been given a new hope in life in the knowledge that they were once more earning a living for themselves and their families. Benefits along this line need little explanation on my part. You have all witnessed a similar transformation in persons of your own acquaintance.

Michigan always has been keenly aware of the importance of its highway system. In the past State funds have always been available in one form or another for highway construction in Michigan. A weight tax on all vehicles and a 3-cent gasoline tax have furnished revenues for highway building. With the depression, however, this situation changed. Local governmental units found their local tax revenues rapidly dwindling and in some cases stopping entirely. They had to have help of some kind and that immediately.

A sympathetic Democratic State legislature turned immediately to the revenues of the State highway department to supply this relief. At the same time, Michigan's State highway commissioner, Murray D. Van Wagoner, recommended a reduction of 36 percent in the weight tax as an additional measure of relief. The result of this process is shown by the fact that approximately three-fifths of all State-highway revenues in Michigan are now returned directly to the counties for use on their own road systems.

Other contractual and legal obligations have reduced the revenues of the State highway department to such an extent that it has required the utmost economy on the part of Commissioner Van Wagoner to get together sufficient funds to match Federal-aid appropriations.

In view of this, it is obvious that Michigan would today be almost entirely without a construction program had it not been for funds granted by the Federal Government. The first program in Michigan with Federal funds provided some $12,000,000 worth of projects. They were allocated to every county in Michigan so that the benefits of this program might be as widespread as possible. Federal regulations provided that this work be allocated to only 75 percent of the counties. Work relief was the major consideration and road construction secondary.

In allocating these funds to the counties, Commissioner Van Wagoner used the same plan as was followed by the Federal Government in distributing the $400,000,000 fund to the various States—one-third according to population, one-third according to area, and one-third according to trunk-line mileage. All projects under this program were either completed or under contract in October of 1934. On July 1, 1934, it was estimated that approximately 10,000 men were at work on this program of highway improvement.

The Hayden-Cartwright Act, which was passed in June 1934, provided the Michigan State Highway Department with $6,452,568. Projects under this program were allocated to 61 of Michigan's 83 counties. Final contracts were awarded in September of 1935.

When it became known early in 1935 that the Federal administration planned one more great blow against unemployment in the form of a $4,880,000,000 program of public works, Commissioner Van Wagoner made extensive preparations so that the Michigan program of highway construction could be placed under way at a moment's notice. When Congress approved this program of public works Commissioner Van Wagoner was here in Washington ready to present a group of highway projects for Federal approval. He had anticipated the regulations that would be laid down by Federal authorities and had taken every possible precaution to prevent any delay in putting the Michigan program under way.

When he found that several minor changes would be required, the entire engineering staff went into an all-night session and emerged with a complete program that easily met with Federal approval. I wish to point out very emphatically that the Michigan program was the first in the Nation to be approved by President Roosevelt and the first in the Nation to be actually launched. Bids were taken on the first group of projects on August 1.

Michigan has been far ahead of every other State in the Union in placing the current program of highway construction under way. In fact, in November of last year, Michigan had more of the Federal funds under contract than all the other States in the Nation. This, indeed, is the type of cooperation that will make Federal public-works programs most effective from the standpoint of relieving unemployment and assisting in the recovery of this Nation.

Of the $20,600,000 allocated to Michigan under this program, less than $2,000,000 remains to be placed under contract at the present time. And perhaps even more surprising is the fact that some $4,500,000 worth of projects have already been completed.

But Commissioner Van Wagoner has not stopped with this program. He has obtained approval from the Works Progress Administration in Washington of an $8,000,000 oil-aggregate program on farm-to-market highways and a $6,000,000 program of tourist and shore road relocation projects. Under the arrangement worked out with the W. P. A. authorities in Michigan, the State highway department will provide the engineering, specifications, and a part of the cost of the project as the State sponsor. All other details are handled by the W. P. A.

May I take a few moments, Mr. Speaker, to outline just what these programs will mean to Michigan in addition to their value as a means of taking men from the relief rolls? The oil-aggregate surface which is to be applied on farm-to-market roads is a new, inexpensive hard surface that can be applied for one-fourth of the cost of concrete. Although it does not stand up under the heaviest traffic, this type of highway will provide many of the advantages of concrete. Probably most important of all is the fact that it completely eliminates the dust evil. In fact, maintenance costs for a road surfaced with oil aggregate are little more than on an ordinary concrete highway.

The program of tourist-road relocations is important because of the benefits it will bring to an industry that is now the chief means of livelihood for a large part of Michigan's population. As a summer playground Michigan is outstanding among all the States of the Union. One of the chief attractions for visitors from other States as well as for Michigan's residents are the Great Lakes. This State has 1,624 miles of shore line on these beautiful lakes and it is the aim of the State highway department to make as much of this shore line accessible by trunk-line highway as is reasonably possible. A large share of the projects to be included in the $6,000,000 W. P. A. program will be designed to accomplish this purpose. Thus, this program will not only give security for those who are employed on the projects but it will result in improvements that will help to bring permanent security to a much larger proportion of Michigan's population.

Another project is in progress in Michigan which would have been entirely impossible had it not been for Federal funds. This one is not concerned with the construction of new roads but its result will be just as worthy. Last fall the Michigan State Highway Department was granted more than $900,000, to be used in a highway-planning survey to be carried out in cooperation with the United States Bureau of Public Roads.

This survey is being carried out in three main phases. The first is a survey of every mile of road in the State, including a complete recording of every feature of the roadway. The exact location of special traffic hazards, schools, churches, and other public-gathering places will be carefully noted. Road surfaces, widths, and conditions will also be carefully recorded.

The second phase of the project involves a fiscal study that will determine the total amount of money invested in the road system and the amounts required to keep these roads in condition. Investigators will also inquire into the proportion of the total tax dollar that is spent on Michigan roads.

This step is necessary to a complete picture of highway financing.

The third phase of the survey is a traffic count. This will involve a study of traffic movement on all roads. Commercial traffic will be studied to determine its destination, point of origin, and type of commodity carried. Weight recordings will also be made for truck and bus traffic.

Public safety will be an important part of all phases of the survey. Data gathered will permit the analysis of accident causes from the highway standpoint on a truly scientific basis.

When this project is finally completed the information which it will furnish should provide a basis for highway planning for the next 15 to 20 years. With the increase in traffic which the past few years has witnessed, it is not longer efficient to plan highway programs in a hit-or-miss fashion. Improvements should be selected on a basis of present and future needs if highway funds are to be used to the best advantage.

Mr. Speaker, I believe that the experience in Michigan with respect to public-works programs carried forward by the State highway department indicates strongly that road projects are one of the most effective means of distributing Federal funds so that they will bring the maximum benefits. Federal authorities have cooperated with an alert, fair-minded, and efficient highway administration to put thousands of men to work while providing highway improvements for which Michigan citizens will be eternally grateful.

The State of Michigan is the automobile center of the world. It is proper and fitting that Michigan lead the Nation in the development of good highways. It has taken this lead. The citizens of Michigan will be ever grateful to our great President, Franklin D. Roosevelt, this Democratic Congress, and our Democratic State highway commissioner, Murray D. Van Wagoner, for the improvement and development of the highway system in our State.

THE FRAZIER-LEMKE BILL—A BILL WHOSE ONLY PURPOSE WAS TO HELP THE HOME OWNER AND FARM OWNER BY REDUCING THE UNFAIR AND INTOLERABLE BURDEN OF SWOLLEN INTEREST RATES WHICH THREATENED CONFISCATION OF HOME AND FARM—THE LABEL OF INFLATION WAS FALSE AND MERE CAMOUFLAGE

Mr. ELLENBOGEN. Mr. Speaker, when this House defeated the Frazier-Lemke bill it defeated a bill to lighten an intolerable burden which has been placed upon the backs of the farm owners and home owners of this country. It defeated a bill whose only purpose was to reduce the unfair swollen interest rates on property which have brought home owner and farm owner alike to the point of foreclosure and ruin. It defeated a bill whose sole purpose was to present to these worthy and industrious people, who are the backbone of this country, a perfectly sound financial basis for refinancing mortgages on their properties—mortgages based on swollen and false valuations which no longer exist. It defeated a bill which would have given the farm owner a chance to rid himself of an iniquitous interest burden.

It defeated a bill which wanted to call a halt to an evil financial set-up which is leading us, inevitably, to the confiscation of our homes and farms because of a burden of debt unfairly and unwisely saddled upon them and which must be lifted if foreclosure and bankruptcy are not to follow.

VERY FEW PEOPLE HAVE A TRUE UNDERSTANDING OF THE FRAZIER-LEMKE BILL—ITS PROVISIONS HAVE NOT BEEN PROPERLY EXPLAINED

Very few people in this country had any intelligent idea of the contents of this bill. They were the victims of the false and misleading propaganda that had been circulated to defeat this measure. In order to defeat this bill self-seeking interests placed upon it the false label "inflation." I protest against this misleading and fraudulent "inflation" label that has been placed upon this bill.

The aim of the Frazier-Lemke bill was to reduce the rate of interest on farm mortgages. Those of us who favored reducing the farmer's burden of debt voted for this bill. Those who wanted the farmer to continue to bear the burden of 6 percent and more on his swollen debts voted against this bill. That was the important issue; that was the only issue.

Mr. Speaker, I say that the Frazier-Lemke bill was distinctly, definitely, and clearly not an inflation bill. It was solely and exclusively a measure intended to refinance farm mortgages.

GOVERNMENT BONDS HAVE CIRCULATION PRIVILEGE

The Government bonds which are out today have the circulation privilege; this means that the Federal Reserve banks can deposit the bonds with the Treasurer of the United States and receive for them Federal Reserve notes—commonly called currency or bank notes—equivalent to the face value of the bonds.

The farm-loan bonds provided for in the Frazier-Lemke bill are also Government bonds, and therefore the bill proposed to give these bonds a similar privilege.

THESE FARM-LOAN BONDS WERE ADEQUATELY SECURED

These farm-loan bonds were to be secured by at least 120 percent of the present value of farm lands and buildings. Unlike other Government bonds, they would have this specified additional security behind them.

Certainly no fair-minded person can say that Federal Reserve notes—currency—issued on the basis of such farm-loan bonds and also secured by a gold reserve of at least 40 percent—exactly like other Federal Reserve notes—can be labeled "inflationary currency expansion."

CURRENCY ISSUE NOT NECESSARY

I believe it would not have been necessary to issue any currency under this bill. But if any currency would have been issued it would have been in the form of Federal Reserve notes, which were to be no different than any others now in circulation.

But, as I have said, it was not likely that any Federal Reserve notes would be issued under the bill, because these farm-loan bonds could be sold on the regular financial markets.

NO INFLATION

When people talk about inflation they are thinking about what occurred in the post-war period in Russia, Germany, and other countries.

But there was not a single critic or opponent of the bill who even dared to assert that it followed a procedure similar to the one which had been used in those countries. In the European countries the currency issued had no value, because it had no backing; but in this bill every single dollar would have been more than adequately secured in the same orthodox and regular way which backs up every dollar in circulation in the United States today.

As security there were offered the farms and farm lands of this country—the greatest security in the world—the land from which comes the sustenance of human life. The opponents of farm relief should remember that America lent $20,000,000,000 of our money to Europe without any security at all—and still no one raised the false cry of inflation at that time. Why raise this false cry now when we are attempting to lend a fraction of this sum to our own farmers, and are sure that all of the money will be returned to us with interest and not defaulted, as our European debtors had done?

I AM OPPOSED TO INFLATION

I am personally opposed to inflation. There are very few Members of the House of Representatives who believe in inflation. I am confident that a bill contemplating real inflation would not receive 20 votes in this House. I voted for the Frazier-Lemke bill because I am convinced that the burden of debt must be reduced before we can advance farther on the road to recovery.

The irrefutable facts are that the vast majority of farm owners and home owners are being slowly and steadily choked to death by inflated mortgages against their homes and farms. The burden of these mortgages can be reduced or lightened in three ways:

HOW CAN THE BURDEN OF FARM AND HOME MORTGAGES BE REDUCED?

(a) The home owner or farm owner can go into bankruptcy. This method is unthinkable as a mass remedy. Our home owners and farm owners want to pay their honest debts. All they need is a little "lift"—a little assistance

from the Government, and then they will be able to take care of themselves.

Further, if they go into bankruptcy, it would, of course, mean the loss of their homes and farms, the dispossession of several million farm owners and home owners, the eviction of millions of our most valuable citizens, and the concentration of the ownership of a majority of our homes and farms in the hands of a few large financial institutions. There is no one who wants this to happen. No one wants an additional million of our citizens placed on the relief rolls at the expense of the public. The financial institutions do not want to take over these homes and farms, and the home owners and farmers do not want to lose them.

(b) Another way to deal with this problem would be to scale down the debts. This cannot be done by law, because of provisions in our State and Federal Constitutions. It can only be done voluntarily—and that to a very limited extent.

(c) The only remaining remedy is to scale down the rate of interest which is demanded on mortgage indebtedness. The debts were incurred during the boom days on inflated values and are therefore excessively high.

WHAT EXCESSIVE INTEREST RATES HAVE DONE TO THE FARMER

As an example of these excessive debts on inflated values, let me cite these figures:

In 1920 the farms of this Nation were appraised at $79,000,000,000, but in 1934 these same farms were appraised at only $31,000,000,000.

The interest paid by the farmers in 1920 was $250,000,000; in 1934 they paid $800,000,000 in interest. Is not this a startling and shocking revelation? The farmers paid two and one-half times as much interest on $31,000,000,000 of farm values as they paid on $79,000,000,000. Is it any wonder that the farmer is always "in the red"—that he is operating at continual deficits? The only remedy to extricate him from the depths of debt is to reduce his interest burden.

Remember this: While the values of farms had been reduced in half, the number and the amount of farm mortgages and the interest burden thereon had more than doubled, and the percentage of his other debts had substantially increased. This compels the farmer to produce about four times as much to pay off his debts as when he incurred them.

The farmers in most cases are now being charged 6 percent—and often more—on their inflated farm mortgages. It was proposed, in the Frazier-Lemke bill, to reduce that interest to 1½ percent and to add another 1½ percent for annual installment payments on account of principal, so that after a number of years the entire mortgage would be paid off. The bill provided that for this purpose the Farm Credit Administration should issue bonds—not currency—to obtain the money with which to refinance these farm mortgages.

The plain fact is that practically the entire income of the farmer now goes for the payment of taxes and interest on his mortgage and other debts. He has nothing left with which to buy shoes, clothing, machinery, and other products of the cities and industries. It is clear to every honest person that industry cannot prosper and that the industrial worker cannot have employment, unless the farmer has enough money left after the payment of interest and taxes with which to buy industrial and city products.

WHO MISREPRESENTED THE FACTS?

Mr. Speaker, somebody misrepresented the facts. The opponents of the bill asserted that they were not opposed to reducing the farmer's burden of debt, but were opposed to the inflationary method of reaching this goal. The supporters of this bill asserted that they were not inflationists—that they did not favor or contemplate inflation—but were merely interested in reducing the farmers' burden of debt.

When the Frazier-Lemke bill was being considered in this House, both the opponents and supporters of this bill had the opportunity to prove their assertions; both sides were given the chance to prove their contention and to fly their true colors. While the opponents of the bill uttered the parrot cry of "inflation", the supporters of the bill called their bluff and offered amendment after amendment that would have taken every so-called inflationary phase out of the bill and left only the sections required to reduce the debt burden.

But did the opponents of farm relief accept any of the amendments to eliminate so-called inflation? Did they prove true to their contention that they would gladly support a farm-relief bill were it not for the so-called inflationary methods? Emphatically they did not. They used the inflation label as a smoke screen to cover up their opposition to a program calculated to reduce the farmers' burden of debt.

THE PROOF OF THE AIMS OF THE SUPPORTERS OF THIS BILL—REDUCTION OF INTEREST RATES THEIR ONLY PURPOSE

Here is the proof that the supporters of the bill were interested solely in reducing the rate of interest on mortgages to a level that the majority of the farmers would be able to pay. Here are the amendments that were offered and which would have taken the tinge of inflation definitely out of this bill and still left a good farm-debt-reduction measure—one which the opponents of the Frazier-Lemke bill should have helped to adopt if they had been honestly opposed to inflation and honestly in favor of reducing the farm debts:

First. The amendment to require the same gold reserve behind any Rederal Reserve notes issued pursuant to this bill as that now required to back up Federal Reserve notes now in circulation. In other words, there would be just as much gold reserve and gold backing behind these notes as behind the currency now in circulation and issued in a strictly orthodox and conventional manner.

How can we talk of inflation when we have a gold reserve in excess of $10,000,000,000 and only about $5,800,000,000 of currency outstanding? This does not even include the more than $2,000,000,000 in our silver hoard.

Second. The amendment to increase the rate of interest of the bonds to be issued under the bill from 1½ percent to 2¾ percent.

This amendment was offered despite the fact that bonds bearing an interest rate of 1½ percent could easily be sold, if they would be confined to short-term obligations and renewed from time to time.

For instance, on March 12 the Secretary of the Treasury offered for sale 1½-percent Treasury notes and received total cash subscriptions in excess of three and one-quarter billion dollars. That was a definite answer to those who claimed that bonds bearing 1½ percent interest could not be sold in the regular channels of finance.

But to make absolutely certain that these Farm Credit Administration bonds would be sold in the regular and normal financial markets the amendment to increase the interest rate to 2¾ percent was offered. That, it must be admitted by every fair-minded person, would have given positive and absolute assurance that these bonds would be sold and not a single dollar of currency would have been issued under the Frazier-Lemke bill.

That was definite and unmistakable proof that the supporters of the Frazier-Lemke bill were not interested in inflation, but in relief of the farmer from an unbearable burden of debt incurred during a period of excessive credit inflation.

Third. The amendment to eliminate loans for chattel goods or livestock and personal property which had been included in the original bill.

This amendment made certain that only real estate, land, and buildings would have formed the security for these loans.

Fourth. The amendment to limit the loans to 80 percent of the present appraised value of the farms and buildings, which is the same percentage used as the basis for nearly $3,000,000,000 of loans made by the Home Owners' Loan Corporation.

WHO VOTED FOR AND WHO VOTED AGAINST

While the assertion was made that those who voted for the Frazier-Lemke bill were inflationists and those who opposed it were opposed to inflation, these amendments and other factors that I have enumerated must place the division among this House as follows: Those who favored reducing the interest rate on the staggering debt burden of the farmers voted for this bill, and those who favored the continua-

tion of the policy of compelling the farmer to pay 6 percent and more on his excessive debts opposed the bill.

That was the only division. That is why I voted for this bill. I am today, and have been for a number of years, an advocate of the reduction of the rates of interest on mortgages not only for the farmer but for the home owner in the urban areas.

THE BILLS I HAVE INTRODUCED TO REDUCE INTEREST RATES ON H. O. L. C. MORTGAGES

On January 16, 1935, I introduced H. R. 3974, which provides for the reduction of the rate of interest on home-loan mortgages from 5 percent to 3½ percent and for an extension of the period of maturity from 15 years to 25 years, both of which features would enable the home owner to pay off his mortgage in smaller monthly payments.

The monthly payments under the H. O. L. C.—including payments to reduce the amount of the mortgage—now amount to $7.91 for each thousand dollars of the mortgage. Under my bill this would be reduced to $5.01 for each thousand dollars of mortgaged debt.

My bill has since been reintroduced and is now known as H. R. 10368.

The Home Owners' Loan Corporation now sells its bonds for 2¼ percent but still continues to charge 5 and 6 percent to the home owner. Considering the fact that the home owners are forced by the H. O. L. C. to amortize the principal amount of the mortgage debt, it appears that the total monthly payments of interest and principal often exceed the payments that they were compelled to make prior to the H. O. L. C. Therefore, instead of the H. O. L. C. granting them relief from their distressed mortgage indebtedness, the home owners are being dragged deeper and deeper into debt, which must in the end be reduced or result in foreclosures—the very thing that the H. O. L. C. was created to prevent.

THE NEED FOR THE LEGISLATION I HAVE INTRODUCED GROWS DAILY

We need only look at our own newspapers to realize that mortgage foreclosures are again alarmingly increasing. The only sensible remedy is the reduction of the rate of interest and the extension of the period of maturity as proposed in my bill. Despite the obvious need for this legislation, I have been unable to even get this bill out of committee since early in January 1935.

The 6-percent fetish must be smashed. It retards and endangers recovery. It discriminates between giant corporations and small merchants and farmers. While big business can borrow all the money it wants at about three-fourths of 1 percent, or less, the small merchant must still pay in excess of 6 percent for the same money.

DISTORTED INTEREST RATES ARE DISTORTING OUR ECONOMIC STRUCTURE

We have talked about the need for consumption and buying since the depression started, and we meet that problem by unmitigated stupidity in which governmental lending agencies take a leading part. The Government borrows H. O. L. C. money at 2¼ percent and lends it at 5 percent, plus such a heavy schedule of amortization that the total carrying charge is brought to $7.91. Under the F. H. A. plan the charge is a 5-percent discount, but the entire loan is discounted in advance and the monthly payments which reduce the principal are not taken into account, so that the true interest rate is 9.7 percent.

The manufacturer borrows money at three-fourths percent to manufacture his goods, the dealer or retailer pays 6 percent to retail these same goods, but the home owner pays 9.7 percent to buy them. This high interest rate fallacy encourages the manufacturer of goods but discourages the sale and purchase of them, thus leading to continued unemployment and underconsumption.

WITHOUT LIGHTENING THE DEBT BURDEN WE CANNOT HAVE PERMANENT RECOVERY

Our interest rates are distorting our economic system by giving production the edge over consumption. There is only one way out—to reduce interest rates to the little fellow, to the small merchant, farmer, home owner, and consumer.

We cannot have permanent recovery unless the burden of debts is lightened by reducing the rate of interest, so that the home owner will have some money left with which to buy the farm goods and the farm owners will have some money left with which to buy the goods of the city.

INFLATION NOT AN ISSUE

Mr. Speaker, inflation was not an issue in the passage of this measure. I am opposed to inflation as such and would never vote for it, but I did vote for the Frazier-Lemke bill, because it was definitely anti-inflation and intended solely to reduce the staggering burden of debt now carried by our mortgage debtors.

The advocates of lower interest rates may have been repulsed by the defeat of the Frazier-Lemke bill, but the tremendous sentiment in favor of such a measure will eventually result in the passage of a sound bill for the reduction of the interest load upon the farmer, the home owner, and the small merchant and tradesman.

WEST VIRGINIA FEDERATION OF WOMEN'S CLUBS DECLARES FOR PEACE AMENDMENT

Mr. LUDLOW. Mr. Speaker, thousands of women of the State of West Virginia want this Congress before it adjourns to take action that will prevent our boys from being dragged into the slaughter pens of foreign wars.

They are sick of war's horrors and heartaches and of the misery that is the inevitable aftermath of war.

They want this Congress to do something to save our sons from being thrown into the hell of other peoples' wars.

They cannot see any justice, or right, or sense in crucifying our fine young men on foreign battlefields to settle other peoples' quarrels.

They are for the peace amendment I have introduced, House Joint Resolution No. 167, which is designed to keep America out of foreign wars without interfering in the least with adequate national defense.

My resolution provides that, except in the case of attack or invasion, America cannot go to war unless a majority of its citizens vote for a declaration of war in a national referendum. It also provides for taking the profit out of war. Take the profit out of war and there will be few wars.

I believe that if the constitutional amendment I propose is adopted America will never enter another war except righteous wars of self-defense.

It will not be possible, under that proposed amendment, to tear our boys from their homes and send them into foreign lands to kill or to be killed by persons they have never seen, against whom they have no grievance, and whose language they do not speak.

The women of West Virginia know their minds on this subject and at Wheeling recently they expressed themselves in clear and unequivocal language. The West Virginia Federation of Women's Clubs, representing 10,000 women of that State, met at Wheeling May 13 to 16. On motion of Mrs. Franklin E. Cooper, State chairman of international relations of that Federation, the following resolution was adopted unanimously:

Whereas we believe the American people are tired of war, its heartaches, its toll of lives, the starvation, unemployment, and economic collapse that follow war, and

Whereas House Joint Resolution No. 167 (known as the Ludlow bill) was introduced for the purpose of providing a popular vote on the declaration of war and for taking the profit out of war; therefore

Resolved, That the West Virginia Federation of Women's Clubs, now assembled, go on record as favoring the passage of this bill and, as a body, request the Representatives of our State to sign discharge petition no. 28, which will release it from the Judiciary Committee for action.

If I were to make a prognostication in regard to future trends I would say that in my opinion it will not be long until the views of these forelooking West Virginia women are supported by women throughout the Union. If women become aroused to the perils of the situation they can be a great factor in protecting America from the danger of involvement in foreign wars.

Good Housekeeping, a magazine for women, with millions of readers, is pointing out to women the service they can render to humanity by supporting my peace amendment.

THE FEDERAL DEPOSIT INSURANCE BILL PASSED BY THE ROOSEVELT ADMINISTRATION HAS BEEN A BOON TO THE NATION

Mr. DISNEY. Mr. Speaker, the Federal deposit insurance law has been a boon to this Nation. I am sorry that Governor Landon, the Republican candidate for President, saw fit, at about the time we were passing the bill, to oppose it at the Chicago Bankers' Convention, where he said, among other things (see p. 9357, CONGRESSIONAL RECORD):

The guaranty of bank deposits is the start of a vicious circle that is ruinous to the depositor and stockholder alike.

It has been about 3 years now since Congress passed the Banking Act of 1933, thus establishing an agency the operation of which has been far reaching in its beneficial effects upon every phase of our national well-being. Although its creation was opposed by some, there was a universal demand from the bank depositors of the country for an arm of the Federal Government to perform the work which the Members of Congress delegated to the Federal Deposit Insurance Corporation.

The fact that we have found it necessary to make few changes in the law of deposit insurance during the time which has since elapsed speaks highly for the effective and far-sighted draftsmanship of my colleagues at both ends of the Capitol. I was a newly appointed member of the Banking and Currency Committee of this House at the time of the law's passage and consequently could lend it little more than my moral and voting support, but it struck me then, and has been increasingly apparent to me since, that in this measure we have something of concrete good to offer the people of the country.

Although I have watched with interest the growth of the young Deposit Insurance Corporation, it was not until Mr. Leo T. Crowley, its able chairman, came before our committee a few sessions ago that I realized just how successfully its business is being conducted. In the course of his testimony concerning the extension of certain powers of title I of the Banking Act of 1935, and in answer to a question about the financial status of the F. D. I. C., Mr. Crowley stated that the Corporation could today pay back the approximately $300,000,000 of its capital stock to the Treasury and the Federal Reserve banks, return to the insured banks the money they have paid in assessments, another $30,000,000, and pay a 3-percent dividend to all of them.

My own first reaction to that startling statement was, naturally, one of pleasure. But later reflection caused me to wonder whether the young Corporation could make as favorable a report on the fulfillment of its lawful duty, the protection of depositors, as on its financial status. Investigation has satisfied me that the chairman was very modest in his claims for the accomplishments of the F. D. I. C. I believe my discoveries will also be of the greatest interest to you as well.

For example, I found that 60,000 depositors have been paid more than $9,000,000 as a result of the first 60 closings of insured banks. The income of the Federal Deposit Insurance Corporation is well over $35,000,000 annually, so that the payments were easily met without touching the capital of the Corporation. Its reserves continue to increase, as they should.

No one contends that this brief experience proves with finality the soundness of deposit insurance, but it does furnish important testimony. We can learn from the first 60 failures whether the procedure for payment of depositors and liquidation, as provided in the law administered by the Federal Deposit Insurance Corporation, functions efficiently. We naturally want to know what has been the effect of the operations of the Federal Deposit Insurance Corporation upon public confidence and business activity in the communities where these bank failures have occurred. A bank failure in any community, however small, is a local crisis, and, while different in dimensions, is the same psychologically as a national crisis.

In short, if deposit insurance as we now have it is reassuring to 1 community, it probably would be to 10 or 20. The test is: Does it work? Does it check fear? Do the depositors get their money promptly? And even before they get it, do they know positively that they are going to get it? At such a time, days, and even hours, are important. Do they get their money promptly? Here is the record:

Agents of the Federal Deposit Insurance Corporation have arrived in the affected community in every case immediately after the closing of the bank, or before, with the publicly announced purpose of making payments promptly. And in every case the promise has been fulfilled. You are aware that payments cannot begin until receivership becomes final. The average time elapsing after that date has been 10 days. We all know the danger of panic at the time of a bank closing, and it is therefore worth remarking that no closing of an insured bank has led to a run on another bank. Thus we know from experience that the Federal Deposit Insurance Corporation has proved completely effective in meeting one of the most important tests of its usefulness.

The purpose behind the insuring of bank deposits, however, is not alone to pay losses but to prevent them. Prompt payment is only one means of prevention; it localizes the trouble and restores confidence. But broad powers were delegated to the Federal Deposit Insurance Corporation so that it might take other preventive measures. A review of what it has done under the mandate of Congress is timely, because it bears upon the fundamental question of whether or not we have established this insurance upon a sound basis so that it can endure permanently as the Congress intended that it should. You will recall that the Banking Act of 1933, which made the first provision for this insurance, extended its protection automatically to all licensed banks that were members of the Federal Reserve System. State nonmember banks were required to apply for the insurance and submit to examination to determine whether they were reasonable risks. In round numbers, 7,800 State banks were examined during the latter half of 1933. This task was completed on time, and the resulting restoration of public confidence marked an important step forward on the road to recovery. More than 14,000 banks obtained deposit insurance. Less than 2,000 did not, either because they did not apply or because their applications were refused. Immediately deposits began to register tremendous gains.

During the depression, however, many banks had suffered severe losses that had impaired their capital, and these losses had not adequately been written off. The examinations disclosed that one-tenth of the banks in question had no net sound capital left if adequate offsets were made because of loss items. One-third of the banks examined had net sound capital in a proportion of less than 10 percent of deposits. Obviously such conditions affected the soundness of the banking structure. The Federal Deposit Insurance Corporation addressed its efforts to the rehabilitation of the capital structure of the banks. It will continue to do this for a long time because their deposits have increased so enormously that even after the soundness of their capital is completely restored it is, in many cases, not as large as it should be in proportion to deposits. Here we may note with appropriate satisfaction an instance where business and two agencies of the Government, namely, the Reconstruction Finance Corporation and the Federal Deposit Insurance Corporation, have cooperated without friction in the statesmanlike performance of a gigantic task for the welfare of the entire Nation.

We confront here a new development in governmental supervision of banking, and I pause to invite a closer examination of its significance. If you are a depositor the capital of the bank is your margin of safety. And the same applies almost as directly if you are a borrower, for every borrower may be affected adversely when the lender fails. Now we find the Federal Deposit Insurance Corporation intervening to urge and insist upon sound banking practice with the full

force and effect that naturally arise from the fact that it has such a large financial stake in the soundness of its insured risks. Moreover, we find it intervening to correct conditions before trouble starts.

In view of what this country experienced during 1932 and early 1933 we can no longer doubt that the Federal Government will always have to come to the rescue of the banking system eventually if it gets into trouble. But we have now reversed the order of our intervention. Instead of coming to the rescue after the holocaust, we have created in the Federal Deposit Insurance Corporation an agency admirably equipped to prevent disaster. It cannot afford to insure unsound risks. All of its resources, as provided under the existing law, amount to about one and a quarter billion dollars. This is an adequate sum for an efficient rescue squad and police force; it is not a sufficient treasure chest for a major war. Therefore, the ability of the Federal Deposit Insurance Corporation to do preventive work is the real test of its permanence, and we may view with satisfaction the excellent use it has made of the power conferred upon it.

Our banking system is in better condition today than it has been for many years, but we may dismiss that statement as faint praise. Far more important is the fact that its improvement proceeds apace under wise guidance. The lessons of the calamitous period, through which we have passed, are before us, and we have authorized and instructed the Federal Deposit Insurance Corporation to heed them for our future safety. We have not set up an agency lavishly to bestow the protection of insurance without consideration of the risk. We have authorized that agency to refuse insurance of unsound risks and to cancel insurance for just cause. It thus becomes a tower of strength supporting both the Federal and the State supervising agencies.

Our banking crisis became acute in 1932, but that was not when it began; it began in 1921, when we had 30,000 banks, which was certainly at least 10,000 more than we needed. Between 1921 and 1929, inclusive, about 5,000 banks closed their doors. This is an appalling fact, and clearly warns us that we must not again return to the over-banked condition that resulted in such heavy losses to depositors during prosperous years. But even today we confront a condition that would readily allow an excessive number of banks. Many State laws confer very limited powers upon State banking commissioners to refuse charters. But the Congress has wisely instructed the Federal Deposit Insurance Corporation to consider whether a bank applying for insurance is needed and has a reasonable expectancy of survival. The judicious exercise of this power will alone be sufficient to protect millions of prospective depositors.

The stability of the entire banking system is and must continue to be the primary concern of the Corporation. I can best emphasize this point by calling your attention to what the insurance problem would be if we simply made a table showing the losses to depositors during the past 70 years, then assume that they would be about the same in the future, and attempt to set up an agency adequately financed to meet them. Proceeding on that basis, I assume that such an agency would insure any bank whose doors were open or that was certified to be solvent at the time of applying for insurance. I assume also that there would be no subsequent examinations. Let us begin with the losses. We know, beyond any doubt, that from 1865 to 1934 more than 20,000 commercial banks holding deposits of $11,000,000,000 closed and that the net losses of the depositors amounted to upward of three and a half billions of dollars. With such statistics as a basis, it is clear that the cost of deposit insurance would be too heavy for the banks, especially the smaller ones, to bear. But we also know that by far the greater part of the losses are suffered during periods of panic. Obviously, then, the wise course is the one we have followed—to set up an agency with adequate influence and power to act effectively for the maintenance of sound banking practices and adequate resources to deal with each local difficulty while it is yet local. When crop failure or some other disaster afflicts a State or several States where there are many small banks, it will spread, unless checked, to the larger banks. When disaster comes to a large bank holding the reserves of many small banks in the outlying trade territory it will spread far and wide unless promptly halted.

We have in theory a unit banking system. Our thousands of banks are each independent of the other. But in time of stress it turns out that they are not. Trouble in the big ones spreads to the little ones, and trouble in the little ones spreads to the big ones. The problem before Congress was how to prevent the trouble in either place from spreading to the other, and I believe we have solved it through the creation of the Federal Deposit Insurance Corporation. Problems remain, but we can face the future with confidence. Under the present banking laws there is much less uncertainty. The reports of our banks, both State and National, indicate a healthier condition and better earnings. Recovery is clearly disclosed in the news of each day from farm and factory. We should have no fear of another banking crisis, certainly not for many years. There is happily no threat of one on the horizon.

In the tranquil years of increasing prosperity that are before us the Federal Deposit Insurance Corporation will proceed to build up its reserves. It has urged the banks to increase their capital so that they can write off their losses currently, and it will follow its own advice and do likewise. That is the expressed intention of its directors and should meet the hearty approval of the Congress. In the course of human events there may some day arise new difficulties not now foreseen. These unpredictable troubles are to be taken care of with cash; the predictable ones with wise foresight. And on the basis of its performance thus far we have reason to repose our faith in the Federal Deposit Insurance Corporation.

Figures for commercial banks Dec. 31, 1935

	Number of banks	Deposits (in thousands of dollars)
UNITED STATES		
1921–33:		
Active banks, June 1921	30,125	32,877,011
Banks suspended, Jan. 1, 1921, to Mar. 15, 1933	11,255	5,070,436
Banks suspended at close of banking holiday 1933	4,363	4,042,521
Active (licensed) banks, June 1933	13,989	31,601,634
1934–35:		
Banks suspended, Jan. 1, 1934, to Dec. 31, 1935:		
Insured	35	11,034
Noninsured	56	35,303
Active banks, Dec. 31, 1935:		
Insured	14,123	44,123,385
Noninsured	1,093	1,292,297
OKLAHOMA		
1921–33:		
Active banks, June 1921	981	386,786
Banks suspended, Jan. 1, 1921, to Mar. 15, 1933	346	78,339
Banks suspended at close of banking holiday, 1933	86	15,241
Active (licensed) banks, June 1933	404	263,208
1934–35:		
Banks suspended, Jan. 1, 1934, to Dec. 31, 1935:		
Insured	3	555
Noninsured	1	11
Active banks, Dec. 31, 1935:		
Insured	387	382,920
Noninsured	18	3,155

PAYMENTS TO DEPOSITORS OF INSURED BANKS WHICH SUSPENDED JANUARY 1, 1934, TO MAY 31, 1936

Fifty-nine insured banks, with deposits of about $14,492,000, suspended within the 29-month period between January 1, 1934, and May 31, 1936. This includes one bank, with deposits of $85,000, which was recapitalized and reopened as an insured bank. Two banks have suspended since May 25, 1936, and preparations for payments to their depositors are in progress. In 56 of these banks the Corporation had started making payments to depositors by May 31, 1936. The amount of deposits and the progress made in the payment of

depositors' claims for these 56 banks are given in the following table:

(Number of banks included—56)

	Deposits	
	Amount	Percent of total
Estimated insured deposits	$9,171,000	67.3
Paid	8,553,000	
Awaiting proof of claim	618,000	
Secured and preferred deposits	1,321,000	9.7
Settled	1,066,000	
Awaiting settlement	255,000	
Deposits subject to offset	837,000	6.1
Offset	705,000	
Awaiting application	132,000	
Deposits uninsured and unsecured	2,304,000	16.9
Total deposits	13,633,000	100.0

	Depositors	
	Number	Percent of total
Depositors fully protected [1]	61,942	99.5
Depositors partially protected	288	.5
Total depositors	62,230	100.0
Depositors paid	48,288	77.6
Depositors with claims in process	13,942	22.4
Total depositors	62,230	100.0

[1] Depositors whose claims were insured, secured, preferred, or subject to offset.

MERIT OR CIVIL SERVICE VERSUS SPOILS SYSTEM OF GOVERNMENT

Mr. HAMLIN. Mr. Speaker, theoretically, the merit or civil-service system of government sounds good; practically, it does not work; and leaders of both parties know it, whatever they say. The Republicans since the Civil War, increasingly in later days, since their opponents control the Government, have advocated the merit system, but generally practiced putting in office people of their own party stamp as indemnity for the past and security for their future.

The Democratic Party under Cleveland departed much from this spoils system and probably hurt the party, as also did Wilson. As a matter of fact, both Cleveland and Wilson and the present Roosevelt administration have been much less partisan than their Republican colleagues have averaged since the Civil War, and it has made the "old line" Democrats very mad.

What is true nationally is true in the State of Maine. Democratic Gov. Harris M. Plaisted, Frederick Plaisted, and Oakley C. Curtis tried somewhat to keep to what many would call the merit system. The present Governor Brann appoints many Republicans, perhaps influenced somewhat from the fact that he has a Republican council which confirms.

I hear much here in Congress from my Republican colleagues about the civil service of the past and the spoils system now, yet I have not found one Democratic postmaster in the First Congressional District thus far in 2 years. When I do, I shall expect to find an office which does not pay in money nor politics. As a matter of fact, both parties talk before election the merit system and then after election proceed to put in the important offices, at least, their political friends. No fair-minded and well-informed man would claim that nationally or in Maine since the Civil War the Republican Party has appointed Democrats in nearly the same proportion as Democratic Presidents and Governors have appointed Republicans.

Call it what you may, the spoils system if you wish, but I believe that two parties will and should govern this country with policies and personnel; will compete, if you please, for the governing with their platforms, and men and women, of course, to carry them out, and there is some question whether men or women do not come first as dictating policies whatever the platforms, which generally are made only to stand on during campaigns to get votes with, and forget after the elections.

I am a great believer in a Democratic or Republican administration administered by its real friends, Democrats or Republicans, respectively, and since in either party enough good men can be found, barring greenness, to administer the Government, I believe that when the people by their votes say, "We want a Democratic or Republican administration", why, let them have it, with Democratic or Republican administrators, as soon as they may practically be appointed. This is my honest belief relative to the spoils system versus the merit or civil service, so-called, which is as much a misnomer as wets and drys. Andrew Jackson had his theory; he preached and practiced it to the advantage of America. Later hypocrites have practiced what he did largely, but have preached something different, especially when their opponents got into office.

In Maine next Monday, June 15, comes our primary election. Our papers are full of the weasel words of many—yes; the most of the candidates who will be voted for in the 16 counties of Maine.

After nominated these candidates will work for their election, and after election I venture to say that 99 percent of the elected will find among those who voted and worked for them or their party that one whose rank, whose brains and character, entitled him to an appointment. What I am trying to say is that no matter what candidates may say before election to satisfy the so-called civil-service or merit-system promoters, and these are mostly on paper Republicans in Maine, after election it is another matter. Good and efficient men and women can be found in both parties to administer our laws. Let us tell the truth about governmental patronage and practice what we preach.

THE GRAND RIVER DAM IN NORTHEAST OKLAHOMA

Mr. DISNEY. Mr. Speaker, through the last two sessions of Congress the question of the development of hydroelectric projects by the Federal Government has been constantly before this body. Many of the opponents of the present administration group the power question with the other emergency measures fostered by the New Deal. In reality the Federal Government's interest in power long antedated the depression, and, in my opinion, power will be a paramount question before this body long after the passing of the present emergency.

Following the late war the Government had the Muscle Shoals Dam on its hands with two courses of action from which to choose. Either Muscle Shoals could be turned over to private interests to be exploited at the expense of an already abused public or it could be operated by the Government through some designated agency for the benefit of the public. The Government acted wisely and justly in that case. With that decision the entire Tennessee Valley Authority had its inception. That decision blazed the trail along which we now travel.

Since that beginning much has been done to point the way for our future course of action. Engineering, economic, and financial studies have been made by the Federal Government and by State governments to determine what electric energy now costs the consumer, to what extent people in all areas have access to electric energy, and at what prices electric energy is available, not only to the dwellers in cities and towns but also to farmers.

Various agencies of the Government have acquired data on the undeveloped hydroelectric power sites in the Nation.

Under the authority of Congress the Federal Power Commission has made studies and surveys and has compiled data, the accuracy of which cannot be questioned and which are now available to all of us. Nationally known engineers, under the direction of the National Resources Board, have presented plans for a long-range development of our power resources and have set out in detail the method by which we may develop a grid system hooking up the power systems of this country in a manner comparable to that now in effect in England.

The New York State Power Authority has completed a survey continuing over several years, and in a thorough and voluminous report tells us how much electric energy costs the people of New York State, both in the cities and in the country, and what it should cost them. Mr. RANKIN, of Mississippi, has made numerous speeches before this body presenting the facts relative to the Tennessee Valley Authority. There is already sufficient history back of the Tennessee Valley Authority's activities for it to serve as a guide in comparing the activities of private interests with those of the Government.

The Federal Power Commission has acquired all the pertinent data relative to the financial structures of all the power companies in the United States.

A study of the numerous reports of these several agencies develops a number of outstanding facts.

First. The electric industry is owned by a few great power systems. These systems usually monopolize great areas, consequently there is little or no competition. These power companies are often referred to as the Power Trust. Most of them are controlled in Wall Street.

Second. These power companies have already obtained control of nearly all of the valuable hydroelectric power sites in the United States.

Third. Almost all of these power companies have inflated their assets, issued stock on the inflated values, and have sold this stock to an unsuspecting public or have issued it to insiders for promotion purposes or at reduced prices.

Fourth. On the average the power companies are charging the public at least twice what the charges should be. This is done in order to maintain dividends on their greatly watered stock issues.

Fifth. In the United States less than 10 percent of the farms are served with electricity. In Holland practically 100 percent are served, and in Germany 90 percent. The percentage of farms electrified in the United States is the lowest in any first-class nation in the world.

Sixth. The power companies have made little effort to develop rural electrification. This is probably due to the fact that in order to make rural electrification successful it would be necessary to revise their entire rate structure, since it is impossible for farmers to pay prices comparable to city rates.

Seventh. It has been demonstrated in the power industry that consumption of electricity increases almost in direct ratio as the price decreases.

This rule has been demonstrated in many places in the United States and in Canada. An analogous illustration is in the railroad business, which, after all, is a utility. When, under orders of the Interstate Commerce Commission, the Baltimore & Ohio Railroad recently reduced its passenger rates from 3.6 cents per mile to 2 cents per mile, immediately the number of passengers carried increased approximately 50 percent.

In the light of these facts it is unthinkable that this Nation should continue its abject surrender to the Power Trust. The corporate policies of these great power companies have been corrupt in that they have sold hundreds of millions of dollars' worth of watered stock to the public, making the consumer carry the burden in the form of exorbitant charges for electricity. Their economic policies have been unsound in that they have failed to recognize that they can increase their business profitably by lowering rates. Their moral policies have been bad in that they have a moral obligation by reason of the monopolistic type of their industry to supply electric energy to farming and rural communities as well as to cities within range of their plants, consistent with reasonable cost, and they have failed to do so.

The power industry has always operated with a comparatively free hand, and it has always been possible for it to meet changing conditions if it so desired. Whatever may be said in criticism of the acts and policies of the American Telephone & Telegraph Co., it cannot be said that it has failed to supply service to any area or any community in the United States except in the most extremely isolated areas. In comparison with the telephone company, the power industry has been grossly negligent of its duties.

The power industry has had its chance and it has failed in its duty to the American public. As we face a program of farm electrification and a policy of reasonable and just rates for electricity, consistent with the cost of production, I, for one, feel that the electric companies should go along with modern trends.

If there are any of these companies which are willing to admit the errors of their past, and which are willing to go along on a program fair and reasonable to the public, I say the Government should keep hands off, or, where necessary or desirable, work with them. Where there are companies which cannot because of unsound financial structure, or will not because they fail to recognize their public duty, join in a program of electrical advancement, I say we should ignore them. They shall not stand in the way of intelligent, sound progress. Farms shall not go without electricity and the public shall not be charged exorbitant rates because of their past mistakes or because their present managements are unprogressive or stubborn.

We now come to the heart of this whole question. In the past the Government has carelessly let most of the valuable hydroelectric power sites fall into the hands of the Power Trust. We failed to realize that these sites belonged to the people and were of great value to the people. We did not know how dangerous the Power Trust was. We had little knowledge of its activities until it had successfully acquired a strangle hold on the electrical industry of the Nation.

But now we know what it planned to do and how well and completely it did it. We are no longer ignorant. We are responsible for what happens from here on, so what shall we do now?

There yet remain in the United States a few valuable hydroelectric power sites not controlled by the Power Trust, but these sites are coveted by the Power Trust. Companies have repeatedly filed on many of these sites in order to try to keep them out of the hands of private interests, who might develop them, or until such time as they themselves might choose to develop them.

As long as I am a Member of this body and long after, I shall do all that is in my power to keep these power sites from falling into the hands of the Power Trust, or, for that matter, any private hands. They belong to the people; they must be kept for the people; and they must be developed for the people.

Within the confines of my district lies a valuable hydroelectric power site yet undeveloped. There are only three such undeveloped power sites lying within a vast area extending from the Mississippi River to the Rocky Mountains and from the Rio Grande to the Canadian border. This project is located on the Grand River in northeastern Oklahoma and is known as the Grand River power project.

From an engineering standpoint this project is sound and it bears the approval of the United States Army Engineers as to feasibility, as well as the approval of a number of nationally known engineering firms. The project contemplates the construction of a large dam to be known as the Pensacola Dam, creating a vast reservoir, valuable for flood control as well as power. The dam site is ideal. It is proposed that this first unit shall be a 60,000-kilowatt installation. The Army Engineers have estimated that it will cost $13,300,000, or an average of $166 per horsepower. This cost compares favorably with similar projects. The Grand River power project further contemplates the construction of another dam at Markham's Ferry, lower on the stream, with a 29,500-kilowatt installation, and a third dam yet lower at Fort Gibson, with a 35,300-kilowatt installation. The total power capacity of the entire project is 120,800 kilowatts and the estimated cost of the entire project, $24,500,000.

The Army Engineers have estimated that by building only Pensacola Dam to start with, the power generated would cost not to exceed 4 mills per kilowatt-hour and that, as the additional units might be built, the cost could be lowered to as low as 2½ mills per kilowatt-hour.

The area which would be served by the Grand River project is almost identical with the area which has been designated by the Federal Power Commission as district no. 33. District

no. 33 embraces a portion of Arkansas lying in the northwestern corner of the State, a portion of Missouri lying in the southeastern portion of the State, and approximately two-thirds of Oklahoma lying to the east. District no. 33 is now served by 8 large public-utility companies and 103 municipal companies, a portion of these municipal companies generating their own power and some of them purchasing it from the larger companies. The eight public-utility companies serve a population of approximately 1,325,000. The 103 municipal plants serve approximately 245,000. The total population of this district is 3,465,000. In other words, only 45 percent of this district are now served with electricity.

The total installed electrical capacity of the eight large companies is 490,536 kilowatts, of which 93.2 percent is generated by steam. The 60,000-kilowatt plant proposed at Pensacola is only 12.2 percent of the now installed capacity in the district. The 120,800-kilowatt capacity of the entire project is only 25 percent of the total installed capacity in the district. The normal and natural growth in population and industry, without any decrease in rates, should in a comparatively short time absorb the 60,000-kilowatt output of the Pensacola unit. Much of the present installed capacity of the large companies is obsolete or semiobsolete, and since many of the plants now operating are steam plants, old in years and antique in design, obsolescence will increase rapidly, furnishing a rapidly increasing market for hydroelectric power.

The cost of generating the electricity consumed in district no 33, based on the reports of the companies to the Federal Power Commission, varies from 4.4 mills per kilowatt-hour to 28 mills per kilowatt hour. The weighted average of the cost of all the companies is 5.1 mills per kilowatt hour. This figure of 5.1 mills in comparison with the maximum figure of 4 mills estimated by the Army engineers as the cost of generating power at the Pensaloca site does not seem greatly out of line, considering such costs, the type, and age of the plants warrant cheap rates to the consumers, but such cheap rates have not been granted.

At this point let me refer to the matter of inflation of assets by these power companies, since this in a large degree is the cause for their exorbitant rates. I am not informed as to the degree of inflation of most of the large electrical companies, but I do have the facts from the reports of the Federal Trade Commission relative to two of them which are dominant in this area. In the case of one company, its books show a stock equity for 1930 of $30,755,596.41, whereas a proper adjustment would be $3,630,009.23, or only about 26 percent. In another its 1930 equity shown by the books is $5,450,713.79, whereas if the watered stock and inflation were squeezed out it would be only $823,378, or only about 15 percent.

Now we begin to see the reason for these exorbitant charges for electricity. They try to earn dividends on watered stock in an amount several times the value of their plants. The consuming public as a whole must not continue to be robbed by such methods.

It is customary for those who are opposed to the Government participation in hydroelectric power projects to charge that there is no market for power which may be developed by them, and this charge has been made relative to the Grand River project. A most complete and thorough economic study was made relative to this question under the direction of the Government. This report was based on a thorough study of the physical condition of the plants now furnishing electricity in district no. 33, the rates charged by them, the degree of obsolescence of the plants in operation, and a study of the amount of electricity used by all classes of industry over a period of years.

In arriving at a conclusion no attempt was made to claim markets for power from this project through commercial or industrial expansion, through an extension of rural electrification, or through expected development from air conditioning. The figures were based on the continuation of the normal growth of present industries and reasonable increase due to the lowering of rates. The conclusion of this economic study is that a unit of 20,000-kilowatt capacity will be needed by January 1939, a second unit of 20,000-kilowatt capacity will be needed by January 1941, and a third unit of 20,000-kilowatt capacity by January 1943, in order to take care of the normal increase in energy demand by present users.

If the rates are lowered, and they certainly should be, it is estimated that an additional capacity of 33,165 kilowatts would be needed to supply the increased demand.

It is estimated that a capacity of 11,957 kilowatts will be needed for displacing municipal generating systems.

Naturally the increase due to the lowering of rates and the increase due to municipal requirements will be gradual. The 60,000 kilowatts which will be needed by 1943 to take care of the normal increased demand of present users, plus the increase due to the lowering of rates, plus the increase required for municipal systems, totals 105,122-kilowatt capacity.

Since this estimate was made in the manner usually employed by industrial and banking concerns for making such estimates, it would appear that there can be no question as to the economic feasibility of the Grand River development. These figures do not include an increased demand which will be brought about through rural electrification, for the reason that the extent and rapidity of rural electrification cannot be computed with any degree of accuracy. Any increase in demand which might be brought about because of the location of new industries in the areas to be served by this project is not considered for the reason that it is impossible to determine to what extent new industries would move to this area or be developed in this area.

The question of farm electrification, however, is one which is close to my heart. At present, only 10 percent of the farms in the United States, and only 5 percent of the farms in the areas adjacent to the Grand River project, are electrified. The charges for electricity on rural electric lines now in effect in this area vary from 16 to 18 cents per kilowatt-hour where 40 kilowatt-hours per month are used, and this is about the average amount used by farms in this area. The charge is now 9 to 10 cents per kilowatt-hour where 100 kilowatt-hours per month are used, which amount should be available to all farms. These charges are exorbitant and unreasonable. Forty kilowatt-hours per month purchased from the Tennessee Valley Authority cost $1.20 per month. In Oklahoma it costs from $6.40 to $7.20. One hundred kilowatt-hours per month purchased from the Tennessee Valley Authority costs $1.70. In Oklahoma, farmers pay from $8.20 to $10.17 for this electricity. There can be no such thing as successful, prosperous farmers unless we have happy, contented farmers. One of the great problems confronting this Nation today is that of the proper usage and preservation of our farm lands. We know that millions of acres of our farm lands have been destroyed due to improper farming. We know that two-thirds of our farm lands have been seriously damaged by improper farming. As the older generation passes on it should be the desire of the Nation that our farms be taken over by young people properly trained in the usage and preservation of our soil. It is unreasonable for us to expect educated, enlightened young people to attach themselves to the land in rural communities unless the ordinary comforts of civilization are made available to them. Without electric lights, without running water, and without the customary sanitary facilities, farm life cannot be made appealing to the younger generation. With the development of rural electrification and with rates consistent with the cost of production, not only will electric lights be available and cheap but it will be possible to have electric refrigeration, electric washers, radios, food grinders, lighted barns, and electric incubators. The drudgery which our forefathers experienced could not be avoided. The necessities of life, as we now think of them, were unknown even in the most cosmopolitan cities, but drudgery today can be avoided. Communism, fascism, or nazism, the scourges of this age, never incubated or grew except in atmosphere of drudgery and oppression.

Congress has rightly recognized the importance of rural electrification in the creation of the Rural Electrification Administration, but what is the advantage of a rural electric line if the power rates are prohibitive? We can never

expect sufficiently low rates from those established power companies which must try to earn dividends on vast quantities of watered assets.

An economic report on the Grand River development, because of its uncertainty, has given consideration to the development of new industries in this area, and although it may not be accurate to include definite figures with reference to new industries, it certainly would be a mistake not to give consideration to them.

The area which would be served by the Grand River project is one of the richest in natural resources in the United States. The State of Oklahoma is second in mineral wealth due to its vast oil deposits. It is second in cotton production, occasionally yielding this honor to Georgia. It is first in the production of zinc. It is seventh in the production of agricultural products and fourteenth in the amount of Federal income tax paid. Yet the State of Oklahoma was the fourth highest in the United States in the percentage of its population on the Federal relief rolls. The State has always been without the manufacturing industries which its natural resources warrant due to the absence of three of the essentials for industrial development—cheap transportation, cheap money, and cheap power. It has the resources, the labor, the climate, and the water. Producing practically the same amount of cotton that Georgia produces, Oklahoma has 25,000 cotton spindles. Georgia has 6,000,000 spindles. Much of Oklahoma's oil is shipped out of the State for refining, most of its zinc is shipped out of the State for treatment, much of its wheat is shipped out of the State for milling, and its cattle are shipped to Kansas City and Chicago for slaughter. The hides are tanned in the East and the shoes are made there.

The money earned by our great store of resources does not find its way into the hands of Oklahoma workers. It finds its way into the hands of workers in the manufacturing east. This condition can never be remedied until we industrialize our State, and this can never be done until we have cheap power. Cheap power, and cheap power alone, converted the Carolinas and Georgia from a poverty-stricken condition to a prosperous condition. The same thing can and must be done in Oklahoma and the adjoining States. Industry does not lead cheap power—it follows it.

For the entire United States the average electricity consumption is as follows:

Farm service, 1,854 kilowatt-hours per year per connection.

Residential and domestic, 603 kilowatt-hours per year.

Small light and power concerns, 4,051 kilowatt-hours per year.

Large light and power concerns, 205,785 kilowatt-hours per year.

For district no. 33, that area which would be served by the Grand River project, the consumption is as follows:

Farm service, 1,041 kilowatt-hours per year per connection.

Residential and domestic, 445 kilowatt-hours per year.

Small light and power concerns, 1,755 kilowatt-hours per year.

Large light and power concerns, 51,438 kilowatt-hours per year.

The rates in effect in district no. 33 are much above the average for the entire United States, which doubtless accounts in a large degree for the fact that consumption so far is under the average. In the territory of the Tennessee Electric Power Co. the average consumption of electricity for residential service in 1922 was 298 kilowatt-hours per customer. The average rate for this electricity was 9.07 cents per kilowatt-hour. In 1934 the average kilowatt consumption in this same area per residential connection was 774.1 kilowatts per hour, but the rate had been reduced to 4.13 cents per hour. This illustrated the effect of cheap rates to the domestic consumers. When cheap rates went into effect in Tupelo, Miss., due to the city's contract with the Tennessee Valley Authority, domestic consumption doubled within a year. In Seattle, Wash., where an extremely low rate is in effect, the average domestic consumption is 1,108 kilowatt-hours per year. In Tacoma, Wash., it is 1,560 kilowatt-hours per year, due to the same reason. In Ontario, Canada, 26 cities had an average consumption of 1,779 kilowatt-hours per year per domestic customer. This was due to the cheap power from Niagara Falls. In Winnipeg, Manitoba, with an average net cost of 8 mills per kilowatt-hour, the yearly domestic consumption averages 4,000 kilowatt-hours per customer. In Lubbock, Tex., a city of 20,000 population, with a municipal electric plant, the average consumption per domestic customer is 1,200 kilowatt-hours per year.

The Federal Power Commission reports that as of January 1, 1935, 100 kilowatt-hours per domestic customer in Tulsa costs $4.75; Oklahoma City, $4.60; Muskogee, $4.91; Bartlesville, $4.25; Pawhuska, $7.50; Miami, $6.02. These cities are all in the area which would be served by the Grand River project. In Tupelo, Miss., which is served by the Tennessee Valley Authority, 100 kilowatt-hours per domestic customer costs $2.50. The facts brought out by such comparisons cannot and must not be ignored.

The Federal Power Commission reports that in Oklahoma 27 percent of the homes have electric refrigeration. In Lubbock, Tex., where 100 kilowatt-hours of electricity per month costs $3.60, 68 percent have electric refrigeration, and in Spur, Tex., with the same rate, 47 percent of the homes have electrical refrigeration. There is no reason why the people of Oklahoma and the adjoining States should not receive the same benefits and advantages as the people who live in Mississippi, Alabama, Tennessee, and those other areas where hydroelectric developments have made cheap rates possible. If these valuable power sites fall into the hands of the Power Trust, the old system will continue. We, the people, now own these power sites and the Government must continue its control of them. It must, as rapidly as possible, develop them. It must establish rates as low as the costs of production will permit and if those companies with inflated assets suffer, the blame lies with them and them alone. Government projects will force such companies to lower their rates to a just point and eventually write from their books those false values created for exploitation purposes and which never should have been created.

The Grand River project is one of the best in America from both engineering and economic standpoints and its construction logically follows the Tennessee Valley Authority development. It is the next unit westward in the great grid system so urgently recommended by the National Resources Committee.

Under authority of H. R. 8455, the War Department is authorized to continue surveys and make studies on the feasibility of this project. As the people's representative from Oklahoma in the Halls of Congress, I will not rest until there is legislation authorizing the construction of this project.

THE PENNSYLVANIAN

Mr. TURPIN. Mr. Speaker, I realize much that I may say is controversial, but I am going to confine myself to facts as I see them in my official capacity. I would, indeed, be a poor patriot if I were to place party above country, or personal ambitions above the welfare of my people. I have tried sincerely to vote for or against legislation entirely upon its merits, but I have not been a "yes" man.

I am reminded of the man whose wife was addicted to constant bridge playing and her husband had been amiable for a long time, but finally he asserted his rights and said to her: "I have scrubbed your linoleum and I have run your sweeper; I have turned the washer and pushed your vacuum cleaner; I washed your dishes and made the beds; but when you ask me to ribbon my nightshirt to fool the baby, you are going too darned far." I have no quarrel with the Democratic Party. The platform that they wrote in Chicago in 1932 was as fine a platform as could be written. I do differ, however, with the so-called New Deal and its kindred "brain trusters" and with those who promised to abide by the Democratic platform of 1932 100 percent but have not done so.

They say that Columbus was the first new dealer; when he started out he did not know where he was going; when

he arrived he did not know where he was; and when he returned he did not know where he had been—and he did it all with somebody else's money.

ALL LEGISLATION NOT OPEN TO CRITICISM

All of the New Deal legislation is not open to criticism, but much of it has been at such variance with the usual procedure of our Government, under its Constitution, that, without thought of criticizing the sincerity that prompted the legislation, the legislation in itself has not stood the test of application.

During the 3 years that the present administration has been in power the Federal Government has spent approximately $10,000,000,000 for the relief of unemployment. No one could be so cruel as to wish that our people should go hungry or cold, but it is a sad commentary that notwithstanding these enormous expenditures the country is no nearer solving this unemployment problem than it was 3 years ago. With our national debt increased during these years by $11,000,000,000 we still have, according to the Government and to the American Federation of Labor figures, eleven and one-half millions of unemployed still within our boundaries. During the 3 years of the present administration more money has been spent than was the total of money spent by the Government from and including the time of Washington up until the beginning of the World War.

It may yet be fitting to remove from our coins the motto, "In God we trust" and substitute instead "I hope that my redeemer liveth."

The depression was world-wide and all countries suffered even as America suffered. The failure of our efforts to reduce unemployment is all the more discouraging when we realize that other countries have done considerably better without resorting to the futile methods of crushing the depression as used by the present administration.

According to a report just received from the international labor office of the League of Nations at Geneva, there are at the present time in the United States 3,000,000 more workers out of employment than are unemployed in all of Europe, although Europe has four times the population of the United States. England, that suffered just as severely from the depression as has the United States, has balanced its budget 4 years out of the last 5 and expects to balance its budget again this year.

While the stock market shows marked improvement and may act as an optimistic barometer, and the brokers may be doing an increased business, this in no way assists the farmer, the small businessman, or our laboring people who remain unemployed; nor does it aid those who are on relief through no choice of their own.

UNSEEN TAXES

Under the A. A. A. tremendous and unseen taxes were imposed upon our people amounting to more than a billion dollars. This more than a billion dollars came directly from the pay envelopes of the laboring classes in the same ratio that it came from the rich, for the tax was largely imposed upon the absolute necessities of life. Time will not permit a detailed statement where all these taxes came from. Suffice it to say that the tax on flour was $396.10 a carload, while the tax upon pork amounted to the staggering sum of $945 for every carload of pork consumed in the United States.

Not one cent of the tax reached the United States Treasury to be used by the Government in the payment of its obligations or to be used in the running expenses of the Government, but every cent of this more than a billion dollars was paid out mostly to the southern and western farmers in return for slaughtering millions of hogs and cattle and in payment for cattle and crops they agreed not to raise, and to the southern farmer for plowing under his cotton and in payment for crops he agreed not to plant.

I remember the Biblical story when Christ visited the earth and when the people cried with hunger, that He took two fishes and a few loaves of bread and fed the multitude. During this great depression, when our people were hungry, millions of hogs and cattle were slaughtered and their carcasses buried in the earth; when our people were naked the farmer of the South was ordered to plow under his cotton and the farmer of the West to slaughter his sheep so that curtailed production would increase the price of clothing and food to our already impoverished people.

NATURE ASSISTS NEW DEAL

During the year 1934 one of the worst droughts that ever visited our country struck with a fatal blow throughout the West. Production of crops and cattle were almost nil, and now the New Deal, with great enthusiasm, exclaims that farm production in 1935 increased 12 percent over the preceding year, when Nature's desire to help the New Deal in its destruction had brought an almost zero production for 1934.

Every cent of the billion dollars or more that was paid to the farmers for destroying production came directly from the pockets of every purchaser, whether employed or unemployed, and was also taken from the meager dole of those who were receiving relief. Much of the money that was taken from the purses of the thickly populated industrial sections, such as Pennsylvania, went to foreign countries under the insidious propaganda that our own American farmers were being helped. Vast sums of money went to corporations and banks and insurance companies, while the average payments to farmers in general were quite small.

FOREIGN CORPORATIONS GARNER THE DOLLARS TAKEN FROM THE POCKETS OF OUR PEOPLE

A shifting group of slightly less than 300 producers received $38,460,000. The Hawaiian Commercial & Sugar Co. received $1,022,037 for not producing sugar. R. E. Wilson Plantation, of Crittenden County, Ark., $392,702, and the Delta & Pine Land Co. in Mississippi received $318,287. This company is British owned, and Oscar W. Johnson, manager of the company, is also manager of the A. A. A. cotton pool. At least four State penitentiaries received benefits for not growing sugarcane or cotton. The Arkansas Board of Penal Institutions received $33,500; the Louisiana State Penitentiary received $146,124 for not growing sugarcane. The Mississippi State Penitentiary received $155,056 and the Texas Prison System garnered $57,924 for not growing cotton.

Others who received payments for not growing cotton were Banks & Danner, Crittenden County, Ark., $80,000; Tillar Mercantile Co., of Drew County, Ark., $99,137; Chapman Ranch, Texas, $189,985. The Fontana Farms, of San Bernardino County, Calif., received $155,575 for not producing corn and hogs. Wheat payments included a check for a total of $51,066 to the Campbell Farming Corporation, of Montana, for not growing wheat on land they had rented from the Indians—the rental, I am told, being $1.50 an acre. The Sutter Basin Corporation and Sutter Improvement Co. of California received a total of $134,834 for not growing wheat. The Bank of America National Trust & Savings Co. in California received $47,537 and James Irvane, of Fresno County, Calif., received $47,049 for not growing wheat.

The Olaou Sugar Co. of Hawaii received $904,562 for not producing sugar. A long list of numerous payments to Hawaii included $815,400 to the Lihue Plantation Co., $751,843 to the Ewa Plantation Co., and $740,095 to the Wailua Agricultural Co. The National City Bank of New York received $705,481 for Puerto Rican sugar reduction. The Eastern Sugar Associates received $27,881 and the Bank of Nova Scotia $478,025.

The Metropolitan Life, John Hancock, Prudential, Northwestern, Mutual, Travelers, Equitable Life, and Aetna Life Insurance Cos. were very large recipients of these gifts from the Government. Nineteen large hog producers received a total of $200,000 for not growing hogs, and likewise 19 rice producers received half a million dollars for not growing rice. Seven wheat producers received more than $70,000 jointly for not raising wheat, while 43 cotton growers were given jointly another half million dollars for not producing cotton.

FOOLING THEMSELVES

These are but a few illustrations of how the Pennsylvania farmer was, or was not, aided by the A. A. A. I am wondering if anyone feels they are fooling the Pennsylvania farmer by dangling a bright new penny before his eyes in an effort to distract his attention while they are throwing baskets of thousand-dollar bills to others. I am quite sure that they are not fooling anyone—except themselves.

Of the more than a billion dollars collected on the bare necessities of life, almost five hundred millions went to the farmers of the South and more than five hundred millions went to the farmers of the Middle West, while less than fifty millions came to the farmers of the Northern and Eastern States, from Main to Ohio and West Virginia, inclusive, and to the far Western States. Surely no one should expect the Congressmen from these Eastern and Northern States to support any such legislation as would drain the money from the pockets of his already impoverished people in order to pay such sums as I have just mentioned to corporations, whether American or foreign.

NEW DEAL IN GOOD GRACES OF SOUTH AND WEST. WHY?

It is astonishing that but 24 of our States paid a greater amount in taxes to the Government than they received back in various forms of relief, while the other 24 States received an average of $23 in relief for every $6 they paid into the Government Treasury. Almost without exception the States who paid to the Government more than they received were our Northern States, while those who received more than they paid were Southern or Western States. In round numbers, Alabama paid $3,000,000 in Federal taxes and received $17,000,000 in relief payments; Arizona paid 1¼ million dollars and received $7,000,000 in relief payments; Idaho paid less than 1½ million dollars in Government taxes and received 6½ million dollars in Federal relief payments; Kansas paid $10,000,000 in Federal taxes and received $22,000,000 in Federal relief payments; Mississippi paid less than $2,000,000 in Federal taxes and received almost $13,000,000 in Federal relief payments; North Dakota paid but $859,000 in Federal taxes and received $12,000,000 in Federal relief payments; and the remainder of the 24 other States are likewise. These great Federal relief payments in excess of taxes the 24 States paid were collected from the more thickly populated States, of which Pennsylvania is one. Pennsylvania paid 88½ million dollars more in taxes than it received in relief; New York paid over one-half billion more in taxes than it received in relief; Illinois paid 139 million more in taxes than it received in relief; Michigan paid 93 million more than it received; Rhode Island, 10 million more; New Jersey, 80 million more; Delaware, 34 million more; Ohio, 81 million more than it received in relief; and so forth. It is not my belief that I was elected to Congress to support legislation which would drain the money of our industrial sections, rich and poor alike, so that the present administration might remain in the good graces of the Southern and Midwestern States, by spending the money taken from the toilers of the industrial districts.

HOW THE STATES MET FEDERAL RELIEF CONTRIBUTIONS

Comparisons of how the various States met the Federal relief contributions by State and local relief appropriations during 1933, 1934, and 1935 are interesting. Let us take first some of the States of the North: Massachusetts contributed $813 for every $895 contributed by the Federal Government; Vermont matched $506 with every $660 contributed by the Government; Connecticut gave $826 for every $647 given by the Government; New Hampshire gave $759 for every $613 contributed by the Government; Rhode Island contributed $798 for every $519 contributed by the Government; Pennsylvania gave $334 for every $814 contributed by the Governmentment; Delaware contributed $563 to every $383 by the Government; New York gave $858 for every $968 given by the Government.

And now let us take some of the Southern and Western States: Montana contributed $145 for every $1,141 from the Government; Idaho contributed $189 for every $1,003 contributed by the Government; Louisiana gave $26 for every $840 by the Government; New Mexico gave $28 for every $792 by the Government; Georgia gave $39 for every $711 contributed by the Government; Virginia gave $70 for every $646 contributed by the Government; Arkansas gave $23 for every $637 by the Government; Florida gave $31 for every $616 contributed by the Government; West Virginia contributed $74 for every $570 by the Government; North Carolina gave $17 for every $518 contributed by the Government; Tennessee contributed $37 for every $533 by the Government; South Carolina contributed $11 to every $542 by the Government. Nevada relief families received almost $100 a month during the 3-year period.

Thus it can be seen that taxes paid in excess of the relief given to some of the States which I have mentioned earlier was sent to States that contributed but little in an effort to help themselves.

It is a matter of record that when the boll weevil threatened destruction to the cotton crops of the southern farmers the Government spent millions of dollars to destroy the boll weevil; and having conquered this insect that was destroying the cotton crops gratuitously, the Government then began paying the southern farmer to do that which the boll weevil was most generously doing without pay and without gratitude.

It is worthy of note that immediately upon American cotton growers curtailing their acreage and reducing their crops Brazil and other countries began increasing their acreage, until today the world is looking to other countries for its supply of cotton, where but a few years ago it depended almost entirely upon us. The same thing is true of scores of American products.

While America used to help feed the world, today the world is helping to feed America. Australian and other meats are being sold directly to the people of Chicago, our own meat center, because of the scarcity in our own land due to curtailed production.

In the first 6 months of 1934, 23,000,000 pounds of edible meat products were imported into the United States, but for the same period in 1935 this had increased to 39,000,000 pounds. During the first 6 months of 1934 we imported 360,000 pounds of butter and for the same period in 1935 the importation jumped to the almost unbelievable sum of 21,500,000 pounds. The increase of importations of sugar for the first 6 months of 1935 was approximately 1,000,000,000 pounds more than for the same period in 1934; and so we might go on down the long list of food commodities.

The following statistics, taken from Government reports, show how the American farmer is being subordinated in favor of the foreign producer. They are:

Products		1932 imports	1935 imports
Corn	bushels	347,627	43,242,296
Oats	do	58,786	10,106,903
Wheat	do	10,026,320	27,438,870
Barley, malt	pounds	52,532,636	320,622,537
Rye	bushels	87	9,642,523
Tapioca	pounds	130,000,372	202,112,319
Hay	tons	13,858	67,171
Soybeans	pounds	36,568,700	107,463,044
Cottonseed	do	1,058,945	59,743,572
Butter	do	1,052,598	22,674,642
Cattle	number	95,407	364,623
Hogs	pounds	28,875	3,414,317
Fresh pork	do	1,657,500	3,922,609
Hams, bacon, etc	do	3,015,489	5,297,335
Fresh beef	do	796,594	8,584,114
Canned meats	do	24,638,261	76,653,242
Total meat products	do	45,706,926	115,050,124
Eggs, in shell	dozen	243,784	432,076
Dried yolks	pounds	726,400	3,952,664
Frozen yolks	do	422,060	1,199,772
Egg albumen	do	1,275,790	1,876,445
Wool and mohair	do	56,535,176	202,732,658
Dried milk	do	596,448	2,743,349
Hides	do	188,013,286	303,475,633
Inedible molasses	gallons	155,888,307	235,161,684

It has been computed that 22,000,000 acres of our idle farms would have been necessary to raise the amount of foreign importations stated above. These importations mean American dollars for foreign farmers, for spending in other countries, and for foreign farm labor, while Americans remain in the bread line.

When we buy food are we assisting our American farmers when our money is going to the foreign markets or to foreign or domestic corporations? It is evident that under the New Deal, "To him that hath shall be given."

GRAND RIVER DAM

Mr. DISNEY. Mr. Speaker, the political "stinkbugs" are always busy; they thrive during elections. They abhor the truth. Distortion is their hobby. Their tactics are so obvious that they fool only themselves. The people think correctly.

The recent statement or so-called attack on me published at Vinita is only worthy of notice because the people are entitled to know the truth. It cannot affect my status with those who know or want to know the truth.

Let us first look at the motive for the article. I did not appoint Mr. Hill, the author of the so-called attack, postmaster at Vinita. I could appoint only one. My reason for appointing Frank Bailey was because he made the highest grade on the list, was recommended by the county chairman of the Democratic Party, and is a loyal, trustworthy gentleman. I am sure that if I had appointed Mr. Hill postmaster that, instead of now attacking me, he would be praising me to the skies. The article was so obviously malicious and untruthful that it somewhat speaks for itself, but it is ingeniously designed to fool people—hence this explanation.

There is an additional motive besides malice for this attack. You all know that my activity in behalf of the Grand River Dam and my vote for the administration's utility holding company bill aroused the violent opposition of the utilities. Back of this article will be found utility influence, utility money, or utility approval. They know they have not a Chinaman's chance of defeating me in the primary, but their design obviously is to do everything possible in the primary so as to attempt my defeat in the fall.

The article espouses no other candidate, so no public interest is attempted to be served in the article, merely the venting of personal spleen.

Consequently I hope our Democratic friends will not be fooled either by the malice or secret design.

Two outstanding falsities appear in the article:

First, it states that no application was filed in time, ahead of the dead line of September 12, 1935. The letter of Clark Foreman, of the Power Division of the P. W. A., quoted hereafter, showing that the application was filed with the P. W. A. on the 26th day of August 1935, shows up the first falsity.

Mr. Foreman's letter is short, and I quote it in full, as follows:

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS,
June 9, 1936.

Hon. WESLEY E. DISNEY,
House of Representatives.

MY DEAR MR. DISNEY: In response to request contained in your letter of June 8, you are advised that the Pensacola (Grand River) power project in Oklahoma is docketed under Oklahoma-1097, and dated August 26, 1935.

Sincerely yours,

CLARK FOREMAN,
Director, Power Division
(For the Administrator).

The second falsehood is that I was a member of the conference committee, and that the conference committee agreed that the Grand River might be stricken from the report. I was not a member of the conference committee, and I spoke, as did Congressmen NICHOLS, MILLER, and others, against the adoption of the conference report. These falsities brand the article with complete suspicion.

The old adage is, "False in one thing, false in all."

It is stated that I got nothing for my district out of the big appropriation. That, too, is false, for several millions of dollars in various projects came to my district as a result of my activities in this behalf. Even now Vinita is wanting a Federal building.

Page 7980, May 26, 1936, of the CONGRESSIONAL RECORD, shows that the House conferees on the Overton bill, and page 7939, May 26, 1936, that the House conferees on the flood-control bill were identical, namely, WILSON, WHITTINGTON, GRISWOLD, RICH, and ENGLEBRIGHT.

I opposed the conference report, and on page 8862 of the CONGRESSIONAL RECORD, spoke against it, as did Congressmen MILLER, NICHOLS, and others.

Page 14182 of the CONGRESSIONAL RECORD shows that on the 22d day of August 1935 the flood-control bill (H. R. 8455) contained the Grand River project; and it was placed there as a result of my efforts. We passed the bill. Pages 7735, 7742, and 7758, May 21, 1936, of the CONGRESSIONAL RECORD show that when Senate bill 5531, the Overton bill, came to the House I led a fight for the addition of 13 projects on the Arkansas and 13 on the White, including the Grand River, to be included in the Senate bill, and was successful.

What more can my constituents ask when I pass the matter through the House every time it comes up. I passed it twice through the House. I cannot be Representative and Senator both at the same time.

A summarized statement of my activities in behalf of the Grand River project is as follows: I passed it twice through the House of Representatives. In 1933 I spent 4 months in Washington after the session of Congress was over and got the Arkansas Basin committee appointed. I introduced several bills for a Grand River authority similar to the Tennessee Valley Authority. I interviewed the President several times, and Secretary Ickes many times. I got the President to order an economic survey of the Grand River project. I prepared the Grand River authority bill, sent it to the legislature for introduction, and got Governor Marland to intercede with the President on behalf of the project; interviewed Senator NORRIS, Dr. Morris L. Cook, of R. E. A., the Army Engineers; spent 2 additional months in Washington in 1935 doing everything possible in its behalf. I assert that no man could devote more time and energy to this project than I. At this moment I am making every effort to get the President to order an additional survey, and only today visited the White House for that purpose.

Scoffers and malicious tongues have always been at work when big matters were involved. Nehemiah of old refused to "come down from the wall." DeWitt Clinton's Erie Canal had the same type of "bladder blasts" aimed at it and at him.

I assure you, fellow citizens, that it is not an easy matter to get $16,000,000 for a project. Passamaquoddy in Maine, the Florida ship canal, and many others failed. It takes time, patience, and energy to get these big things done.

The answer of the President to my importunities for an allotment for this project was that he had been criticized for ordering the Grand Coullee, Passamaquoddy, and the Florida ship canal without congressional authorization, and he felt that he was taking too great a responsibility without Congress' approval. Secretary Ickes took the same attitude.

It is my judgment that this project will finally be built, and that the foundation has been laid by the work I have done. It cannot be built in a day, and malice and misinformation will not help—those two errors never assisted anywhere, any place, any time.

Captain Clay's letter sounds plausible. It was very useful as a disguise for malice and design. Why should I file an application with Captain Clay of the Army Engineers? They had no money with which to build this project. Secretary Ickes had the money, and it would be a futile gesture, akin to falsity, to have filed an application with the Army Engineers. An application for what? Not for money, because the money was in the hands of the P. W. A., not the Army.

I have conferred with General Markham, Captain Clay's superior, since this so-called attack, and he says:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, June 18, 1936.

Hon. WESLEY E. DISNEY,
House of Representatives, Washington, D. C.

MY DEAR MR. DISNEY: I have your letter of June 15, 1936, enclosing a copy of a newspaper clipping reproducing a letter from my office to Mr. R. L. Lunsford, president, First National Bank, Cleveland, Okla., advising him with respect to the status of proposed construction on a dam on the Grand River, Okla., for the development of hydroelectric power.

Mr. Lunsford, in a telegram to the President, referred to this Department for consideration, urged speedy and favorable action on the Grand River Dam proposal, pointing out its value for the development of hydroelectric power and for flood-control purposes.

His telegram was one of a number received in this Department shortly after the Works Progress Administration program had been placed under way, which were understood to urge a direct Federal grant for the Grand River project. During the period in which this project was receiving the active consideration of this Department, representatives of the area, accompanied on several occasions by you, were in frequent contact with my office in connection with the submission of an application for an allocation of funds from the Federal Government. They were advised that under the procedure established for the allocation of funds from the emergency relief appropriation applications for a 100 percent grant from the Federal Government, if submitted to the National Emergency

Council, would be referred to this office for report, but that such report would have to be unfavorable to the inclusion of the work in the relief program in view of the man-year cost limitations which had been established for that program. They were also advised that the work would appear to more nearly come under the provisions of the loan-and-grant clause of the Emergency Relief Appropriation Act, and in such event an application for the loan and grant should be submitted to the Federal Emergency Administration of Public Works. This office is advised by the Administration of Public Works that an application for the construction of this project under the loan-and-grant provisions of the emergency relief appropriation was received on August 26, 1935.

I am, of course, familiar with your continued interest in the Grand River project and your efforts, not only to secure an allocation of funds from the several emergency appropriations but also to secure its inclusion in the general flood-control legislation recently adopted by Congress. The Grand River project was included in the general bill as originally passed by the House of Representatives. When this bill was receiving consideration by the Committee on Commerce of the United States Senate, I was called on to testify with respect to the several projects maintained therein. In my testimony I pointed out that the primary purpose of this project was the development of hydroelectric power and that flood control was an incidental feature, according to the records available to my office. I understand that the Commerce Committee, in reporting the bill to the Senate, adhered to a fixed policy of including therein only projects primarily designed for flood-control purposes and to eliminate those projects having other purposes. The committee recognized the importance of the Grand River project as a proposed hydroelectric development by authorizing a further study to determine the possibility of developing a market for such power as could be produced.

I trust that this letter fully explains the status of the Grand River project before this Department and shall be pleased to furnish any additional information desired.

Very truly yours,

E. M. MARKHAM,
Major General, Chief of Engineers.

To any fair-minded person this is a complete rebuttal of the misstatements in the recent so-called attack. I have been faithful in my duties as your Congressman and I am now at the National Capital attending to the business of the district.

HON. RANDOLPH CARPENTER, OF KANSAS

Mr. GUYER. Mr. Speaker, I am sure that every Member of the House regrets that our colleague, RANDOLPH CARPENTER, of Kansas, will not be a Member of the House in the Seventy-fifth Congress, for he has announced he will not be a candidate for reelection from the Fourth District of Kansas.

Mr. CARPENTER has been a Member of Congress in the Seventy-third and Seventy-fourth Congresses. He has made an enviable record and has won the good will of everybody in the House. He and his fine little family have won the affection of all who have come in contact with them, and they take with them to their Kansas home the affectionate regard of everyone who knew them.

While Members of the Kansas delegation regret to see Mr. CARPENTER sever his connection with the House, they are, I am sure, ready to congratulate Mr. CARPENTER on his wise decision.

There is in the House opportunity for exalted service to our country, for the House of Representatives writes the laws of this country. The Senate has not enough Members to constitute four of the great exclusive committees of the House. Each of these great committees is a great legislative organization in itself, and they write the most important laws of this country. The Senate criticizes and sometimes amends the House laws and often helps them, but the House writes the laws of the Nation, and so a Member of the House has almost unlimited opportunity to guide the destiny of his country toward better days and nobler ideals, but to do so he must surrender to the public service his best years and his life's blood, for in the House, years of toil and experience are essential to success in legislation.

Our colleague, Mr. CARPENTER, has chosen to follow his profession in the footsteps of his distinguished father, one of the great lawyers of Kansas. In this decision he has no doubt taken the wise course. He has received everything the House has to confer of importance, honor, and the sincere regard of his colleagues; and he retains his health and youth for his profession and his peace of mind and soul and tranquillity of life without a continuous performance of asking his constituency to reelect him to an office which robs him of health and tranquillity and at the same time imposes the vow of poverty.

We congratulate Mr. CARPENTER and bid him and his accomplished wife Godspeed, with happiness and prosperity for the years to come.

APPROPRIATIONS OF THE SEVENTY-FOURTH CONGRESS

Mr. TABER. Mr. Speaker, the difference between the statement that I prepared last year and that issued by the chairman of the Appropriations Committee is that I used as direct appropriations all funds which would come out of the Treasury as a result of appropriations, regardless of whether they were new appropriations or reappropriations of funds that would otherwise have lapsed.

To obtain the picture of what can come out of the Treasury in expenditures one must follow the figures that I have used rather than those the chairman of the Appropriations Committee has used.

I have prepared a table showing the regular appropriations made last year during the first session of the Seventy-fourth Congress as compared with those made at the present session for the fiscal year 1937, as follows:

Table I

Title	First session, 1936	Second session, 1937
Agriculture	$125, 157, 983. 14	$195, 565, 606. 00
District of Columbia	40, 547, 115. 00	43, 500, 000. 00
Independent offices	777, 501, 956. 20	2, 934, 751, 000. 00
Interior	61, 220, 928. 00	116, 425, 195. 00
Legislative	20, 746, 760. 00	23, 314, 428. 00
Navy	458, 084, 379. 00	526, 546, 532. 00
State, Justice, Commerce, and Labor	98, 561, 895. 00	115, 012, 400. 00
Treasury-Post Office	903, 635, 678. 00	992, 524, 892. 00
War	401, 998, 170. 00	572, 446, 844. 00
First deficiency	112, 633, 830. 42	368, 234, 000. 00
Second deficiency	272, 901, 233. 50	2, 675, 397, 537. 96
Emergency relief	4, 880, 000, 000. 00	
Interior deficiency		35, 000. 00
	8, 153, 589, 928. 06	8, 563, 753, 434. 96
Public acts	102, 161, 741. 47	
Public resolutions	2, 635, 098. 00	
Private acts	1, 268, 332. 68	
Rural Electrification Administration		50, 000, 000. 00
Miscellaneous		10, 000, 000. 00
	8, 259, 655, 100. 21	8, 623, 753, 434. 96
Permanent appropriations	2, 200, 101, 127. 00	1, 505, 957, 086. 82
Total	10, 459, 756, 227. 21	10, 129, 710, 521. 78

In the last year's figures there was nearly a billion dollars of reappropriations, that is, providing that money appropriated for one thing may be used for another. This year there is approximately $375,000,000 in reappropriations.

The reason that the appropriations for the second session are lower than those for the first session is that there was about $3,000,000,000 more appropriated last year for so-called relief. Of course, last year's appropriations were intended to cover a 12-month period, while this year it is openly stated that the wasteful and inefficient relief for which we have appropriated funds in the second session will all be expended by January 1, 1937.

There are some other circumstances that should be considered. The permanent appropriations for the second session are upwards of $500,000,000 less than last year because of the wiping out of the A A. A.; on the other hand, the independent offices bill carries $440,000,000 for the so-called Soil Conservation Act, which is an increase, the one offsetting the other. The independent offices bill is also $1,700,000,000 higher on account of the soldiers' bonus, which was not in last year.

If we were to continue fraudulent relief appropriations on the same basis that they have been carried on under the Roosevelt administration after January 1 next for the rest of the fiscal year 1937, a deficiency bill of $2,500,000,000 for that purpose would be in order by January 1, because the Treasury will be stripped by that time to meet the exorbitant election demands of General Farley. In other words, if appropriations had been on the same basis as last year to carry the fraudulent relief all through the year the appropriations for this session would have been at least

$1,000,000,000 more than the appropriations for last session. It also means that if Federal relief of any description is carried on beyond January 1, there must be further large appropriations in January.

The following is a list of the appropriations made by different Congresses. The appropriations under the second session of the Seventy-second and the first session of the Seventy-third are combined because they cover the same period.

Table II

Seventy-first Congress, third session	$4, 983, 250, 949. 98
Seventy-second Congress, first session	4, 627, 440, 936. 33
Seventy-second Congress, second session, and Seventy-third Congress, first session	8, 791, 396, 777. 10
Seventy-third Congress, second session	$11, 534, 376, 618. 23
Seventy-fourth Congress, first session	10, 459, 756, 227. 21
Seventy-fourth Congress, second session	10, 129, 710, 521. 78

The following table shows the expenditures of the Government each year, beginning with the fiscal year ending June 30, 1931, together with the receipts of the Government over that period, together with the net public debt at the end of each fiscal year and the guaranties on which the Government is liable. The guaranties are mostly home-loan and farm-loan bonds, and unquestionably the Government will have to meet a considerable portion of these bonds.

Table III

	June 30, 1931	June 30, 1932	June 30, 1933	June 30, 1934	June 30, 1935	June 15, 1936
Receipts	$3, 103, 764, 828. 41	$1, 976, 545, 842. 44	$2, 015, 731, 288. 63	$3, 116, 554, 049. 53	$3, 800, 467, 201. 96	$3, 807, 533, 801. 43
Expenditures	3, 987, 434, 521. 50	4, 813, 922, 598. 90	3, 804, 425, 295. 16	7, 105, 060, 084. 95	7, 375, 825, 165. 57	8, 492, 474, 029. 40
Net deficit	883, 669, 693. 09	2, 837, 376, 756. 46	1, 788, 694, 006. 53	3, 989, 496, 035. 42	3, 575, 357, 963. 61	4, 684, 940, 227. 97
Public debt, net	16, 329, 337, 508. 29	19, 069, 805, 265. 96	21, 676, 467, 239. 54	24, 471, 219, 174. 32	26, 850, 547, 085. 06	30, 896, 702, 329. 82
Net bonus liability	2, 273, 258, 361. 00	2, 085, 241, 462. 00	1, 912, 958, 398. 00	1, 817, 432, 136. 00	1, 733, 784, 342. 00	
Farm-loan guaranty				311, 634, 200. 00	1, 225, 503, 300. 00	1, 422, 182, 400. 00
Home-loan guaranty				1, 039, 002, 540. 00	2, 860, 677, 012. 00	3, 044, 666, 750. 00
Total	18, 602, 595, 869. 29	21, 155, 046, 727. 96	23, 589, 425, 737. 54	27, 639, 288, 050. 32	32, 479, 611, 739. 06	35, 363, 551, 479. 82

The increase is still going on at an increased rate. The record of this Congress for appropriations of upward of $20,000,000,000 is the largest of any peacetime Congress, and the only thing we can say of the Roosevelt administration is that it has been getting worse and worse, more and more wasteful, and with less regard for the people's interest. A year ago I predicted that the deficit would be $6,000,000,000. The present Treasury estimates indicate that I was correct, and that the total of Government liabilities as of June 30, 1936, will be approximately $40,000,000,000, as I predicted a year ago.

The following table shows the number of employees in the Federal Government beginning June 30, 1930, and ending with the last date available, April 30, 1936:

Table IV

1930	560, 456
1931	571, 368
1932	570, 000
1933	577, 170
1934	680, 181
1935	751, 269
1936	810, 418

The above figures are taken as of June 30 each year except for the years of 1935 and 1936, in which years the figures are as of July 31 and April 30, respectively.

This indicates an increase of 233,248 since the Roosevelt administration came into power.

With the tremendous appropriations which have been made and the present rate of spending, if the Roosevelt administration continues, Government expenditures will have exceeded the receipts by at least $5,000,000,000 for 1937. It is manifest that the only safety for the people is the retirement of the Roosevelt administration.

Since the 4th of March 1933 there has been spent by the Roosevelt administration the unprecedented sum of approximately $25,000,000,000—in about 3 years.

EVOLUTION OF A PRESIDENTIAL OPINION

Mr. SNELL. Mr. Speaker, when President Roosevelt contemplates the evolution of his constitutional opinions since he was Governor of New York State, I wonder if he ever recalls the century-old correspondence between Henry Clay and Nicholas Biddle, president of the Second Bank of the United States. Second thoughts are not always better thoughts. A man's second judgment is sometimes worse than his first. His second judgment may be based upon no new facts but may be marked by an inclusion of emotional elements absent when his first opinion was formed. The quality of his advisers may have been better when he reached his first opinion. Mr. Roosevelt's conclusions on fundamental questions of government may have been sounder, for example, when his counselors included Alfred E. Smith, Herbert C. Lehman, and Raymond Moley than when he relied for advice upon Professor Tugwell, Professor Frankfurter, and the bright young men Professor Frankfurter exported to Washington for the President's guidance.

You will remember that Nicholas Biddle in 1831 was anxious to assure a renewal of the charter of the Second Bank of the United States. The charter expired in 1836. Andrew Jackson was President and was coming up for reelection in 1832. Jackson had been doubtful of the bank's constitutionality and had expressed some opposition to it, but his opposition was not militant and had become progressively milder. Jackson's Cabinet was friendly to the bank and so were most of Jackson's intimate friends. All Biddle needed to do to obtain a recharter was to save Jackson's face by consenting to a few minor charter amendments.

Henry Clay appreciated all this and set it out to Biddle with perfect clarity in 1830. Clay at that time was a private citizen of Kentucky and was writing to Biddle not as a candidate for office but as a friend of the bank and as a man of political insight and experience. He told Biddle that it would be impossible to obtain a recharter of the bank against Jackson's opposition, because there would not be sufficient support in Congress to override a Presidential veto. Clay went on to say that a number of Jackson men wanted to make the bank a political issue; that if a recharter bill was presented and vetoed by Jackson before the election of 1832, the bank question would be an issue in the campaign; that Jackson's reelection was likely; and that if Jackson were reelected on the antibank platform the bank's ruin was certain. However, if there should be no application for a recharter until after the election and no reference to it as a political issue, the Jackson men who were friends of the bank could persuade Jackson to consent to the recharter in order to have the bank's support for the Government's fiscal policies.

Clay's advice coincided with Biddle's own opinion.

A year later Clay was nominated for President by the National Republicans. This party was in search of an issue. With surprising obtuseness, considering how easy it is always to arouse popular prejudices against any financial institution, these Whig politicians thought they had a winning issue in support of the bank. They not only wanted to support the bank themselves but they were determined to drive Jackson into an antibank attitude.

Clay forgot all about his previous advice to Biddle and with the help of other Whigs urged Biddle to apply at once for a recharter. The pressure on Biddle was sufficient to cause him to reconsider his previous decision to wait until after the

election. Clay's opinion as a disinterested outsider was sound; his opinion as an active politician was warped by his immediate ambitions. Biddle's first decision to postpone application for a recharter until after the election was right; his reversal of this decision was disastrous to the bank. Jackson vetoed the recharter bill, easily defeated Clay in the 1832 election, and in revenge for the bank's opposition caused its ruin.

I was reading the other day a speech made by President Roosevelt on March 2, 1930. He was a mature lawyer who had been Assistant Secretary of the Navy, a candidate for Vice President, and then Governor of New York. Speaking about the Constitution and the relation of the States to the Federal Government, he said:

> The United States Constitution has proven itself the most marvelously elastic compilation of rules of government ever written. * * * It was clear to the framers of our Constitution that the greatest possible liberty of self-government must be given to each State and any national administration attempting to make all laws for the whole Nation * * * would inevitably result at some future time in the dissolution of the Union itself.

After expressing his scorn for any idea that the whole country could be controlled by master minds in Washington, and stating that such a control would be an oligarchy masquerading as a democracy, he said:

> We are safe from the danger of any such departure from the principles on which this country was founded just so long as the individual home rule of the States is scrupulously preserved and fought for whenever they seem in danger.

Three years later, Mr. Roosevelt, as President, in his inaugural address, showed that his attitude toward the Constitution remained essentially unchanged. To quote his own words:

> Our Constitution is so simple and practical that it is possible always to meet extraordinary needs by changes in emphasis and arrangement without loss of essential form. That is why our constitutional system has proved itself the most superbly enduring political mechanism the modern world has produced.

Three years more have now elapsed and President Roosevelt has new problems, new counselors, and new ambitions. A year ago, after the Supreme Court had declared unconstitutional the National Industrial Recovery Act, President Roosevelt asserted that if the implications of that decision were carried out, the Government would be stripped of all authority in behalf of human welfare.

President Roosevelt, according to the New York Times, at his press conference on May 31, 1935, seemed to believe that the issue was whether the Federal Government was to be given the control contemplated in the Recovery Act or whether such problems were to be turned back to the care of the States, reverting to the "horse and buggy days." Only about a month later, on July 5, 1935, we find the President writing to Representative S. B. HILL urging the passage of the Guffey Coal Act, and saying:

> I hope your committee will not permit doubts as to its constitutionality, however reasonable, to block the suggested legislation.

I have no means of knowing what will be President Roosevelt's future attitude toward the Constitution. He has seemed at times to be defying the Constitution and the Supreme Court. The long list of New Deal legislation overturned by the Supreme Court decisions must have convinced him of the futility of this course. He has two other alternatives. One is to seek a modification of the Constitution and the other to reframe his legislation within constitutional limits.

Before the President abandons the latter alternative I commend to him a reading of the correspondence between Henry Clay and Nicholas Biddle from 1830 to 1832, and with this a reading of the speeches of Gov. Franklin D. Roosevelt, of New York, just 100 years later.

WHITHER ARE WE DRIFTING?

Mr. TURPIN. Mr. Speaker, immediately following the preamble of the Constitution the very first section of the very first article reads:

> All legislative powers herein granted shall be vested in the Congress of the United States, which shall consist of a Senate and House of Representatives.

There are no qualifications to this, nor directly or indirectly is any authority given to anyone other than Congress to legislate or pass laws. Yet under the present political regime we find that men have been fined and imprisoned under laws that have since been declared unconstitutional by the Supreme Court; under laws that were never passed by Congress or never submitted to Congress for its ratification, nor were they ever formulated by any man or group of men elected to any office in this first representative government to be founded by man.

LAWS WRITTEN BY MEN NEVER ELECTED TO ANY OFFICE—AND ENFORCED

I may cite the hundreds of codes under the N. R. A. which were written by groups of businessmen in the same lines of business and pronounced the law of the land without even being submitted to Congress. Under these codes a law-abiding tailor, in a basement shop in New York, was fined $100 for pressing a pair of trousers for 35 cents when the assumed law of his competitors had written he must charge 40 cents; of the aged woman who made her living making paper flowers and who was told she could no longer do so in free America; of the battery man in our own State who was fined and imprisoned; and many similar cases.

They tell the story of two Southern darkies, immediately after the N. R. A. went into effect, who when walking down the street noticed the many Blue Eagles. Rastus exclaimed, "Sambo, what do all those Blue Eagles mean?" And Sambo answered, "Every man a job." Rastus then asked, "But what do N. R. A. mean?" To which Sambo replied, "Not right away." How true this prophecy has proved.

LEGISLATIVE PROCEDURE REVERSED

Under the Constitution it is the prerogative of Congress to draft and pass the laws, following which it is the privilege of the President to either approve or disapprove of the legislation. However, in the present administration this procedure has been reversed. Until very recently, under the New Deal practically all of the legislation was written by the "brain trusters", none of whom were elected to any office, and sent to Congress by the President for its approval or its veto. Under this order we come dangerously near a dictatorship when backed by an acquiescing Congress.

In the President's Baltimore speech delivered recently he hinted strongly upon the revival of the N. R. A. Humorously, we might suggest that if it should be revived they leave the Blue Eagle where it was buried by the Supreme Court and substitute instead the American owl. It is a wiser bird.

UNSUCCESSFUL EFFORT TO CORRAL ALL AMERICAN MONEY

I might also cite the banking bill of 1935, that was not written by Congress but by the new dealers, who, I repeat, were never elected to any office in this representative Government, and was then sent to Congress by the President, asking that it be enacted into law. One section of this bill gave the President the right to increase our national indebtedness to $45,000,000,000. It gave him the further right to issue Government bonds and to send these bonds to the banks throughout the Nation, and compel the banks to accept these bonds and send the money in purchase of them to the National Government, thus bringing practically all of the money of the United States under the control of one man.

That this legislation was protested and did not become a law is through no fault of the new dealers, whose every desire seems to be to regiment everything within the Nation under the direction of a one-man government.

DEMOCRATIC PARTY O. K.—NEW DEAL A DISGRACE

As Senator CARTER GLASS, Democratic Senator from Virginia and chairman of the Banking Committee, with 16 years of intensive senatorial service, and whose loyalty to his party cannot be questioned, has said:

> The New Deal, taken all in all, is not only a mistake, it is a disgrace to the Nation. The time is not far distant when we shall be ashamed of having wandered so far from the dictates of common sense and common honesty. I would rather have died than live to see the disgrace of this era. Perhaps it would be better to drop the expression "brain trust" and substitute a word more apt. As for the

New Deal, thousands of struggling industries are being driven out of business. * * * I have not had anything to do with it, nor have I permitted it to have anything to do with my business.

It is interesting to recall that but a few years ago $1 out of every $13 was needed for taxes. Our taxation is now increased until $1 out of every $4 is taken forcibly for that purpose. Forty-nine percent of our expenditures are being made on borrowed money and 44 percent by taxes that are hidden and unseen and but 7 percent is received in personal-income taxes. The deficit of the present administration is now nearing the eighteen thousand million dollar mark, which means that the Government, in the 4 years of the present administration, has spent eighteen billion more dollars than it has received from all sources.

ONE HUNDRED AND SIXTY BILLION DEBT IN AMERICAN DOLLARS GIFT TO OUR CHILDREN

Granting that our public debt does not exceed $40,000,000,000, it must not be overlooked that the present generation is passing the greater part of this onto their children and to their children's children. With this stupendous debt it can reasonably be assumed that there will be at least $3 paid in interest for every dollar of the principal sum, which mournfully brings to us the realization that we are handing to the coming generations a debt that will take one hundred and twenty billion American dollars to pay.

The present Democratic Secretary of the United States Treasury, Mr. Morgenthau, before a recent congressional committee said:

What I might say, if it became public property, might have a very adverse effect on the Government's credit. Now, that whole question of Government credit is such a delicate thing. One day there is confidence, and the people who buy bonds are with you. Then overnight something happens, and they won't buy. * * * The minute I cannot raise the money to finance the Government, that minute you will have complete chaos.

Under questioning, Mr. Morgenthau conceded that the Treasury now faces the problem of raising around $12,000,000,000 within the next year and a half. Not cheerful news to either us of the present generation or to those who will follow us.

I trust that I will not be misunderstood. When a physician is called to the bedside of an ailing patient he does not concern himself with what is right and normal with his patient but principally with what is wrong.

In searching out the ills of present-day government, our people throughout the anthracite-coal district recall that the Democratic platform of 1932 averred that the Democratic Party was opposed to the Government going into business; yet today we find not the Democratic Party but the New Deal promoting great Government projects to convert our rivers into energy, thus supplanting the use of coal—our principal industry. Already considerably more than $100,000,000 has been appropriated for the Muscle Shoals project to generate electricity by water power—and the project is only begun.

Similar projects in great numbers for various parts of the United States are under advisement. Five million dollars was spent upon the Passamaquoddy Dam in Maine, with the thought of converting the tides into energy, and then abandoned, which, if carried out, surely would not have helped the coal industry. Likewise, $5,200,000 was spent on the Florida ship canal, presumably to compete with railroads. This project was also abandoned, both of these appropriations being a very small part of the Government waste.

While the present administration was paying its farmers to curtail their acreage, resettlement projects were established and promoted. Scores of families were transported, at the expense of the Government, to till new lands in Alaska, in spite of the fact that we were curtailing our acreage at home.

TAXING BUSINESS TO SECURE MONEY FOR GOVERNMENT COMPETITION

The Government is today in some 250 fields of business endeavor and is taxing private business to secure the funds with which to set up Government competition against them.

In President Roosevelt's address at Baltimore on April 13 he said:

We shall press ahead with new experiments. The period of social pioneering is just beginning.

In my protest I am not alone, for in addition to the men of national affairs who I have quoted and who are loyal to the principles of Jefferson and the Democratic Party, I have only to refer to such men as the late Governor Ritchie, of Maryland; to ex-Senator Jim Reed, who stated that many of the new dealers were better known in Russia than in America prior to their present activities; to Douglas, former Director of the Budget, who could not carry out the wishes of the administration because of his conscientious objection to the great waste of funds, and who sent his resignation to the President; also to Governor Talmadge, loyal Democrat of Georgia; to Shouse, Al Smith, Senator Byrd, Hugh Johnson, John W. Davis, Senator Tydings, Raskob, and a long list of Democrats who, although opposed to the New Deal, cannot be assailed for their loyalty to the traditions of Jefferson and to their party.

ECONOMY—WHERE ART THOU?

At the very beginning of the present administration the Nation was asserted to be in such financial chaos that it was necessary to cut all Government employees' salaries 15 percent. It was also necessary to eliminate and slash the pensions that were being paid to veterans; other economies were also put into effect. But when our national indebtedness had become several billion dollars greater than at the time economy was so necessary, the administration discovered that economy was no longer required, and a 5-percent return of the pay cut to the Government employees was restored by Executive order of the President. When the national debt increased several more billion dollars further economy was still less necessary and the President recommended to Congress that an additional 5 percent be returned to the Government employees.

Congress, then realizing that they had been made the unpopular goat in reducing all Government employees' salaries 15 percent and in legislating vacations without pay at a time when our national debt seemed great, so the President could be a generous good fellow and give it back when the national debt was much greater—decided that inasmuch as the President had recommended and given back by Executive order 10 percent of the 15-percent cut, that Congress would be somewhat of a good fellow, too, so Congress gave back the remaining 5 percent, and immediately the President vetoed it.

From the time the administration first took office when there were 535,487 permanent employees in the Government service, we find that today under the economy program there are 815,769 employees in the service, exclusive of all those on emergency relief jobs who number an additional 3,500,000, and approximately 20,000,000 others, less fortunate, who are still in need of relief and who are compelled to accept it because, under the program of the New Deal, no advance in recovery has been made in the 3½ years of New Deal government.

COMPARISON OF IMPORTS OF FARM PRODUCTS FOR 1935 WITH 1932

Mr. SNELL. Mr. Speaker, my attention has just been called to a comparison of imports of farm products for the year of 1935, as compared with the year of 1932, before the Roosevelt administration adopted the national policy of scarcity of farm products.

These are official Government figures:

		1932 imports	1935 imports
Corn	bushels	347,627	43,242,296
Oats	do	58,786	10,106,903
Wheat	do	10,026,320	27,438,870
Barley, malt	pounds	52,532,636	320,622,537
Rye	bushels	87	9,642,523
Tapioca	pounds	130,000,372	202,112,319
Hay	tons	13,858	67,171
Soybeans	pounds	36,568,700	107,463,044
Cottonseed	do	1,058,945	59,743,572
Butter	do	1,052,368	22,674,642
Cattle	number	95,407	364,623
Hogs	pounds	28,875	3,414,317
Fresh pork	do	1,657,500	3,922,609
Hams, bacon, etc	do	5,015,499	5,297,335
Fresh beef	do	796,594	3,584,114
Canned meats	do	24,638,261	76,553,342
Total meat products	do	45,706,926	115,059,124
Eggs, in shell	dozen	243,784	432,076
Dried yolks	pounds	726,400	3,952,664
Frozen yolks	do	422,060	1,199,772

	1932 imports	1935 imports
Egg albumen.....pounds..	1,275,790	1,876,445
Wool and mohair.....do....	56,535,176	202,732,658
Dried milk.....do....	596,448	2,743,349
Hides.....do....	188,013,286	303,475,633
Inedible molasses.....gallons..	155,888,307	235,161,684

Just stop and consider for a minute how many days of farm labor it would have taken to have produced these extra imported farm products, and how much more the income of the American farmer would have been if he had sold these additional amounts to the public, instead of importing them from the foreign farmer.

DISCRIMINATE AGAINST AMERICAN ANTHRACITE

Mr. TURPIN. Mr. Speaker, I regret so much that another Congress has come to its closing days without any action being taken for relief from foreign importations of coal that are not only sapping the life of our American mining industry, but also continues to keep foreign labor employed while our own American labor remains idle and impoverished. Not only does this directly affect the miners who would be employed if these importations were stopped, but it also affects the American railroads and the men who man the American trains, as well as every business that otherwise would receive the benefit of the money earned and spent here in America.

A PROVISION OF N. R. A.

One of the provisions of the now defunct N. R. A. was that the President of the United States could declare an embargo on foreign importations of any article that was coming into the United States in increasing amounts to the detriment of American production. Immediately upon the enactment of the N. R. A., I brought to the attention of President Roosevelt the continuously increasing amounts of foreign coal being imported into the United States to the detriment of our mining industry, and more especially to the detriment of Americans who depend upon the mining industry for their occupation and their living. It might be said here that the total of hundreds of thousands of tons of foreign coal reaching our shores does not accurately represent the tonnage mined, for only the large sizes are shipped into the United States, whereas in preparing the large sizes from the mines there is almost an equal amount mined in the smaller sizes, and the total amount that is actually mined is the basis on which to figure the workdays lost to our good laboring people, said workdays now going to the laborers of other countries while our American laboring men remain idle.

The President answered me by letter from Maine, where he was fishing, as follows:

PULPIT HARBOR, MAINE, *June 24, 1933.*

Hon. C. MURRAY TURPIN,
The Capitol, Washington, D. C.

DEAR CONGRESSMAN TURPIN: Your letter of June 21 has been forwarded to me up here on the coast of Maine.

I hope that at your convenience you will have a talk with Secretary of Labor and with General Johnson in regard to the whole problem of anthracite coal.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

I immediately followed out President Roosevelt's suggestion, but Gen. Hugh S. Johnson, Administrator of the N. R. A., informed me that no embargo could be given consideration until an anthracite-coal code was agreed upon and put into effect. Then later he informed me that the administration did not believe an anthracite code was necessary. What a circle! I got off—just where I got on.

ASKS FOR FAVORABLE LEGISLATION

I also took this matter up with the Department of Labor as the President suggested, with no result. Failing in this I again presented a bill in Congress authorizing a $4 per short ton tariff on foreign importations of coal, which was referred to the Ways and Means Committee, but no hearings on this legislation have ever been granted by the present administration committee.

On June 7, 1933, I wrote the committee as follows:

On March 9 of this Seventy-third Congress I introduced a bill providing a $4 per short ton import duty (tariff) on coal and coke imported into the United States. This bill was referred to your Ways and Means Committee of the House.

The coal-mining industry has now reached a crisis; its very existence is threatened by low-waged foreign competition. Three hundred thousand American mining wage earners throughout the various mining districts in the United States, are and have been without work. Over 30,000 families in my own anthracite district are dependent upon organized charity.

Permit me to call your attention to the fact that 387,000 net tons of coal came to our shores in 1926 from foreign countries. In 1931 this tonnage increased to 638,000 net tons. These foreign importations again increased in 1932 to 857,147 net tons, and for the first 3 months of this year 368,965 net tons reached our shores.

FOREIGN LABOR KEPT OUT, BUT THAT WHICH HE PRODUCES COMES IN

Our Nation has passed restricted immigration laws with the one thought in mind of keeping the hordes of Europe from further bleeding our American labor market. I cannot reconcile myself to the inconsistency of excluding the low-paid foreign laborer from our shores, yet allowing that which he produces in other lands to come into this country to supplant the labor of our American citizens. The failure to protect this great industry means that the wages that would be paid to our American laborer and which would be spent here to buy that which is produced by other American industries will go largely to the coolie of Indochina and the conscript labor of Soviet Russia.

I believe that the great Democratic Party has the welfare of the Nation's toilers at heart, and it is in the interest of these toilers that I urgently request the setting of an early date for a hearing on this very important and vital subject.

Yours sincerely,

C. MURRAY TURPIN.

In reply the chairman of the committee wrote me:

DEAR MR. TURPIN: The Committee on Ways and Means early in the present session voted not to consider any bills except those recommended by the President. I shall, however, be glad to bring your request to the attention of the committee during the next session of Congress.

Very sincerely yours,

R. L. DOUGHTON, *Chairman.*

That was 3 years ago, and we have not yet been able to get any action.

Again, as you know, oil has become an active competitor to our American coal as fuel, and this is being imported from Venezuela and other countries and is making great inroads on our coal market at a price which even American producers of oil cannot profitably meet.

DISAPPOINTMENT SHARED BY DEMOCRATS AND REPUBLICANS ALIKE

The disappointment over no action being taken is not mine alone. Democratic leaders from the various counties throughout the anthracite-coal district a year or more ago—having faith in the New Deal policies and promises—circulated a petition throughout the anthracite district and secured some 90,000 names, praying for an embargo on these foreign importations. The circulation of this petition was accompanied by a great deal of newspaper publicity. These Democratic leaders, working so sincerely in the interests of the laboring people of the coal industry, brought this petition to Washington and presented it to President Roosevelt; and there was much more newspaper publicity. Since then, however, nothing more has been heard about the much-wished-for embargo, either from the President or from those who circulated the petition. Even though they through discouragement or for other reasons have given up the fight, I shall continue to battle for this relief as long as I am privileged to be a Member of Congress.

It is not my thought to suggest that we are any better than any other part of our great Nation, but I do insist that we are just as good. The New England shoe manufacturer and their many other mills whose products we buy are protected by a tariff from the low-waged manufactures of other countries. And the same thing is true of nearly every other commodity purchased in the anthracite district.

That we are not entitled to the same protection, that we must continue to buy from manufacturers who are protected, and helplessly watch our markets destroyed by the low-wage products of foreign countries, is for someone higher up in national affairs than I am to answer.

RECOVERY WITH ROOSEVELT

Mr. FARLEY. Mr. Speaker, ladies and gentlemen of the Congress, the district which I represent is comprised of eight counties in northeastern Indiana, the population approximating 300,000.

The activities of the district are pretty evenly divided between industry and agriculture. Some of the best farm land in the State is located in this section. The manufacturing is widely diversified. General Electric Co. has approximately 7,000 employees in one of their largest plants in America. International Harvester Co. manufactures trucks in the largest exclusive motor-truck plant in the world. Gasoline pumps of the most modern design and effectiveness are made by the Wayne Co., S. F. Bowser Co., and the Magnavox Corporation. The Horton Manufacturing Co. is one of the largest producers of electric washing machines. I could not take your time to tell you about the hundreds of smaller manufacturing plants making practically everything that is consumed on the farm and in the home.

Every county seat town in my district has a number of manufacturing plants. Among them are the McCray Refrigerator Co., Flint & Walling Wind Mill Co., and the Auburn Automobile Co., the latter being located in my home town. One of the enterprises that has brought a large revenue to the district is the Central Sugar Co. located at Decatur.

This means that there are many thousands of laboring men, many of the highest skilled type, who are engaged in these various plants. We have had our labor problems and activities, but I am happy to tell you that labor disturbances within this area are very rare. These people are the industrious working crowd who make the wheels of industry hum and bring prosperity to the district.

Our farmers are active and in the main live on farms consisting of from 40 to 320 acres of land. It would be rather difficult to pick any section of the country more ideally situated than here, as six great trunk lines of the railways cross this district from east to west, bringing the commerce not only of the United States of America but the commerce of the world to our doors.

When the Roosevelt administration took over the affairs of the Government in 1933 this fine section of the country so ideally suited for American living was pretty well prostrate. Our banks were passing through a difficult experience. The final adjustment of these banks has shown that they were sound but with frozen assets; and, through the management of the banking departments of the State and in Washington, most of them have been taken care of with only small losses to the depositors.

One of our great insurance companies, the Lincoln Life Insurance Co., is located in Fort Wayne, and they, too, were forced in the depression that had come upon them to use their highest skill in taking care of their vast holdings and have been able, under this administration and leadership, to put their house in good order.

After the bank holiday, at which a courageous and wise policy was adopted, people began to regain confidence in their banking structure, and I have a deep-seated feeling that the one outstanding act that made this possible was the enactment into law of the Federal Deposit Insurance Corporation. This insurance of bank deposits had been discussed for a long time, and, having been closely identified with the committee which handled this legislation, I cannot now understand why this helpful legislation was so long deferred or why any banking institution or group of bankers should have opposed it so vigorously.

Today, I think, the principle is generally accepted almost unanimously that this had to do with the restoration of confidence, and people now go about and feel that we have our financial house in order.

Laboring men were out of employment, either laid off or furloughed, and there was very little but gloom for them. Today the picture is vastly changed. They leave home in the morning with a smile and quick step and return at the end of the day's work to find their families fed, clothed, and happy.

Labor has achieved more in this administration than under any one administration in all the history of our governmental affairs. I have the utmost confidence in the intelligence and fidelity of the American workingman; and so long as we have the type men whom I have the honor to represent engaged in industry I think all that is needed is a better understanding between the employer and employee and a lot of unrest that has gone over the dam in the past will be prevented.

There were many thousands of homes that were in distress because of mortgages which could not be paid and interest and taxes that likewise could not be met. Under this wise leadership the Home Owners' Loan Corporation was set up, and in this district more than $15,000,000 has been loaned on easy terms covering a long period of years. I have had men tell me with devout gratitude what this meant to them and their families. I firmly feel, with the information in hand, that the Home Owners' Loan Corporation will be self-liquidating and in the end will not cost the Government of the United States a single dollar but will have accomplished its worthy mission.

Many thousands of farmers have likewise been relieved by direct loans from the Federal land banks; and while all who have sought this assistance have not had their wishes granted, yet the percentage declined is small in comparison to the number granted.

The Commodity Credit Corporation has been given impetus in this administration, and we have been able to make loans to farmers for the purpose of buying seed, feed, and other necessities, and at a rate of interest that is within keeping with American principles. I think we have put an end for a long time to come to the high, unfair interest rates that have been charged in too many cases in the past. We have likewise given the small borrower who is identified with credit unions an opportunity to live. Credit unions which have been set up have been growing very rapidly, and there are now more than 1,000 of these organizations where a man, instead of having to go out and borrow money at any rate of interest to tide him over an emergency, can now borrow from his own organization small amounts of money. I am told that the average loan is $50.

We have known for a long time that there was not adequate protection for the investing public. Millions of dollars have been filched from the innocent investor by the purchase of stock in corporations which really had no right to ever sell their securities. In this administration we have set up the Securities Exchange Commission, by which all such transactions are investigated; and as this Commission functions more perfectly in the days to come there will be little reason for anyone to lose money in securities if they will take time for investigation. What seemed to some large operators in the beginning to be a serious break to securities has proved to be a valuable step in the direction of stabilizing their business, and I have not heard a reputable financier suggest that this act be repealed and that they wanted to go back to the old order.

The banking laws have been pretty well revamped, and the Banking Acts of 1933 and 1935 will stand out as milestones for better control of these institutions for long years to come.

One of the outstanding accomplishments of this Congress has been the passing of laws for the wiping out of crime. Unfortunately, there will continue to be some lawbreaking, but by the prompt action of the Department of Justice, with this additional authority, more progress has been made in the last 2 years than in the past decade. It will be impossible for gangs of gangsters to flourish as in the past. I do not want to take the position that this relief shall be entirely credited to the party in power. Everyone has recognized the need of such legislation, but through powerful opposition influences we have not had it until now. This is just one of the examples of the courage of the President is making his recommendations and following through to see that legislation is passed which will make them effective.

It has been my happy lot to go along in complete accord with the Neutrality Act of 1935. Had we not taken this

step in our foreign policies, we could easily have been a nucleus around which a great war could have been started again. America's place in the world at this time is unique, in that the world looks to us for guidance and suggestions. It is our duty to be prepared against invasion of any power in the world. It is our place in humanitarian activities to do all we can to prevent any great conflict as the World War was, and I want to be for sane neutrality in the stand of the United States Government, but at the same time do not want to be a weakling in the thought that we would rear a Nation of young men and women who would not at all times be ready and willing to go to the defense of the country or to join against a great foe. In other words, we should be prepared on land and sea for eventualities, and strong defense will come nearer preserving peace than any other method.

We have raised the cloud of gloom from all the activities of the people of this country. I know you do not care much for figures, but they do speak louder than any other language, and I just want you to make this observation. Under the so-called old deal unemployment advanced 313 percent from April 1, 1930, to April 1, 1933. Under the New Deal, from April 1, 1933, to December 1, 1935, the decline in unemployment was 30 percent. Agriculture has likewise had its share of improvement. On March 1, 1933, cotton was selling at 5.90 cents per pound, wheat at 48 cents per bushel, and corn at 24.12 cents per bushel. On the same date in 1936 cotton was selling at 11.35 per pound, wheat at 101.5 per bushel, and corn at 60.87 cents per bushel. The advance in the position of labor and agriculture has greatly stimulated all industry. Industrial production between January 1, 1933, and January 1, 1936, advanced 51 percent. Steel production in the same comparative time advanced 257 percent. Automobile registration, which is now looked upon as a fair index of the conditions of the country, advanced 326 percent from January 1, 1933, to January 1, 1936.

Thus you see that a firm hand with wise legislation has taken the country from the suicide era and started on the high road to continued prosperity. To be sure, there are still critics, but I am happy to be living and helping at a time when partisan politics is less thought of all the time, and when people realize, as today, that all our interests are in common. Forward with our splendid leader, President Roosevelt.

A $20,000,000 CONGRESS

Mr. SNELL. Mr. Speaker, the Seventy-fourth Congress—the second New Deal Congress—was the perfect flower of the Roosevelt double-barreled policy of borrowing and squandering.

The Seventy-fourth was America's first $20,000,000,000 Congress.

It appropriated and authorized enough money to build 2,000,000 homes costing $10,000 each.

This one Congress alone, in its two sessions, appropriated and authorized more expenditures than did all the Congresses of the United States from the First, under George Washington, to the Sixtieth, under Theodore Roosevelt.

In 2 years the Seventy-fourth Congress squardered more of the wealth of America than 60 previous Congresses spent in 120 years of our national history.

Here is the perfect fulfillment of New Dealism—spending other people's money riotously, extravagantly, improvidently, recklessly.

The New Deal knows no cure for any national problem but an appropriation—one million, a hundred million, or a billion dollars.

We are afflicted with a raging fever of billionitis.

Loose spending, prodigious borrowing, and crushing taxation are the basic elements of New Deal "recovery"—$20,000,000,000 in one Congress, and far less than half of it actually collected in Government revenues during these 2 years of profligate squandering—the remainder passed on as a heritage of burdensome debt to be liquidated in the toil and sacrifice of every citizen of the land for generations to come.

I have before me the official tabulation of the Senate Committee on Appropriations of the money bills actually passed by the Seventy-fourth Congress.

The total for the first session, which began in January 1935, was $9,579,756,510.31.

And the second session, which began in January 1936, after another full year of Roosevelt recovery, made appropriations aggregating $9,716,430,863.11.

Here is a total of appropriations never before dealt with in American history for a single Congress—$19,300,000,000; enough to purchase outright well more than half of all the farms and farm buildings and farm equipment in the country today.

The total value of our farming plant, including houses, barns, machinery, livestock, and acreage, is only about $32,000,000,000.

But that is not all. The New Deal Congress just adjourned approved expenditures of $19,300,000,000 and authorized additional projects which will require $700,000,000 more for completion and maintenance over the next 5 years.

The end of the session finds us with a national debt of $34,500,000,000, an increase of $12,500,000,000 since March 1933. Such is the record of the President who declared solemnly in his speech at Pittsburgh, Pa., on October 19, 1932:

> I regard the reduction of Federal spending one of the most important issues in this campaign.

Such is the record of the President who promised the American people in his campaign speech at Sioux City, Iowa, on September 29, 1932:

> I shall use this position of high responsibility to discuss up and down the country, in all seasons, at all times, the duty of reducing taxes. * * * This I pledge you, and nothing I have said in this campaign transcends in importance this covenant with the taxpayers of this country.

The enormity of the New Deal's spending spree is well epitomized by a single fact which comes to mind from my own experience. The citizens of the Thirty-first New York District elected me to Congress first in 1915. That was during the Government's fiscal year 1916. The total expenditures of the United States Government during that fiscal year were $734,056,000. Imagine, less than $1,000,000,000 for the entire Federal Establishment. Today the total expenditures for 1916 would not pay the interest on the national debt for a single year. Yet within the term of my own service I find another Democratic administration squandering $20,000,000,000 in one Congress.

To accomplish its reckless spending the New Deal has created by law or Executive order no less than 114 additional Federal bureaus, boards, commissions, authorities, corporations, and councils—agencies to supervise and check and harass and molest the citizen in the most intimate concerns of his daily life. Agencies to tell him what to plant and when to reap; agencies to tell the pants presser how much he may charge; the laborer how many hours to work; the packer how many pigs and cattle to slaughter.

More than 250,000 persons have been added to the full-time pay roll of the Federal establishment.

Constitutional government by statute law has been largely replaced with government by Executive order.

A growing bureaucracy of dictatorship rules us by mimeograph.

No other period in all American history has witnessed such a terrific peacetime expansion and entrenchment of bureaucratic control.

Nor has any other period in our history recorded such demoralizing raids upon the merit system of civil service. Less than 1 in 100 of the new bureaucrats added to the Federal pay roll have been selected by the competitive system of civil-service examinations. Instead the New Deal has manned its new agencies with the political appointees of the ancient spoils system.

And once established, these new segments of government move with but a single purpose—to entrench themselves ever

more firmly, and to reach out constantly for more and more power.

In the Seventy-fourth Congress this unceasing grasping for power came to a ridiculous fruition in the potato-control law, which attempted to enforce the distribution of every authorized potato under a special tax stamp. The stamps were actually printed pursuant to the law, but the measure then was repealed before a whirlwind of determined public indignation. The spirit of the Boston Tea Party, the spirit of free men the world around through all the ages, had been dormant for a long time, but it was not dead in America. It swept this ridiculous expression of New Deal bureaucracy from the statute books at the express command of the President.

America will not soon forget—and it will never forgive—this orgy of dictatorial extravagance, of bureaucratic domination and unconstitutional procedure under the New Deal.

America is not ready for a dictator, more especially a reckless, spendthrift dictator.

Even President Roosevelt understood this clearly as recently as 1930. While yet serving as Governor of New York State, he delivered a radio address on March 2, 1930, which was an eloquent plea for effective local government under the Constitution. On that occasion Franklin D. Roosevelt said:

> It was clear to the framers of our Constitution that the greatest possible liberty of self-government must be given to each State, and that any national administration attempting to make all laws for the whole Nation, such as was wholly practical to Great Britain, would inevitably result at some future time in a dissolution of the Union itself.

Yet, in the face of this utterance, the Roosevelt administration since 1933 has enacted and tried to enforce more unconstitutional legislation than any other administration in all our history. Ten major measures of the New Deal already have been rejected by the Supreme Court as unconstitutional, as an encroachment upon the rights and powers of the States or the liberties of the people. And five other visionary programs, rejected in the lower courts, still are to be passed upon by the Supreme Court.

Will American voters be bribed again with borrowed money—which they must themselves repay with interest—to vote for a continuance of this folly?

Will America vote to resign herself to the capricious whims of a dictator whose promises and pledges of 4 years ago and 6 years ago now sound like utterances from another planet?

Will America vote for another $20,000,000,000 Congress?

GENERAL PULASKI'S MEMORIAL DAY

Mr. TURPIN. Mr. Speaker, I am keenly disappointed with the failure of the second effort to pay proper homage to the memory of one who gave not only his fortune, his service, and his devotion, but also gave his life to our country during its formative days.

America is not ungrateful for the services of those of other lands who aided so splendidly in making our people a free people, and without whose aid we might not have been successful in our battle for independence. I am referring particularly to the effort of Congress to recognize the services of Gen. Casimir Pulaski. I desire to bring to the attention of my colleagues my remarks on General Pulaski as contained in the CONGRESSIONAL RECORD of August 23, 1935.

Both the House of Representatives and the Senate approved and passed legislation designating October 11 of each year as General Pulaski's Memorial Day, this particular day being the anniversary of the death of General Pulaski in 1779 from wounds received 2 days earlier at the siege of Savannah, Ga. More than half the States in the Union, including Pennsylvania, have passed legislation designating this date as a State memorial day to this great man.

RESOLUTION HONORING GENERAL PULASKI PASSES CONGRESS

The resolution introduced in Congress authorizing General Pulaski's Memorial Day, and which passed Congress, was killed by the veto of President Roosevelt. Had it been an act proclaiming a holiday I can see some reason why, because of the great number of holidays we already have, the killing of the legislation by veto might have been justifiable, but the resolution as passed by Congress simply authorized the President to call upon all officials to display the American flag, for which General Pulaski fought and died, on all Government buildings, and not to compel but to invite our people to observe the day with appropriate ceremonies.

The resolution reads as follows:

> *Resolved, etc.*, That the President of the United States is authorized and requested to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11 of each year, and inviting the people of the United States to observe the day in schools, in churches, or other suitable places with appropriate ceremonies commemorating the death of Gen. Casimir Pulaski.

AMERICA IS GRATEFUL

Why these ceremonies should not be encouraged by national laws is lamented by American patriots. No loyal American is ungrateful to those of other lands who sacrificed and died that we might enjoy the privileges we have today.

Congress has designated October 11, 1929, October 11, 1931, October 11, 1932, October 11, 1935, and October 11, 1936, to be General Pulaski's Memorial Day, but each of these resolutions referred to the one particular year only. I can see no reason why legislation making this permanent should have been killed by President Roosevelt's veto.

COLUMBUS GIVEN THE HONOR DENIED GENERAL PULASKI

I join with all Americans in honoring the memory of Christopher Columbus. But it is difficult to understand why the legislation inviting our people to observe the 11th of October in schools or other suitable places and providing that our flag should be displayed on all governmental buildings in honor of General Pulaski should be killed when on April 30, 1934, President Roosevelt approved a resolution passed by Congress, with the same provisions and recognizing the services of Columbus, as follows:

> *Resolved, etc.*, That the President of the United States is authorized and requested to issue a proclamation designating October 12 of each year as Columbus Day and calling upon officials of the Government to display the flag of the United States on all Government buildings on said date and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies expressive of the public sentiment befitting the anniversary of the discovery of America.

Without thought of lowering the estimation of the wonderful achievements of Columbus, it does seem strange that General Pulaski, who used his fortune to equip the first American Cavalry and who fought and died for our country, should not be accorded equal honor and his memory receive tribute comparable to the tribute paid to Columbus. Columbus' gift to the world was the discovery of a new continent. Pulaski's gift to America was his fortune and his life in the cause of liberty and a new nation dedicated to freemen.

VETERAN ACTIVITIES

Mr. WEARIN. Mr. Speaker, a short time ago the Seventh District branch of the American Legion held its convention in our congressional district at Red Oak, Iowa, and adopted a resolution specifically condemning me for my antiveteran activities. I am wondering if it is going to be the policy of the American Legion in the future to permit any disappointed candidate for postmaster, assisted by partisan or anti-New Deal motives, to use that noble organization for the purpose of airing a failure to realize a personal ambition. It has been my understanding that the Legion was founded for entirely different purposes, and that there was no intention originally for it to be used in such a manner.

I desire to call your attention to the fact that I was the first Representative from our congressional district to ever vote for the payment of the adjusted-service compensation certificates, and, furthermore, did so upon every occasion, including motions to override the President's veto. You are aware, of course, of the final action of this Democratic Congress in extending that favor to the World War veterans, which will send approximately $41,018,480.37 into the State of Iowa. It will undoubtedly interest the members of that organization to know that I have also voted for such outstanding veterans' legislation as the bills sponsored by JOHN RANKIN, of Mississippi, for the payment of pensions to widows

and orphans of disabled veterans who died from other causes; the Philippine travel-pay bill, which is primarily, of course, of interest to the Spanish-American War veterans; as well as other important legislation in that field. I have letters in my files from the Honorable WRIGHT PATMAN and the Honorable JOHN E. RANKIN, unquestionably two of the best friends the veterans ever have had in Congress, commending me most highly for my active and consistent interest and support of veterans' legislation.

The matter of distributing patronage entered into the resolution presented to the seventh district convention, which prompted me to examine into the records with reference to that matter. I might say at the beginning, of course, that the veterans' preference law, as it applies to the appointment of postmasters, simply provides that men who have seen service shall have 5 percent added to their grade, or 10 percent in the event they have been injured, which constitutes the extent of their preference. After this action on the part of the Civil Service Commission, such candidates have received their advantage and are thereafter considered upon their merits with the other eligibles for appointment under the terms provided by law and Executive order of the President. There is no provision that they must be appointed, as is often intimated. The appointments which have been made in our district have been made upon the basis of the recommendation of the district, county, and local leaders, a considerable number of whom are veterans. I note with interest that my record compares favorably with that of my predecessor in the appointing of veterans or veterans' wives or widows. Furthermore, I would suggest that the selection of deputies or assistant postmasters who are veterans or veterans' wives or widows be taken into consideration. In the face of the above facts as outlined to you, a partisan resolution urged upon the convention by a Legion post supporting the whims of a disgruntled candidate and a few anti-New Dealers which condemned me for my antiveteran activities was, to say the least, astonishing, and I cannot believe it represented a majority of the fair-minded men who compose the organization, as has been evidenced since the incident occurred. Please understand that this action goes deeper than my own personal welfare, which after all is only an incident to the Nation's history. It strikes at the very roots of the American Legion and the purpose for which it was formed. Such expressions of opinion for selfish, personal motives can, of course, as you will readily see, wreck the organization and the noble work it is in a position to do in the way of community service, boys' work, care of World War orphans, and Nationwide Americanization. The truth is common decency demands a retraction and a straightforward effort to counteract any damage that may have been done, not because of the injustice to a friend of the veterans, who has been fair and who has given veterans and nonveterans a square deal, but for the sake of the future welfare and position of the American Legion in the American scene.

WHAT THE ROOSEVELT ADMINISTRATION HAS DONE FOR THE FARMER IN NEW YORK STATE

Mr. TABER. Mr. Speaker, this is a time when we should take stock of what the accomplishments of the Roosevelt administration have done for the farmer in New York State.

They have brought about a reduction in the duty on hay from $5 per ton to $1.75, and as a result Canadian importations have very markedly increased, and as a direct result the price of hay has dropped from an average of $11.80 per ton in 1930, $10.50 in 1934, and $15.70 in 1935 to an average price of about $7.50 per ton in 1936. At the farm the average price is about $5 to $5.50. He has the operations of the Roosevelt administration to thank directly for this reduction in price. They did it deliberately.

Besides the reduction in the duty on hay, there has been anywhere from a 33⅓ to a 50-percent reduction in the duty on cattle, dairy products, poultry, horses, oats, apples, berries, cherries, peas, and turnips; and on top of that the regulations of the Treasury Department have been so manipulated that all winter wheat is admitted as wheat unfit for human consumption, an improper ruling of the Treasury Department. This ruling lets the wheat produced in Canada—that is, the winter wheat—in practically without duty. This has seriously affected the market for winter wheat and made it almost impossible for the New York State farmer to sell his crop.

Talk of farm relief for the farmer without restoring the duty upon agricultural products is absolutely ridiculous. We must have a restoration of the duty upon agricultural products to the old schedule of the 1930 Tariff Act if we are going to do anything at all to help the farmers and give them a chance to operate. The interests of the New York State farmer have been traded off for nothing by the Roosevelt administration through the Reciprocal Tariff Act, the regulations of the Treasury Department, and the operations of the Tariff Commission.

The Republican platform pledges the restoration of the duty upon agricultural products so that the American farmer may have the American market. Is it not about time for the farmer to realize what Roosevelt has done to him and that it is his first interest to get rid of that administration and to elect the Republican ticket?

DIRIGIBLES

Mr. WEARIN. Mr. Speaker, a scientific advisory committee, ostensibly appointed by Secretary Swanson but in reality selected by the Science Advisory Board, to "review and analyze the past and present situation as to the design and construction of airships, and to make recommendations as to their future design and construction", has made its preliminary report urging more airships for the Navy in the face of the world's most disastrous experience in that field of any of man's many modern inventions. The situation is worthy of our own personal consideration, despite the fact that the committee states in its first report that we may, perhaps, however, define a safe airship as one the performance of which, in the mass of estimation in this mode of transport and with some competence of judgment, is such as to justify its present retention in the general scheme of transport and its development at least to the point of demonstrating whether or not it is or will be capable of attaining and retaining an assured and useful place among other competitive means.

Analyzed, that statement simply means that, in the estimation of the committee, those who are interested in this mode of transportation and who desire to promote it, which means the Goodyear-Zeppelin Corporation of Akron and the Mellon Aluminum Trust, the latter being practically the sole manufacturer of duralumin, which goes into the construction of such ships, should have the privilege of deciding favorably upon a policy of continuing the construction of dirigibles in the face of world-wide disastrous experiences and terrific loss of life, with the hope that sometime in the future they can decide definitely that such death crates are useful. A little further on in the report the committee intimates again the necessity of listening to those who are in the "mass estimate", whatever that means, competent to judge. Now, that may or may not be meant to exclude those of us who are plain Members of Congress struggling to protect human life and the taxpayers.

Let us go back to the early days of this Commission in 1935 and analyze the set-up briefly. I know that out of the eight members, three are outstanding representatives of the Massachusetts Institute of Technology, which institution has long been a dominant advocate of lighter-train-air construction. The Commission was recently appointed at the request of the Secretary of the Navy, not to discuss or question the use and value of airships, not to give an opinion on whehter airships are practical in war or commerce, but merely to review airship history and the situation as it now stands and, assuming they find some value in them, to make recommendations as to their future design. It seems that Admiral Standley, Chief of the Bureau of Aeronautics, was chatting one day with Senator Hiram Bingham. Bingham remarked that it was too bad some investigation into airship construction from the early days up to the present could not be made with an idea of ascertaining just what value and use airships will have in the

future. Admiral Standley passed the suggestion along to the Government authorities, who promptly adopted the idea, and the committee was formed soon afterward.

It is entirely fitting and proper that we analyze first the real history of lighter-than-air construction. Let us look for a moment at the impressive summary of England's post-war experiences with dirigibles, compiled by Lt. Comdr. J. M. Kenworth for the Saturday Review: The *NS–11* struck by lightning in 1919 and destroyed, with her whole crew. The *R–24* and *R–29* were scrapped after a few flights. The *R–26* was scrapped 10 months after launching. The *R–31* was scrapped after two flights. The *R–32* was scrapped on the strength of experience gained with the *R–31*. The *R–34* was wrecked in 1931. The *R–35* construction was canceled after $375,000 had been spent. The *R–36* was scrapped after 97 hours in the air. The *R–37* was scrapped after less than a hundred hours in the air. The *R–38* was destroyed, with the loss of 44 lives, including American officers and enlisted men. Both the *R–39* and the *R–80* were scrapped after making a single flight.

In a debate on airships in the House of Commons in March 1928, Frank Rose, a critic of such craft, declared that if history counted for anything, the two proposed airships, the *R–100* and the *R–101*, were doomed. Up to date he reckoned a total expenditure of almost $12,000,000 for construction alone, and Great Britain had received only 1,040 hours of flying in return—at a cost of approximately $7,500 per flying hour. The two dirigibles, the building of which Mr. Rose was opposing, were afterward constructed at an additional cost of $10,000,000. The *R–101* met with the well-known disaster and the other has been dismantled. This experience led England to abandon the policy of lighter-than-air construction, along with all the nations of the world, with the exception of Germany and the United States. In the former they have Dr. Hugo von Eckner, who is, we admit, a great navigator and wise enough to advertise that "Tomorrow the *Graf Zeppelin* will sail, weather permitting", as well as to adjust his course to the extent of traveling hundreds of miles around a storm area. Before passing on to other phases of the subject let us pause for just a moment and survey a few of the major American disasters, which include the *Shenandoah*, the Italian-built, American-purchased *Roma*, the French *Dixmude*, the *Akron*, the *Macon*, and innumerable blimps, one of which went down searching for the remains of the *Akron*. In each instance the public was told that the crash and the spilling of human blood was advancing the cause of scientific experimentation and that the next would be better. The *Macon* was advertised to the four winds as a supership, but she, too, went down in a squall off the Pacific coast, as the *Akron* went down in a similar one off the Atlantic coast.

The commission to which I referred earlier and which has prompted these remarks has intimated, as others have in the past, that the principle of dirigible construction is sound with certain mechanical adjustments which can be made, and likewise intimates that our experience with the last two ships we have lost, at an expense of some $5,000,000 in cash expenditure, not to mention the pensions that must be paid to the widows and orphans of the men who were lost on the *Akron* and who were left rotting in their watery grave off Barnegat Light in order that bringing the ruins and their broken bodies to the surface would not leave such a distasteful thought in the minds of the sympathetic and tax-paying public, seems to glibly overlook the known fact that two faulty rings were placed in the framework of the *Akron* at the Goodyear-Zeppelin plant, rings that had broken from two to three times before they were finally placed. Workmen were eventually successful in getting them into place. Men were discharged from the concern upon various pretexts if they objected or attempted to reveal the facts. The builders of that ill-fated ship even went to Germany for foreign materials, and installed Maybach motors, built to the metric scale, not used in American machine shops, and when one of the engines blew a cylinder it was necessary to crate it up and ship it back to its point of origin for repairs. But the latter item is beside the point. It only serves to illustrate the extent to which grasping American builders will go for the sake of profits. The commission should not overlook the fact that Commander Wiley himself testified the *Macon* collapse followed an order to effect the installation of certain repairs on the ship, the necessity of which had been occasioned by certain errors in construction.

The only remnant we have left of an expenditure that has mounted to millions is the old *Los Angeles*, which prior to the *Macon* crash had been almost stripped of helium gas to be used in the bags of the *Macon*, and had been practically dismantled. As a final effort to keep up favorable publicity, those interested in the manufacture and sale of the ships to the Navy decided that this old crate would have to serve the purpose, and the thought in mind was that she should be tied to a mooring mast with the intention of surveying the effect of weather conditions upon the hull and the mechanism, but we heard no more about that experiment after a gust of wind came along and almost whipped the old girl to pieces. Some say she can fly, but if that is true let us see her do it.

It has been interesting to note the publicity campaign that has been launched in behalf of dirigible construction of late. When the people over on Tangier Island, near the coast of Maryland, were in need of food the Hearst tom-toms informed us that the local "dirigible" was going to save their lives, but we did not hear much more about any of its trips over there for that purpose; possibly because they almost cracked up the first time they went over with a load, or perhaps, because the weather became rather threatening and as a consequence the food was delivered by planes and Coast Guard ice cutters. Unfortunately, those people over there could not put off their hunger until good weather any more than the enemy would be courteous enough to refrain from attacking us on anything but nice days, when the dirigible can be what some people term "a military asset." Of course, to carry this particular discussion a little bit further, the bag that has been floating around over this city for the past year or more for purposes of publicity and in an effort to impress Congress is not a dirigible but a blimp. The former has a rigid interior construction and is entirely different from that standpoint. Of course, the advocates of such a building program, which evidently includes the Hearst newspapers, want to impress the public with the name "dirigible."

In spite of the fact that after approximately two decades of experimenting we only have three such ships in the air, two of them belonging to Germany and the other belonging to the United States Government and tied up to a post in Lakehurst unable to take to the air.

The point I am making in this particular illustration is the fact that the Goodyear blimp, which was to save the lives of the people on that little island in the Chesapeake Bay, was unable to do so because the weather suddenly became threatening—which bears out my contention that both blimps and dirigibles are no asset to us from the standpoint of military or naval protection, and therefore we should not be squandering the taxpayers' money in any building program of that character. Furthermore, we would no more than get some of these ships into the air than the tom-toms would begin to beat with the idea of having Congress subsidize their operation with mail pay or some other type of racketeering. If dirigible construction has such a tremendous future and is of such great commercial value as the worshipers of the *Graf Zeppelin* would have us believe, then let us permit private capital to have the advantage of profiting in that particular field. The same financial interests that want to drag us into this proposition are complaining about the Federal Government's getting into business, so let us be good boys this time and keep out of business. We can save some human lives and a good many millions of dollars for the taxpayers by doing so in this case.

The question that will arise in connection with this discussion is, What about the new German Zeppelin, christened the *Hindenburg*, the world's largest dirigible, that has finally, after 2 or 3 years of ballyhoo, got into the air? It was not surprising to see that even the masterful builder of such vehicles is beginning to have his own troubles. Just recently, on March 26, I noted an International News Service dispatch to the effect that the ship had scarcely started on her first

journey other than trial flights before she effected a forced landing, resulting in a damaged tail vent. The article does not state—and perhaps for a reason—who was in command at the time of the incident. Previously news releases had stated, however, that the great Count Hugo von Eckener was to direct the first flight; and it will be interesting to find, if we ever do, whether or not he was aboard, because the people who would have us build more dirigibles always point to him as being the perfect example of the unfailing navigator of dirigibles.

I would not have anyone for a single moment think that I am depreciating Count von Eckener as a scientist, for he should be classed with the world's greatest. The only reason I cite this particular incident is by way of indicating the fact that even a genius in the field is not infallible. What is of even greater importance is the fact that no nation—and, in fact, not even the world itself—produces Count Hugo von Eckeners or Thomas A. Edisons on a wholesale basis; and what a master scientist can do with an unsound piece of mechanism often astonishes the eye. If placed in the hands of anyone other than himself it is apt to wreak its vengeance upon those who are experimenting with it.

I do not for a moment want to be placed in the position with reference to dirigibles of the lovely little old lady who was certain they did not make airplanes and when she saw one was positive it could not fly, and later, when it took to the air, turned her back upon it with the unfailing conviction that it would never come down; but I do say that if American capital wants to experiment with lighter-than-air flying construction, they should do so at their own expense rather than the American taxpayers. It is barely possible, although in my judgment highly improbable, that such air transportation can be developed upon a scale that will be commercially profitable. If so, then let us permit those who are seeking the advantage thereof to have the privilege of financing their own dreams.

The Scientific Advisory Committee on Aeronautics, to which I referred in the earlier part of my remarks, should take all of the above facts into consideration, as should anyone else before urging the United States Government into another dirigible-building program. Everyone, including myself, knows that I am not an authority in this particular field, but the material given to the Congress constitutes facts I have obtained from the most reliable sources available. Some few Members may recall, perhaps, that I have discussed this subject upon previous occasions, and during the Seventy-third Congress spoke upon some of the fallacies involved in the construction of lighter-than-air craft, obtaining my material from construction engineers and others in that field. The comments I made at that time and that I repeat in part today with reference to the fact that such air transportation is not safe in times of bad weather, and therefore cannot be considered for purposes of military defense, have been borne out by the vast quantity of unfortunate experience of this country and all others with dirigibles. In answer to those people who insist that we should attempt further experimentation in the field I reply that private industry should carry the load in view of all of the money that has been spent for such purposes prior to this date.

In my humble judgment, after careful observation of aeronautical history and material gathered from every conceivable source, future progress in the air lies through the channel of heavier-than-air craft, or the airplane. This is not the time nor the place to discuss that phase of the subject, but I would remind the advocates of dirigibles that flying boats of 40 tons displacement or greater are now upon us and an international authority states that 160-ton flying boats are "perfectly practical." Furthermore, it must be remembered that, according to the most reliable estimates I can obtain, it would be possible to establish daily service between the United States and Europe with 40-ton clippers, costing in the vicinity of $4,500,000 and $5,000,000 in all, which would scarcely more than pay for the building of two dirigibles, which do not begin to compare with the flying boat for ocean flying because of the latter's greater speed and efficiency and its greater independence of operation in bad weather. Therefore let us remember before starting out on another costly program of building in any particular field to move cautiously, consider our experience and that of our neighbors, and observe the development of airplane transportation during the past few years.

THE CONSTITUTION

Mr. GRAY of Indiana. Mr. Speaker, the partisan spirit runs too high in Congress and legislative bodies for the impartial consideration and proper observance of the mandates and injunctions of the Constitution. The Constitution is made a football in Congress in the mad scramble for partisan advantage. Measures demanded by one party are always urged as constitutional and measures opposed by a party are always condemned as unconstitutional.

There must be some other body of men, more deliberate and farther removed from the conflict for partisan advantage and the partisan emergencies of the hour, to review legislative enactments and to weigh them in the balance against what the Constitution prohibits or enjoins.

The Federal Supreme Court, the judiciary department of the Government, with all its faults and imperfections, must be left to function until some better way is found for calm and deliberate review of legal forms and legislative enactments molded and shaped under the heat of bitter partisan strife.

True, the veto power of the Supreme Court, the power to annul popular will, and to override the mandates of the people by judges entrenched by life tenure, to give courage, to declare justice, may be prostituted to cover evils and be used to shield the usurpation of powers. But an appeal from Supreme Court abuse by submission of constitutional amendments to the people as the court of last resort, as with the income-tax amendments, serves to modify the evils of such abuse and to relieve from the prejudices of jurists.

The Constitution is like other laws which admit of and require different interpretations and construction under varying state of facts. And the Constitution is subject and susceptible of conferring full and adequate powers to meet emergencies under new and changed conditions.

In the course of economic industrial evolution purely intrastate or local conditions may so vary and change to present a general or interstate condition of facts involving a Federal problem under the Constitution and under which Federal powers could be properly conferred and exercised without enlarging constitutional authority.

We are suffering more today from failure to observe and abide the Constitution than from a failure of sufficient powers. Many powers unequivocally conferred, standing out like mountain peaks, sun clear, against the skyline, and unobserved, are disregarded and ignored. Such powers clearly and unequivocally conferred upon Congress, the legislative branch of the Government, are being naively abdicated and renounced and either usurped by private selfish interests or by other departments of the Government, the exercise of which the Constitution forbids in clear, express, and unequivocal terms.

We have long suffered and are still suffering today more for the want of the exercise of constitutional powers already conferred by the provisions of the Constitution than we are suffering for the want of any amendment conferring new and additional powers.

While the Constitution expressly provides, in recognition of the wisdom and necessity, for amendments to be made from time to time to meet new and changed conditions and to keep pace with progressive government, the instrument is too sacred to the cause of the liberty of freedom to be lightly meddled or trifled with. Before any man or class of men should be heard to claim or make demand for an amendment to the Constitution they should be required to show that the powers of the Constitution already conferred by its provisions have been exercised and fully exhausted.

Until all the powers vested by the Constitution are exercised, tried out, given full force and effect by Congress, and these powers already conferred are in good faith administered, and the remedies provided are fully and clearly exhausted, certainly no amendment to the Constitution should

be submitted or considered to vest Congress with the power to suspend our free competitive system of industry, to suppress the natural laws of supply and demand, nor to permit the usurpation of powers vested in one branch of the Government by another.

This has not been done. And until the powers conferred upon Congress to coin and regulate the public currency have been exercised in good faith and this remedy provided to deal with the panic or depression exhausted, any amendment to the Constitution granting greater and further or special powers assuming a necessity for such purpose is trifling without warrant with the sacred Constitution, a vandalism desecration of that sacred instrument.

NEUTRALITY AND WORLD PEACE

Mr. GRAY of Indiana. Mr. Speaker, this Congress and administration have taken a great forward advance step in perfecting and declaring a policy of neutrality, defining the duties and obligations of citizens in their foreign and international relations, and their dealings with other nations at war.

Since our beginning as a nation we have asserted and claimed the right of the freedom of the seas during conflicts between other nations, encouraging our citizens to enter the war zone between the countries in conflict to carry on commerce and trade. This claim for the freedom of the seas, this right to trade with nations at war, insisting on the right of our citizens to enter and navigate the war zone, has been the hazardous neutral policy which has ultimately involved us in conflicts between other nations.

It was this ancient claim of the right to carry on trade and commerce between other nations at war which involved us in the War of 1812, which led us, in fact, into the Cuban War, and which carried us directly into the great World War, and if followed now, ultimately into this war.

This Congress and administration has not only declared for neutrality in fact, to be observed during the Italian-Ethiopian war, but we have given admonition and warning to our citizens against entering the war zone to furnish supplies to either nations and making it plain to our citizens that we will not follow them into the conflict to avenge their wrongs and misfortunes.

This policy of strict neutrality becomes even of more serious import with the progress and development of the war, making it not only a war between Italy and Ethiopia but an economic war or conflict between Italy and 52 League nations and a breach of violation of neutrality of far more critical and hazardous concern.

Claiming the right to trade with nations at war and parading with a chip on our shoulders between the armies and navies of belligerents locked in the throes of the death struggle is a hazardous neutral policy coming down from an ancient war age, always sooner or later involving neutral nations in the conflict.

Framing and perfecting and declaring such a policy of strict neutrality has marked this an epochal period in history, a turning point in international relations, when the preservation of peace will take precedence over false national pride and military dignity leading to war.

Facing the world as it is today, the one proper course before the American Nation is to observe absolute good-faith neutrality, counsel our citizens to remain at home or outside the belligerent lines or war zone. And while thus observing such a neutral course it should be our duty to prepare and maintain a full, adequate, and complete defense necessary for our own security against invasion.

While maintaining such full and adequate defense and safeguarding our shores against attack and invasion there is a course for this Nation to pursue in advancing the cause of world peace and discharging our obligations to civilization without involving ourselves in the hazards of war.

The proper course and policy for this Nation under a program for world peace is not to resort to arms and war to enforce peace upon the nations but to lead them in the course of peace by the far greater power of example.

Our forefathers, throwing off the yoke of ancient British despotic rule, set up and established a new form of government and demonstrated to the world the ability of men to govern themselves. Yielding to the moral force of our example, standing out before the peoples and the nations of the earth, monarchies gave way to republics, kingdoms to free institutions, and harsh despotic rule to constitutional and more humane government.

And the irresistible force and power evolving from our standards of human rights, moving in the minds and hearts of men, led all Central and South America to renounce their kings and establish republics, leading France and Switzerland to enthrone more complete free institutions, and liberalizing every government of Europe for the greater recognition of the rights of man.

Christ was crucified upon the cross. Speaking the language of human affairs, that was a victory for political force but temporary for the present moment.

But the moral force of the example of His pure and blameless life moved on, gathering strength and multiplied power as time endured, wore on. And sweeping into an irresistible tide with these cycles of years, overcoming armies and navies, subduing nations and whole races of men, and finally reaching out to the utmost parts of the earth and conquering and overcoming the whole civilized world.

And every church spire we see pointing heavenward and every church bell we hear ringing out upon the clear Sabbath morning is declaring the supremacy of moral force over physical force and the material world.

BLESSED BE THE PEACEMAKERS

Mr. PETTENGILL. Mr. Speaker, peace is the greatest problem in the world today. I have always been interested in it. When I graduated from college my commencement-day oration was on The Abolition of War.

Now that I am older, I see more clearly than I did then the immense difficulties in preserving the peace of the world and the greater necessity for preserving it. War has become more frightful, more lethal. It no longer involves armies. It involves nations. From its scourge no one is longer safe. There are no noncombatants today.

There ought for that reason to be no noncombatants in the struggle to end the threat of war. I can think of no cause to which a young man or woman could better devote his or her life than this.

For myself I cannot conceive of any pressure that would cause me to vote to send our youth to war except to defend the boundaries and shores of our own land.

But we cannot wait until the war drums throb in the streets. We must prepare against the time of passion, excitement, and alarm. That preparation must be mental and spiritual. It must become part of the pattern of our thought. We must fortify our desire for peace against the day of quick decision.

We must broaden our understanding of the problems that affect other people.

The battleship *Maryland* cost $22,137,457. It took 4 years 3 months to build. In a few years it will be obsolete.

What could we do with $22,000,000? We could select 22,000 of the best of our boys and girls graduating from our high schools and, at the cost of $1,000 each, give them a year's education in the colleges of England, France, Belgium, Germany, Italy, Japan, or other countries.

Perhaps this is a dream, but I should like to sponsor it. These young men and women—the pick of our land, the leaders in their communities in the years to come—would have had a year in foreign lands mingling with the best of their youth who will be the leaders of their communities, making friends in the time of life when friends are made, broadening the horizon of understanding, and cementing the bonds of sympathy. "Good will among men." How much that would be promoted by such an interchange, because I would hope other nations would reciprocate and send their young men and women to our schools and universities.

Twenty-two thousand of our youth. Seven for each county in the United States. All for the cost of one battleship. And the process could be repeated year after year until you would have thousands and thousands of our people growing up into positions of responsibility and leadership—school teachers, pastors, priests, editors, men in public life—who would have had this insight into how the other half lives. And all for a cost of less than half a cent on the dollar on our normal Federal Budget. Some 85 cents on the dollar go to pay for past and prepare for future war. I propose half a cent for peace.

Turning from possibilities to actualities, I have supported the so-called Ludlow amendment, House Joint Resolution 167, both before the Judiciary Committee and by signing a petition to discharge the committee from further consideration of the resolution so that it could be brought on the floor of the House for a vote.

This, as is well known, proposes to amend the Constitution of the United States by taking from Congress plenary power to declare war except in case of invasion and to provide that the question of going to war must first be submitted to the referendum of the people. It also provides for taking the profit out of war. Without profit there will be few wars.

Appearing before the Judiciary Committee of the House in 1935, I made the following statement on this subject:

Gentlemen of the committee, I doubt if any more important matter has ever come before your committee than House Joint Resolution 167, introduced by my distinguished colleague, Mr. LUDLOW. I beg of you to consider it carefully.

We have to look at war with cold realism. Patriotism itself requires us to do so. We have to think of it in terms of the greater good and the long perspective. Shall a million lives be sacrificed to vindicate a hundred?

War comes in the present. It is liquidated in the future. It affects us, but it concerns posterity. The decision when made is irrevocable. Its burden must be borne by generations who had no voice in its decision.

During the World War we spent more money than in the 128 previous years since Washington became President. The payment of that debt will tend to lower the standard of living of our grandchildren.

War no longer is the business of armies. It is directed against the entire civilian population and is fought by them. As it has become mechanized it has become merciless. It is said that only 8,000 died of battle wounds during the entire period of the Revolutionary War. Today that number would be the death toll of a single day—or an hour.

The decision whether we should engage in future war is too serious to be decided by boxcar headlines, flag waving, hidden economic interests, munitions makers, mass psychology, emotional insanity. It can only properly be decided by the anxious deliberations of father, mother, son, and daughter sitting at the American fireside. It concerns them.

This resolution would give time for sober second thought. It would prevent a nation from being swept off its feet by an unfortunate incident, like the sinking of the *Maine* or the *Lusitania*. It would serve notice to the purveyors of propaganda that the case for war must be so clear and clean that it can stand inspection by those who have nothing to gain from it. This resolution takes selfishness out of the decision to fight. It places war on the rock of patriotism. It deserves to stand on no other foundation.

I have also supported the neutrality legislation of the administration, which goes further than we have ever gone before in our entire history in the effort to not become involved, even innocently, in foreign war.

The Neutrality Act provides, briefly, as follows:

It places an absolute embargo on the sale or export of arms, ammunition, or implements of war to belligerent countries. It forbids the making of loans or extension of credits to belligerents. It forbids issuance of passports to American citizens to travel on vessels of belligerents, and removes, in large part, the protection of our nationals in belligerent territory.

Briefly, the sense of it is that the United States shall not be a base of supplies for war purposes. It is a new principle of international behavior. It means, so far as possible, that the American flag shall not be wound around powder kegs.

The stated policy is mandatory upon all, from the President down. By it we meant to keep our own peace and contribute toward keeping the peace of the world.

As it was impossible to reach an agreement on permanent neutrality legislation, the act is extended in force only until May 1, 1937. In the meantime further efforts must be made to consolidate the gains so far made. The present act does not apply to the South and Central American republics if they become involved with a non-American power. As to them the principles of the Monroe Doctrine are kept in force, if not in fact strengthened.

The act applies only to arms, ammunition, and implements of war. It does not cover "munitions" of war, which include such articles as wheat, cotton, apples, petroleum, iron ore, rubber, tin, automobiles, medicine, and so forth, in common use both in time of peace and in time of war by combatants and noncombatants alike. As to them there is no prohibition of sale or export.

What are "implements" of war? That term is not defined and is probably not capable of strict definition. What is today not an "implement" of war may become such next month due to the advance of science. The President was authorized by the act to catalog certain articles as such implements. For the present, by proclamation dated April 10, 1936, the following in general terms make up the catalog:

Rifles, revolvers, machine guns, ammunition in excess of .22 caliber, grenades, torpedoes, mines, armored vehicles, war vessels of all kinds, aircraft designed as capable of being used for military purposes, aircraft engines, flame throwers, mustard gas, and lewisite.

As to the above there can be no export from America to nations at war, either directly or indirectly, by transshipment through neutral countries.

Another step in the long struggle for peace took place on March 25, when the Senate ratified the London Naval Treaty with England and France for a 6-year holiday on the construction of heavy cruisers.

Still another step forward is the forthcoming inter-American conference which is to meet at Buenos Aires. It is doubtful if there has been more good will between the nations of the Western Hemisphere than there is today. The untiring efforts of Secretary of State Cordell Hull are largely responsible for this happy result, and as an expression of my own sentiments I am glad to quote from his speech before the Pan American Union on April 14, 1936, when he said:

The goal that we are seeking is an America in which the spirit of mutual helpfulness shall determine international relations; in which fear of aggression shall disappear and in which the great purpose of national security shall have been achieved.

Viewed in its larger aspects, the fostering of conditions that make for peace and security on this continent is a matter of deep interest and concern, not only to international relations but also to the fullest favorable development of those principles of democracy to which America has dedicated herself.

Fundamentally, of course, the responsibility for the maintenance of peace rests upon the peoples themselves. Statesmen may perfect peace machinery, wars may be outlawed, but the effectiveness of such measures depends upon the extent to which the citizens themselves manifest a strong and virile "will to peace" against the forces of selfish greed and uncompromising nationalism. I firmly believe that the spirit of neighborliness pervades the minds and hearts of the American peoples and that they have a sincere desire to live in peace and harmony.

The tremendous costs of war and the terrific toll it exacts in misery and death are borne in large part by the common man, the average citizen. These millions of people, desirous of living at peace with their neighbors and enjoying the bounties with which nature has so generously endowed them, are the ones who will gain the most by all practical efforts devoted to the high ideal of peace, and who should therefore rally in support of the conscientious efforts of their governments in this behalf.

The forthcoming inter-American conference, which is to meet at Buenos Aires in accordance with the suggestion made by President Roosevelt to the Presidents of the other American republics, offers, I believe, a promising opportunity for the American nations to set an example to the world of friendly cooperation and enlightened internationalism. May the peoples of these Americas unite in supporting their governments in this effort to employ the forces of reason and justice in our international relations rather than the barbaric methods of the doctrine that "might makes right." It is my hope, and I believe it is the hope of all true lovers of peace, that this conference may attain its great objectives, that it may carry the standard of good will one step farther toward the realization of the ideal of perpetual peace, and that the peoples of the 21 American republics may unanimously support the efforts of their governments to banish forever the scourge of war from this hemisphere.

I call attention particularly to what Secretary Hull said about the "will to peace" and the fact that the "responsibility for the maintenance of peace rests upon the peoples themselves."

We have learned all too well that statutes, treaties, resolutions, and proclamations do not alone preserve peace.

Are we willing to pay for peace? That is the acid test. Are we willing to forego $3 wheat, $500 mules, and rising prices for stocks in "war brides", and the thousands of items that go to feed and clothe and arm navies, armies, and aircraft?

It seems to me that unless we are willing to face this question and answer it honestly we cannot rely on paper to preserve peace. Does war pay? The answer is "No!" Against a war cost of thirty-five billions, which will not be paid for 50 years after the armistice, to say nothing of the continued cost of veterans' relief, the "profits" or prosperity of wartimes sinks into utter insignificance.

The question is, Can we, will we, you and I, form public opinion against the temptation of temporary trade and greed and gain?

If not, the fault is not in our stars nor in our public officials or diplomats, but in ourselves.

Emerson once said, "Whatsoever a man would have, pay for it and take it."

Are we willing to pay for peace?

Are we fit to "inherit the earth" and receive the blessing of the Master of Men?

The answer will not be found in Washington, or London, or Paris, or Berlin, or Tokio, or Rome. It will be found in the church, the school, and the hearthside.

We rely too much on government, forgetting that—

> Except the Lord build the house,
> They labour in vain that build it:
> Except the Lord keep the city,
> The watchman waketh but in vain.

PULASKI MEMORIAL DAY—PEOPLE FROM POLAND HAVE CONTRIBUTED TO THE GREATNESS OF OUR COUNTRY

Mr. CITRON. Mr. Speaker, our country has its roots in every country and clime. The men and women who have come to our shores from foreign soil represent many nationalities, but under our flag they are living and working side by side in a spirit of friendliness and tolerance which embraces every race and every tongue. America honors such inspiring names as Columbus, Von Steuben, Pulaski, and Leif Ericson because they evoke memories of the gallant men whose lives have become a part of our Nation's history and who have enriched our traditions.

It was the consciousness of this contribution to the development of America which prompted me to introduce House Joint Resolution 107 on January 27, 1935, authorizing the President to proclaim October 11 of each year a memorial day for the observance and commemoration of the death of a truly great figure in history, a man who gave his life for our country, Gen. Casimir Pulaski.

This resolution was passed with an amendment for the year 1935, and President Roosevelt approved the resolution on June 6, 1935.

This year I assisted in bringing out a similar resolution from the Judiciary Committee, of which I am a member. This resolution was passed by Congress and approved by the President on June 20, 1936, and on October 11 of this year we will again honor the name of General Pulaski.

It is not necessary for me to narrate the life history of General Pulaski. It is to be found among the biographies of the world's heroes. In every library, in every schoolbook of American history, there can be found the story of Pulaski. His life is a symbol—the symbol of the struggle and sacrifice of a human being that countries and nations may be free. He fought and bled to save his native Poland from rapacious neighbors who were conspiring against the freedom of his people. At the early age of 25 he was the acknowledged leader and hero of his countrymen, and he became renowned as one of the great cavalry leaders of his day.

In Paris he became acquainted with Benjamin Franklin, who wrote of him, "an officer famous throughout Europe for his bravery and conduct in defense of the liberties of his country."

He came to our country and enlisted in its struggle for independence. He began as a private, but within 2 months his abilities were recognized and on September 15, 1777, Congress elected him "commander of the horse, with the rank of brigadier."

In 1778 he organized a special corps, known as the Polish Legion, and even contributed his own money to fit it out. He fought continuously in the struggle of the Colonies until wounded in the Siege of Savannah, Ga., on October 9, 1779. He was taken aboard the ship *Wasp*, but died at sea 2 days later, where he was buried.

General Pulaski died in a strange country far from his native land, and yet he was not a stranger, for he had espoused our cause and became known throughout the land. His loyalty and devotion made him a great American, and his untimely death at the age of 31 ended a career of service to America.

General Pulaski came from Poland. Many others have come from that land to distinguish themselves in our country, both in times of peace and war.

Forty thousand American doughboys who served in France were of Polish descent. It would take volumes to narrate their exploits in the World War.

In the arts, science, commerce, industry, and on the farm the Polish people are serving America today with hand and brain.

Many are already of the second and third generation of parents who came from Poland. But we can glory in the aged mothers and fathers of these people—those who first came here, the parents of the present generation, many of whom have gone to that land from whence no traveler returns, as well as the many who are yet to be found in city and country. They are like the seed out of which a great forest has grown. Therefore, in honoring the great historic personages who came from Poland, a word of tribute should also be paid to this older generation, for though they were immigrants, their love for their children and country, their ideals and principles, their home life, their devotion to religion, to lofty morals, and to those civic ideals which make a community better have earned for them and their descendants the admiration of all Americans.

America is destined for greatness—and the people from Poland are contributing their share.

Mr. Speaker, it is for such reasons that these resolutions connote more than a tribute to a person; they are a tribute to a great people.

MY RECORD AND MY SERVICE IN CONGRESS

Mr. O'MALLEY. Mr. Speaker, under the general permission granted to Members to extend their remarks, I am again taking this opportunity to report to the constituents of my district whom I have had the honor to represent in two terms of Congress an accounting of my stewardship and all matters on which I have enjoyed the high honor to speak for them and vote for them in this legislative body. When Edmund Burke in reporting to his constituency enunciated the rule for a Representative he set down a principle of guidance for legislative conduct that might well be kept before us. He said:

> It should be the glory as well as the honor of a Representative to live in the strictest union, the closest correspondence, the most unreserved communication with his constituents. Their wishes should at all times have great weight with him, their opinions high respect, their business his unremitted attention. But his mature opinion, his unbiased judgment, his enlightened conscience he should not surrender to any men or set of men. These he does not derive from the law or the Constitution. They are the gift of Providence for the use of which he is deeply responsible.

Because, Mr. Speaker, the two terms of Congress of which I have had the honor to serve has transacted much business, passed upon many measures, and because most minor matters before us have been of passing interest and limited public concern, I will but briefly record my stand in favor of or against those major issues passed upon in both the Seventy-third and Seventy-fourth Congresses.

To make this summary of my record, to which I sincerely believe my constituents are entitled, as briefly as possible, I make the following digest of my activity and vote in both sessions of the Seventy-third Congress.

THE 1933 SPECIAL SESSION

Voted for Emergency Bank Act to open closed banks.
Voted for the legalization of beer.
Voted for Farm Mortgage Relief Act.
Voted for reduction of postage rates.
Voted for Unemployment Relief Act.
Voted for Tennessee Valley Authority.
Voted for Home Owners' Loan Corporation.
Voted for the cost of production for agricultural products amendment.
Voted for Bank Deposit Insurance Act.
Voted for Public Works Act.
Voted for act to insure uniform value for coins and currencies of the United States.

In this same special session, Mr. Speaker, I voted against and on numerous occasions opposed in debate the passage of the following measures:

Voted against economy bill destroying veterans' pensions.
Voted against press-censorship bill.
Voted against the releasing of claims of the United States Government against the Teapot Dome conspirators.
Voted against sales-tax amendment to public-works bill.
Voted against repealing home rule for Hawaii.
Voted against all gag rules brought before the House this session, the effect of which, when passed, prevented amendments to legislation and restricted debate.

THE 1934 REGULAR SESSION

In this, the regular session of the Seventy-fourth Congress, my vote was cast in favor of the following major legislation:

Voted for gold devaluation.
Voted for Federal relief and civil-works program.
Voted for immediate payment of the veterans' adjusted-service certificates.
Voted for amendment restoring Spanish and World War disabled veterans' benefits.
Voted for Independent Offices Appropriation Act restoring many veterans' rights destroyed by economy bill.
Voted for National Securities Exchange Act providing stock-exchange regulations.
Voted for Indian self-government bill.
Voted for investigation of tin monopoly.
Voted for deportation of habitual alien criminals.
Voted for extension of Bank Deposit Insurance Act.
Voted for guarantee of farm-loan bonds.
Voted for Norris resolution to prevent public officeholders from using their positions to control elections and nominations.
Voted for depositors relief amendment to Banking Act.
Voted for investigation of frauds in real-estate bonds.
Voted for National Housing Act.
Voted for embargo on sale and shipment of arms to waring nations.
Voted for Borah bill forbidding loans to foreign nations in default to us on war debts.
Voted for Railway Workers' Retirement Pension Act.
Voted for amended Railway Labor Act.
Voted for labor-disputes law.
Voted for act to provide compensation for widows and children of war veterans.
Voted for Federal Credit Union Act.

During this regular session of the Seventy-third Congress I opposed by my vote and in debate the following measures:

Voted against appropriation to establish a Federal furniture factory.
Voted against establishment of foreign-trade zones in American ports.
Voted against census bill providing $8,000,000 expenditure from relief funds for political purposes.
Voted against $23,000,000 appropriation to Philippine Islands for currency adjustment.
Voted against resolution providing United States entry into the international labor organization of the League of Nations at Geneva.

In addition to the above-mentioned votes both for and against legislation, I offered an amendment to the Liquor Taxing Act to reduce the beer tax from $5 to $3 per barrel. Offered an amendment to the Tariff Act to protect America from a flood of foreign-made goods made in foreign branch factories of American companies. Offered a preferential motion to adopt the Senate amendment to levy a 10-percent recovery tax to be used for relief, said tax to apply to large incomes.

The following legislation was introduced by me in the Seventy-third Congress:

House Joint Resolution 155, providing that Congress cannot conscript persons for military purposes without at the same time conscripting wealth and industry for service during war without payment of profit.

House Joint Resolution 161, providing for a 50-percent emergency tax on the profits of American manufactures made in plants operated in foreign countries.

House Joint Resolution 257, providing for a new method of handling Indian affairs. This measure is now law, having been signed by the President.

House Joint Resolution 175, imposing a tax on securities now tax exempt and preventing further expansion of the great evil of tax-exempt securities.

House Joint Resolution 137, providing for the creation of a committee to investigate frauds in real-estate bonds. This resolution, the terms of which were combined with other resolutions, was finally passed by the House providing for the creation of the Select Committee to Investigate Real Estate Bondholders' Reorganizations, on which I have had the honor of serving since its creation.

During the Seventy-third Congress, in addition to the above-summarized activity, I opposed the amendment of the discharge rule to prevent committees from "pigeonholing" legislation.

I was also during this session the first Representative to make an appeal over a national broadcasting system for the support of Federal legislation to establish a uniform national system of old-age pensions.

So that both my constituents and anyone interested in my stand on various measures may have the opportunity of reference to my remarks on measures of importance affecting citizens of my district, I call attention to the principal debates in which I participated in during the Seventy-third Congress:

Legalization of beer (for). (CONGRESSIONAL RECORD, Mar. 14, 1934, p. 354.)

Tax-exempt securities (against). (CONGRESSIONAL RECORD, Apr. 28, 1933, p. 2618.)

St. Lawrence waterway project (for). (CONGESSIONAL RECORD, Apr. 25, 1933, p. 2373; CONGRESSIONAL RECORD, Jan. 17, 1934, p. 833.)

Repeal of House discharge rule (against). (CONGRESSIONAL RECORD, Apr. 17, 1933, p. 1847.)

Investigation of motion-picture monopoly and indecent pictures (for). (CONGRESSIONAL RECORD, May 12, 1933, p. 3431.)

Repeal of Hawaiian home rule (against). (CONGRESSIONAL RECORD, June 6, 1933, p. 5233.)

Amendment to reduce beer tax (for). (CONGRESSIONAL RECORD, Jan. 5, 1934, p. 154.)

Refinancing farm mortgages (for). (CONGRESSIONAL RECORD, Jan. 16, 1934, p. 747.)

Vinson big Navy bill (for profit limit on contracts). (CONGRESSIONAL RECORD, Jan. 30, 1934, p. 1634.)

Lake Michigan water diversion (against). (CONGRESSIONAL RECORD, Apr. 5, 1934, p. 6314.)

Amendment to Reciprocal Tariff Act (for). (CONGRESSIONAL RECORD, Apr. 28, 1934, p. 7841.)

Emergency recovery tax on large incomes (for). (CONGRESSIONAL RECORD, May 1, 1934, p. 7981.)

Eight-million-dollar special census bill (against). (CONGRESSIONAL RECORD, June 7, 1934, p. 11063.)

Investigation of real-estate bond frauds (for). (CONGRESSIONAL RECORD, June 15, 1934, p. 12136.)

Railroad Workers' Retirement Act (for). (CONGRESSIONAL RECORD, June 25, 1934, p. 12785.)

SEVENTY-FOURTH CONGRESS

Since taking my oath of office I have tried to keep in mind that the only practical way to learn a job and to develop ability to efficiently represent one's constituency was to devote as much time and study as possible to the job. The Honorable Champ Clark, the late Speaker of the House of Representatives, once stated in a fine oration delivered on the floor of the House that—

> A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.

A continued period of service not only enables a Representative to gain a more thorough grasp of the complex rules of the House but gives him that seniority on committees and that prestige among his colleagues that is an invaluable asset in making him more efficient and giving him greater opportunities to serve his district by legislation, in committee, and departmental work. In the Seventy-fourth Congress I believe that I hold the distinction of serving upon a greater number of committees than any of my colleagues, thus giving me the opportunity to more fully represent my constituents both in these committees and upon the floor of the House than it was possible for me to do before.

Since it has always seemed to me to be much fairer to the voters of any community to account for what has been done in their behalf rather than to hold forth mere promises of future acts when asking for their consideration, I shall summarize as briefly as possible my record and service on the major issues before the House of Representatives during the two regular sessions of the Seventy-fourth Congress.

FIRST SESSION SEVENTY-FOURTH CONGRESS

I voted for the following measures during this session:

Voted for relief appropriation providing funds for public works and the Works Progress Administration.

Voted for the immediate payment of adjusted-service certificates.

Voted to override President's veto on adjusted-service certificates payment.

Voted for the Social Security Act providing for old-age benefits, unemployment insurance, and aid for dependent and crippled children, public health, and child welfare.

Voted for public-utility holding company bill regulating great utility combines.

Voted for the continuance of sale of surplus power of the Tennessee Valley Authority.

Voted for additional home-mortgage relief for Federal home-loan bank and National Housing Administration.

Voted for prevention of profiteering in time of war.

Voted for Federal Alcohol Control Legislation Act.

I opposed the following measures in this same session:

Voted against further extension of the functions of the Reconstruction Finance Corporation.

Voted against the attempt to extend and continue the N. R. A.

Voted against the Ship Subsidy Act of 1935 providing for large Government subsidies to private ship owners.

Voted against bills to create additional Federal judgeships.

Voted against the resolution authorizing the President to invite world power conference to the United States.

Voted against amendments to and extension of agricultural adjustment and crop-restriction acts.

Voted against Guffey-Snyder Coal Price Control Act.

SECOND SESSION SEVENTY-FOURTH CONGRESS

During the second session of the Seventy-fourth Congress I voted in favor of the following measures:

Voted for immediate payment of World War adjusted-service certificates.

Voted to override the veto of the President and pass the bill providing immediate payment of adjusted-service certificates.

Voted for bill to provide for sick leave and limited vacation periods to regular civilian employees of the Government.

Voted to continue Electrical Home and Farm Authority as a United States agency.

Voted for revised railroad workers retirement act.

Voted for H. R. 2066 to liquidate and refinance agricultural indebtedness, otherwise known as the Frazier-Lemke farm refinancing act.

Voted to extend the classified civil service to include postmasters of the first, second, and third classes.

Voted for the creation of a committee to investigate executive departments of the Government for the purposes of coordination.

Voted for interstate commerce long-and-short-haul act.

Voted for the 1936 Emergency Relief Act.

Voted for Walsh-Healey Government contract bill.

During the second session of Congress I voted against the following measures:

Voted against the substitute neutrality act giving the President sole authority to determine when a state of war existed between foreign countries and whether or not the United States should remain neutral.

Voted against Emergency Soil Conservation Act, which provided no protection for dairy States against unfair competition.

Voted against exemption from local taxation of stock, notes, and debentures of banks held by the R. F. C.

Voted against $50,000 appropriation for investigation of old-age-pension organizations.

Voted against Tobacco Control Act, limiting tobacco production.

Voted against transfer of airport technical school from Central West to Colorado.

Voted against amendments to increase District of Columbia appropriation from Federal Treasury.

Voted against bill to require registration of all persons or organizations favoring or opposing legislation before the Congress, including labor, fraternal, civil, and voluntary citizen groups.

Voted against compromise tax bill increasing taxes on small concerns more than 66 percent over present rates.

During my service in the Seventy-fourth Congress I introduced the following legislation:

H. R. 12678. To provide for the control of flood waters in Wisconsin Valley Authority and to provide for the sale of surplus power generated from such project.

H. R. 12216. To limit the power of the Secretary of War and Secretary of the Navy, preventing them from using any of the Military or Naval Establishments for the protection of private interests in foreign countries.

H. R. 10931. To repeal a portion of the Tariff Act of 1930, as amended, so as to repeal the most-favored-nation sections of the Reciprocal Tariff Act and prevent foreign-made goods from depriving American manufacturers and American workers of the home market to which they are entitled.

As a member of the Patents Committee in the House, I introduced H. R. 8099, to provide copyright protection by registration for designs, textiles, furniture, toys, and many other articles.

H. Res. 353. To provide for investigation of the alleged use of Federal road funds for political purposes in various States obtaining Federal allotments for road-building purposes.

I reintroduced as House Joint Resolution 13 my bill proposing an amendment to the Constitution of the United States providing against conscription of persons for military service unless and until wealth and industry were conscripted for service in time of war without payment of profit.

H. R. 173. To provide counsel for the defense and prosecution of rights of owners of patents without the funds to protect themselves from infringements on their patent rights.

H. J. Res. 56. To provide for the levying and collection of a tax on the income of securities now tax exempt, and to prevent the further issuance of tax-exempt securities.

In addition to the above measures, I signed House discharge petitions to aid in obtaining action on legislation to prevent

lynchings, otherwise known as the antilynching law; to bring about House action upon the bill to provide for a referendum of American citizens on the question of war; to bring action in the House on legislation to provide for adequate old-age pensions.

I voted against all endeavors to fasten upon the membership of the House gag rules, and opposed in debate and by my vote the change in the discharge rule which was raised from 145 signatures to 218 during the first session of the Seventy-fourth Congress.

During all debates on major legislation in both sessions of the Seventy-fourth Congress in which I participated I indicated my stand on major legislation and major policies. Successful support of an amendment to take the Labor Mediation Board created by the Wagner Labor Disputes Act out from under the jurisdiction of the Labor Department has resulted in this Board being now an independent agency of the Government not subject to the domination or control of any executive bureau.

I call attention to statements I have made on principal legislation as an indication of my attitude on the issues involved in this legislation, which are summarized in extracts appearing in the CONGRESSIONAL RECORD.

Perhaps no session of Congress has transacted so much business and acted upon so many issues of vital importance to all our people than that of the Seventy-fourth Congress. With the exception of the times when either illness or the loss by death of a member of my family has prevented me from being present in person on major legislation, I have registered my vote on every important issue before the House. Those times when unavoidable absences prevented my personal registration of my vote, I have been paired on record either for or against the important legislation before the House.

Because it has been my policy to submit to my constituents as plainly and coherently as possible my record in their service, I have endeavored to adhere to that policy established in the first term in which I had the honor to represent my district.

SINCE MARCH 4, 1933

Mr. PIERCE. Mr. Speaker, during the closing hours of Congress it is customary for Members to review the work of the session passing into history. We who are Members of the Seventy-fourth Congress, and especially those who participated in the activities of that momentous Seventy-third Congress, have a duty, as well as a privilege, in following this long-established custom.

We now attempt to summarize the acts of two Congresses under an administration which assumed control of the Nation's affairs at a period so critical that no comparison comes to mind except that of the dark days of the sixties. This administration is asking for a renewal of its commission in order to make permanent some of the gains which have been made in the face of catastrophes almost unprecedented in our history.

Faced with a bewildering economic collapse which had destroyed confidence throughout the country and interrupted our remarkable economic prosperity, emergency legislation was necessary. The banking and industrial disasters were first dealt with. Then emergency agricultural legislation took shape. Scarcely had this emergency legislation begun to operate when the program was again interrupted by a terrible drought, calling for more legislative changes and for large appropriations. Again the administration settled to the work of a permanent agricultural and industrial program when court decisions overturned the program by invalidating the Industrial Recovery Act and wiping out agricultural legislation passed to meet the emergency. It became necessary to substitute new acts in order to keep things going and to develop a permanent plan for meeting the inescapable problems growing out of failure to equalize the benefits of the period of capitalistic expansion which ended with such a thud of failure.

In the face of the dust bowl obscuring the sky to the borders of the Atlantic Ocean, and of the declaration by the Supreme Court that the Government has no power, under the Constitution, to legislate for social welfare, constant change and shift of plans has been necessary; and I have wondered whether those political leaders of the Republican Party assembled in convention last week could have produced "clearly defined programs" and policies and statements of "future aims" about which they talked so loudly. The "muddles" to which they referred were not the result of inefficient planning but were rather the outgrowth of a series of catastrophes and disasters and blows entirely unforeseen and impossible of solution through a planned program. It is utter folly to talk about dealing judicially with a cyclone or a tornado or a whirlwind, and this is exactly what was happening in the economic world.

Undoubtedly there have been some errors of judgment and some mistakes in the choice of men and methods, possibly there has been some waste because of necessary haste in meeting emergencies, but the gains, as I shall try to measure them in this summary, are most tangible and really amazing. As we review the efforts to remedy wrongs and to build the groundwork of a better structure, I ask you to consider just which act you would have omitted or what plan you would have substituted to meet the situation. Remember, the times demanded aids for recovery from disintegration, repairing our economic system, which had broken down. Along with the repairs was some measure of rebuilding, but the foundations were bad and new groundwork was required. Now, let us keep clearly in mind the development of a new and better system alongside a series of acts somewhat hurriedly drawn because urgently needed to save further disaster.

THE DAYS OF '33

It is said that accurate history is never written by participants in its events. Those of us who saw the President take the oath on that chilly March day in '33 have often attempted to picture the conditions as we faced them. We were then confused, only partly informed, and working without precedent to establish a new order, the necessity for which was brought about by the very apparent economic collapse.

We knew that thousands of banks had failed during the previous 10 years, and that failures were being reported daily with alarming rapidity, while the relatively few banks remaining open were hanging on in great uncertainty as to the outcome. The situation of the agricultural producer was most serious. Cotton was 5 cents a pound, wheat brought the producer 25 cents a bushel, corn 12 cents a bushel, hogs 2 cents a pound, and cattle often as low as 1 cent a pound. In fact, all agricultural products were selling for less than the cost of production, excluding the labor of the farmer, who was forced to work without recompense.

The men from great industrial firms, who organized and now liberally finance the Liberty League in order to defeat the reelection of President Roosevelt, were walking the floor in the Ides of March of '33 wondering how pay rolls were to be met. There was less need for production, for consumer purchasing power was destroyed. World trade was at a standstill, and ships floated at wharves, no longer sailing the seven seas heavy with cargo. Men who bore legislative responsibility in those dark hours, when disaster threatened our people, certainly recall most vividly the stark tragedy of the whole situation.

CAUSES OF THE COLLAPSE

I am not one of the group which places the total blame for the break on the political party in control during the 12 preceding years, but I hold it largely responsible because it piled the privileges high for those whose wealth gave them political control, yes, dictatorship over the party itself. I believe that conditions in Europe also had something to do with our own break-down. It is my judgment that the tragic harvest which we were reaping in '33 was the result of seeds long before planted, and that abuses under the capitalistic system, especially unreasonable interest and ruinously high fixed dividends, exacted from the producing world by the financial group, were factors bringing about destruction. These, together with the growth of monopoly, have gathered the wealth and income-bearing property of our country into the coffers of a very few people. It is, indeed,

gratifying to me to find that my Republican friends have become converted to the Democratic attitude toward monopoly. It was our great leader William Jennings Bryan who put into the Democratic platform, in 1912, the statement on monopoly which has just penetrated the understanding of our friends across the aisle. He then said:

A private monopoly is indefensible and intolerable.

Probably if the legislation then advocated had been enacted, the great holding companies would not have become such a menace, and hundreds of thousands of investors would have owned their hard-earned savings in place of the fraudulent securities which were all they held in their hands in March of '33.

We often hear the figures that 5 percent of the people have more than 80 percent of the national income and that 200 corporations with their interlocking directorates control and operate more than half our industries. This concentration and maldistribution of wealth and power undoubtedly led to the great break, and no administration and no Congress could immediately legislate the country into prosperity. Legislation at best can but fix conditions under which changes can be gradually worked out.

RUGGED INDIVIDUALISM BATTLING ORGANIZED INDUSTRY

During the struggle with adverse conditions we have heard much from the other party about the return to "rugged individualism" and to the conditions under which some of us prospered in past years. Is anyone simple-minded enough to think that any man or group of men could now organize a new industrial firm to produce agricultural machinery in competition with the International Harvester Co.? And, by the way, how interested we farmers will be in the outcome of an investigation of a comparison of the advancing prices of agricultural machinery with the receding prices of agricultural products. Can any man or group of men profit from an attempt to manufacture automobiles in competition with General Motors or Henry Ford? What success would an independent group have if organized to manufacture steel in competition with the United States Steel Corporation? Much as we may regret the passing of the day of individualism, its return is as impossible as the return of chattel slavery. Cooperation is the watchword of the new day, and it has been forced upon us by organized industry, which can be balanced only by organized agriculture and organized workers. An organized society must determine how all may share in the privileges of the tariff and of the financial world. The accumulations of wealth should not be lavished solely upon industry, but should be opened to all people under the guidance and control of a just Government.

A DIFFERENT PICTURE

When the President ordered the banks closed and commandeered gold we could not foresee what would be the next steps toward recovery. First, a legislative act seemed necessary to reduce routine governmental costs in order to care for extraordinary expenses for relief. Next came legislation for the revival of banking so that banks might pay their depositors and put money into circulation. The Government assumed the responsibility for feeding the hungry, and emergency relief measures were initiated. The burden of the millions of unemployed had to be assumed without the guidance of tradition, and new organizations were speedily put under way with freedom to use to the best advantage the great appropriations voted by the Congress. The critics may pick some minor flaws in this great scheme. They cry "patronage", knowing full well that the civil service could not have acted quickly enough to have been of any help in meeting the immediate demand for more workers in the emergency agencies.

An emergency agricultural program brought hope to farmers for the first time since 1930. Wheat climbed to 60 cents a bushel for the producer; cotton around 10 cents; hogs, 8 cents; and cattle, 4 and 5 cents. Gradually industry revided, factory wheels turned, and the atmosphere changed from ocean to ocean. Certainly holders of stocks which have jumped from 8 cents to 64 cents may well chant the praises of this administration. Confidence was restored, optimism took the place of pessimism, people generally believed that there was a hope for a way out of their difficulties. Business was improved, banks operated, deposits were saved, future deposits were guaranteed, some debts were paid, exploitation of investors was curbed, the Government assumed social responsibility and faced new problems with resourcefulness. Gains could be measured by statistical methods, but it is useless to insert here tables of statistics, as the figures are often before you in authoritative publications. You know and I know that business is better, farm prices and income are higher, some of the great industries report the peak of business of their careers. This must be due to increased purchasing power.

Money has come to every county in Oregon through Federal agencies, and it has flowed into every channel of activity accomplishing, primarily, the purpose of starting money circulating. Substantial accomplishments will for years to come testify to the value of the expenditures—roads, bridges, schoolhouses and other public buildings, municipal improvements for sanitation and water supply, grade crossings eliminated, reservoirs constructed to hold the waters for livestock as well as for people, floods controlled, farms and homes saved from foreclosure. Payments for relief were made when the situation was desperate. The immediate payment of the adjusted-services certificates put the so-called "bonus" money into circulation just when it was most needed to give families a new start in life. All this has helped to tide over the difficult times into which we were suddenly pitched.

If all who received any benefit, direct or indirect, through the foresight, sympathy, and courage of this administration would support and defend it against unjust attacks waged by destructive critics who offer no better plans and who did not have the responsibility in those dread days, the administration would be triumphantly vindicated and returned to power. It cannot be possible that those financial brigands who, as a great editor said recently, "rode high in power while the people were being led to the economic slaughter of 1929" will be allowed to take the reins of government for another mad drive. They are the ones who cry out against great public expenditures. If we must look either to government or to big business, which has made wars and depressions, let us magnify and extend government. What an uplifting experience it has been for the people of this Nation to unite in an effort to help the downtrodden and to set people on the path toward security and hopefulness.

In Oregon, generations yet unborn will look back to this period with gratitude for the great Bonneville Dam, with its possibilities for navigation and power. They will recall that the Federal Government helped rebuild our State capitol. Those who live on our fruitful irrigated lands will think of this constructive period with gratitude. Above all, those reclaimed and made healthy and resourceful in C. C. C. camps and helped through school and college will have a new view of the possibilities of Government.

Gradually a program, a real program, the result of careful planning began to take shape, and from the hastily formulated beginning has been evolved a consistent policy of governmental activity which touches the lives of all of our people. How quickly we have become accustomed to this! It is now so much a part of our daily lives it seems impossible that it was just yesterday, in the beginning of this administration, when we first became acquainted with it. Then farmers began to look to the Government for controlled production which should bring them fairer prices, for allotment checks, for soil conservation, for rehabilitation and proper land utilization, for controlled land resources and actual governmental acceptance of responsibility for farm welfare, as exemplified in the Triple A.

Industry profited through the Government's National Recovery Administration which, though short-lived, established ideals and analyzed situations in a manner to suggest stabilization and standards. For the first time children were protected from labor exploitation.

We have learned to cooperate, we have accepted principles of Federal unemployment insurance and of pensions for retired railway workers. We have entered into an era of

responsibility for social security. Our first efforts in the Security Act, while unsatisfactory and far short of fulfilling the expectations, were, after all, an admission that government has a definite responsibility for the handicapped, the underprivileged, and the aged. It must meet that responsibility by further legislation. Undoubtedly any laws enacted by Congress providing pensions for the aged will be submitted to the Supreme Court, and unless we have a constitutional amendment they will be thrown out along with our other social legislation. Possibly one beneficial result of this great movement for old-age pensions will be the determination to put this Nation in a position which will give its legislative bodies the right to meet the needs of our people.

We have become wholly conscious of the fact that our natural resources are to be controlled by the Government, as they always should have been, and we have accepted the great projects like our own Bonneville. We have a Rural Electrification Administration seeking to extend the beneficial use of electricity throughout the land. We shall always expect to meet slack periods in employment with Federal public-works programs such as have been initiated during the past few years.

How our outlook has changed and what a wonderful thing it has been to have this great forward movement and this era of progress developed from the chaos and misery of the so-called depression, which really ushered in a new day, because of the way the situation was met by this administration. Some people feared it was the end, because we did not know how to meet the issue. The courage and resilience of our people under stimulating leadership has made it possible to change a great crisis into a new governmental opportunity.

All of these things have suddenly been injected into our lives so that none of us could conceive a Government which did not accept these responsibilities. The new organization fits into our new world. No great political party can go before the American people with the avowed purpose of eliminating all this governmental activity. Gradually, as the emergency subsides, some of it will be discontinued; much of it has come to be a well-defined program in its relation to agriculture, labor, industry, transportation, communication, electric power, housing, relief, and even in its relation to public and private financial affairs.

Yes, there were great problems facing the administration and they were met with a broad-minded effort directed solely to the public welfare. Some of those problems still face us. We have been laboring to meet the immediate necessity, but we have worked toward permanent solutions.

Not all of the things accomplished by this administration were embodied in legislative enactments. Great powers were vested in the President by act of Congress, and large sums were put at his disposal. Many important steps were taken on authority of Executive orders, because it was necessary to act within fixed limits without the long procedure of committees and the routine of two Houses of Congress. Through the use of this power and the expenditure of the funds the President has merited the confidence of those who have investigated most carefully and are best informed on the governmental activities of the past 3½ years.

THE SUPREME COURT AND THE CONSTITUTION

The opportunity for definite planning and for permanent change through legislation has been checked by the Supreme Court through a number of decisions which have brought clearly before us the fact that Congress is denied by the Court the power to deal effectively with national problems of greatest importance. The succession of Supreme Court decisions nullifying acts which seemed esential in dealing with the great national tasks forced by the economic overturn culminated in its recent minimum-wage decision. Here the Court clearly declares that State governments do not have the constitutional right to pass laws fixing minimum wages for women and children. This decision creates a "no man's land", so far as social welfare is concerned, as the Court previously declared that the Federal Government has no right to enact such social laws. It makes an impossible situation which we cannot accept. It certainly forces into the political campaign the question of an amendment to the Constitution of the United States.

On what subject should the Nation speak with one voice if not on our standards of living and conditions of labor? The plea that these subjects should be left to the States is the plea of those who feel confident that powerful interests bent on money-getting could for generations fend off State legislation in those States which have exploited women and children and have the most unsatisfactory labor conditions. Justice Stone in his dissenting opinion in the minimum wage case said:

> There is grim irony in speaking of the freedom of contract of those who, because of their economic necessities, give their services for less than is needful to keep body and soul together.

We in Oregon do not call this freedom; we call it peonage. Oregon's minimum-wage law was upheld by the Supreme Court through a divided opinion in a famous case brought to it many years ago. We in Oregon are ready for a constitutional amendment which shall forbid enslavement of either women or children. We are determined that women, children, farmers, and laborers generally shall be free to enter into any program for their own salvation, and that the program shall be conducted under our Federal Government.

The Supreme Court decision on the Triple A which declared that agriculture was of local importance and not charged with a public interest was enough in itself to force an amendment to the Constitution. The Court outlawed the Guffey Coal Act passed to rescue a group of industrial laborers from conditions which should never have existed under our civilization. The National Recovery Act for the protection of labor in industry was set aside. All of the adverse decisions on attempts of Congress to better the conditions of the underprivileged, the farmer, the laborer, have created a condition that demands an immediate movement to amend the Constitution. These decisions also leave very unsettled the programs inaugurated through the Social Security Act and the securities-exchange legislation. If the Court as now constituted, with the same attitude of mind which has been exhibited in these and other cases, passes on these acts, it is likely that more of our advanced legislation will be declared outside the Constitution. We must, then, have either a more liberal Court or provide constitutional amendment before we can benefit from legislation.

I have no faith in the movement toward limitation of the jurisdiction of the Court through congressional action. The traditions of a century and a half are so firmly imbedded in our legal and political system that they cannot be cast aside. No law can change the attitude of the people toward the Court and the Constitution for which they have, fortunately, great respect. It is true that a liberal President may soon have an opportunity to name new members of the Court. It is, however, also true that some of the aged members are the most liberal, and also that a reactionary President may at any time throw the Court back into its present condition of fear and disapproval of all change which seems to be demanded by changing social conditions. The Constitution should be considered a living, growing, changing instrument keeping pace with civilization. We expect it to be construed in accordance with the enlightenment of our times. This is the task of a liberal Court.

A forward-looking Congress should not be bound by the inhibitions of men who are determined to consider the Constitution in the light of conditions which existed at the time of its adoption. This is the opinion of our great liberal, Senator NORRIS, who further says that such construction will make the Constitution a stumbling block in the way of advancement instead of a protection to a more highly enlightened and highly developed civilization.

I firmly believe that the Constitution should be amended in order to make it impossible for judges of any type of mind to compel us to recede from an advanced social position. Our people are ready to speak. This fight must be made and upon its result hangs the fate of American institutions. Several amendments have been offered. I fully realize the immense task; 13 States may block amendment

and override the decision of 35 States, as amendment requires the consent of three-fourths.

I have pending before the Congress an amendment suggested by an eminent liberal who is an authority on such subjects. I offer this amendment, providing that it be submitted to conventions elected by the people and not left subject to legislative adoption. It reads:

> Congress shall have the power to promote the economic welfare of the United States by such laws as in its judgment are appropriate and to delegate such power in whole or in part to the States. Existing State powers are not affected by this article except as Congress may occupy a particular field.

THE FARM PROBLEM

This problem has interested me intensely because of my life experience in farming and the fact that during my two terms in Congress I have had the privilege of membership on the very important and powerful Committee on Agriculture and Forestry. This committee has framed all farm legislation and, as a basis for decision, has conducted extensive hearings, calling into council all who might make contributions of value. As a result of my participation in the work of this committee, I have made several speeches analyzing and setting forth farm problems as I saw them and suggesting possible solutions. I shall not go into these matters at length at this time, because any interested person may have copies of those more extended speeches which have, at my own expense, been printed for distribution. I look forward with the greatest interest to the opportunity to sit in when permanent farm legislation is enacted during the next Congress and here I believe I can make a real contribution.

For the first time in American history our Government has concerned itself with a Nation-wide program for the farmer. This administration has in 3½ years passed more legislation favorable to farmers and laborers than has been passed previously in the century and a half of our national existence. The farming world has made definite gains in its tremendous struggle against entire subordination to industry, which has resented the privileges granted farmers through this new legislation and is now struggling to gain its old monopoly of the benefits possible through tariff, trade, and finance. The net result of the legislation and of the new attitude toward agriculture has been an increase of farm income from less than four billions to more than eight billions yearly.

Prices for farm products, though still below the cost of production, have really doubled. Interest rates have been lowered, and the mortgaged farmer has been rescued where humanly possible. If his load was too great to be carried until returning land values would save him, the Government has undertaken his resettlement and rehabilitation. A great program of soil conservation and land utilization has been adopted as part of our national policy. Controlled production has been accepted as a method to be used in emergency. The Government has definitely assumed responsibility for surplus production. Truly, there has been growing, from the beginning of the administration, an orderly system of agricultural aid. The growth of this important undertaking has been interrupted by the emergencies of great droughts and floods and by Supreme Court denial of the right to legislate for our salvation under the conditions forced upon us by our national and international situations.

Of all the acts of this administration which brought immediate results the greatest was unquestionably the Triple A. It was the main factor in bringing this country back to prosperity. Under the operation of that law, passed by the Seventy-third Congress, allotment money distributed among the farmers made it possible for them to buy much-needed supplies, the demand for which caused factory wheels to turn. Higher prices for farm commodities created markets for labor's efforts. The benefit payments amounted to more than a thousand million dollars, 90 percent of which went into the hands of small producers. There were a few large checks to big producers. It was necessary to have their cooperation to make a success of the program. The experience under this act has taught us that we should graduate benefit payments so that large commercial producers shall not have an unfair advantage over the small producer. The lessons in cooperation learned during the brief life of the A. A. A. will never be forgotten, and another lesson which the Nation has learned is that agriculture is basic and fundamental and that we cannot safely countenance its financial destruction. The Supreme Court, harking back to ancient days, found the act unconstitutional. Fortunately, it had largely accomplished its purpose and it was possible to substitute quickly the Soil Conservation and Domestic Allotment Act. This also is temporary legislation, planned for 2 years, pending the formulation of permanent agricultural legislation. If our increased prosperity continues and our foreign trade is reestablished, crop-production control may become unnecessary, but it must be reserved for use until increased exports can play a more considerable part in the solution of the farm problem. The objectives of the new act include preservation and improvement of soil fertility and promotion of better use of land. On the economic side the declared policy is the reestablishment of a just ratio between the purchasing power of workers on farms and those in industry. In some way this relationship between agriculture and industry must be stabilized on a more satisfactory basis.

During this administration the scattered agencies for financing farmers have been welded into a system under the Farm Credit Administration, which now supervises all of them. Some new emergency financing has been necessary and some agencies are gradually being liquidated so that all farm lending may be accomplished through a few associations brought nearer to the farmers and more completely under their control. The new agricultural legislation was passed in sympathy for the mortgaged farmers. The land bank commissioner's loans were instituted for the relief of the man most heavily burdened by debt. Interest rates on Federal loans have been materially lowered, and payments on principal have been suspended for the time being.

In my judgment the farm problems have been handled on the financial side somewhat less successfully than in matters relating to the fertility and preservation of the soil. I was one who supported the Frazier-Lemke bill, and I have set forth my reasons for favoring it in a speech which I believe merits the study of those who feel concerned over the matter of farm-mortgage indebtedness. There is also the very grave question of regaining control of our money system, which has been usurped by private groups. We cannot entirely solve our farm problems until we have absolute government control of money.

Growing out of the concern for soil preservation and the apparent tragedy of the struggle to maintain life and property on poor lands has been a series of acts and Executive orders setting up many agencies which have already been generally accepted as permanently beneficial. I refer to the grazing administration, which is important to the livestock industry, to the soil-conservation program, and, above all, to the Resettlement Administration, which plans to take families from poor land where they are barely existing and move them to good land under conditions which will make it possible for them to work hopefully. We in Oregon have profited largely from this plan, and thousands of our people have come under the beneficent care of this new governmental agency. This Administration has an admirable program for land use, resettlement, and aid for stranded families. Incidentally, the proposed changes will relieve our county governments from expenditures for roads, schools, and other improvements in the poor-land areas. It is hard for us who have been part of the competitive system of years past fully to grasp the value of this great cooperative movement.

One of our great difficulties is the high cost of distribution of farm commodities. Out of the dollar paid for 10 food products in the United States in 1934, the farmer, according to the Department of Agriculture, received 38½ cents, while distributors received 61½ cents for processing and distributing. For the same products in Denmark in the same year,

the farmer received 63.4 cents, the distributor and processor 36.6 cents. That which they have been able to do in Denmark we can and must do in America. Until the Congress is by constitutional amendment given the right to legislate to meet changing conditions we cannot benefit from the most carefully worked-out laws for production and price control and the regulation of distribution.

THE TARIFF

Since our Government has been in existence, tariff has been a bone of contention. Most of the discussion and most of the laws have dealt with benefits to industry. The laws have been enacted to benefit the manufacturers of products, prices of which could be controlled at will. Manufacturers of such products have been able to regulate foreign competition. The result was a political logrolling tariff, the privileges of which were usurped by the manufacturing corporations, with agriculture now and then getting a slight break. This administration, realizing that the whole country is vitally affected by tariff policies, sought to remove them from political manipulation and to break down tariff walls, which were preventing world trade. The result was the Reciprocal Tariff Act, which made possible trade-agreement negotiations between our country and other nations. It is impossible to conclude such trade agreements without making some concessions, and I have regretted that these concessions seemed to be in favor of industry. A careful study, however, reveals the fact that most of those in which we have yielded have been on agricultural products which are not competitive with American farm products. Some of these products have come in over the tariff wall and these competitive imports were due largely to the drought. The increases in agricultural imports in 1935 were due, in a minor degree only, to trade agreements, only three of which, enacted prior to 1936, contained any agricultural items on which duties were reduced by the United States. The frequently reported increase in agricultural imports is chiefly accounted for by noncompetitive products like tea, cocoa, and spices, bought more freely because of recovery in this country. There can be no doubt that the tariff agreements have materially increased trade which had been declining for years on account of the Hawley-Smoot tariff law, which was an actual barrier to international trade and to domestic prosperity. Experience will teach us to modify the Reciprocal Tariff Act so that agriculture shall not be sacrificed for the benefit of industry. The administration has a right to ask the farmers of this country to stand behind the program for trade agreements with the assurance that eventually the difficult problem of fair trade will be worked out. Without international trade agriculture cannot wholly prosper, and until trade is restored we must have methods of production control and policies of handling surplus which would not be required under a system of trade. We look forward to a farm program which shall embody an adequate system of financing farm loans, proper management of the land, and a control of production to meet market conditions. The farmer must also depend upon legislation fairly regulating transportation and must be assured of stable money legislation, which shall not be, as in the past, solely for the benefit of his oppressors. These things can gradually be worked out and many of them are in the immediate future if those now in charge of our Government may complete their program. It is my hope that I may continue to take an active part in ushering in this new era for American agriculture.

MEETING SOCIAL RESPONSIBILITIES

The care of the unemployed and plans for reemployment, pending industrial recovery, was one of the great problems facing the administration in March 1933, and it still distresses us. The almost unending line of unemployed had been accumulating for years as changes in machinery and methods threw men out of their usual occupations. When buying stopped, production was curtailed and men were jobless by the millions. Real progress has been made in finding or making work at living wages. If our property rights are to mean anything in the future, there must be work assured and men must be fitted for the task. The owners of stock in great corporations can have no assurance that the stock is to have dividend-paying ability unless every person is given the right to labor at wages sufficient to supply the necessities of life for dependents.

The United States Employment Service has been established to promote and develop a national system of employment offices, and the Reemployment Service has efficiently operated as a temporary agency. Employment insurance has been recognized as a measure of justice, and I particularly rejoice in this accomplishment. It is 17 years since I introduced into the Oregon Legislature a proposal for a State constitutional amendment for State guaranty of jobs financed by a tax on inheritances. Now, the Nation must face the situation and Congress must find a way to provide whatever legislation is necessary to hold labor on a more secure level. There must be no obstacles to a just plan for dealing with unemployment, eliminating poverty, and providing necessary relief for those who are not reestablished or not fitted to care for themselves.

Critics of the program which has emerged fail to offer constructive suggestions. The truth is that these things must be worked out with experimentation and fitted to the economic framework during recovery. Preventive measures should have attention now in order to guarantee that our Nation will never again be subjected to the strain of sudden universal poverty and insecurity.

This administnation has ever been most active to forward the interests of labor through legislation. The Wagner Industrial Disputes Act, the Guffey Coal Act, and the Executive orders from the White House all so testify.

Under its work-relief plans this administration has paid out thousands of millions of dollars through its three organizations known as the Civil Works Administration, Public Works Administration, and the Works Progress Administration. Direct relief was provided first by Federal agencies and then transferred to State jurisdiction through which Federal aid passes. Government has met its responsibility for relieving poverty, and will continue to do so.

The purpose of the National Recovery Administration was to increase the purchasing power of labor and to prevent unfair competition. Though it was short-lived and has passed into history because of Supreme Court action, it taught the American public a lesson of square dealing which will not easily be eradicated. Through this act the terrible blot of child labor was, for a time, erased. The problem of the unemployed will be partly solved when we take from pay rolls 2,000,000 children and 3,000,000 aged.

The Civilian Conservation Corps—C. C. C.—seems to me one of the outstanding achievements of this administration in its attack on the unemployment problem. A million and a quarter young men have enrolled in work camps and sent to their 5,000,000 home people $25 of their $30 monthly wage. By forest and mountain streams many an enrollee in the C. C. C. camps has received more real education in health, habits, and labor than any other school could have offered. This will become a permanent part of our youth program.

Through the National Youth Administration almost a half million young men and women have received direct financial aid to enable them to go to high school and college. Thousands have received the touch and inspiration they would never have felt had it not been for the great humanitarian undertaking of this administration. It has cost sixty millions annually and has been money well invested. I say "invested" rather than spent, for it will bear fruit a thousandfold in future years.

Hours of labor, wages, ability to meet the pressing problems that are forced on us by the unemployed, all hang upon a proper amendment to the Constitution. At whatever cost, the 20 percent of our population today without regular employment must be offered jobs. The Latter Day Saints, known as the Mormon Church, has set a fine example to the country in announcing its determination to assume full responsibility for all its people on relief, and to exemplify real

Christian cooperation in caring for the 10 percent of its members who are now dependent.

The chairman of the Ways and Means Committee of the House said, in opening his argument for the Social Security Bill, that "it was the most humanitarian act ever proposed in a legislative body anywhere or at any time." This omnibus act makes provision for unemployment compensation, old-age security, aid to dependent children in child-welfare and maternal service, aid to the blind, extension of public-health work, and vocational rehabilitation of the crippled. Many of the sections provide Federal aid with State supervision, supplementary to State agencies, and dependent upon State enabling acts before going into effect.

The old-age-security provisions were least satisfactory, but offered an inducement to States to recognize the necessity for action. The law opened the way for an adequate program of assistance to those now in need, and prevention of future recurrence of poverty in old age, through a system of Government operated and aided annuities.

The Townsend plan, embodying old-age assistance and financial recovery, has brought to a head the demand for assurance of the security essential to a satisfactory life, money security for old age, and freedom from financial panics. I regard as a serious error the effort to suppress this agitation through congressional investigation, and voted against the appropriation and the citation for contempt. These groups, meeting frequently all over our country, are a powerful influence for good in their determination to hold the Government in the hands of its people, and to force social justice. Our sectional and racial differences in population and economic conditions are so marked, and the public attitude toward social problems is so widely at variance in the States of different regions, that it is hard to get Nation-wide agreement on such a matter. We must press as far as we can get a majority to move, then start again and move further ahead. We must welcome a great movement which unites people with the bond of a common aim for the general betterment. Again we see the necessity for constitutional amendment, as it is perhaps a fact that these revolutionary or evolutionary changes cannot take place until a liberalizing amendment removes the certainty of Supreme Court barriers to social reorganization or change.

ELECTRIC POWER

Many students of economic affairs have declared that the act creating the Tennessee Valley Authority is unequalled by any other act of the present administration for its far-reaching effects. T. V. A. was instituted to put into use the vast investment of millions in the Tennessee Valley, made when our country was at war with Germany. During that war immense dams had been erected to generate electrical power for the purpose of making munitions of war. At the close of the war they remained unused, kept so by the powerful influence of the private utility companies. This administration provided for the completion of the navigation of the Tennessee River and development of electrical power. The Congress also provided that the electrical power should be transmitted and sold to the people at cost, with a small amortization fee that would pay back the investment in 50 years. The T. V. A. goes further than merely furnishing electricity for the people who live in that section. It will open new industries and will conserve the soil and other natural resources. It will make thousands of homes comfortable and pleasant and will provide an example and a yardstick for measuring cost and fixing fair prices elsewhere, provided the greed of private companies can be controlled in their determination to wreck this great movement. In a somewhat different manner the investment of millions at Boulder Dam on the Colorado will be of tremendous value in making available the resources of nature.

Oregon has been singled out for special consideration and will ever be mindful of the vision and courage of the President who created on the Columbia River at Bonneville a great public-works project similar to that in the Tennessee Valley. This dam was authorized by President Roosevelt on September 30, 1933, and is now nearing completion. Its certain influence on our economic life makes it of greatest importance. It will make possible navigation for ocean-going vessels a distance of 188 miles from the mouth of the river, and it will create an immense amount of electrical power. The total Government investment will be around $40,000,000, which is less than the cost of one of the two battleships authorized by the Seventy-fourth Congress. This battleship may disappear beneath the seas as a result of one bomb fired by some brave boy piloting an enemy plane. The amount of money needed for the important Umatilla Rapids Dam, which must come soon in order fully to utilize our advantages, will be twenty-four millions. The entire cost of Bonneville and Umatilla Rapids Dams, electric plants, and transmission lines to all large cities in Oregon and Washington will be less than one hundred millions. The cost of the two battleships will be one hundred and two millions. If we can afford such battleships, why should we question such a useful and valuable improvement as the utilization of this immense source of power on the Columbia River? Together with the other power developments possible on the Columbia and Snake Rivers, these two dams will be capable of turning the wheels of industry, electrifying our farms, and of lighting and heating every home of the immense population that will soon live in the land drained by the Columbia River.

This great development has its legislative problems to meet. Many proposals have been offered by delegations and members from the Northwest. It is urgently important that proper State legislation be enacted in Oregon, and most unfortunate that State measures urged by the Oregon State Grange and by the Secretary of the Interior have been defeated by those who do not favor public power development. The people of Oregon must accept this greatest opportunity that has come to them and must be alert and determined or it will be forever lost. The legislative battle is on in State and national bodies. The odds are against the people because of concentrated wealth and influence long on the job, while action has been deferred in the interests of private corporations.

I introduced into the House the bill finally agreed upon as most satisfactory for the beginning of power operation when the dam is finished in December 1937. New industries attracted to Oregon must have time to make plans. Congress should act at once, and, if action is not taken at this session, there can be but one interpretation of the situation—private greed in control. Failing action by the Seventy-fourth Congress, the Bonneville bill will become Oregon's major issue in the Seventy-fifth session. Let us prepare to win this battle for the right to profit from our last unexploited natural resource.

The struggle for our rights at Bonneville must be made against those same forces which made the bitterest fight against this administration—that against regulation and control of public-utility holding companies. No investigating committee will ever learn just how many millions this lobby spent to defeat the effort to legislate in the public interest. Every influence of the administration was brought into the contest for protection of investors in utility securities and users of electricity. The partial victory showed the great power of entrenched wealth.

The Rural Electrification Administration was created by Executive order in May 1935 with the purpose of aiding projects for power distribution to rural areas. This last session of Congress has enacted legislation making permanent and etxending this most useful agency. The effect of the program for power development and utilization will last long after its instigators have passed from the scene. It marks another advance into the new era.

FINANCE

Men and women, who never before studied money and banking, have become interested in such matters and now know how closely they concern them, and that it behooves them to learn what is taking place in the financial world. The Emergency Banking Act of the first days and the Banking Act of 1935 were necessitated by the banking disasters under the old order. The part of the new law which meant most to the small depositor was the guarantee of safety for bank deposits under the Federal Deposit Insurance Corpora-

tion, now extended to cover deposits up to $5,000. It took 30 years of effort to bring this about. Had bankers been willing to accept it when advocated by some of us so long ago, much of the tragic disaster of the great crash would have been averted. This act is an outstanding achievement of the Roosevelt administration. I particularly rejoiced in it because I had ardently advocated such legislation for many years. Now, who would surrender this protection?

There was no more far-reaching act of the Seventy-third nor of the Seventy-fourth Congress than the devaluation of the gold dollar or, rather, the revaluation at a lower price in terms of gold. When the United States broke away from the gold standard as a measure for the products of farm and factory and declared that contracts made in gold might be paid in current funds, there dawned a new economic day. Now, by legislative act and Executive decree, 59.06 cents worth of gold is one dollar, instead of 100 cents worth of gold. At the time of the departure from the gold standard the index of wholesale prices was 60, as compared to 100 in normal times. It is now 81. Prices have risen about 33 percent. In other words, debts and obligations bear only two-thirds as heavily as they did.

Nullification of the gold clause in contracts was, indeed, a brave act. At the time that act was passed the debtor could not, under any conditions, secure the gold to pay the obligation, because gold had been taken over by the Government. This situation was met by the administration in a statesmanlike manner that will stand out more clearly as the years come and go. To go back to the gold standard now would mean the severest of deflations. Wheat would be 25 cents a bushel and other farm products in that ratio.

We have not had all the money legislation we need, and as long as values are measured by a fluctuating commodity like gold, we cannot have a stable currency. When the dollar increases in value it takes more of our commodities to match it and more current funds or products to pay debts incurred when the dollar was low. We have not yet been able to secure a "managed currency" which will be wholly fair, and we still collect and bury gold for "security." We must modernize our money system in order to avert another break. Silver has not yet been accorded its proper place.

The evil of increasing government indebtedness to banks and tax-exempt bond issues has yet to be remedied. We must reestablish in the hands of the Federal Government the right to coin money and regulate the value thereof, which the Constitution placed there.

Those who talk most loudly about balancing the Budget must know that the Budget had long been unbalanced, and that the suffering and misery of the great emergency had to be met by government so long as money could be had from any source. The taxes to meet the needs have not been as high as those exacted in other countries. In fact, tax measures have been made extremely difficult by pressure from those privileged ones who are determined not to share their wealth gained by governmental protection and opportunity. The outlay has been moderate under the circumstances and has been justified.

The citizen in his relation to business has been protected by two outstanding laws in addition to the Public Utility Holding Companies Act of 1935: These are the Securities Act of '33 and the Securities Exchange Act of '35—real achievements—the beneficial results of which have been felt in every stock-trading center. The object of this legislation was to make it impossible for the fraudulent and corrupt promoter to sell his bogus securities to innocent purchasers. The extension of Reconstruction Finance Corporation borrowing privileges to industries and to irrigation and drainage districts and holders of city real estate has increased business activity and restored values.

THE RECORD SUMMARIZED

As I recite the history of the achievements of this administration during the Seventy-third and Seventy-fourth Congresses, I am amazed at the summary, which clearly indicates that we have made a start toward building a new society—a real democracy. We have not reached our goal, but we have chosen the path which will lead to the perfection of our representative Government and we must not turn back. Only through social justice can we preserve our American institutions. We have gained new freedom and have lost none of our liberties through legislation under the leadership of a President determined to care for the interests of the average man. Government has been fulfilling its primary duty in coming to the rescue of those in need and assuming the heavy burden of responsibility. We have faced a crisis which no one expected and have survived as a nation. Out of our experience has come much of enduring value. We have begun to meet the difficulties of adjustment to a machine age. It is a challenge to experience as well as to youth.

It is easy to criticize and to promise what will be done if only power be given to another group. There has been no betrayal of confidence and the only obstruction has been that raised by the courts, which are traditionally slow to change and last to admit the necessity for experimentation. We may well take pride in the courage manifested in testing different methods of handling our governmental problems. We of the Administration claim allegiance of our citizens because we have enacted remedial legislation which has brought us out of the crisis of '32 and has pointed the way for action on the great issues which will next hold our attention. These are employment, permanent agricultural and labor policies, a stabilized currency, restoration of foreign trade, and social security for youth and old age. Preliminary to such action must come constitutional amendment to restore to our people and their Congress the right to meet issues as they come before us. Our Government must assume the right to pass laws necessary to the welfare of its people and of having those acts sustained by the courts. We in Oregon look forward with most interest to satisfactory legislation on Bonneville. We have, indeed, a full program for 4 more years of the New Deal. Who wants to return to '32?

WHAT THE NEW DEAL MEANS TO WOMEN INVESTORS

Mrs. NORTON. Mr. Speaker, it has often been said that men earn the money and women spend it. I would add that women also invest it, and the record discloses that women outnumber men as investors. However, their ranks are divided into three classes—each with a separate philosophy of investing and each carefully watching her money for a different reason. Whatever the reason may be, it is a fact that there are a great number of women investors throughout our country who must be interested in what our Government is doing to secure their investments. To begin with, we must understand that if the national income diminishes our income will diminish. Therefore what your Government has done to safeguard your income should be of paramount interest to you, no matter into which class you fall.

First, there is the smallest class of women investors—but an ever-growing number who are businessmen in their own right; on equal footing with men in every way; who have their own money to invest. In this group will be found some of the most outstanding personalities in the country as well as some of the finest women. They are faced with exactly the same problems and difficulties which confront every businessman in the country, but as is always so they approach the problem of investing their money from a different point of view. The political liberty we enjoy here in the United States has bestowed on women the free and unfettered right to invest their own money and because of that to make a valuable contribution to equality for women in the business world. This freedom has brought forth into the public eye many women who should be models to the rest of us for their unfailing belief in their own ability and their untiring efforts to invest the capital they have made. To these women the New Deal has given an additional security in their investments, particularly through the establishment of the Securities and Exchange Commission, which has stabilized the action of Wall Street and made registration of stocks and bonds

obligatory, resulting in a rise in stock values. I will not linger further on this group, as I know they represent the smallest group of women investors in the country, although in most cases the best known.

I now think of a larger group—women who, too, invest money on wide scale but whose money has been made by their husbands, but who, because of various reasons, are entrusted with the care of the family finances. The largest percentage of these women are widows who have been left money, but not always financial security, by their husbands. Too often they have young children dependent on their ability to invest their money wisely and safely. To them the security of the New Deal in investments must be a great comfort. Often their entire income is tied up in an insurance company—safely invested, the husband thought, to provide a sufficient income for his wife and family. But that woman might well have found herself and her children faced with dire poverty and actual need had not the Reconstruction Finance Corporation come to the aid of the insurance companies and helped them through the black days following 1929. Or that woman's husband might have died feeling that his family would be financially secure for their lives because of his investment in real estate or in mortgages. But what would have become of that family if the Home Owners' Loan Corporation, established by our President to save homes and in that way to guarantee mortgages, had not been a bulwark of strength? Suppose a man had left his wife secure in the knowledge that his farm was large and well cultivated; that it would continue to produce an income sufficient to maintain his family. I do not need to tell you the actual privation, the misery and want, and, too often, the black despair, which came to live in many of these homes—places which should have been happy and free from the terrors of poverty. Just try to picture—or, perhaps, unfortunately, you have actually suffered the conditions I have described. But consider what might have happened had the President not established and continued the Farm Credit Administration, which saved more than a million farm homes valued at over $3,000,000,000. I am afraid to even think of the conditions that might have existed had a new deal not been established for the farmer. The organization of these agencies has been a very personal and real help to the women I have mentioned. It has vitally affected the course of their very lives, and in all cases has helped them to continue their fight for their families with renewed courage and high hopes for their eventual financial security once again.

But when I think of women investors of the country I think most particularly of the largest group—the very backbone of the Nation—the wives and mothers of America. On them too often depends the financial security of the family, although the man is the wage earner. It is their duty to put aside a little money from week to week—maybe only 10 cents or a quarter at time, but it represents the savings of their lives. It means the difference between independence in their old age and the dreaded shelter of a poor farm or an old peoples' home. They must be safeguarded. But they had been woefully neglected until President Roosevelt came into office. As you know, this woman puts her little savings in a bank—in a savings account—and rests happy in the knowledge that she is helping her husband accumulate a nest egg. Was it not a horrible experience for that woman to try to get her savings out of that bank during the depression only to find hundreds of desperate, fear-ridden men and women storming the very doors of the bank only to be told that the bank was closed; that she had lost, because of one man's greed, her life savings. When Roosevelt came into office there had been 25,000 bankruptcies during the first 9 months of 1932, with liabilities of more than $750,000,000. For the first 9 months of this year there were less than 9,000 bankruptcies, with liabilities of $170,000,000.

There were more than 1,000 bank failures during the first 9 months of 1932, with 438 during early months of 1933, with a net loss to the depositors of about $600,000,000. During 1934 there was only one bank failure and in 1935 but four. Then our President, realizing that the small depositor was the biggest loser in these bank failures, worked for the establishment of the Federal Deposit Insurance Corporation, which guarantees the individual bank deposits up to $5,000. Do you realize that this covers 98 percent of all depositors' accounts? Just think of the misery which need not have been endured had this brave step been taken years before by Mr. Hoover. But he lacked the courage and the foresight to take any step forward to help his struggling people out of the morass into which they had fallen.

In this group of women are the home builders—the mothers who fight and struggle and save to buy a house, the eternal symbol of security and the most sought-for investment in the world. How often the savings fell just short of the money necessary to buy the house and were spent for rent instead of the investment for which they were intended. President Roosevelt knew this and established the Federal Housing Administration, which allows you to buy or build with only 20 percent of the needed cash on hand for building or buying. The long-term single mortgage has saved thousands of dollars for women home owners.

I wish it were possible for me to talk with you at greater length on this subject—that is so dear to my heart—to tell you of the many safeguards the New Deal has built around your investments. President Roosevelt has fought and struggled and worked hard and long to renew the inalienable right we as Americans have to invest our savings and our capital safely and productively. He has succeeded with the help of a sympathetic Congress. We women now are safer, and because of that security happier in a life which is at best fraught with lurking trials and dangers. We need courage and faith—courage which must dwell within each one of us and faith which must be fostered by someone we can trust. We can trust our President. He has taken care of us for 4 years in a way that has inspired confidence. With a return of these two qualities—which were for a time threatened—America will progress and we women will be safer and happier.

THE HOLDING-COMPANY BILL

Mr. PETTENGILL. Mr. Speaker, the Public Utility Act of 1935 was in two titles. Title II dealt with operating companies engaged in the transmission of electric current across State lines. It is administered by the Federal Power Commission. I supported that title both in committee and by my vote on the floor. That title, so far as I know, has been accepted by the electric-light industry and has not been attacked in the courts.

Title I dealt with holding companies. It is administered by a different body—the Securities Exchange Commission. I supported and voted for the less drastic House bill. I voted against the more drastic Senate bill. I did so for four reasons: First, it was unnecessarily destructive to some 5,000,000 investors who had put their savings into such companies in good faith; second, the worst of the evils of holding companies are already on their way out and cannot be repeated under other legislation, particularly the Securities Act of 1933, which I helped draft; third, a better, less drastic, and certainly constitutional method was available for accomplishing the objective of paring down the pyramided superstructures—I refer to a tax on intercorporate dividends which I advocated at the time both before my committee and the Ways and Means Committee and which has since been incorporated into income-tax law; fourth, because in my judgment the Senate bill was clearly unconstitutional, would be so held, and in the end nothing constructive would have been accomplished. Title II goes far beyond holding companies, and it holds a "death sentence"—the power to compel reorganization—over every operating company in the country that is owned in part by a holding company.

In justice to myself and others who held the same view, I call attention to the fact that four United States Federal judges have since passed on the constitutionality of the Senate bill, and all four have unanimously upheld the judgment I expressed as to its illegality.

The first was the district judge at Baltimore. From his decision an appeal was taken to the Circuit Court of Appeals

for the Fourth Circuit. On February 22, 1936, Judges Parker, Northcott, and Soper of that circuit sustained the district court in all important particulars.

I quote briefly from that opinion:

We are told that power to enact the statute is derived from the constitutional grants to regulate commerce among the States and to establish post roads and post offices. * * *

The regulatory control of the act is imposed upon holding companies which use the mails or the instrumentalities of interstate commerce for certain purposes. * * *

It is contended that the decisions show that there is a national police power, which is not limited in its exercise to the transportation of articles in themselves harmful, such as adulterated foods or diseased stock, but may include a beneficial article, such as an automobile, if Congress has reason to think that evil will result from its use in interstate transportation; and hence Congress may take steps to eliminate the evils that may reasonably be thought to result from the interstate distribution or acquisition of unapproved securities through interstate communications or from the unregulated use of the dangerous holding-company device. * * *

We are of the opinion that the argument is not in accord with the rule to be deduced from the decisions which hold that the mere use of the instrumentalities of interstate commerce in the transportation of commodities does not authorize Congress to regulate their local production. It should be borne in mind that neither the debtor nor any of its subsidiaries is engaged in interstate commerce. * * *

The Holding Company Act goes much further, for it seeks not merely to control the use of the means of distribution but in many material respects the business of the user. The scope of the Public Utility Act is in fact more extensive than any congressional regulation of the use of the mails or the instrumentalities of interstate commerce, which has stood the test of litigation. * * *

The objection to the Public Utility Act is similar to that which proved fatal to the first child-labor statute passed by Congress and considered by the Supreme Court in *Hammer* v. *Dagenhart* (247 U. S. 251). The statute was held unconstitutional on the broad ground that it was an attempt to regulate the internal affairs of the State. * * *

It was held that the grant of power to Congress to regulate interstate commerce does not authorize it to control the States in the exercise of their police power over local trade or manufacture. * * *

In both of these cases, as in the present case, the Government urged that the legislation should be upheld because the evil aimed at affected the whole Nation, and could not be effectively cured by the separate action of the several States, but only through an act of Congress bearing upon all localities alike, but the Court pointed out that it is as much its duty to strike down an unconstitutional act designed to achieve a desirable end if it is not within the power of Congress as it is to uphold an act passed in conformity with the Constitution, although the Court may not perceive the wisdom of its underlying policy. Otherwise the dividing line between the powers of the National Government and the powers of the States would be obliterated. * * *

The application of the Holding Company Act to the business of the debtor and its subsidiaries would bring about a regulation and control of local business in the field in which it relates, that would be comparable in its effect to that which the National Industrial Recovery Act of June 16, 1933 (48 Stat. 195), sought to impose upon conditions of local trade. * * *

Little need be added with regard to the power of Congress to establish post offices and post roads. The power has been frequently exercised to regulate practices in the use of the mails which Congress decided would be injurious to the carriage of the mails or would subject the mails to use for fraudulent or unlawful purposes. * * *

The Court, however, held that the power was not absolute, but that it was subject to rights preserved in the Constitution. * * *

It becomes clear that certain provisions of the act if given effect would regulate and control activities of the debtor or trustees necessary to carry out any plan of reorganization, which have no relation to the protection of the mails of or the instrumentalities of interstate commerce. * * *

We conclude that the Public Utility Act is invalid insofar as it relates to the reorganization of the debtor.

This case and others involving the same questions are now on their way to the Supreme Court of the United States. I have little doubt but that it will be held that the act was beyond the power of Congress to enact and that the more moderate and clearly constitutional alternative of a tax on intercorporate dividends was the wise course to have been chosen. That course would have accomplished the result, but would have done so gradually and without unnecessary destruction of property, and without needlessly sacrificing recovery and expansion and reemployment in a great and important industry.

It must be left to fair-minded men to determine who are the genuine friends of reform—those who advocate measures which cannot stand up, or those who proceed upon the sure foundations of constitutional law.

No one has criticized the evils that grew up in this industry more vigorously than I. In my separate report on the bill I said:

The pyramiding of holding companies, however—in some instances as much as 10 stories—is a legal monstrosity, an economic dinosaur, and a social wrong. Nevertheless, both State and National Governments have permitted, even encouraged them. In the meantime, and on the faith of what their own governments have created, thousands of innocent people have invested the savings of a lifetime. Government itself is partly at fault in the matter, and because this is so the remedy for the evils which have grown up should take the equities of investors into consideration.

These evils, in my judgment, are on their way out, and drastic remedies are neither necessary nor just. To begin with, many of these financial structures have fallen of their own weight—such as Insull, Foshay, and Clark. In addition, the following forces have entered the field since 1929 and are now at work. They are:

1. The recent elimination of consolidated tax returns which also encouraged the development of corporate superstructure and for which the Federal Government, like the repeal of the intercorporate dividend tax, must accept its share of the responsibility for the situation which we now seek to cure.
2. The Federal Securities Act of 1933, as amended.
3. The Federal Stock Exchange Act of 1934.
4. The Federal Power Commission Act.
5. Closer regulation of utility securities and operations by various State commissions, some 32 in number.
6. As a pertinent example we now have statutes in many States which require the filing of all management, construction, and engineering, and other contracts made with an affiliate, and providing that no such contract shall be effective unless so filed. The Commission, after a hearing, may hold the contract in whole or in part as against the public interest. Statutes of this character are now in force in New York, Kansas, Virginia, North Carolina, New Hampshire, New Jersey, Illinois, Indiana, Oregon, Maine, and Wisconsin.
7. Last but not least, even in the absence of State statutes, we have the powerful effect of recent decisions of the United States Supreme Court, such as *Smith* v. *Illinois Bell Telephone Co.* (282 U. S. 133) and *Dayton Power & Light Co.* v. *Public Utility Commission* (292 U. S. 297), holding that State commissions may inquire into and disallow excessive charges made for services, etc., by holding companies to their subsidiaries.

The focusing of these forces, and others which might be mentioned, has changed the picture very greatly over that of 10 years ago, and, in my judgment, will operate not only to prevent future abuses but also tend to weed out the rank growths and unfair practices which grew up in the past.

This brings us to the "death sentence" as it appeared in the original bill and as now appears in the Senate bill (S. 2796, sec. 11). It may be pointed out that this was not advocated:

1. By the Federal Trade Commission in its utility company report;
2. By the Federal Power Commission;
3. By the Securities Exchange Commission;
4. By the Business Advisory Council for the Department of Commerce;
5. By any group of consumers;
6. By any group of investors;
7. By the State public utility commissions; or
8. By the party platforms of the Democratic or Republican parties.

In the hearings none of the Government witnesses gave the "death sentence" a clear-cut endorsement.

The "death sentence" as it now appears in the Senate bill, in my judgment, will crack like an eggshell in the United States Supreme Court for reasons which I have stated at length in the CONGRESSIONAL RECORD for Thursday, June 20, 1935, page 9787. If this is so, why pass it?

Well, we have passed the law. A year has also passed. We have condemned, and very properly so, the stock jobbing, stock watering, wildcat promotion, and speculation that prevailed in the industry.

But a problem still remains far more important to us now than the frenzied finance that crashed in 1929. That is the problem of unemployment, of jobless men, of the dole, and a national debt growing nearly $7,000 a minute.

Has that problem been solved?

Did the passage of this extreme bill put men to work?

No; it condemned them to continued idleness. Next to the automobile industry, none in America was in a better position to expand, hire men, and purchase enormous quantities of durable goods than the light and power industry. But now it must have its progress checked, its future clouded, and its expansion curtailed by an extreme and unconstitutional law which must drag its weary way through the courts.

Why? Because the law went too far. Because it puts every operating company affiliated with a holding company under the threat of reorganization, dismemberment, dissolution, and sale. What industry can expand under those circumstances?

I repeat, I am speaking of operating companies, not the holding companies. Because of its title the public thinks the bill hits only holding companies. They should take the trouble to read the bill and see that it is the operating companies that have a suspended sentence hanging over their heads.

Stop evil practices? Of course. Punish crooks? Certainly. Put men back to work? No. That is where the bill pinches today. It subjects men to relief and the dole who ought to be out stringing wire.

Some day passion will cool and prejudice will pass and this bill will then be seen in its true light—needed and necessary reform, but reform run wild. The greatest reform today would be to reform the pay envelopes and pocketbooks of our millions of unemployed.

The underlying question in the Senate bill was not a utility question at all. It was the question of the legislative destruction of property rights without trial—by court or commission—to separate the sheep from the goats, the good from the bad. And it certainly cannot be gainsaid that there are utility companies which have not been guilty of the serious evils complained of. The Federal Trade Commission will vouch for that fact.

I am not afraid to say that I oppose legislative confiscation of property without trial, without a hearing, without a "day in court."

That to which the worst criminal is entitled cannot be justly denied to law-abiding American citizens whose only fault, if any, is that they trusted too much in other men in investing their savings in companies which the laws of their own country had authorized.

A SUGGESTED PLAN FOR THE REHABILITATION OF HUMAN LIFE THROUGH COOPERATIVE RESETTLEMENT

Mr. SCOTT. Mr. Speaker, on a previous occasion I took some time to discuss the general economic situation of the country. I tried to point out some of the causes of our present plight. Today I wish to suggest a plan for economic rehabilitation that has been worked out or designed by a group of economists, businessmen, agriculturalists, and engineers, commonly known on the west coast as the "Spark's plan." May I at the outset warn that any criticism that merely says "No" is insufficient. There may be criticism and disagreement, but unless some better method is suggested for human rehabilitation as a part of the criticism such criticism is hardly fair.

Understand, I do not propose this as a cure-all or as the only way to work out of our difficulties. As I say, this is a suggested plan offered for consideration.

The so-called "Spark's plan" proposes:

1. To develop a sizable laboratory experiment and working model of a definitely planned cooperative economy for those in need of employment and especially for those who are permanently disinherited under the existing profit economy.

2. To develop such cooperatives on the basis of voluntary membership, free from any legal forcing, such applications to be passed upon on the basis of willingness to cooperate and ability to make some contribution, relatively easy to get into and just as easy to get out of.

3. To provide opportunity within the cooperative for abilities and ages that our high-pressure economic system no longer finds profitable; in short, for every kind of creative, constructive, or valuable occupation, skill, and ability, whether as ditch digger, mechanic, farmer, preacher, teacher, doctor, nurse, housewife, artist, or musician. It is estimated that from 20 to 25 percent of the total number will be needed for agriculture, with the balance engaged in all the useful industries and activities found in any organized society, such as manufacture and distribution, a full health program, full educational program, full leisure-time program, with full development of cultural and spiritual values.

4. To develop one large cooperative of 200,000 members.

5. To secure Federal financing, roughly estimated, at $75,000,000 for:

a. Capital investment in lands, plant, and equipment.

b. Essential supplies on a diminishing scale as production gradually takes the place of procurement outside the cooperative.

6. To use, in general, the legal machinery of the nonprofit corporation.

7. To use the typical cooperative set-up of one member, one share, one vote, and no proxy voting; eliminating the dangers of small clique or Fascist control; guaranteeing democratic control.

8. To join democratic control with typical corporation line and staff management. This junction can take place at the board of directors, democratically elected, vested with full authority to direct, but denied participation in execution; given the mandate to find and secure the best available executive ability for such actual management; imparting to such management, within appropriate contractual limitations, full responsibility, and full authority. This plan has long been in successful operation in agricultural marketing associations. It is also the technical or presumed plan of most corporations, though there it is usually defeated by the proxy voting, which is here eliminated. This junction of democratic control and line and staff management eliminates the dangers of fascism on one side and of mob management on the other.

9. To make possible through centralized control of one large cooperative, comprehensive planning and coordination of many activities divergent in nature and separated in location.

10. To avoid the inherent and fatal weaknesses of the small self-help cooperative units, predestined to failure by their lack of coordination, inadequate possibilities for reciprocal operations, lack of comprehensive planning, and lack of experienced management.

11. To give to planning, to comptroller operations, and to all angles of management the same recognition, and to carry them out with the same universal application and thoroughness that is aimed at in the best-run corporations.

12. To make the maximum use of modern science and technology; never using pick-and-shovel methods where machines can be secured or devised to do the same work better, or with greater economy of human labor.

13. To give the members of such cooperative an opportunity to produce their own requirements, instead of maintaining them in unwilling idleness on an un-American and intolerable substandard of living, and at the expense of those who still have some material assets.

14. To keep off the relief rolls marginal cases in need of employment.

15. To take completely off the tax-load those members who are accepted from the relief rolls.

16. To provide for the full circle of human needs on a cooperative basis rather than undertaking only small segments of that circle, or partial and unconnected operations, such as housing only, or food only, which leaves the members who have been on relief still in the laps of the taxpayers for the balance of their needs.

17. To carry every operation back to natural resources so far as available resources will permit, and as fast as may prove practical. Thus, housing will be carried back to timber lands for lumber, to quarries for stone, and to clay pits for brick, tile, and ceramics. Clothing will be carried back to cotton lands for cotton, to sheep ranges for wool, and so forth. All operations to be under the cooperative structure or management.

18. To center the development of such cooperative working model in a general way in the West, because of the exceptional combination of resources and conditions here offered, as 12 months' agriculture compared with 3 to 6 months in many other parts of the country; the wide range of other natural resources; and the existence of the old Spanish land-grant titles, which, in the case of California, were recognized by the United States Government when this

State came into the Union and have served to keep out of intensive settlement some of the best lands of the West, making it possible now to secure land in large contiguous areas or units without having to acquire and consolidate many small pieces of land, with the difficulties and losses that would be involved in such a procedure.

19. To secure by purchase as wide a range as possible of essential natural resources, as timber lands in Oregon and Washington, wheat lands in Idaho and Montana, sheep and cattle lands in Arizona, with areas in California for general farming, for cotton, for fruit farming (both citrus and deciduous), together with suitable locations for fisheries, for oil, hydroelectric power, and mining.

20. To develop a basic standard of living for all members that will include the essential requirements for human life, eliminating, as far as the cooperative is concerned, all charity and the worst of the economic pressures that carry in their wake starvation, malnutrition, disease, begging, crime, and suicide.

21. To raise that basic standard to include as much additional enjoyment of the possibilities of human life as the success of the cooperative as a whole will permit.

22. To provide, over and above such basic standard, for differentials in remuneration that recognize differences in the value of different kinds of work, difference in ability, training, and application.

23. To develop within the cooperative structure commodity credit exchange banking of a simple, practical nature.

24. To bring to bear on the Nation's major economic problem the scientific or open-minded approach, free from political implications and "isms"; to solve, on a laboratory scale and in a practical working model, the basic problems involved, working out methods, procedures, and techniques for bringing into actual being conditions of human existence in keeping with the abundance that modern science has made potential.

That ye might have life, and have it more abundantly.

HON. WILLIAM D. THOMAS

Mr. COLE of New York. Mr. Speaker, with a feeling of deep regret, it is well for us to pause a moment in our deliberations to reflect upon the passing of our colleague and friend, WILLIAM D. THOMAS.

A newcomer to the Seventy-fourth Congress, it was not long before I came to admire and respect Mr. THOMAS, not only for his sound judgment as a legislator but also as a generous and kindly friend. Always he was the same; a smile for all and a kind word for each one, but with it all a high sense of duty to his constituency and a sincerity in his deliberations. Many times did I go to him for guidance, and never did he hesitate to give me the full benefit of his experience, which I learned, as time went on, was wise and helpful. A beginner in the House of Representatives has many things to learn, and sooner or later each one acquires a godfather who out of the generosity of his heart is ready to pass on to his ward bits of counsel that can only be acquired with years of experience. Mr. THOMAS was that to me.

Being deprived of his presence during the greater part of the second session of the Congress, we now have lost him forever. Though he is gone, his memory will linger with me and with all his close associates forever; we shall always remember him as the quiet, friendly, and able man that he was. May each of us in years to come seek to emulate the same spirit of fatherliness and friendliness toward those new men of the coming Congresses as was possessed by our colleague, BILL THOMAS.

THE SOCIAL-SECURITY LAW

Mr. JENKINS of Ohio. Mr. Speaker, the social-security law is one of the most unusual and far-reaching laws ever passed by Congress. It is unusual in several ways: First, it takes the Government into many new lines of activity—old-age pensions, pensions for the blind, and unemployment insurance; second, it provides a new and unique method of taxation to meet the expenses; third, it provides State participation along new lines. It is far-reaching in that it touches all classes of people. It involves millions of our people directly and all of our people and all of our activities directly or indirectly. It is in reality 10 very important laws all included in one. It is divided into 10 titles, each title being in effect a law unto itself. It will cost not only many millions of dollars, but it will cost many, many billions of dollars. If carried through, the funds accumulated to meet the annuities that will be due in 40 years from now will exceed any sum ever contemplated by any government that ever existed. For instance, the reserve fund that will be kept in the Federal Treasury to meet the demands of title II of this act—annuity insurance—will amount to more than $50,000,000,000, all of which will be invested in Government bonds. This amount is far in excess of our national debt, which is, as everybody knows, already threatening to bankrupt the Nation.

These 10 titles divide themselves into 2 groups—insurance group and charitable group. Titles II, III, VII, and IX are the insurance group. I shall not discuss them here. Title I, old-age pensions; IV, aid to dependent children; V, maternal and child-welfare aid; VI, public health; X, blind pensions, are the charitable titles. Each of these titles suggest the groups cared for thereunder.

It shall be my purpose to discuss only titles I and X.

TITLE I—OLD-AGE PENSIONS

There is much misunderstanding among all classes of people as to the manner and method in which this law works. This is due largely to the fact that it involves a participation on the part of the Government with the States. The Federal law—the social-security law—provides that the Federal Government will pay its portion to the State to be distributed by the State if and when the State provides a plan which meets the requirements demanded by the Federal law. The Federal law lays down some general requirements with which the States must comply, but it leaves to the States quite a wide latitude in many respects. No two States have identically the same laws. Hence the confusion. And the desire of members of State legislatures and State executive departments to claim credit that is not due them also confuses the people greatly. For instance, in Ohio, which is inflicted with a Democratic State government, both executive and legislative, the people are kept in a confused attitude by reason of the propaganda put forth in which individual credit is claimed by many who deserve no credit, and in which political pressure is exerted in an effort to profit politically from the misfortune of the deserving poor. A Democratic State legislature and a Democratic Governor refuses to pass an old-age-pension law in Ohio, so the people took it unto themselves to override the Governor and legislature, and they availed themselves of the initiative and referendum provision of the State constitution and submitted an old-age-pension law to the people by a referendum vote, and the same was carried overwhelmingly. So any person receiving an old-age pension in Ohio is under no obligation to the Democratic Party or to a Democratic Governor or to a Democratic legislature for the small pension received. The only obligation he owes is a recognition of the fact that the people of Ohio by a solemn referendum vote did their duty, while a Democratic Governor and Democratic legislature refused to do their duty.

Under the force of the referendum passed by the people of the State, Ohio began paying a State old-age pension in 1934. This law provided a maximum pension of $30 per month, and provided a residence of at least 15 years in the State. The law is administered by county set-ups under the control of a State administrator.

The Federal old-age-pension law is administered by a board of three members known as the Social Security Board. The Federal law provides that in order for any State to receive Federal assistance that State must pass laws providing for a State system for the payment of old-age pensions only to persons in need and to persons 65 years of age or over, and to persons who have lived in Ohio for 5 out of the last 9 years preceding application and who have been living in Ohio for the year immediately preceding the application. When a State has met these requirements the Federal Government is ready to advance one-half of the amount necessary to pay pensions to those persons found to be entitled to receive them. But the Government will not pay to ex-

ceed $15 per month to any individual. The Federal Government leaves to the States the matter of the administration of the law. It is the duty of the State authorities to set up the machinery by which the law is carried out.

The Federal Government expects the State to make all the necessary plans and provisions for investigating all those who apply for old-age pensions. The Federal Government pays a part of the expense of this work, but it requires that it be done by the State upon the theory that the State is nearer to the people and should be able to do the work more efficiently. When the State has made the proper investigation and fixes the amount to be paid to any individual, the Federal Government will pay one-half of the amount, but the amount to be paid by the Federal Government will not be more than $15 per month to each individual. To explain by illustration: When John Jones applies for an old-age pension to the county old-age-pension director, his case is investigated. If he is allowed a pension of $25 per month, the Federal Government will pay one-half that amount. If he is living in a State which pays as much as $40 per month, and the county director allows him $40 per month, then the Federal Government will pay $15 per month and no more, and the State Government will supply the balance. The Federal law does not limit the States in the amount the States may pay. Ohio provides a maximum of $30 for each person and a maximum of $60 for husband and wife. The average payment in Ohio per individual for the year 1935 is about $15.

The Federal Government commenced its participation with the beginning of February 1936. Before that time, Ohio was paying an old-age pension from its own funds. The average amount paid before the Federal Government entered the field was about $15 per person. Many were receiving $18 and $20 per month. It was the expectation of Congress that when it entered the field the States would continue their payments and would add the Government's share to the State's share and thereby double the pension to those receiving them. But the Democratic administration in Ohio, through its Governor and its legislature, proceeded to lay plans whereby they would cut the State's part of the pension almost in half and supply that from the Federal Government's share. For instance, if John Jones was drawing a pension of $15 before the Federal Government came forward with any money, it was to be expected that he would draw $30 per month when the Federal Government would come forward with its $15 per month. But the Democratic administration in Columbus saw a chance to cut the old-age pensioners in Ohio out of about $8,000,000 per year, so they decided to keep John Jones' pension at $15 per month; the State would only pay $7.50 of this amount and the Federal Government would pay the other $7.50, so the State would save $7.50 per month off of John Jones, and that is why John Jones cannot understand why he is not getting $30 as he had expected. When Congress passed the social-security law, John Jones and thousands of others in Ohio thought that the Government was going to match the State. The Government did match the State, but the State refused to match the Government. This explains how the matter was handled by the State, but it does not bring the increase that Congress intended or that the poor pensioner expected.

When the Government advances its share of the money to the State it does not wait until each case is passed upon. It advances an estimated amount and then an exact accounting is had between the proper fiscal agents of the Government and the State. An exact 50–50 account is kept. The Federal Government sent to Ohio for the months of February and March 1936 the sum of $1,611,875. For the months of April, May, and June, 1936, the Federal Government sent Ohio the sum of $2,140,425.

Thirty States have qualified to receive Federal contributions for old-age pensions and several others are about to qualify. In April of this year 428,634 persons in the various States of the Union received old-age-pension aid from this Federal law in the total amount of $6,430,705.

TITLE X.—BLIND PERSONS

This is a title with which I can claim close intimacy. Without boasting, I think I can claim credit for having been responsible for the inclusion of this title in this law. I am making mention of this because I am proud to have had a part in bringing relief to the most pitiable group among all of our unfortunates. The poet speaks of "chill penury." Poverty is cold. Probably nothing freezes up the soul and body quite as completely as does poverty. If one class of poverty is colder than another, the poverty of the man who is both poor and blind is the coldest. There is no person in the whole American economic life so pitiable as the poor blind man or woman who holds out a rusty tin cup in an emaciated hand on a street corner on a cold, snowy day. To have helped to relieve that person justifies me in this seeming immodesty—especially in view of the claims put up by men whom I know to claim undue credit for their participation in the passage of this worth-while section of the Federal social-security law and in the passage of State laws to match the Federal law.

Only a few of the States had laws for the aid of the blind before the Federal social-security law was passed. Ohio had a State school for the blind, and special efforts were being put forth in some of the cities of Ohio for teaching the blind some useful trade or art. And there was a law which provided aid to the blind. The law left it to the counties to provide their own aid. In most of the counties the aid provided was only about $10 or $15 every 3 months. And in many of the counties, payments were deferred for months because of financial difficulties.

When the social-security bill was first up for consideration before the Ways and Means Committee of the House of Representatives, of which committee I am a member, it contained no provision for aid to the blind. The committee considered this important bill for many weeks. During this time I maintained that the blind should be included. Gradually other members joined me. But the Democratic administration, through its representatives who had drawn the bill, refused to include the blind. I offered this amendment when the bill was in the committee, but my amendment was rejected by the committee, in line with the wishes of the Democratic administration. When the bill was up for consideration in the House I offered the same amendment. Although the amendment received the votes of many individual Democratic Members who recognized the merits of it, yet under the power of a large Democratic majority responsive to orders from the White House the amendment was rejected. When the bill came up for consideration in the Senate, and after public sentiment had a chance to express itself and when it became evident that the public was demanding this inclusion of the blind if any bill was to be passed, the administration receded and the blind amendment was added by the Senate in almost identical language with the amendment offered by me in the House. It became and now is title X of the social-security law.

Under this title it will be seen that the Federal Government will participate with the States for the relief of any needy blind person over 18 years of age up to $15 per month. This is upon condition that the States provide a State plan which meets certain requirements as set out in this law. Ohio has passed such a law, but it has not as yet succeeded in having its plan fully approved so that Federal funds can be used. The Federal Government has its share ready to send on when the State will be able to do its part. Many of the States are already receiving their part and the blind in those States are receiving their pensions. But in Ohio, because of failure of the Governor and the legislature to act, the blind of Ohio must continue to hold out their tin cups on the street corners. In Pennsylvania, 7,706 blind people received aid during the month of March. The number is larger each succeeding month. This shows about the number in Ohio that would be receiving aid if the Ohio authorities were abreast with their duties to this unfortunate class.

In 18 States where blind pensions were being paid in April 1936 the statistics show that 14,543 persons received $353,556, or an average of $25 per month.

The Governor of Ohio and the legislature should proceed immediately to make plans for the payment of pensions to the blind of the State. The State already has an organization in each county administering the old-age-pension plan. It could, with little additional trouble and expense, make

provision for this same organization to administer the blind pension. The blind pension can be brought to those entitled to it with much less investigation than the requests for the old-age pension. The only facts to be proved are the fact of the blindness of the applicant and the fact of his need. Any delay for political reasons or for the purpose of propaganda is inexcusable. Any attempt on the part of the Democratic administration to play politics with these unfortunate blind will call forth the indignation of the people who have already been outraged by pernicious petty politics. The Federal Government stands ready. Let the State do its duty so that this large unfortunate group may receive the consideration that they deserve.

HON. WILLIAM D. THOMAS

Mr. MILLARD. Mr. Speaker, the friends of WILLIAM D. THOMAS in this House have heard with deep regret of his passing. While he was here a comparatively short time, WILL THOMAS' unfailing friendliness drew to him many who like myself held him in warm admiration and affection. We shall miss him in this House and we all regret that he was called so soon to the unseen temple.

Having served in the State legislature, Representative THOMAS brought to the Congress a knowledge of legislative affairs which served him well. He took his legislative responsibility seriously and gave careful thought and study to the result upon the people of his district of all pending proposals and his votes were cast after true deliberation. When his health enabled him to do so, he gave assiduous application to the duties imposed upon him by his membership in the House and on the Committees on the Post Office and Post Roads, Public Buildings and Grounds, and War Claims. He was sincere, active, and faithful to the interests of his constituents. No request ever went unheeded. His was a heritage of faithful service.

WILL THOMAS exhibited that finest of all capacities, the capacity for friendship. He was kind and loved to do good to others for the pleasure it gave him. It was by reason of this quality he was universally liked and why he maintained the love of the people whom he represented.

Ability and industry were his. These qualities brought him to Congress and made possible his reelection. He was a strong Republican, but when the welfare of his constituency was at stake he knew no partisanship. His purpose was to serve his country and his people. He was motivated by fine impulses. In Republican councils, as in the hearts of his friends across the aisle, he leaves a pleasant memory which will long be cherished by those with whom he served. His constituents loved him as a kindly neighbor and a thoughtful friend whom they cannot easily replace.

A man of the people, WILL THOMAS indulged no consciousness of superiority; separated from them neither by pride nor eccentricity, he was incapable of arrogance. He was conversant with the strivings of his constituency and eagerly worked for their prosperity. He exemplified in his office the spirit of brotherly understanding, clothed it with a garment of gentleness, common sense, and sympathy—the stamp of American character.

UNFAIR AND UNJUST TAXES PLACED ON AMERICAN WOMEN—NECESSITY OF REDUCING AND REMOVING TAXES ON COSMETICS

Mrs. JENCKES of Indiana. Mr. Speaker, in addressing my colleagues of the House of Representatives on the subject of cosmetics and taxes imposed upon the manufacturer of them, I am conscious of the fact that some among you may still harbor an antiquated idea that cosmetics are only used by the leisure classes of the female population of our country.

Possibly you are convinced that the lure of the sirens was in part accounted for by the use of ancient cosmetics. Homer, however, made no reference to the subject when describing his escape.

Sensibly, I should at the beginning of these remarks emphatically state that cosmetics as made today are a necessity for women of all ages, and, as astonishing as it may sound, men, too, find many of them indispensable to their well-being.

It is improbable that many of you have reviewed Ormsby's treatise, Diseases of the Skin. Personally I was shocked to learn of the painful and disfiguring consequences of neglecting sensible care of the skin. Perhaps the industry in America has in its advertising overemphasized "beauty" rather than developing their sale approach through the common-sense recommendation of use of cosmetics to promote skin health and preservation.

Dermatologists of ethical standing have been cooperating with cosmetic manufacturers in the scientific study of ingredients in products. This work will and must continue. Be assured the objective is more vital to humanity than any appeal to the vanity of the foolish minority of males or females.

Scientific reference to causes of skin diseases would be too difficult to attempt. It is sufficient to say that they fall into three classes:

First. Skin conditions resulting from constitutional diseases.

Second. Cutaneous diseases wholly external, sometimes resulting from parasitic infections.

Third. Diseases of the skin traceable to toxic poisons.

It would be idle not to admit that the lives of hundreds of thousands have been made uncomfortable by skin disorders of the second category. Victims of malignant skin diseases are acute sufferers not only from the direct effect but from humiliation that leads frequently to morose despondency.

An industry, or may I more properly say with respect to some of its activities, a profession, contributing to the solution of such serious human problems should not have fastened to it the sole appellation "luxury."

Obviously, I admit that some products of the industry do serve vanity. Even so, if in spreading the gospel of good grooming, girls, women, boys, and men do take more care of their skin, they will escape many contagious infections, thus materially reducing the total number of victims of skin diseases, some temporary, some painfully permanent, thus truly adding to the comfort and pleasures of living.

As a woman I plead with this House of Representatives not to tax, or to discontinue taxing, millions of American women on commodities that they need for better health. Remember, too, many, many thousands require ordinary everyday cosmetics in order to hold or secure a position in commerce and industry. For the appearance of a person is a factor of importance, often determining employment or no employment.

You must not ignore the effect of this present tax upon the employees of the industry directly engaged in production. They number some 30,000 people, mostly women. In distribution this tax affects more than 100,000 retail merchants who employ other thousands of female sales clerks that are depending upon consumption of cosmetics to keep their jobs. In addition to this vast number, the suppliers of materials to cosmetic manufacturers give work to not less than 50,000 more citizens in the production of containers such as bottles, boxes, cans, metal boxes, paper, cartons, and packing units.

Actual materials used in the industry are widely diversified, their growth and manufacture affecting the farmer, the livestock, essential oil, petroleum, chemical, paper, and printing industries and at least a percentage of their workers. The high tax placed on cosmetics is a matter of grave concern to every American woman. Many organizations of women have appealed to me to lead the effort to reduce or remove taxes on cosmetics.

Let me tell you how I became interested in leading this effort to help my fellow women by reducing both the Federal and State taxes which now impose an unfair and unjust financial burden upon my sex.

Several weeks ago Mr. T. Howard Kelly, executive editor of the Drug World and American Druggist, the two outstanding publications in the drug and cosmetic industry in America, asked me if I would join his magazines in a campaign against cosmetic taxes. Mr. Kelly's request immediately appealed to me because for some time past I had resented the Federal and State taxes which have been saddled upon everyday toilet goods to such an extent that they are now making the prices of such products almost prohibitive to women on slender budgets, and I have come to the definite conclusion that these taxes are both discriminatory and unfair to my sex on the grounds that cosmetics

today are not luxuries but absolute necessities. Consequently, I gladly joined the Drug World and American Druggist crusade, and recently I agreed to lead this fight for these magazines, for the benefit of American women.

Our preliminary activities have already brought highly encouraging results. Many Members of the House of Representatives have pledged their support in our drive to reduce or repeal the Federal tax. Women's organizations all over the country have responded to our appeal to them to support this campaign against both Federal and State taxes.

From the first, I have been convinced, and both Drug World and American Druggist have shared my conviction, that the way to abolish these discriminatory taxes was to appeal directly to the Congress and American womanhood, and to organize my fellow women in a united effort to reduce or repeal levies, because these cosmetic taxes actually victimize women and it is our job as women to repeal them. Consequently, I first let the women know the truth—that they are being victimized. I am now also advising the Members of this House of Representatives that these taxes are unfair to women.

Now, I am a Democrat, but I am appealing to the Members of Congress and I am approaching the women of America from the viewpoint of every woman and not from a viewpoint of a Democratic woman.

My interest in cosmetics goes back to my childhood, because I am a daughter of a druggist. Many years ago my father, James E. Somes, was an assayer of drugs in the United States customhouse in New Orleans. A graduate pharmacist of Vincennes University, he established his drug store in my birthplace, Terre Haute, Ind., in 1875. As a little girl I was fascinated by the cosmetic counter. I remember the little sample bottles of lotions, creams, soaps, and powders which were often given to us, and oh, they were such joys to little girls who played with dolls. Little did I think then, or for years afterward, that in time to come these items, then looked upon as luxuries, were to become actual necessities in the daily lives of American housewives and workingwomen.

But that is exactly what has happened. Today such cosmetics as face powder and face creams, lipstick and rouge, dentifrices, soaps, shampoos, and hair preparations have become as essential to housewives and working girls as hats, shoes, and other articles of wearing apparel. They should not be included under the heading of luxuries and subjected to exorbitant taxation. They are absolute necessities, because our high standards of living make cleanliness and a well-groomed appearance imperative to women's self-preservation in this highly competitive modern world.

In the business sphere such emphasis has been placed upon personal appearance that cosmetics have become an indispensable part of the working girl's equipment. The same thing applies, of course, to the girl who is seeking employment. This makes it more necessary that the prices of cosmetics not be skyrocketed by excessively taxing them as luxuries, which they no longer are. It is my studied opinion that further taxation of these articles amounts to discriminatory taxation of American womanhood.

As everyone knows, the first duty of a woman is to appear presentable at all times. If our Federal and State Governments insist on making it difficult for women to be presentable, then we women must use one of the greatest blessings which America has bestowed on women—the ballot.

You Members of this House know that 50 percent of the ballots cast in every election are cast by women. Today women are taking a very definite interest in every bill presented to Congress, and when it comes to voting against an excessive tax on cosmetics and toilet goods, I am sure that every woman will waive partisanship and vote for her own personal interest. I am sure that if every woman, when she looks at herself in the mirror and has occasion to use cosmetics, understands that unfair taxation is making it more costly for her to acquire a presentable appearance, then she will immediately demand that her Congressman vote for reduction or repeal of these taxes on cosmetics.

Surely there is no disputing the fact that cosmetics, used every day by the American woman, do not approach a luxury status, yet such is the legislative attitude toward long-suffering womanhood that the steep excise tax on such essential articles as face powder, cleansing creams, and lipstick has been ignored.

A working girl, or housewife married to a man of moderate means, must pay a 10-percent tax when she walks into her drug store or department store to buy a 25- or 50-cent box of face powder or a jar of cleansing cream. Women have accepted this unfair burden long enough without giving it a second thought. It is high time something was done about it, and I appeal to my colleagues in Congress to remove these discriminatory taxes.

As I promised Drug World and American Druggist, I will lead this crusade, because I feel that it offers another opportunity to render direct service to women throughout America.

In conclusion I appeal to my colleagues to help me in this crusade, and demand the repeal or reduction of this discriminatory cosmetic tax.

I thank you.

POLISH-AMERICAN CONTRIBUTION TO OUR REPUBLIC—PULASKI MEMORIAL DAY—TRIBUTE TO POLISH-AMERICAN HEROES AND PIONEERS

Mr. LUNDEEN. Mr. Speaker, on February 6, 1936, I introduced a resolution (H. J. Res. 483) authorizing the President of the United States to proclaim October 11 of each year General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

Resolved, etc., That the President of the United States is authorized and directed to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11 of each year, and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies in commemoration of the death of Gen. Casimir Pulaski.

Gen. Casimir Pulaski organized the Polish Legion and spent some $50,000 of his own funds in the service of the American Revolution. He was fatally wounded in line of battle.

LIFE OF PULASKI

I wish to say a few words concerning the life and services of General Pulaski and Thaddeus Kosciusko, outstanding Polish-Americans.

Pulaski was born in the Province of Podolia, Poland, about 1747. In his early twenties he became a leader in the struggle to keep his country intact and free. He pledged his fortune and his life to the salvation of Poland. In 1768 Pulaski and other Polish patriots formed an organization called the Confederation of Bar. The members of this confederation took an oath dedicating their lives to the cause of Polish freedom. His father was also a member and died in a dungeon prison. One of Casimir Pulaski's brothers was killed before his eyes; his youngest brother was taken captive. His was a family of Polish patriots.

PULASKI MEETS BENJAMIN FRANKLIN

Pulaski's estates were confiscated and he was forced to leave Poland.

After traveling to Turkey, Pulaski went to France, where he met Benjamin Franklin at Paris. Franklin was impressed with Pulaski's bravery and in the summer of 1777 gave him a letter of introduction to General Washington in America. After landing in America the spirited and brave Pulaski did not wait for Congress to act upon his commission, but enlisted in the Army as a private.

A few weeks later Congress designated Pulaski brigadier general in command of all cavalry of the American forces. He had already distinguished himself in the Battle of Brandywine. Shortly after he received his commission he helped to save Washington's Army from destruction at Warren Tavern near Philadelphia. He also distinguished himself at the Battle of Germantown.

THE POLISH LEGION

It was in March 1778 that he asked permission from Washington to organize the Polish Legion. It is said that he spent $50,000 of his own funds in this work. The members of his legion were expert horsemen. They performed invaluable service in the American Revolution, and particularly distinguished themselves in the Battle of Charleston, S. C.

At the siege of Savannah, Ga., Pulaski was commander of the entire cavalry of French and American soldiers. While leading his men in a desperate charge, he was fatally wounded and carried from the field of battle on October 9, 1779. He died 2 days later, October 11, 1779, aboard the *Wasp*, while leaving Savannah Harbor on the way to Charleston. He was buried at sea.

Pulaski, although a nobleman, was an enemy of kings. William K. Palmer dedicated these words to the memory of Pulaski:

Columbia! He died for thee
Cheerfully, and for liberty!
Honored forever more
On this Atlantic shore;
Palms for Pulaski! Palms!

THADDEUS KOSCIUSKO

On February 12, 1746, Thaddeus Kosciusko was born at the Chateau Mercez-Wczyzua, near Brezesc-Litenski. He was a brilliant military student, graduating at the age of 18 from the cadet college at Warsaw. He was an engineer and studied at Versailles and Paris. He spent 7 years studying abroad before returning to Poland, where he received a commission as captain.

Kosciusko, too, received a letter of introduction from Benjamin Franklin at Paris to George Washington. Washington placed him on his staff as an aide, and later commissioned him chief engineer with the rank of colonel. His judgments on the choice of battlegrounds contributed to skillful retreats and firm stands before Burgoyne's advances.

KOSCIUSKO AND WEST POINT

Kosciusko directed the construction of forts at West Point during the Revolution. A monument stands on the site of these fortifications, on an elevated parade ground called "Kosciusko's Garden." Kosciusko first suggested the location of the present West Point Military Academy where it now stands.

When peace came, Kosciusko had fought for 6 years in the American Army. After the war Congress conferred upon Kosciusko the rank of brigadier general and made note of the Nation's "high sense of his long, faithful, and meritorious services."

KOSCIUSKO RETURNS TO POLAND

After the war Kosciusko returned to Europe and was commissioned a major general in the Polish Army. He became the leader of secret patriotic societies in Poland, and was, through their efforts, made dictator of Poland. He used the power intrusted to him for the defense of Poland against partition. He wore the peasant soldier dress. He abolished serfdom. He led an army of the people.

"AND FREEDOM SHRIEKED AS KOSCIUSKO FELL"

During the Battle of Macieiowice, October 10, 1794, Kosciusko made a charge into the midst of the enemy. His horse was killed and he fell at last bleeding and exhausted, wounded by the lance of a Cossack.

In vain, alas! in vain, ye gallant few!
From rank to rank your volley'd thunder flew.
Oh! bloodiest picture in the book of time,
Sarmatia fell, unwept, without a crime;
Found not a generous friend, a pitying foe,
Strength in her arms, nor mercy in her woe!
Dropp'd from her nerveless grasp the shattered spear;
Closed her bright eye, and curb'd her high career.
Hope, for a season, bade the world farewell,
And freedom shrieked—as Kosciusko fell!"
(Evans' Memoir, p. 18.)

CONDEMNED TO DUNGEON

Kosciusko was captured and ordered brought to St. Petersburg, where Queen Catherine of Russia condemned him for 2 years to a dungeon in the Castle Gregory-Orloff. When Catherine died on November 6, 1796, he was set free. The third partition of Poland had been carried out while he was in prison.

Kosciusko came back to America in 1797. He received from Congress a grant of land and a sum of money in recognition of his military services. The land was the present site of Columbus, Ohio. Later he returned again to Europe, where he carried on negotiations with Czar Alexander on the independence of Poland. He died in Switzerland in October 1817.

KOSCIUSKO MONUMENT IN WASHINGTON

Kosciusko's Monument stands in Lafayette Square, which faces the White House, in the Nation's Capital. This fine monument lists the battles in which Thaddeus Kosciusko fought, and quotes the famous line:

And freedom shrieked as Kosciusko fell!

KOSCIUSKO OPPOSED TO SLAVERY

During the American Revolution Kosciusko spent some time in the South and came in close contact with the Negroes and slavery. More than a half a century before the Civil War he advocated emancipation. On May 5, 1798, he gave this parting advice to America:

I, Thaddeus Kosciusko, being just in my departure from America, do hereby declare and direct that should I make no other testamentary disposition of my property in the United States, I hereby authorize my friend, Thomas Jefferson, to employ the whole thereof in purchasing Negroes from among his own or any others and giving them liberty in my name, in giving them an education in trade or otherwise, and in having them instructed for their new condition, in the duties of morality, which may make them good neighbors, good fathers or good mothers, husbands or wives, and in their duty as citizens, teaching them to be defenders of their liberty and country, of the good order of society, and in whatsoever may make them happy and useful, and I make the said Thomas Jefferson executor of this. (Memoir of Thaddeus Kosciusko, A. W. W. Evans (p. 50). George A. Thitchener, printer, 78 Beekman Street, New York, 1883.)

Kosciusko was much more than a military hero. He was born a nobleman and lived a leader of and a believer in the common people. He typified American ideals of government of, by, and for the people. He was generous and sympathetic—a great military hero with a heart full of human sympathy.

His dust in Poland rests—
His urned heart a shrine!
Poland! He is thy son!
Columbia! Also thine!
—William K. Palmer.

POLISH HEROES OF LATER WARS

During the Mexican War there were many Poles who gave distinguished service to our country. Among them were Capt. Charles Radziminski, Capt. Napoleon Kocialkowski, and Sgt. Ignace Szumowski.

It has been estimated that 4,000 Polish soldiers fought with the Union forces in the Civil War. Of these 165 were officers. There were also several officers in the Confederate forces. About 500 Poles died for the Union cause and 100 for the Confederate cause. Gen. Joseph Karge was one of the leading Cavalry officers in the Union forces. He was a lieutenant in the first Cavalry regiment of the State of New Jersey. By profession he was professor of languages and foreign literature at Princeton University. The National Cyclopaedia of American Biography called him one of the best known educators of his time.

Other Polish Civil War heroes were Gen. Vladimir Krzyzanowski, Capt. Alexander Bielawski, Capt. Joseph Glowakowski, Lt. Julius Krywoszynski, Lt. Wladyslaw Wrothowski, Capt. K. Kossak, Capt. Louis Zychlinski, Col. Emil Shoenig, Lt. Col. Jerzy Sokalski, Capts. Teofil Michalowski, Edmund Zalinski, Peter Kiolbassa, Maurice Kraszynski, Edmund Hulanick, Edward Antoniewski, Thaddeus Hulanicki, Gustav Radniecki, Lt. Karol Borowski, and Adjt. Wladyslaw Leski. (Wallace E. Maciejewski, Polish People and Their Contribution to America.)

POLISH WOMEN IN THE CIVIL WAR

Polish women rendered noble service in the Civil War. Many of them worked in the hospitals during the war, doing their share in the War between the States.

After the Civil War there was a great immigration of Polish people to America. A large percentage of them were farmers. Wisconsin has many cities named after Polish heroes. Pulaski, Sobieski, and Lublin are Polish names given to cities of Wisconsin.

These Polish immigrants were hard workers and thrifty citizens. They saved their money until they could own

their own homes, and today a large percentage of the Polish people own their own homes. They are home-loving citizens, and value family life.

In the Spanish-American War about 85,000 Poles saw service.

POLISH PATRIOTISM DURING THE WORLD WAR

Three hundred thousand Poles served the United States in the World War. According to Reverend Kruszka, eminent authority on Polish life in America, 40,000 of the first 1,000,000 World War soldiers were Poles. Dr. Kruszka states that the first American soldier to sacrifice his life in the World War was a Pole, Sgt. John J. Czajka, of Milwaukee, Wis., who was killed in action November 13, 1917, while leading a patrol of men of Company A, Twenty-sixth United States Infantry.

Polish people took a leading part in Red Cross work during the World War. They were heavy subscribers to Liberty loans.

KANIEWSKI-LOSS POST, V. F. W.

I have had the privilege of meeting with my comrades of Kaniewski-Loss Post, Veterans of Foreign Wars, and there I find as fine, upstanding Americans as I have met any place in this country. I had the pleasure of recommending one of my Polish-American comrades, John E. Katzmarek, for the office of special assistant attorney general of the State of Minnesota, in which office he is ably serving the people of our State.

POLISH-AMERICAN PIONEERS

Every walk of life was represented in our early colonial history by Polish leaders. John A. Joyce, the American poet, said of these Polish Revolutionary heroes:

> Polish heroes in their might
> Fought in freedom's holy fight,
> Brilliant as the stars at night,
> To maintain the pure and right.

We have many Polish-American pioneers worthy of commemoration by the American people. It was a Pole, Dr. Alexander Carol Kuriusz, who founded the first high school in America and the first academy in New Amsterdam. Jacob and James Sadowski founded the city of Harrodsburg, the oldest city in Kentucky. They aided Daniel Boone in settling Kentucky. Karol Blaskiewicz was the first to map the sea coast of New England. Peter Stadnicki, Amsterdam banker, gave financial aid to the United States when its Treasury was empty. Julian Fontana, noted musician; Henry Dmochowski Sanders, noted sculptor; Pawel Sobolewski, poet and journalist; Adam Gurowski, noted author; Adam Kurek, founder of the first brass band in America; and a score of other Polish leaders took part in our early colonial life.

POLISH-AMERICAN COLONIAL LEADERS

The early settlers of the Thirteen Original Colonies, who traced their ancestry to Poland, identified themselves with every movement in the march of progress. Their contribution to pioneer life was priceless. No matter where we delve for historical data we find evidence of the Poles who zealously assisted in laying the cornerstone of American civilization. True, our school texts do not acquaint us with all these salient facts of American history. Nevertheless those facts are there. (Polish People and Their Contribution to America, by Wallace E. Maciejewski.)

POLISH LITERATURE

Reverend Kruszka states that the first Polish periodical published by Poles in America was Poland—Historical, Literary, Monumental, and Picturesque. This periodical was founded in 1842 and served as a medium of informing America about Poland and the Polish people. Casper Tochman, during the years 1840 and 1844 delivered over 100 lectures on Poland, telling of the persecution of Poland by other European powers. It was about this time that the Polish people began to gather together in organizations. Polish societies were formed.

MINNESOTA POLISH STATE CENTRALE

Dr. Frank R. Gratzek, of Minneapolis, is today president of the great Minnesota Polish State Centrale. He has been kind enough to furnish me with the articles of Rev. W. Kruszka, translated into English by Wallace E. Maciejewski, entitled "Polish People and Their Contribution to America", as published in Kuryer Polski, Polish newspaper published at Milwaukee, Wis.

POLISH-AMERICAN ORGANIZATIONS

Today there are Polish-American organizations of all kinds. The Polish National Alliance has its headquarters in Chicago. It was founded in 1880. There are the Polish Roman Catholic Union, the Polish Women's Alliance, the Polish Falcons of America, the Federation of Life Insurance of America, the Polish Singers' Alliance of America, the Polish Alma Mater, and the Alliance of Polish Literary and Dramatic Circles.

The Kuryer Polski of Milwaukee, founded by Michael Kruszka, has done much for Polish progress in this country. Its editorials have directed and aided Polish immigrants in America.

Polish people today are active in every branch of human endeavor. There are about 500,000 Poles in the city of Chicago. Milwaukee, New York, Detroit, Cleveland, Philadelphia, Pittsburgh, Toledo, and Baltimore have large Polish populations. In Minnesota, according to the 1930 census, we have approximately 48,911 Poles.

There are over 5,000,000 intelligent, industrious Polish people contributing by their efficient and conscientious labor to the development and progress of America. America can never repay Poland the blood and treasure expended by her sons in our various wars. This country would do well to pay tribute on October 11 of each year to Pulaski, great American Revolutionary leader. We would do well on that day to honor our Polish heroes in the great struggle for American independence.

POLISH PIONEERS

An emigrant from a world of music and rustic symphonies of blue skies and cultivated farms, he enshrined the exuberance of life; trod forth in a hostile world against his customs and traditions. He refused to sit quiet or be pigeonholed for the sake of anyone. So he burst open, triumphant over time and space, exultantly crying, "I also live."

That was and still is the Polish spirit! (Rev. W. Kruszka.)

POLISH-AMERICAN NEWSPAPERS

[From N. W. Ayer & Son's Directory of Newspapers and Periodicals, 1936]

POLISH (73 PAPERS)

			Circulation
CONNECTICUT			
New Britain: Przewodnik Katolicki (Catholic Leader) (wkly)		Cath.	
ILLINOIS			
Chicago:			
Dziennik Chicagoski (dly)		Ind. Dem.	27,972
Dziennik Zjednoczenia (dly)		Ind.	38,472
Glos Polek (wkly)		Polish Women.	70,000
Glos Polski (wkly)		Prog. Labor	
Narod Polski (wkly)		Cath. & Labor	100,980
Polonia (wkly)		Nonpart.	4,600
Telegraf (wkly)		Dem.	
Zgoda (dly)		Ind. Rep.	25,790
Zgoda (wkly)		Ind. Rep.	143,741
INDIANA			
South Bend: Goniec Polski (s-wkly)		Nonpart.	7,179
MARYLAND			
Baltimore: Jednosc-Polonia (wkly)		Ind.	13,000
MASSACHUSETTS			
Boston: Kuryer Codzienny (dly)		Ind.	22,461
Chicopee: Nova Anglia (wkly)		Ind.	
Holyoke: Gwiazda (Star) (Pol. & Eng.) (wkly)		Nonpart.	
New Bedford: Trybuna (wkly)		Ind.	
MICHIGAN			
Bay City: Sztander Polski (wkly)		Ind.	
Detroit:			
Ognisko Domowe (wkly)		Cath.	9,000
Polish News (dly)		Ind.	15,017
Robotnik-Polski (wkly)		Labor	36,200
Grand Rapids: Echo (wkly)		Ind.	
Hamtramck: Citizens Weekly (Pol. & Eng.) (wkly)		Ind.	
Saginaw: Echo Z Saginaw (wkly)		Nonpart.	
MINNESOTA			
St. Paul: Nowiny Minnesockie (wkly)		Ind.	
MISSOURI			
St. Louis: Przewodnik Polski (wkly)		Ind.	
NEBRASKA			
Omaha: Gwiazda Zachodu (wkly)		Ind.	11,250
NEW JERSEY			
Camden:			
Nowiny (wkly)		Ind.	5,740
Polish Gazette (wkly)		Ind.	1,800
Elizabeth: Obywatel Amerykanski (wkly)		Nonpart.	
Jersey City: Glos Narodu (wkly)		Ind.	17,360
Newark: Kronika (wkly)		Ind.	13,350
Passaic: Nowiny (wkly)		Nonpart.	
Perth Amboy: Polak-Amerykanski (wkly)		Nonpol.	6,546

POLISH-AMERICAN NEWSPAPERS—Continued

NEW JERSEY—continued

		Circulation
Trenton:		
Americanism (Polish edition) (see note in catalog) (wkly)	Amer'ization	
Przyjaciel Wolnosci (wkly)	Nonpol	63,200
NEW YORK		
Binghamton: Obywatel (wkly)	Ind	3,667
Brooklyn: Czas (wkly)	Ind	14,965
Buffalo:		
Polish Everybody's Daily (dly)	Nonpart	27,106
Przeglad Tygodniowy (wkly)	Dem	3,291
New York:		
Kuryer Narodowy (dly)	Ind	11,820
Nowy Swiat (dly)	Ind	16,044
Sunday circ		7,859
Rochester: Prasa (wkly)		
Schenectady: Gazeta Tygodniowa (wkly)	Rep	4,925
Syracuse:		
Nowiny Polskie (wkly)	Ind	
Utica: Slowo Polskie (wkly)	Ind	6,700
OHIO		
Cleveland:		
Kuryer (wkly)	Ind	33,125
Monitor (dly)	Dem	22,201
Wiadomosci Codzienne (dly)	Ind. Rep	22,318
Zwiazkowic (wkly)	Ind	20,139
Toledo: Ameryka-Echo (wkly)	Nonpol	74,900
	Free dist	2,565
Youngstown: Goniec (wkly)	Ind	
PENNSYLVANIA		
Erie: Trybuna Polska (wkly)	Ind	
Philadelphia:		
Gwiazada (wkly)	Ind	7,575
Jednosc (wkly)	Ind	7,300
Patryota (wkly)		
Pittsburgh:		
Pittsburczanin (wkly)	Ind	
Sokol Polski (wkly)	Frat	13,770
Reading: Gazeta Readingska (wkly)		
Scranton:		
Republicka-Gornik (wkly)	Nonpart	11,935
Straz (wkly)	Labor	
Shenandoah: Tygodnik Gorniczy (wkly)	Ind. Rep	6,500
Wilkes-Barre:		
Courier (wkly)	Ind	
Gornic Praca (wkly)	Ind	
Gornik (wkly)	Ind	
WASHINGTON		
South Bend: Willapa Harbor Pilot (Ger., Pol., Swed., Norw., Fin.) (wkly)	Dem	1,200
WEST VIRGINIA		
Wheeling: Nowiny Wheelingskie (wkly)	Pol. Int	
WISCONSIN		
Milwaukee:		
Kuryer Polski (dly)	Ind	32,250
Sunday circ		38,000
Nowiny Polski (dly)	Ind	‡23,803
Stevens Point:		
Gwiazda Polarna (wkly)	Ind	20,274
Jaskolka (mo)	Gen. Mag. & Wom. Int	‡7,949
Rolnik (wkly)	Ind. & Agric	8,990
CANADA—MANITOBA		
Winnipeg:		
Czas (wkly)	Ind	
Gazeta Katolicka (wkly)	Ind	7,055

[Eleanor E. Ledbetter]

GENERAL WORKS ABOUT POLAND AND THE POLES

PERIODICALS

Poland. Journal of the American-Polish Chamber of Commerce and Industry. v. 1–13, current. May. 1920–present. 147 East Sixty-seventh Street, New York. Illustrated monthly magazine, containing a great variety of useful information; originally entitled "Journal of the American Polish Chamber of Commerce and Industry." In this bibliography individual references are made to 1, translations from Polish literature; 2, biographical sketches; 3, articles descriptive of customs.

Polish Economist. A monthly review of trade, industry, and economics in Poland. v. 1–7, current. 1925–present. Warsaw, Poland. Illustrated journal, with descriptive articles and statistics.

Slavonic and East European Review. A survey of the peoples of eastern Europe, their history, economics, philology, and literature. Published for the school of Slavonic studies in the University of London, King's College. v. 1–9, current. 1921–present. London, Eyre & Spottiswoode. Scholarly publication of the greatest importance.

Slavonic Review. Volume 7 on called Slavonic and East European Review, which see.

Survey of Poland. Published weekly by the American Polish Chamber of Commerce and Industry in the United States. v. 1–8, current. 1923–present. 149 East Sixty-seventh Street, New York.

YEARBOOKS

Handbook of Poland. 1925. 26 pages. New York. "Poland." 1925.

Handbook of Poland. 1929. 37 pages. Warsaw. Polish-American Chamber of Commerce; New York American Polish Chamber of Commerce and Industry, Inc. [1929].

Poland, Republic of. Chief, Bureau of Statistics. Concise statistical yearbook of Poland. First issue, 1930. Second year, 1931. Warsaw. The Bureau. 1930–31.

Polish Handbook, 1925. A guide to the country and resources of Poland; edited by F. B. Czarnomski. 704 pages. London. Eyre & Spottiswoode. 1925. A very comprehensive work, covering a wide range of topics, descriptive, statistical, and social.

OTHER WORKS

Polish encyclopedia. (Publications of the Polish National Committee of America.) Many maps and charts. Vol. 1–3. 1922–26. Geneva.

Cotents:

Vol. 1. The Polish language, by Stanislaus Dobrzycki; History of Polish literature: The middle ages, renaissance, pseudo-classicism, by S. Dobrzycki; Romanticism and contemporary literature, by M. Szyjkowski; History of Poland, by L. Konopczynski.

Vol. 2. Geography and ethnography, by E. W. Janczewski and others: Population, by Stefan Zaleski; Territorial development of the Polish nation, by W. Wakar; The Jews in Poland, by Adam Skierko; The Population of Present Day Poland, by Martin Nodobnik.

Vol. 3. Economic life of Poland, by various authors; Prussian Poland; Galicia and Silesia; Kingdom of Poland, Lithuania, and Ruthenia.

Polish Information Committee. Poland's case for independence; being a series of essays illustrating the continnance of her national life. 352 p. Lond. Allen and Unwin. 1916.

Contents: Landmarks of Polish history, by August Zaleski; Poland's struggle for independence, by Rajmund Kucharski; The population of the Polish commonwealth, by A. E. Gurney; Poland as an independent economic unit, by S. Posner; Outline of the history of Polish literature, by Jan de Holewinski; a sketch of the history of Polish art, by Jan de Holewinski; the national music of Poland, by Marguerite Walaux; Intellectual Poland, by Leon Litwinski. Written during the war to promote the Polish cause, these essays are all the work of scholars and present their various themes in a dignified and temperate manner. They were also published as separate pamphlets.

[From The Poles in America, by Paul Fax]

A BRIEF BIBLIOGRAPHY

Bain, R. N.: Slavonic Europe (Cambridge University Press, 1908).

Bain, R. N.: The Last King of Poland (G. P. Putnam's Sons, New York, 1909).

Balch, Emily G.: Our Slavic Fellow Citizens (Charities Publishing Committee, New York, 1910).

Benson, E. F.: The White Eagle of Poland (George H. Doran Co., New York, 1919).

Boswell, A. B.: Poland and the Poles (Dodd, Mead & Co., New York, 1919).

Brandes, George: Poland, a Study of the Land, People, and Literature.

Choloniewski, Antoni: The Spirit of Polish History (Polish Book Importing Co., New York, 1908).

Clark, E. F.: Old Homes of New Americans (ch. 4–6) (Houghton, Mifflin & Co., Boston, 1913).

Gardner, Monica: Poland (Charles Scribner's Sons, New York, 1919).

Gibbons, H. A.: The Reconstruction of Poland (The Century Co., New York, 1917).

Harley, J. H.: Poland—Past and Present (Allen & Unwin, Ltd., London, 1917).

Hayden, Joel B.: Religious Work Among the Poles in America (Missionary Education Movement, New York, 1916).

Hourwich, I. A., Ph. D.: Immigration and Labor (G. P. Putnam's Sons, New York, 1912).

Jenks and Lauck: Immigration (Funk & Wagnalls Co., New York, 1912).

Lewinski-Corwin, E. H., Ph. D.: The Political History of Poland (Polish Book Importing Co., New York, 1917).

Little, F. D.: Sketches in Poland (Frederick A. Stokes Co., N. Y., 1914).

Lord, R. H., Ph. D.: The Second Partition of Poland (Harvard University Press, Cambridge, Mass., 1915).

McClure, Archibald: Leadership of the New America (George H. Doran Co., N. Y., 1916).

Morfill, W. R.: Poland (G. P. Putnam's Sons, N. Y., 1893).

Phillips, W. A.: Poland (Henry Holt & Co., N. Y.).

Poland, Her People, History, Finance, Science, Literature, Art, and Social Development (Petite Encyc. Polonaise (English edition), Herbert Jenkins, Ltd., London, 1919).

Radosavljevich, Paul R., Ph. D.: Who Are the Slavs? (2 vols.) (Richard G. Badger, Boston, 1919).

Shriver, William P., D. D.: Immigration Forces (Missionary Education Movement, N. Y., 1913).

Slocombe, G. E.: Slavonic Europe (Cambridge University Press, 1905).

Van Norman, L. E.: Poland, the Knight Among Nations (Fleming H. Revell Co., N. Y., 1908).

Thomas and Znaniecki: Polish Peasants in Europe and America (5 vols.) (University of Chicago Press, 1916).
Whitton, T. E.: A History of Poland From Earliest Times (Constable & Co., Ltd., London, 1917).
Winter, N. O.: Poland of Today and Yesterday (L. C. Page & Co., Boston, 1913).
Almy, Frederick: Huddled Poles of Buffalo (The Survey, Feb. 14, 1911).
Coulter, C. W.: Poles of Cleveland (Cleveland Americanization Committee, 1919).
Daniels, J.: Americanizing 80,000 Poles (The Survey, June 4, 1919).
Garrett, L. B.: Notes on the Poles in Buffalo (The Survey, Dec. 5, 1904).
Jan, the Polish Minor (The Outlook, Mar. 26, 1910).
Journal of the American-Polish Chamber of Commerce and Industry, 953 Third Avenue, New York City.
Spirit of Poles in America (The Survey, Sept. 28, 1918).
The Poles in the Land of the Puritan (New England Magazine, October 1903).

CORRECTING THE RECORD AS TO TRADE AGREEMENTS AND DAIRYING

Mr. BEITER. Mr. Speaker, the gentleman from New York [Mr. CULKIN] recently inserted an address entitled "This Administration Has Wrecked the Dairymen." The gentleman is able to devise startling headlines for statements for home consumption that are contrary to fact.

From January to April, inclusive, the farmers of New York received from the sale of livestock and livestock products the sum of $67,000,000, compared to $59,000,000 in the same 4 months of 1935, $49,000,000 in the same 4 months of 1934, and $37,000,000 in the same 4 months of 1933, according to a release of the Bureau of Agricultural Economics dated June 17, 1936. It is lucky the gentleman did not delay his speech until this study was completed. Had he looked for the facts, he could not have made any speech. The farmers of the gentleman's State, which happens also to be my State, received in the first 4 months of 1936, $30,000,000 more for their animal products, principally dairy products, than they received during the corresponding months of 1933, before this administration took charge, an increase of 81 percent. They received $8,000,000 more for these products during the first 4 months after the Canadian trade agreement became effective than they received during the corresponding months of last year. Yet he claims that the Canadian trade agreement wrecked the dairy industry.

Just to show that the benefits of trade and price recovery have not been confined to the gentleman's State, I might mention that the amount received by Wisconsin farmers for their livestock and livestock products increased from $40,000,000 in the first 4 months of 1933 to $68,000,000 during the same months of 1935, and to $79,000,000 during the same months of this year. Similarly Minnesota producers of livestock and livestock products increased their sales from $42,000,000 in 1933 to $67,000,000 in 1935 and to $82,000,000 this year, January to April, inclusive. I do not know of a single industry which would not enjoy being "wrecked" in this manner.

Not only has this administration not wrecked dairymen, but it has not done many of the other things which the gentleman cavalierly charged in his speech.

In referring to the Trade Agreements Act, he states that "Certainly not under any existing form of popular government was any such power delegated to the Executive." He later suggests that all trade agreements be ratified by the Senate and States as an alleged fact that "every other nation with whom these treaties have been made, whether European, South American, or otherwise, require the ratification of the treaties by their legislative assemblies." These alleged "facts" happen not to be true. Most of the trading nations have delegated legislative authority whereby tariff-bargaining agreements with other countries can be made by the Executive, and many of the 14 trade agreements already negotiated under the Trade Agreements Act have been put into effect by the foreign country without prior ratification by their legislative assemblies. Moreover, the gentleman appears not to realize that congressional ratification of international agreements under the parliamentary system in effect in many foreign countries is quite a different matter than it is under our form of government. For 60 years we experimented with reciprocal agreements subject to congressional ratification. A number of treaties were negotiated but all, with the exception of those with Canada, Cuba, and Hawaii, failed of ratification because of the lobbying of powerful minority interests and congressional log rolling. Out of 21 agreements signed under the authority of the Tariff Acts of 1890 and 1897, 16 failed because of opposition in the Senate, a two-thirds majority being required for ratification. There is no sense in suggesting a policy that has been proved unworkable, particularly in the present state of the world. In these days quick Executive action is necessary to protect our export trade, and we must adopt and continue to use those methods which have enabled our competitors to expand their trade at our expense.

The gentleman also believes that the trade-agreements program will spell certain disaster to the future of America. Some leading members of his own party now admit that mounting tariff barriers, rather than trade agreements, will bring disaster to this country. Republicans and Democrats alike realize that the high tariffs of the past Republican administrations not only have failed to maintain prosperity, but, rather, have been largely responsible for the destruction of our prosperity.

He later says that "Secretary Hull does not now nor ever did believe in a protective tariff." This is another one of those careless misstatements made so frequently by the gentleman from New York. Secretary Hull has stated and reaffirmed the necessity for continuing necessary tariff protection; he stands for reasonable reductions of excessive tariff and other barriers which throttle our foreign trade. The trade agreements negotiated demonstrate how carefully protection has been retained where it can be justified.

The gentleman again reads an erroneous interpretation into the President's Baltimore speech of October 1932. The President, referring to farm products, then stated:

> I know of no effective excessive high duties on farm products. I do not intend that such duties shall be lowered.

The gentleman reads his own meaning into this plain statement by omitting the words "effective" and "excessive."

Finally, the gentleman begins to approach the problems of the industry which he believes will be aided by prohibitive tariffs. In doing this, he takes occasion to say that Secretaries Hull and Wallace have abandoned any attempt to export American agricultural products. I am afraid the gentleman has not studied the trade agreements nor read the CONGRESSIONAL RECORD. Had he been truly interested in the problem of agriculture he would not have failed to read in the RECORD the address of the gentleman from California [Mr. BUCK] on March 30, 1936, entitled "American Agricultural Advantages Under the Trade Agreements." Covering almost nine pages of fine print is a list of the principal agricultural products for which concessions have been obtained from foreign countries in trade agreements already concluded. This list includes practically every farm product exported from this country. Since that list was prepared, agreements containing additional advantages to American agriculture have been signed with Guatemala, Finland, and France.

I need not go into details of the advantages which have already resulted. It is sufficient to mention the agreement with Cuba, which has been in effect for about a year and a half. For the first year of the agreement with Cuba our exports of agricultural commodities included in the agreement increased 174 percent over a previous corresponding period. The cumulative effect of the concessions obtained for agriculture under trade agreements will add greatly to the incomes of our farmers.

Though the gentleman from New York [Mr. CULKIN] represents a district which produces a wide variety of agricultural and manufactured products, he has decided to take under his wing one industry—dairying. He states that our duties on "dairy products" have been lowered 20 to 35 percent in trade agreements with France, Finland, and Switzerland. The fact is that cheese is the only dairy product men-

tioned in those trade agreements, and, with but one minor exception, these agreements provide for rates of duty on Roquefort, Emmenthaler, and Gruyere cheese equal to those specified in the Tariff Act of 1922. With regard to these cheese items, it may be pointed out that Roquefort cheese is made from sheep and goat milk and is not produced in this country, while the Emmenthaler and Gruyere cheeses, which are imported, are of a higher quality and bring decidedly higher prices, thus being only indirectly competitive with the small amounts of these types produced in the United States.

He then mentions the restoration of the 1922 duty on Cheddar cheese in the Canadian agreement, which was made only after a careful study had been made by Government departments as to the desirability of such a reduction. Let us examine the facts with regard to the gentleman's implication that such a reduction was the sole cause of the decline in the price of Cheddar cheese from January 1, 1936, when the Canadian agreement entered into effect, up to June, when he made his assertions. There is nothing unusual in the decline of the price of cheese during the early months of 1936. In 9 of the 11 years from 1925 to 1935, inclusive, the price of cheese also dropped steadily, with but few minor and temporary upward movements, from January to either May or June of each year. This is a normal seasonal trend and no justification exists for ignoring these dominating seasonal factors and for attempting instead to associate the downward movement in the price of cheese in the early months of 1936 with the increased but relatively small imports of Canadian Cheddar cheese.

It is true that the downward trend of cheese prices during the early months of 1936 was somewhat more marked than has been the case normally. But again, examination of the factors responsible for this exaggeration of the normal downward trend indicates that imports of cheese had very little, if anything, to do with the situation. In each of the first 3 months of 1936, domestic production of cheese attained a new peak for production during that month. In total, for the first quarter, production amounted to 128.9 million pounds, or 27.6 million pounds more than the average production in the same months during the 5 years 1930–34. Thus imports of cheese from Canada during the first quarter of 1936 were only 2 percent of the total domestic production. Moreover, storage stocks of cheese have accumulated to an unprecedented extent. Storage stocks totaled 78.2 million pounds on February 1 (71 million pounds Feb. 1, 1935), 68.4 million pounds on March 1 (60.9 million pounds Mar. 1, 1935), and 62.3 million pounds on April 1, the latter being 7.5 million pounds greater than the same time a year ago and 17.3 million pounds greater than the average stocks on April 1 during the 5-year period from 1930 to 1934, inclusive. Stocks on May 1 totaled 55.8 million pounds, compared to 46.6 million pounds on May 1, 1935, and compared to an average of 44 million pounds for the preceding 5 years. These data show how weak is the foundation for the gentleman's conclusion that imports of cheese from Canada have caused a drop in cheese prices. The chief explanation for the decline in the current price of cheese is obviously to be found in the high domestic production of recent months and in the consequent accumulation of stocks, rather than in the relatively small imports of Cheddar cheese. The entire stoppage of Cheddar cheese imports would have made no appreciable difference in the situation.

It is fortunate for him that the gentleman from New York ended his "investigation" at a point which seemed favorable for his argument. If he had made use of data for a more recent period, which were readily available, he would have been forced to change his conclusions. However, I will correct his errors of omissions by pointing out that the price of cheese reached its 1936 low in the middle of May, at which time the price was 12.5 cents, one-half a cent higher than the lowest price to which cheese fell in 1935. Since May 22, 1936, the price has been above last year's price, and the quotation set on June 19 of 14.5 cents per pound is 2 cents higher than at the same time last year. It seems that the gentleman's calamity clamor was a little premature. The present tariff of 5 cents made it necessary for the Canadian producer to accept 8 to 9 cents per pound in order to meet recent prices in the United States. Since Canadian cheese is admitted free of duty into the United Kingdom, the bulk of Canadian cheese will continue to be marketed there as it has in the past.

The gentleman informs us that the costs of production in France, Finland, Sweden, and Canada are "not more than one-half of what they are in America." I do not know to what part of America he has reference. I do not believe that the cows of any foreign country produce twice as much milk as cows in the United States nor that foreign machinery and ingenuity are twice as effective as American dairy machinery and ingenuity.

As the rates now in effect are generally those of 1922 and far above the cheese duties of 1921, the cheese industry need not worry about foreign competition. Our manufacturers of processed cheese need some of the aged B. and B. cheese, which is a specialty of eastern Ontario, in order to combine it with domestic cheese. Imports of Cheddar before 1930, when the present duties were in effect, were never large and only rose when prices in the United States were unusually high. The average imports from 1925 to 1929 under the same duty as now exists were 1 percent of the domestic production of Cheddar, and domestic production steadily increased under this competition, while production in Canada declined.

The gentleman has deliberately failed to notice that some 15 concessions have been obtained by trade agreements with foreign countries in favor of our producers and exporters of dairy products; also that hundreds of concessions for other farm products will reopen foreign markets and thus relieve our dairying industry of the threat of increasing competition from farmers whose foreign markets have been closed and who look with envy on the comparative prosperity of the dairy farmers. Finally, the prosperity of the dairy industry is strikingly dependent on domestic prosperity. The Department of Agriculture has published a study which shows that when pay rolls are large the price of butter is high. Thus domestic prosperity is overwhelmingly more important to the dairyman than small imports.

Statistics can be made to tell strange stories by those who seek to mislead the public. The gentleman has said that the present rate of increase of imports of foreign cheese will drive American cheese from our markets. It would be equally true to say that the importation of one foreign automobile this year compared with none in 1935 means a rate of increase which will drive the American automobile industry out of business. I am confident that the small quantities of cheese imported will not oblige the producers in this amply protected industry to give up their automobiles and radios, much less their farms and herds.

The gentleman has accused the administration of having political bias against dairymen. The same feeling has been expressed by certain manufacturers, fruit growers, cattle raisers, and others. When certain branches of agriculture claim that trade agreements favor industry at the expense of agriculture, and when certain industries complain that these same agreements favor agriculture at the expense of industry, there is evidence that they have favored none but have been advantageous to all. Whenever any industry imagines that it has gotten into trouble, whether it is from overproduction, drought, or loss of foreign markets, it runs to the Government for some form of subsidy, usually higher tariff. The dairy complaints are the same old story.

The gentleman has been buttonholed by two or three industries and he fails to consider the interests of his constituency as a whole. He was persuaded to insert in the RECORD a petition drawn up by a seafood industry, although it is a million years since Oswego was on the sea. He also protested because New York obtained some fresh vegetables in midwinter from Cuba. This was a welcome addition to the diet of the people of New York, but he never thinks of his constituents as consumers, although I believe they enjoy

winter vegetables, seafood specialties, and luxury cheeses as much as do other consumers in the United States. Their high standard of living demands a varied diet. I believe they would resent it if they knew he was protesting against their buying 1 pound of imported cheese for every hundred pounds they eat of American cheese. He is far out of line with the needs of his district when he wishes to prohibit even occasional imports of products that are needed by his constituents as consumers. He will end up by forcing them to consume nothing that is not made in northern New York. Then the fruit growers can cut down their orchards and the factories in his district, which produce paper boxes and other paper manufactures, paper-making machinery, rayon underwear, pumps, and agricultural implements, can close their doors because his constituency has at last become self-contained.

MONEY AND THE DEPRESSION

Mr. GRAY of Indiana. Mr. Speaker, at this late date in the session I do not wish to take up further time in considering the subject of money and the depression, but under general leave to extend my remarks in the RECORD I will include and here include the following further observations relative to the principle and laws of money, the cause of the panic:

THE PANIC NOT A MYSTERY

I do not believe this panic is a mystery, a deep, dark, unexplainable mystery. I do not believe this panic involves a problem defying the comprehension and powers of man. I do not believe the blight of this panic has come like some weird phantom ghost from the somber depths of darkness to hover over the land for a time, only to disappear as mysteriously as it came some day, sometime in the far-distant hazy future. I do not believe that this blight upon Nature's bounty has been sent as a curse by a revengeful God as a scourge to rebuke and chastise man for enterprise, industry, and thrift. Only natural conditions and the supernatural are confusing, bewildering, mysterious before man. We cannot comprehend eternity, the causes in far-away space, the infinite works of the Almighty. We cannot solve the problem of birth, life, and death and our being, because the causes in nature and space and the problems of our life and being and the reasons for creation are beyond the power and comprehension of the weak, finite human mind which only God can solve.

WAS CAUSED BY MEN

But this panic does not involve creation or the supernatural. This panic is not a natural condition. Want, suffering, deprivation, and distress in the midst of plenty and great abundance is not a natural condition. It is an unnatural condition, an abnormal industrial condition, a perverted, economic condition, a condition brought about by men, resulting from the relations of men in the course and conduct of men. This panic was caused by men. It is within the power and comprehension of men, can be analyzed and solved by men, and can be remedied by men. To say that this man-made panic is an insolvable problem, an incomprehensive mystery, is a maneuver to evade responsibility or a cowardly mental retreat.

THERE IS A REASON AND A REMEDY

I believe there is a reason, a cause, a remedy for this industrial panic or depression, a restoration, a relief in rational means and methods which can be devised and administered by men. And in the course of these remarks I propose to show the cause, to show how, when, and where, by whom, and for what purpose this panic was brought upon the unsuspecting people. I propose to give dates and places, give names of men interested and participating. I propose to go into particulars and give details and show the operations by which this panic was brought upon the country. I propose to show this panic is not an incomprehensible mystery; that the cause can be discovered, realized, and understood; that it came following and in obedience to the violation of economic and monetary laws as fixed, certain, and unchanging as the laws of life and death. And that the cause of the sudden fall of values, prices, and the wage scale stand out as clear, open, and apparent as the distinct form of objects in the glare of the noonday sun.

PROBLEMS RESOLVED INTO SIMPLE PROPOSITIONS

It has been said that all great problems by a proper analysis can be resolved into a few simple propositions capable of understanding and solution by the people. I believe that this is true; that this is true of our industrial problem; that this is true of the problem of hard times, of the problem of want and suffering in the midst of plenty and great abundance. For such analysis of industry it is necessary to realize and understand something of the history, growth, and development of our specialized industrial system, its different and dependent parts, and the order in which they operate and function together as a whole.

OUR SPECIALIZED SYSTEM OF INDUSTRY

There was a time in early human history when every man worked with his own hands, each independently for himself, when he labored and produced separately to meet all his wants and needs. When he lived the simple life he was dependent upon no man for any of the necessaries to live. And he could use and enjoy the necessaries accordingly as he was industrious, according as he was willing to work, willing to toil and labor to live. But with all his energies exerted he was a mere jack-of-all-trades and, as the saying goes, a master of none. Production was crude, tedious, and laborious. He could make only slow progress and advance but little further than guided by mere instinct and animal nature.

But in the course of time men learned to work together to divide their labors into separate trades and callings and to specialize as experts. And instead of every man working separately, each producing alone for himself and supplying all the necessaries prepared or produced by his own hands to meet all his wants and needs, they learned to work together under a system of specialized industry dividing their labors into different lines and trades, some providing one part of the necessaries and others supplying other parts of the necessaries, some rendering one line of services and others performing different services. And then each man exchanging all or part of what he produced for some part of what others produced or his services for other services and in this way all providing themselves with all the necessaries and comforts required to live.

And the people found this plan or system was good and of great use, benefit, and advantage in the course of their labors to live. They found that this specialized system of industry enabled them to produce as specialists and provide the necessaries as experts. They found that this plan and system enabled them to produce more and better of all the necessaries and comforts and conveniences and in greater portion and abundance. And this is our system of industry under which we are laboring today as specialists and experts in production and from which we have evolved our complex industrial system. And the system of industry under which we were laboring and producing when the blight of this economic panic fell.

THE WHOLE SYSTEM BASED UPON MONEY

It must be further realized and understood that this whole system of specialized industry is based and dependent upon the exchange of commodities and services, and without the means or facilities of such exchange our specialized system of industry could not function or exist for a single day. The people working together under our specialized system of industry do not take their part of the goods produced or divide the goods produced or directly exchange for other goods produced. The people receive and take money—money instead of goods produced, money instead of services performed. They take money to represent services rendered, and which money they thus take they exchange for other goods produced or for other services.

It was only by the invention and use of money by and with which commodities and services were and are transferred and exchanged, by and between producers and consumers, which made it practical and possible for our specialized system of industry to be developed and function as a system.

The invention of money as a medium of exchange and the specialized system of industry thereby developed and made possible was the stepping stone from which mankind began the upward course of progress and advancement leading to the higher planes of life and which opened and paved the way for industrial progress and civilization. Without money as a medium of exchange, exchange without physical delivery of the goods, exchange without performance of the services rendered between those whom the exchange is made, man would have remained in the stone age or have gained no further vantage ground than the Dark Ages of medieval times.

Our specialized system of industry rests upon and is based upon the medium or means of money for exchange as the frame of a house or building rests upon the foundation upon which built. And as the impairment of the foundation would jeopardize and disorder the house, the withdrawal or interference with money would disorder our system of industry. And as the complete destruction of the foundation or the breaking down or removal of the foundation would leave the house to crumble and fall, so the complete withdrawal of money from circulation, industry would leave our specialized industrial system to relapse into the crude and primitive state in which it existed before the invention of money and the crude age before civilization.

MONEY COMPARED WITH THE BLOOD

Money under our specialized system of industry circulating in the channels of industry and trade may be compared to the blood flowing through the veins and arteries of the body. The blood is a hidden, concealed force, a mysterious power and agency of life which only physicians and medical students and chemists know and understand as an agency in the economy of the body. And only financiers and expert bankers and students of monetary science know, realize, and understand the hidden, concealed force of money in the operations and functions of our free, competitive system of industry.

But all men know that the blood carries the vital, indispensable life fluid to and from the different tissues of bone, sinew and flesh and without which the body would perish and return to the elements from which it came. And all men must know with equal positive knowledge that money is the vital indispensable agency which affects the exchange of commodities and services from producers to consumers and the different trades and callings of men upon which the whole plan and system of our specialized system of industry is based, and without which means of money for exchange our specialized system of industry could not exist, no part could operate or function, and men would be forced to return to the crude and primitive life and from where they first awoke to a realization or consciousness of their being.

MONEY MADE CIVILIZATION POSSIBLE

Probably no other one advent in the course of human affairs has exerted a more controlling influence upon the growth and development of civilization than the one invention of money. But like many other great powers, created for the common good and public welfare, money is susceptible of great abuse, and, when prostituted for selfish gain, money becomes a monster, menacing, evil, a blight, a curse upon man, reducing him to a state of slavery and abject servitude, an obedient, servient tool in the hands of cruel and relentless taskmasters, mentioned and referred to in ancient history as misers, shylocks, and money changers, and known today, in modern terms, as international financiers and manipulating bankers.

While the use of money as a means of exchange is one of its most vital and important functions in our specialized system of industry, and without which our industrial system would crumble and fall away, there is another important use which money serves in industry incidentally developed with the use of money as a means of exchange. The control of this use of money is susceptible of greater abuse, and of which great advantage can be taken to burden and oppress the people. The power to control this use of money includes the power to take from the people, the power to reduce men to poverty and dependency, without them knowing the cause of their burdens and distress.

WHAT IS USED AS MONEY

I have tried to briefly explain our specialized system of industry and show how it was based and dependent upon the exchange of commodities and services, and that money was the means by which the exchange is effected or carried on. It must further be realized and understood that bank checks or credit currency, a form of money grown up and developed, operates to serve the same use and purpose of real money or actual currency in the exchange of commodities and services and in the payment and discharge of debts and obligations. And a contraction or expansion of bank checks—money and credit—would produce the same effect or result as a contraction or expansion of real money. Regardless of whether we pay in money or by bank checks issued and accepted, the same use and purpose is served. And in the regulation and control of the volume and supply of money, bank checks and credit money must be included as a part of the currency available for use in the exchange of commodities and services.

In the meantime, in either case it must eternally be kept in mind that any withdrawal of the money supply or restriction of credit and bank-check money impedes and slows down the operations of industry and that a complete withdrawal of currency and suppression of bank checks and credit money would prostrate, paralyze, and stop all industry. But money serves another important purpose in the conduct of our industrial system, which was developed incidently with its use as a means of exchange among the people. Money measures the value of commodities and services as they are bought and sold in exchange. Money may be said to be the yardstick of value, or the bushel measure of value, or the pound measure of value. For no matter whether commodities or services are being bought or sold in exchange, their value is being measured in money as exchanged. Money measures out the amount of corn or wheat or farm products or services which the people must give up to pay interest and debts or to meet and pay contract obligations or to exchange for other commodities or services.

VALUES FIXED BY AMOUNT OF MONEY

The money measure of value is not fixed or determined by the number of cents in the dollar, nor by the denominations of money in cents, nickels, dimes, quarters, or dollars, but by the volume and supply of money maintained for use in free circulation. If the volume and supply of money is increased, the money measure is reduced and made smaller, which calls for less wheat, corn, or services to pay taxes, interest, and debts. But if the volume and supply of money is contracted, withdrawn, reduced, this enlarges the money measure and calls for more corn, wheat, and farm products, more property, goods, and services to pay taxes and more to pay interest, debts, and mortgages.

INCREASING AND DECREASING MONEY

The highest authority recognized today on money is John Stuart Mill. I quote from his Principles of Political Economy:

> That an increase in the quantity of money raises prices, and a diminution lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to the others.
>
> If the whole money in circulation was doubled, prices would be doubled. If it was only increased one-fourth, prices would rise one-fourth.

Money as a measure of value controls the price level and the wage scale, and the power to control the volume and supply of money includes the power to control prices and wages, the power to make high prices and wages, the power to make low prices and wages.

Double the amount of money in circulation and you double the money value of labor and products; you double the power of the people to pay taxes, interest, debts, and mortgages, and all fixed payments and contract obligations, all other conditions remaining the same. And only one-half the labor and labor products will be necessary and required to pay the

same taxes, interest, debts, and mortgages, and remaining one-half would be left to the people with which to buy, take, and consume for their use, comfort, and enjoyment the vital necessaries of life, the products of farm, factory, mill, and workshop. On the other hand, take from circulation one-half of the volume and supply of money and you destroy one-half the money value of labor and the products of labor. You take away from the people one-half of their power to pay interest, taxes, debts, and mortgages and all fixed payments and contract obligations and destroy the consuming surplus over. Or, in other words, you double the burden of taxes, interest, debts, and mortgages and compel the people to produce and give up double the amount of labor and products to pay the same taxes, interest, debts, and mortgages, and take from them their means and power to provide themselves with the necessaries of life.

AMOUNT OF MONEY SUSTAINS PRICES

Under the operations of monetary and economic laws the volume and supply of money in use—the amount of money in circulation—controls values and the price level like the amount of water in a pond or reservoir controls and determines the water level. Money holds up and sustains the price level like the water in a pond holds up the logs and sticks floating upon the water. If you drain the pond or let the water down halfway, the logs and sticks will fall down halfway with the water level; and so it is with the volume and supply of money. Reduce the volume and supply of money one-half and money values and the price level falls one-half, all other conditions remaining the same; and, on the other hand, if the water or supply of money is low, to restore the volume of water or money you raise values and the price level as you raise the logs and sticks floating on the water.

THE CLAIM THERE IS PLENTY OF MONEY

We often hear it said today that there is plenty of money or more money than we need or can use, but this statement is erroneous—not true; and if true would mean nothing. It is not the money issued and outstanding but the money available for use, money in free circulation available for loans or for investment, and for the conduct of business operations, for use in exchange of commodities and services which determines the relative values of money and commodities. Money hoarded or locked up in banks has no more effect for exchange or to measure values than if the money had never been issued, and money withheld from free use and circulation is the same as no money in existence. Money hoarded or held locked up in banks is like the water held back in the millrace from the intake of the reservoir or pond. It has no more power to raise values and the price level than the water held back from the reservoir has to raise the water level in the basin and the logs and sticks or other objects floating in the reservoir or pond.

MONEY FORCES OPERATING UPON PRICES

Money, as a measure of value, controls the price level and the wage scale, and the power to control the volume and supply of money includes the power to control prices and wages, the power to make high prices and wages, the power to make low prices and wages. It is true, there are other and different forces always exerting an influence over values and prices, the supply and demand for commodities, and indirectly, custom, usage, fashion, and laws, which may all increase or diminish the demand together with other intervening factors exerting an influence to control and fix prices but money remains the greater and controlling force. The course of a boat moving in the river is subject to different forces operating it—the wind with or against which the boat is moving, the friction of the water, the current of the stream, all exerting more or less an influence upon the movements and course of the boat.

But the great propellers moved by the turbine engines beneath the deck, in the hold below, exert the greater and controlling force, prevailing over all other factors operating and controls the course or direction of the boat in its movements on the river. So it is with the power of money, the secret, covered, concealed monetary force, as compared with other factors influencing the price level. Money represents the great positive force, the great propellers moving the boat of prices and controls over all other economic forces, fixing values and determining prices or relative values as measured in money.

THE LAW OF SUPPLY AND DEMAND

But it must be eternally kept in mind in the study of money and the depression, the operations and manipulations of money movements, the rise and fall of values, prices, and wages, the fluctuating values of property and commodities and the motives inducing money changes, that the same law and operations reducing the supply and volume of money one-half, taking one-half of the money out of circulation, doubles the value not only of the remaining money in the hands of money holders and hoarders, but doubles the value of all bonds and mortgages and all papers and contracts payable in money. This is the law of money, the law of supply and demand as applied to the volume of money, issued and maintained in circulation to serve as a medium of exchange and as a measure of values.

A farmer who had borrowed $5,000 and given his note and mortgage to bind the obligation and secure the payment, when he could have paid the amount with less than 5,000 bushels of corn, has since been called upon to pay back and satisfy the mortgage over 10,000 bushels of corn. And the lender, who loaned a so-called cheap dollar under higher prices, has since been able to collect back a dollar increased, doubled and tripled in value, and where by collection or by foreclosure has received back in money or property many times the value of the money loaned. The power to regulate and control the volume and supply of money and credits includes the power to change and impair the obligation of contracts payable in money, and what cannot be done directly by other means under the law is done indirectly in the control of money and the violation of the Constitution concealed.

HOW MONEY CAN TAKE TRIBUTE

Under, by, and through the means of money and the control of values and the price level, more tribute can be taken from the people and greater tribute has been taken from the people, secretly hidden, covered, and concealed in money, than ever despotic rulers have taken from their helpless and dependent subjects; greater than ever invading, marauding kings, by force of the military, armies and navies, have ever exacted in conquest and subjugation, or claimed as leaders of a victorious army in the pillage and plunder of the vanquished and carried off as the spoils of war.

It is a remarkable coincidence that the same money operations and movements which retard or accelerate the exchange of commodities and services among the people, at the same time change the money measure of property, commodities, and services and thereby, values, prices, and wages. The contraction or withdrawal of money from use and circulation not only slows down the exchange of commodities and services in industry, and retards and stops industrial operations, but makes the money yardsticks longer, makes the money pound heavier. This makes taxes, interest, debts, and mortgages and all contracts and obligations payable in money call for more, double and triple the amount of corn, wheat, and farm products and for more labor and the products of labor, and thereby less is left to the people for use with which to take, buy, and consume the products of farm, factory, mill, and workshop and produces a double harmful effect.

And on the other hand the expansion of the money supply or in the case of the present emergency, the restoration of the money supply, would hasten, accelerate, and speed up the exchange of commodities and services and would operate to revive and restore prostrate, paralyzed, and stagnated industry. At the same time the same operation would reduce the money measure of value, make the money yardstick shorter, make the money bushel smaller, make the money pound lighter, by raising values and prices higher, and by making taxes, debts, and mortgages, under higher prices, values, and wages call for less wheat, corn, and farm products, call for less labor and the products of labor to pay and satisfy the obligations, would leave a greater surplus over in the hands of

the people for their use, and with which to buy, take, and consume the products of farm, factory, mill, and workshop, thereby restoring the buying and consuming power.

THE TWO POWERS OF MONEY

I request my fellow Members of Congress to remember and hold in mind the two uses served by money, which I have briefly described and pointed out—first, that money is a medium or means by which commodities and services are exchanged, that any withdrawal or restriction of the volume and supply of money impedes and slows down industrial operations, and that a complete withdrawal of money would prostrate and stop all industry; and the second and further use of money, which I have briefly described, that money is a measure of value, and the power of money includes the power to control values, prices, and the wage scale; to make high prices, values, and wages; or to make low prices, values, and wages.

OPERATIONS DESTROYING BUYING AND CONSUMING POWER

It is known that panics have always come with a fall of values, prices, and wages, and that prosperity has always returned with a rise of values, prices, and wages; that low prices and wages always spell panic, and that high prices and wages always mean prosperity. But it is not enough to say what has always come with other panics. We must know the facts of this panic, how this panic or depression came, and with the fall of values, prices, and wages, we must know, realize, and understand the cause just how such fall of values, prices, and wages operated to destroy the buying and consuming power of the people, just how it multiplied taxes upon the people, just how it doubled interest and debts upon the people until they were left without consuming surplus over. We must not only know the cause but be able to trace the operations from cause to effect not only to a general or logical conclusion but to a demonstration and mathematical certainty. And the people are not only entitled to know the cause, they are entitled to a recital of time and place, and all facts entering into the analysis and proof of demonstration of the cause from the basis of the facts found and shown.

CONFIDENCE AND THE FAITH CURE

If a remedy is true and correct in theory, if it is founded upon true principles, then it can be analyzed, it can be demonstrated and proven and made clear before men.

It is idle to urge a remedy for a mysterious or unknown cause. It is vain to direct relief from an evil without an understanding of the cause of the evil.

It is folly to talk of "confidence", "faith", or a "better feeling existing" or "prosperity just around the corner." Coué, the man who was always getting better every day in every way, died while repeating his meaningless psychological formula whereby to persuade and lead others to effect a cure of their afflictions by forgetting their ills, pains, and troubles.

We are told again, at this late date, that only confidence will restore the buying and consuming power; that to smite the rock of faith and prosperity will come like gushing water. But faith without works is dead. God helps those who help themselves. If you want to restore confidence in a hungry, starving, famished man, fill his stomach with good, nutritious food, and faith, assurance, and confidence will return. If you want to restore confidence in a cold, shivering, and suffering man, give him plenty of good, warm clothing, provide him with food and shelter, and faith and confidence will come again.

PANIC OF 1929 A RELAPSE OF 1920

Many people have been misled to believe that the panic came following 1929. But the panic following 1929 was only a relapse of the panic begun in 1920, 9 years before, and which has now continued, alternating with relapses and relief, for 14 years. Up to 1924, 5 years before 1929, the farmers had suffered their greater loss; 2,000,000 farmers had lost their farms by foreclosure before 1929. Two million more were subject to foreclosure accrued and accruing before 1929. Seven million acres of farm land had been abandoned before the year 1929. Two million farmers had left the farm in quest of employment and a living wage all before the year 1929. Six thousand farm banks had failed. Farm values had fallen more than $40,000,000,000. Farm values had shrunken and fallen until farm debts had all but equaled farm values all before 1929 and not after 1929. Thousands of farmers, realizing the loss of their frugal savings of a lifetime, have gone insane or committed suicide. Others had left for parts unknown to escape the burdens of impossible debts and the humiliation of insolvency before their friends.

In fixing the beginning date of this panic and the manner as well as the time of its coming, I will quote from the Prairie Farmer, one of the oldest and most reliable farm journals, of date September 24, 1927, to show that the panic came first in 1920; that it came with the fall of values, prices, and wages, and that it came suddenly, unawares:

> In 1920, in almost the twinkling of an eye, the condition was reversed. Prices fell to a ruinously low level; the exchange of commodities almost stopped.
>
> The wheat fell in price from $3 to $1.60 per bushel, corn fell from $1.50 to 35 cents per bushel; hogs, cattle, and all farm livestock and all other farm products fell in proportion.

When the blight of this great panic fell upon this fair land of ours the farmers of the country were happy, prosperous, and contented. And during the same time the industrial laboring people of the country were alike prosperous, happy, and contented; prosperous with continued employment at a fair and living wage, happy for the opportunity to labor, contented to labor to live, and grateful for the right to labor and enjoy the fruits of their toil.

Keeping in mind the laws and principles of money-controlling values, prices, and the wage scale, the economic factors which entered into, and the monetary forces which controlled, the precise operations under which the people were deprived of their earnings and income, and which destroyed their buying and consuming power, can be pointed out and their relations shown.

HOW BUYING AND CONSUMING POWER WAS DESTROYED

When this crisis fell upon the farming industry, with the higher normal values and prices, the farmers were selling not more than one-third of their crops with which to pay taxes, interest, and fixed charges, and were left with the other two-thirds or more with which to buy, take, and consume the products of factory, mill, and workshop. But when the sudden fall of values and prices came, as described by the Prairie Farmer in 1920, the farmers, instead of being required to sell only one-third or less of their crops and produce to pay taxes, interest, and debt installments, were forced and compelled to sell three-thirds or all of their crops and produce with which to pay taxes, interest, and fixed charges, and were left with no part of their crops and produce to sell with which to buy, take, and consume the products of factory, mill, and workshop. And the buying and consuming power of 40,000,000 farm population and dependents was destroyed and taken from them.

While the fall of values and prices came suddenly, the failure of the buying and consuming power did not come in full immediately coincident with the fall, but came prolonged and delayed for a time but following inevitably no less certain. Many farmers, under higher values and prices, had laid aside a savings from year to year for old age and the coming winter of life. But when their earnings and income failed they were compelled to take from their savings to provide themselves with the necessaries and to maintain farm upkeep and operating expenses. Other farmers, less fortunate or supporting larger families, were compelled to go to the banks for credit and borrow money from time to time with which to provide the necessaries of life and maintain upkeep and equipment. But in time the farmers' frugal savings were used up in meeting expenses. And in time their credit was exhausted and they could borrow no more money; then their buying and consuming power was reduced to a mere bare minimum.

FARMERS ARE DOUBLE CONSUMERS

The farm population not only includes the most numerous class of consumers, but a class which buys and consumes double what any other class of men consumes. The farm population and dependents not only buy and consume what other classes buy and consume for personal and family use,

not only what other classes buy for their homes, but as much or more outside of their homes. The 40,000,000 farm population and dependents after buying household goods and supplies for personal and family use, buy many other and different articles for use in farm operations and equipment. The farmer buys and uses on his farm over, above, and in addition to household goods and supplies for personal and family use, ropes, chains, nails, and paint, plows, cultivators, harrows, binders, mowers, pitchforks, and hay tools, spades, spuds, and post diggers, and a thousand other miscellaneous articles of daily use. The farmer's buying and consuming power under the fall of values and the price level was reduced and all but destroyed. He could not both pay taxes and live. If he used his meager income to live, he could not pay taxes and interest. If he paid taxes and interest, he could not live, and he began the strenuous struggle to live and save himself from bankruptcy.

And finally this failure and destruction of the farmer's buying and consuming power left the retail merchant without demand, left the wholesale house without sales, left the factory, mill, and workshop without orders. And the wheels of industry slackened and slowed down and brought unemployment to industrial labor, and destroyed the buying and consuming power of another thirty million and their dependents, and the fatal circle of hard times, want, suffering, and distress in the midst of plenty and great abundance was realized and complete.

It was the fall of values, prices, and wages which took away the people's earnings and income and destroyed their buying and consuming power, and tax- and interest-paying power, their debt- and mortgage-paying power, and left them in want, suffering, and distress in the midst of plenty and great abundance. And here it must be kept in mind that money is a measure of value, fixing the price level and the wage scale; that contracting or withdrawing money from free use and circulation, reducing currency and credit one-half, reduces values, prices, and wages one-half. And it must be further kept in mind that the same operations in money, reducing the currency and forcing down values and wages, increases, doubles, and multiplies the value of money, bonds, and contracts payable in money in the hands of money holders and hoarders.

THE CRIMES OF MONEY

In the trial of money for the crimes of panics and depressions, there are always many alibis claimed, charging the responsibility to other causes to vindicate, exonerate, and to justify the control of money and credit by private banking corporations. The failure of the prices of manufactured goods and products, with manufacturers fixing their prices arbitrarily and under trusts and combinations in restraint of trade; the failure of manufacturer's prices to fall, with the farm prices and agricultural values, will not account for the sudden fall of farm values and prices in 1920. The theory of excess supply or overproduction with per-capita production declining at the very time values and prices were falling will not account for the sudden fall of farm values and prices in 1920. The closing of the World War in 1918 with prices maintained and rising for 2 years thereafter and, too, while surplus war materials were being thrown back upon the market will not explain the cause of the fall of farm values in 1920 and the fall of the wage scale following thereafter.

The very illuminating theory of mystery, wandering and groping in the darkness, at sea without a compass or a guiding star, without knowledge of the facts, seeking a remedy for an unknown cause, will not account for the fall of values, prices and wages and the complex want, suffering, and distress in the midst of plenty and great abundance. The want of faith and confidence of the people, the failure of the people to believe that they were fed when they were starving, that they were clothed when they were naked, that they were housed when they were homeless, or that they were getting better every day in every way will not account for the fall of values, prices, and the wage scale when all the people are willing to work and ready to use all their earnings and income to take production from farm, factory, mill, and workshop. None of these alibis claimed would account for the sudden fall of values, prices, and the wage scale coming suddenly unawares upon the people nor lift the veil of the mystery complex of want, suffering, and distress in the midst of plenty and great abundance.

THERE IS A REASON FOR THE FALL OF PRICES

There is a rational reason and explanation for this sudden fall of prices and wages under economic and monetary laws in the contraction of currency and withdrawal of currency and wtihdrawal of credit and the facts of which can be and will be shown with equal certainty and conclusive evidence, as required in the conviction of capital crimes. The fall of values, prices, and wages, coincident with and immediately following certain currency movements and changes, came under the unerring laws of cause and effect, as certain and inevitable as the laws of life and death, and which it is my purpose to point out and explain.

But before I enter upon this explanation of the money movements and operations as a cause for falling values, prices, and wages measured in terms of money, I wish to show the system under which the currency of the country is controlled and the secret means of operation. I also wish to describe and point out as a class the men directing and controlling this system, their motives, interest, and opportunities to control money for profit and gain and to take from the people their earnings and income unnoticed, hidden, covered, and concealed, not to censure or condemn men as individuals but to charge a vicious monetary system.

PRIVATE CONTROL OF PUBLIC CURRENCY

In considering the control of money it must be realized and understood that under our specialized system of industry, with the people dependent upon money whereby to exchange their services and what they produce for other services and what others produce, as the only means to provide themselves with the vital necessaries to live, that money becomes a vital public agency and indispensable factor in the life of every individual and as imperative to the public welfare as light, air, and water to the body. The hidden, covered, and concealed power of money to control values, prices, and the wage scale, the earnings and income of the people, their buying and consuming power therefore becomes subject to greater abuse and greater temptation for advantage and gain than any other power or function of the Government. A menacing evil, operating in secret, preying upon the vitals of industry, taking from, draining, and exhausting men of the fruits of their toil and labor without them knowing or suspecting the cause of their burdens and distress.

There is no greater power exerted over human welfare, over the destinies of men, than this hidden, covered, and concealed power of money, controlling values, prices, and the wage scale. It has been truthfully said of the evils of money, of the abuses of the power of money:

> Sum up all the horrors of the age of slavery, men, women, and children sold at the auction block, and all the heartaches, suffering, bloodshed which resulted in both ancient and modern wars alongside the crimes of money, and they are as a pigmy standing in comparison with a giant.

And on this same subject, of the evils and power of money, the Mid-Land Bank, Ltd., the largest bank in Great Britain, has made this statement:

> The history of the past has shown that, apart from wars and religious intolerance, no single factor has been more productive of misery and of (human) misfortune than the high degree of changeability.

Referring to the manipulation and abuse of money.

THE MEN WHO UNDERSTAND MONEY OPERATIONS

Shrewd and crafty men have long understood and used the power of money to control values, prices, and wages for profit and selfish gain to take from the people. They have used this power to lower prices when they wanted to buy. They have used this power to raise prices when they wanted to sell. And by increasing and decreasing, by raising, holding, and lowering the volume and supply of money, and thereby raising and lowering from time to time the price level at will, men can take income and earnings from the people until they are impoverished, until they are exhausted,

until they are reduced to poverty and want, without them knowing the cause of their burdens and distress or how their earnings and income were being taken from them and left in bewildering want, suffering in darkness and mystery. By controlling the volume and supply of money, money can be used to make hard times, money can be used to bring prosperity, or money can be controlled to make a panic.

The control of the supply and the amount of money moving in circulation is a vital public function, a power to be exercised only by the Government itself through the sworn and chosen representatives of the people. Money is a vital intervening agency between production and consumption, the control of which includes the power to speed up, facilitate the transfer and exchange of services and commodities, or the power to throttle, paralyze, or stop all at will. This vital intervening force of money is not a power for private control. Selfish interests are no more entitled to control the volume and supply of money than one man to claim the right to control the blood and life currents coursing through the veins of another man, or to control the civil rights of another man, or the liberty and freedom of another man, or the independence of another man, or be allowed to exercise, dictate, or control the taxing power of the Government, to levy and collect taxes from the people alike vested by the Constitution in Congress, for his private, personal benefit.

BANKERS HAVE NO MORE RIGHT TO CONTROL MONEY THAN OTHER MEN

Bankers are men dealing in money and they have no more right to control the supply of money than men dealing in grain should have the right to control the grain supply, to reduce or increase the supply of grain to meet emergencies in the operations of buying and selling grain upon the market. In fact, bankers dealing with money and credit should have less power to control the volume and supply of money than other men dependent upon money for the exchange of services and products of other men, to provide themselves with the necessaries of life. As men dealing in grain for profit should have less right and power to control the grain supply than the men depending upon grain as food with which to sustain themselves and the lives of those dependent upon them.

No one class of men as private individuals or corporations should ever be allowed to control the volume and supply of money. And above all, private bankers and financiers should never be allowed to control the volume and supply of money, because bankers and private financiers by reason of their knowledge of money, of the power and use of money, can take greater advantage through the control and manipulation of money than other classes of men. The banker's training disqualifies him to control the volume and supply of money. He is trained to measure all values by the dollar. The dollar is created to serve the people, but the bankers are trained to make the people serve the dollar. But this does not apply to the bankers we know. This applies to the bankers we do not know. To the bankers we only know of and of whom the people and the country should be guarded against and know less of. The bankers we know are part of the people. They suffer with the people. They are victims with the people. With the bankruptcy of 5,000,000 farmers has come the failure of 10,000 banks and many more thousand bankers.

CONSTITUTION PLACES CONTROL OF MONEY IN CONGRESS

Realizing the use of money as a vital element of industry, as a necessary medium of exchange, and as a measure of value, and the control of money as a power for good or evil, in the economic life of the people, our forefathers wisely and unequivocally provided in the Federal Constitution for the issue and control of public currency directly by the Congress of the United States, the sworn and chosen representatives of the people, the same as with the exercise of the taxing power.

Article I, section 8, clause 5 of the Federal Constitution vests Congress with the exclusive power to coin and issue money and to regulate the value thereof, which includes the power to control money and credit and thereby values and the price level.

The history of the control of money cannot be told briefly nor more than faintly touched upon. And all that can be said and briefly said is that the power conferred by the Constitution upon Congress to regulate and control the money supply has been surrendered and yielded up to private banking corporations, to be dealt with as a commercial asset and as a means by which to exact profit and gain and to take from the people their property, earnings, and income, all while assuming to act as governmental agencies for the discharge of public functions and duties.

THE PANIC OF 1907

In 1907 the abuse and manipulation of money under secret "gentlemen's agreements" became so brazen and flagrant, such a menacing evil to public welfare, that the people, arising in righteous indignation, demanded that the power to control money be taken away from private banking corporations. And in 1913 Congress and the President declared for a change of the money system for the purpose of recovering back that power for exercise and control by Congress; and the Federal Reserve System was created, to be controlled by the Federal Reserve Board, which was to be a public governing body commissioned and empowered to act for the people. But by loopholes discovered in the law, and taken advantage of by the bankers, and by repeated artful amendments made to the law from time to time, always to meet some great pressing emergency, and by the perverted administration of the law, the Federal Reserve System has become a private banking corporation, conducted for selfish profit and gain, without obligation to the people or responsibility for the public welfare.

THE FEDERAL RESERVE SYSTEM A PRIVATE CORPORATION

There are two means or instrumentalities provided under the Federal Reserve System for the control of the volume and supply of money. One is called "the open-market operations", and the other is known as the "discount rate." Under the open-market operations, bonds and securities are bought or sold. Buying bonds and securities expands the currency; selling bonds and securities contracts the currency. Or as bonds and securities are bought and come in over the counter, money goes out into circulation. Selling bonds and securities produces directly the opposite effect. As the bonds and securities go out over the counter, the money comes back into the banks and money is contracted, withdrawn, and retired from circulation.

What is known as the discount rate is the interest or charge made for advancing money to the member banks to be loaned out to the people. If the discount, interest, or charge rate is reduced and made lower, more money will be borrowed from the member banks, and the volume of money will be increased in circulation. If the discount, interest, or charge rate is raised, increased, and made higher, less money will be borrowed by the people and money borrowed will be repaid to avoid the increased and higher charge and the volume of money will be reduced. It will be impossible to further explain the working operations of the Federal Reserve bank in these few remarks, but an understanding of money operations as they explain the cause of the panic, requires these two instrumentalities to be kept in mind.

THE GOVERNMENT PRINTS THE MONEY AND TURNS IT OVER TO BANKERS

Under this private banking system, exercising the constitutional powers of Congress, to coin, issue, and regulate the volume of money, the Government prints the currency, guarantees its value, and stands behind to make it good, then turns the money over to these private corporations for a charge of a fraction of 1 percent and to be loaned back to the Government at 4 percent. And the people are paying to these private banks billions of dollars as interest for the use of their own money. And in loaning the peoples' money to the people, these private banking corporations, have been making the huge profits of from 100- to 200-percent dividends or earnings, and some of the 12 Federal Reserve banks have made as high as $10,000 a day.

This is where the power and authority to coin, issue, and control money rested during the fateful year of 1920, when

values and the price level fell in the twinkling of an eye, unawares, and the blight of this panic came. And this is where the power to control money has since remained and remains today, while the people are supplicating for relief and Congress is struggling and floundering, straining to pierce the veil of mystery and to analyze an unknown cause to solve the problem of the panic. And while these banking corporations remain vested with the power to issue and control money, more money can be withdrawn from circulation than Congress can restore to circulation, money can be withdrawn from circulation faster than Congress can restore back in circulation.

THE STOCK EXCHANGE

In order to more fully analyze business and industrial conditions today and the cause of this panic and depression, we must consider a great natural law, always moving and operating among men, the law of selfish human nature, implanted in all men and animal life for self-preservation and to maintain existence. It must be further realized and understood that this selfish impulse in man is the moving and controlling factor, leading, urging and driving men on, to strive for gain, to acquire, possess, to have and hold surplus food, clothing, shelter, goods and property, surplus money, wealth and riches; that this natural impulse in man has long been stimulated, actuated, encouraged, long been cultivated, developed, and enlarged in man in the course of competitive business and trade and the rival pursuits of commerce and industry, until the natural impulse of self interest has become abnormal in men, a perverted nature in men, has become a mania in men, leading, urging, and driving men on to strive for, possess, have and hold surplus goods, property, and wealth which they can never see, which they can never use, which they can never enjoy, all for the abnormal pleasure and gratification of holding from the use and enjoyment of others.

But there is a further trait of character developed over nature in men, more directly and especially influencing, and contributing to the immediate cause of bringing on and maintaining this panic upon the country. The stock exchange is an old trading order, beginning with the curb brokers in the street even before the Revolutionary War, and developing and taking form early with the organization of the Government, when Federal bonds and warrants became subjects of trade and manipulation. In time the membership of the curb brokers developed into an exclusive trading class with a code of business morals separate and a conception of right and wrong, of just and fair dealings, different from the rule observed by other men. This organization in time ripened into a caste, a body of men separate, apart, exclusive in their dealings, proceedings, and associations, with a different moral code or conscience, a creature of their exclusive surroundings. And in this exclusive trading class there grew up, developed, and crystallized the spirit of merciless strategy and intrigue characteristic of the kings and exclusive royalty of old. And where with kings all was fair in love and war for pillage and plunder, so all was legitimate, honorable, and right in financial manipulations for gain by the members of the stock exchange.

In this way this certain class of men, developing from an organization of street traders and curb brokers in the great metropolis of New York, first making their stand under a tree, has come to be recognized and known as Wall Street and the stock exchange, maintaining the curb traders' strategy and intrigue; and their original primitive conceptions of right and wrong between man and man, brought down from a different and cruel age, remains unchanged and held to the present day.

I am making these preliminary observations to impress Members why they must consider and account for the actions by certain classes and stratas of men on a different basis and theory for analysis from the acts of others who take from their fellowmen to appease their hunger or clothe their bodies or to enjoy some comfort, convenience, or some bodily pleasure in life. In the meantime I want to make plain and certain that I am condemning systems and not individual men, not the membership, officers, or agents of private banking corporations, taking over the control of public money for selfish profit, gain, and advantage, but the currency system permitted and suffered to exist by the people themselves. Under this system permitted by the people and taken advantage of by the financiers there is a serious doubt and question of whether the greater censure should go to the men who take the advantage left before them or the people who in passive indifference submit to the pillage which they invite by the open and unguarded gate.

It is a remarkable coincidence to be observed, that the curb brokers and street traders, who organized with and following the Government, to deal with bonds and warrants issued, have since kept in close touch and relation with public fiscal affairs, with Federal finance and the Treasury. And this course of public dealing and relations has been so continuous and uninterrupted that the history of public finance cannot be written and explained without some reference or narration of the inside operations and movements of Wall Street and the stock exchange. Such is the course and character of Wall Street and the stock exchange and such has been its relations with public office and fiscal operations that confidence has often been shaken in the course of public affairs, and in the good faith of public officials. When we speak of Morgan, Kuhn, Loeb, or Lamont, or other manipulating financiers, we are not speaking of them as individuals but as representing a class of men organized and operating under a system for the private control of public currency.

And now, in connection with these observations, I wish to call attention to a certain event in our history involving the relations of the stock exchange with the public finance and subtreasury. This is to show and illustrate how and by what means resorted to, financiers have misled high public officials, and directed the courses of legislation and the administration of government.

JAY GOULD AND JAMES FISKE

We all know of Jay Gould and some of us know James Fiske. These were two great American manipulating financiers of Wall Street and the stock exchange operating during the great Civil War times. Jay Gould and James Fiske, with other Wall Street financiers, had made great fortunes during the Civil War just as financiers in our day amassed great fortunes and wealth during the great World War. When the great Civil War was over following in the mad lure and craze for money the same as the financiers of today, following and after the great World War, they were eager to make more money.

PRESIDENT GRANT AND WIFE WERE ENTERTAINED

Following this lobby legislation, they entertained President Grant and especially Grant's wife and daughter, in elaborately planned ocean cruises and in sumptuous banquets and entertainments, all in great luxury and splendor.

They prepared newspaper articles and had these articles published as editorials in the New York Times and other papers headed, "Grant's Financial Policy." They dictated the appointment of John Biglow to control the subtreasury of New York, and, producing a fantastic array of facts and figures, they convinced Grant and the Secretary of the Treasury that high gold prices would stimulate business, and induced Grant to make an order directing the Secretary to sell no gold. And they took into their confidence or control Grant's brother-in-law, a Mr. Corbin, and through whom they arranged to take Grant to the woods of Pennsylvania for a 10 days' camping and outing, leaving no word of their destination.

THE PRESIDENT WAS TAKEN AND CONCEALED IN THE WOODS

And while the President was sojourning in the woods for rest, recreation, and recuperation, and before his whereabouts could be learned, Gould, Fiske, and their Wall Street associates had completed their gold market corner and by their conspiracy took from the people, through American importers, over $20,000,000.

I quote from the March of Democracy (Adams, p. 140):

Grant having allowed himself to become converted to the idea that a higher price for gold would benefit the farmer, ordered the Secretary of the Treasury not to sell any Government metal.

I also quote from Elson's United States History, page 830:

They convinced the President, therefore, it would be better for the country, the movement, and the crops and the like, if the gold sales were suspended.

I quote from Muzzy's United States History, pages 41 and 42:

Grant's failure of appreciation of the proprieties of the Presidential office, and his undisguised admiration for men of (great) wealth, brought his name into this unfortunate connection.

I further quote from the same history, page 42:

The argument which they (Gould and his associates) used was that the high price of gold would stimulate the movement of grain eastward to the Atlantic seaboard for export.

PRESIDENT GRANT A BRAVE, GOOD MAN

Grant was a great general, a brave and courageous soldier, the hero of Appomattox, the military genius of the modern world, an honest President, and an innocent man, yet he surrendered to the wiles of Wall Street, was taken and held a prisoner in the Pennsylvania woods until Gould and his associates had robbed the people of $20,000,000.

BLACK FRIDAY RECORDED IN HISTORY

Members are further respectfully referred for a more detailed account of this Black Friday conspiracy to the following histories and authorities, including:

The New Era (Bowers), page 272.
United States History (Redpath), volume 2, page 192.
United States in Our Time, page 40.
American History (Wilson), page 64.
United States History (Andrews), page 357.
The March of Democracy, page 139.
McClure's Magazine, volume 14, page 30.
Collier's Weekly, August 20, 1927, page 27.
The World Book, volume 2, page 780.
Dictionary of American Biography, volume 7, page 454.
New Larnd History, volume 7, page 530.

And to any standard encyclopedia or recognized history for a more detailed account of this Black Friday conspiracy.

NO CHANGE IN THE CHARACTER OF MEN

History shows that while time, manners, customs, and forms change, there is very little change in the natures of men themselves. The men of today are not different from the men of Lincoln's time. They are only different, facing different conditions, confronting different opportunities and advantages to be gained. The great financiers of the country, the men of Wall Street and the stock exchange of the present day, are not different from the same men, the great financiers of Wall Street in Abraham Lincoln's time. Jay Gould was a great moneyed man, a great Wall Street manipulating financier, during the great Civil War, just as J. P. Morgan was during the great World War. Both of these men stood high on Wall Street and before certain men of the country in their day and generation.

The great financiers of the Civil War times had made millions during the Civil War, just as our financiers had made billions during this great World War. But they were not satisfied with their millions made; they wanted to make more millions, just as our great financiers today, after the great World War were and are not satisfied with their billions, but want to make more billions. Money is like strong drink, which creates a thirst for more drink, and money drives men mad, to strive and strain for more money and until it involves their whole nature and transforms them into misers, Shylocks, daring, desperate, money vandals, and thieves.

THIS PANIC IS A WORLD BLACK FRIDAY

The Jay Gould-Fiske Black Friday in 1869 was a money conspiracy following our great Civil War. This great World War has had its Black Friday no less than our Civil War. And this World War Black Friday has come following a war involving all the nations and casting its withering shadows here, in Europe, China, and India and reaching the entire civilized world. By the great Civil War Black Friday of 1869, Jay Gould and his Wall Street associates took $20,000,000 from the people of the country through the pillage of importers. But in this World War Black Friday in 1920 the World War bond syndicate, acting under a secret gentleman's agreement, has taken more, many times 20 billions, from the nations of the world and the people of the earth.

THE SECRET BANKERS' MEETING

When the blight of this great panic first fell in 1920 the country was reveling in the joy of returning peace and civil life and the farmers were happy in prosperity, dreaming of their gifts of land and homes to their children and children's children.

The song of the reaper in the field, the call of the farmer to his team in the harvest, the glad voice of the farmer boy, happy and content on the farm, met, joined, and mingled with the din of saw and hammer, the whir of machinery in motion, and the rumble of the busy marts of trade, all to swell the chorus and anthem of a prosperous and contented people, rejoicing, bringing in the sheaves. Such was the condition of the people on the farm, in the factory, mill, and workshop under higher values, higher prices and wage scales, when the blight of this panic and its withering shadows fell to prostrate agriculture and industry.

But suddenly, while the people of the country were happy and prosperous, reveling in Nature's copious bounty, rejoicing in plenty and great abundance, there came a change to interrupt and reverse this contentment and happy order of things, this prosperous condition of the people, coming not as some slow, loathsome diseases but coming like a bolt from a clear sky, coming like an avalanche from the mountains, coming like a devastating tide from the sea, or, in the language of the Prairie Farmer, which I have before quoted:

In 1920, in almost the twinkling of an eye, the condition was reversed, prices fell to a ruinously low level, the exchange of commodities almost stopped.

Under this sudden fall of values and commodity prices the confiding and unsuspecting farmer awoke as at the break of day to find his crops, stock, and produce sinking in a vortex of fallen values.

The farmers' failure, the failure of his buying and consuming power, finally reached back from retail merchant through wholesale and commission house, and for want of orders for goods closed factories, mills, and workshops, affecting 30,000,000 industrial workers and leaving 14,000,000 unemployed.

PROCEEDING CONCEALED

And for 2 years, 8 months, and 4 days the cause of this panic remained a bewildering, confusing mystery, and men struggling with the problem were charging and assigning many causes, some claiming a scourge sent by the Almighty, others that the people were buying too much, others that the people were not buying enough, and proposing a buying campaign; and still others were claiming the panic was an unsolvable mystery complex, a phenomenon, coming in cycles without comprehensible reasons and which would in some way vanish like a phantom ghost coming and passing away. And so the panic remained a mystery unsolved for 2 years, 8 months, and 4 days, and until the 22d day of April 1923, when the editor of the Manufacturers Record, a trade journal of Baltimore, Md., published the minutes of the proceedings of a secret bankers' meeting, held May 18, 1920, in Washington, D. C., in the very shadows of the Capitol, behind closed doors and curtains, the beginning date and from which the panic followed.

FRANK R. GOODING

On the 28th day of February 1923, 6 days after the publication of the proceedings of the secret bankers' meeting held May 18, 1920, the Honorable Frank R. Gooding, late Senator from Idaho, presented the published stenographic report of the Manufacturers Record to the United States Senate for printing in the CONGRESSIONAL RECORD. At the same time Senator Gooding introduced a concurrent resolution denouncing the secret bankers' meeting and calling for a congressional investigation before the Banking and Currency Committee. But no investigation was ever made and the resolution remained pending for 5 years until the time

of the Senator's death, June 24, 1928. These proceedings will be found on record at pages 4854 to 4866, inclusive, of volume 64, part 5, of the CONGRESSIONAL RECORD of the Sixty-seventh Congress, and to which Members of Congress are respectfully referred and urged to read for a more detailed account of the publication of the proceedings of the secret bankers' meeting of May 18, 1920, and of the investigation never made.

THE MANUFACTURERS' RECORD

The publication of the proceedings of the secret bankers' meeting by the editor of the Manufacturers' Record, on April 22, 1923, lifted the veil and curtain of mystery and for the first time the world looked in upon the secret conclave of bankers and of whom there were the following financiers and honorable gentlemen attending: George L. Harrison, Philip Stockton, A. B. Hepburn, James B. Forgan, A. L. Mills, Edmund Platt, Frederick S. Chamberlain, James A. Alexander, John F. Bruton, George M. Reynolds, Wesley C. McDowell, E. K. Smith, B. A. McKinney, and many other private bankers controlling public currency, to whom I will particularly refer and make special mention when I come to give the proceedings and the secret resolution passed in the secret bankers' meeting.

Following, concurrently with as well as preceding the secret bankers' meeting of May 18, 1920, the Federal Reserve Board and banks were cooperating in servile obedience with the open-market operations, selling bonds and securities and withdrawing vast sums of money from the channels of industry and trade. And while at the same time, and as a part of a concerted program, the discount rate was being raised from 3 to 4 to 5 to 6 to 7 and 10 percent and which raise was continued from time to time until upon some hesitating country banks the discount or interest rate was raised to 85 percent as a penalty to compel collection at any cost or sacrifice to the borrower.

The contraction of money and credits for the time in which made effective, the rapidity and frenzied haste in which the operations were carried out, the amount of currency and credit withdrawn, is unprecedented in the history of the world, is equaled only in extent and magnitude by the unparalleled fall of values and prices.

This panic is not a mystery but came following an inobedience to the contraction of money and the fall of values under economic principles and monetary laws as fixed and certain in cause and effect as the laws of life and death, and was as inevitable to come as night follows the day with the rotation of the earth upon its axis, as the changing seasons alternate with the revolution of the earth in its orbit, revolving in an inclined plane. And if this panic had not come at the time it did come upon the country, and as it did come upon the people, following this contraction of currency and the consequent fall of values and the price level, it would have been a contravention of all known economic principles and laws, a phenomena which could be accounted for under no theory of economic or monetary science.

And if this panic had not lingered, continued, and remained up to this time, as it has lingered, continued, and remained under the economic course pursued and the monetary policy observed from the time of its beginning in 1920 of withholding credit and currency; if under the course pursued and the policy observed, prosperity had come back to the people, it would have come back or returned in defiance of every known economic principle, in defiance of every known law of money in their operations upon industry and trade, and such return of prosperity would have been as mysterious as the break of returning day at the hour of midnight, or as a copious shower or downpour from a clear and cloudless sky.

The only mystery of this panic is why it has not been more destructive, why the exchange of services and commodities has not been more completely stopped; why this flagrant and violent change of the money measure of values has not disrupted more completely the contracts and obligations to pay money; why it has not stopped the payment of more taxes, debts, and contracts for money and brought on greater default and more general insolvency and bankruptcy.

It was under these 2 years 8 months and 4 days while the secret bankers' meeting was being held and kept a guarded secret, while the secret resolution was unknown and currency and credit was contracted unawares, that this propaganda and claim of mystery was held out before the people and the bankers' tools, puppets, and cat's-paws were taught to speak as parrots speak and led to repeat after them in blind, submissive, vacant stare, "This panic is a mystery." It was during these 2 years 8 months and 4 days that the international bankers flooded the columns of the press with illuminating philosophy of mystery, and the want of faith and confidence, to account for a panic and depression which by its ravages and economic demoralization had first destroyed the faith and confidence of the people. It was during these 2 years 8 months and 4 days that puppet platform speakers were prompted to prate long and loud on the want of faith to create and crystallize public opinion, to accept the explanation of mystery, and thereby to forestall inquiry as to the cause which brought the panic upon the country.

Pirates never boarded a merchant's ship to scuttle and sink the vessel, highway robbers never rode masked, bandit burglars never blew a safe with more deliberate criminal intent than the international financiers and bankers who pulled the manipulating wires from behind set screens and closed curtains or gave orders from afar directing their tools and puppets in the secret bankers' meeting and upon the Federal Reserve Board fawning to do their will and bidding.

THE SECRET BANKERS' MEETING OF MAY 18, 1920

Was the meeting a public, open meeting or a closed secret affair? This is the question which must be answered. I will not answer it myself; I will let the bankers answer for themselves. But there were many bankers in the meeting, and the chairman represents and speaks for the people in a meeting. We will, therefore, quote the chairman and let him answer the question. W. P. G. Harding was the chairman and at the close of the meeting he cautioned and admonished the bankers, using the following words:

> I suggest, gentlemen, that you be very careful not to give out anything about the discussion of discount rates. That is one thing that there ought not to be any previous discussion about, because it disturbs everybody.

And the chairman was right in saying, "Because it disturbs everybody." It would disturb the farmer who owed a mortgage on his farm; his mortgage might be foreclosed. It would disturb the home owner paying for a home and make him realize he could not pay, would have to move. It would disturb the merchant and make him realize the people losing their buying power could not buy his goods and wares, and he would lose his business. The chairman was right, "It would disturb everybody"—and it did disturb everybody when the panic came and destroyed the peoples' buying and consuming power.

THE REMEDY

Money will not cure all the ills that flesh is heir to, nor cure all our economic ills. But money will cure the ills which money caused, and money will cure this panic and cure it in the same record time that money brought the panic upon the country. While this panic has remained and continued with alternating periods of relapse and relief, for over 14 years and since 1920, and while the economic loss and waste resulting cannot be compensated for or recovered back in the span of an average lifetime; and while the cost in lowered morale and depraved spirit and character in men, born of want, suffering, and distress, facing plenty and great abundance, and resulting from enforced idleness, and while the evils of this panic will remain a burden and a scourge to plague the third and fourth generations.

Yet the economic loss of this panic can be stopped and its further ravages stayed and arrested and turned back in 30 days, and substantial relief can be realized in less than 1 year's time or in the same brief time values, prices, and wages were forced down to a ruinously low level, taking away the earnings and income of the people and destroying their buying and consuming power. And there has never

been a time since the panic began, first in 1920, when the contraction of money and the panic could not have been halted and stopped and turned back toward normal prosperity in the course of 30 days, and substantial relief realized in less than 1 year's time.

And while the economic loss and waste brought on and resulting from this panic, in the failure of earnings and income and the depreciation of property values, amounting to more than $200,000,000,000, or to an amount equal to one-half the value of all the property and assets of the country, yet this panic can be stopped without the cost of a single dollar to be taken from taxes levied upon the people, and without the exercise of any special powers or any extraordinary powers to be conferred upon any officer, board, or body of men, or without any extraordinary proceeding taken, either legislative, judicial, or executive, in the exercise of governmental functions.

CONGRESS CONVENED IN SPECIAL SESSION

Congress, convened in special and extraordinary session to consider the cause of the panic and provide measures for relief, found on full investigation and consideration that this panic was caused and brought on the country by a failure of the buying and consuming power, and further found this failure had resulted from a fall of values and the price level. But not only has Congress found that the fall of values, prices, and wages was the cause of the panic, but this cause has come to be accepted generally by economics students of the times and by all who have conducted special investigations, and will bear the scrutiny of critical analysis and can be demonstrated and conclusively shown.

This leaves the one preliminary problem remaining—the cause of the fall of values and prices. It is a general scientific principle, accepted and declared by all monetary authorities, that the volume and supply of money, under the law of supply and demand, operating upon money and credit as well as upon other commodities and services, controls values and the price level, all other conditions remaining equal.

A DROUGHT OF MONEY

This panic was therefore caused, and industry remains suffering from a drought and failure of the money supply. The problem has been analyzed and solved, the remedy has been agreed and entered upon, three billions of money has been printed, and billions more has been made available under the gold revaluation plan, more than enough currency to restore the money secretly withdrawn from circulation. All preparations have been completed. The money, made ready and available, has been held in waiting for issue and use for over 1 year and since May 18, 1933, while the country and the people have languished in the throes of panic and depression, and the Government stands powerless to put the money back in circulation, restore the depleted money supply to remedy and relieve from the crisis. There is one reason, and only one reason, why this program has not been completed and the money supply restored to the people, and this reason can be shown and explained briefly in the form of questions and answers.

What must be further done in pursuance of this program and what would be the further step to be taken?

The further step to be taken would be to take from private banking corporations the power to control public currency and return that power to Congress, to be exercised as a public function, where the Constitution placed it and where it rightfully belongs. Without this power taken from private banking corporations, the volume and supply of money cannot be restored because money can be taken from circulation faster than money can be restored to circulation, and more credit can be restricted and withheld from use than can be restored and made available for use, and the Government can be, has been, and is being defied and defeated.

HOW CAN CONGRESS RECOVER POWER BACK

But how can this power over money be taken from private banking corporations and restored back to Congress and the Government?

Many plans have been proposed or offered to take the control of public currency from private banking corporations and restore that power to the Government, including a plan I have myself considered, but all these different plans cannot be analyzed here or even enumerated or briefly referred to except only one. The only plan which can be analyzed and explained here, and probably the most simple and practical plan offered, is the plan proposed by Hon. Robert L. Owen, for 12 years chairman of the Committee on Banking and Currency of the United States Senate, and recognized as very high authority on public currency and credit today. The currency is regulated and controlled by, under, and through what is commonly known as the Federal Reserve System, a private banking corporation, operating under a public name, owned by the member banks of that system as the holders of the stock of the Reserve Corporation.

THE OWEN PLAN

Under the plan proposed by Senator Owen it would not be necessary to tear down the system or create or build up a new system. All that would be necessary under the Owen plan would be to change the ownership of the Federal Reserve banks now existing from a privately owned banking system to a publicly owned banking system.

But how could this change of ownership be made?

All that would be necessary and required under the plan proposed by Senator Owen would be for Congress to pass a law requiring the member banks holding the stock of the Federal Reserve Banking System to assign, transfer, and deliver their shares over to and to be held by the Government. This would make the Government the owner of the System, with the power to control and direct the System, and to regulate the circulation of public currency.

How long would be required to make the change from private to public control?

This would require only a very brief time and could be brought about in 30 legislative days. With the System taken over and a monetary authority created, as proposed by the Owen plan, there would be no interruption of the course of currency operations, and public control could be made effective promptly, at once, and without delay. And once the System has been separated from private banking corporations under the control of international financiers, the Federal Reserve System thus acquired could be changed, modified, or amended to meet all the requirements of a scientific system for the control of public currency and credit to serve the interests and welfare of the public.

But how could the money secretly withdrawn from circulation be publicly restored back to circulation?

There are many ways in which this could be accomplished. First, by paying off bonds and public obligations and stopping billions in interest which the people are paying for the use of their money. But to pay off all these bonds at one time may return too great an amount of money in circulation and raise values and prices beyond a normal level. There are some debts and obligations the payment of which would operate more promptly to restore the buying and consuming power than the payment of others to be resorted to, but will be impossible to enumerate, much less to describe these different forms or classes of obligations. But the payment of public obligations could be ordered made by the monetary authority accordingly as they would best serve to raise values and prices most promptly in restoring the buying and consuming power.

Now, if Members have held in mind my first explanation of the Reserve System, of the open-market operations, and the discount rates provided, they will better understand my explanation here and how the volume and supply of money can be started back in circulation and how values and the commodity price level can be stabilized and kept at an even stage. If the volume and supply of money becomes too great and values and the price level rise too high, the open-market operations would be brought into play, bonds and securities would be sold and delivered, and as the securities would go out over the counter money would come in and be withdrawn from circulation. And, in cooperation with the open-market

operations, the discount or interest rate would be raised, which would make borrowed money less profitable, and borrowed money would come back to the banks and be returned from circulation, and values and the price level would be lowered. Then, if values and the price level fell too low, these operations would be reversed, money would be returned back in circulation, values and the price level would be raised and thereby stabilized and kept at an even stage, all other conditions remaining equal.

The true remedy for this panic is so plain, so simple, and so promptly effective that, when compared and considered alongside with the maze and bewildering mystery, to confuse and overawe the public mind, thrown out around other remedies proposed to be tried out at the cost of billions, calling for a vast army of employees numbered in the tens of thousands and increasing and all to be prolonged through tedious years of time; that this remedy may appear at first glance as fantastic, unreal, and unbelievable, but which rests upon infallible theory and principle, upon facts, science, and experience, conclusively demonstrated and shown, and will relieve from this depression as promptly and to an effect certain as a cup of free water from the spring will relieve from the awful pains and tortures of a man writhing in the agony of intense suffering from want of water to quench his burning, feverish thirst.

INFLATION

It is recognized in physical science that no particle of matter can be destroyed, that only its form can be changed, and this is likewise and equally true with values in this panic or depression. The values lost by the people are not destroyed; they have only been shifted and transferred to the property of other owners. This is the first fact to be realized in the solution of the problem of this panic—that of all the values the people have lost by depreciation of property, commodities, and labor, amounting to $50,000,000,000 to farmers alone, or an average of $5,000 for each and every farmer, and, in all, over $200,000,000,000, or amount equal to one-half of all property values, none of which values have been destroyed, none has been burned up, none has been cast into the sea, but all exist and remain tonight the same as before taken from the people. By the magic wand of money waved in magic gesture over property, these values have been made to shift and leave commodities, labor, and labor products and pass into money bonds and money contracts, and every dollar in value the people have lost is now in the pockets of these manipulating financiers, which, in control of currency and credit, they are grasping to retain and hold.

Under economic laws and the principles of money, the contraction of money and credit, ordered under the secret gentleman's agreement and pursuant to which the secret bankers' meeting was held, brought a fall of values, prices, and wages, the effect of which was to more than double the value of money bonds and money contracts, and thereby to double and multiply taxes, interest, and debts upon the people, measured in labor and the products of labor, the only means with which the people have to pay; and with double the labor and labor products required to meet these money obligations, the people were left without surplus means with which to buy, take, and consume the products of farm and industry. It is obvious, apparent, and conclusive that the remedy and only remedy for this loss of buying and consuming power is a reversal of these money operations, a return of money and credit withdrawn, restoring the value of labor and the products of labor which alone will leave a surplus over, after the payment of taxes, interest, and money obligations, for use as buying and consuming power.

But this obvious remedy for relief, a reversal of the money operations and restoration of the money supply, is declared against as "inflation", as some course of total depravity, as monstrous, unfair, unthinkable. And without a proper knowledge of the cause and the remedy required many good people are and will be misled to hinder, delay, and prevent the relief they are demanding and praying for, higher values, higher prices, and higher wages, to restore their buying and consuming power. Prejudice is a more controlling factor than facts, reason, and logic with men, and this has been long recognized and understood by the financiers and international bankers—mental attitude, the bent of mind, the power of prejudice to hold, lead, and control men. They know how to saturate and mold the public mind with fear and apprehension, and with a shrewd sense of practical psychology they apply the prejudice thus created and of which they adroitly take advantage to lead, control, and hold men accordingly as their interests may require.

"Inflation" is a general word or term which, used and applied to objects, means to swell, puff up, to distend beyond their normal or natural dimensions. The word has no more special application to values or prices and money than to any other nature or property or commodities or services. But as it carries a certain sense or meaning of instability, wavering, and uncertainty and because of this meaning it is capitalized upon and applied to values, prices, and wages rising to their normal stage back from a lower to a higher level. And by a shrewd and crafty appeal to prejudice, deliberately created for the purpose, the restoration of higher values, prices, and wages is declared to be "inflation" and is made obnoxious, offensive, and distasteful, to stink in the nostrils of the people, and as an abomination in the sight of the Lord. By this strategy the people are misled to oppose, resist, and prevent a rise or restoration of values and the price level and what they are appealing and praying for, and the only means or hope of relief from the impossible taxes and debt burdens under low and ruinous price levels.

For the proper consideration of the word or term "inflation" it must be realized and understood that commodities or labor values and money values are always relative and opposite; that the value of one must be low; that the value of the other may be high; that if one is worth more the other is worth less; that there can be no such economic condition as high money values and high commodity or labor values, at one and the same time; that when commodity values are higher, money values are correspondingly lower, or if money values are higher, commodity and labor values will be lower; if commodity or labor values are too low, it is because money values are too high. It must be forever kept in mind that whatever makes low values, prices, and wages regardless of the cause or operation, the effect is to make higher values in money and contracts for money and that rising values, prices, and wages make so-called cheap money.

And it must be further realized and kept in mind that there can be, and are the same changes in money values, the same so-called inflation of money, of bonds, and contracts for the payment of money as so-called inflation of other property values, as wheat, corn, and farm crops and products, as labor values and the products of labor. But the operations carried out in secret, enlarging, swelling, and distending the money measure of value, the dollar, and which multiples taxes and interest and doubles mortgages and debts upon the people, measured in labor and what they have to pay, and under the crushing burdens of which the people have been left, robbed, and gagged, and left gasping for economic breath—these financial operations are never called or referred to as "inflation", meaning swelling, enlarging, and distending, but instead the very different words and high-sounding terms are applied, as "currency reform" to bring about so-called sound money and an honest dollar.

But the currency operations required for the restoration of values, prices, and wages, is not inflation in any sense within the meaning of that term. It is not expanding beyond the natural, normal level of the volume and supply of money. It would only be a restoration back of money and credit secretly withdrawn, a restoration of values, prices, and wages, a restoration of earnings and income, a restoration of the buying and consuming power, a restoration of the tax, interest, and debt-paying power.

Before this panic came upon the people, the country was under so-called inflation with a greater volume of supply of money and credit, with higher values, prices, and wages. The people were happy and prosperous, ambitious, anxious to labor, to live, and grateful for the rewards of their toil,

and while under so-called "inflation", the 40,000,000 farm population and dependents were buying, taking, and consuming the products of factory, mill, and workshop and industrial labor was kept busy and working to supply the farmer's wants and needs and, in turn, consuming the products of the farm, while under so-called inflation the people were paying their taxes without burden or complaint, the people were paying their debts and mortgages, all without strain, sacrifice, or denial. The farmers were paying their notes at the bank, the laboring men were paying for their homes and meeting their payments promptly in building-and-loan associations. Tenants were paying their rent to landlords, customers were paying their bills to merchants, patients were paying their physicians for services, clients were paying their lawyer's fees, the people were meeting their obligations promptly, and all laboring men were working and employed at good wages and living in plenty and comfort, with all the necessaries required to live.

But secretly there came a change, coming suddenly, unawares, first in 1920, a change from so-called inflation to so-called sound money and currency reform, coming with the contraction, withdrawal of money and credit, a change from so-called commodity inflation to money and dollar inflation. And we now have money inflation; we now have high money values; we now have so-called currency reform; we now have so-called sound money; we now have a so-called honest dollar; and with which we have had and now have unemployment and resulting starvation wages, with 23,000,000 on the relief rolls, the people without earnings and income with which to buy the necessaries of life, without money to pay taxes, debts, and mortgages, with their property being sold for taxes and the nonpayment of mortgages. We do not now have so-called inflation—we are only warned of its horrors, only warned against its monstrous evils, against the dangers and menace of restoring values, prices, and wages.

A NEW SLOGAN COINED

There is a new word or term which is being used or capitalized upon to further confuse and mislead the public mind, to cover and conceal money movements, to prevent the restoration of commodity values, and whereby to enable financiers to hold and make secure their ill-gotten gains. This new term is called tinkering. Tinkering is a word akin to meddling, unskillful changing, tampering with, an operation men would naturally oppose in their own most important affairs. And now when it is proposed to reverse the currency and credit operations, to restore values, prices, and wages, secretly taken from the people, the operation is charged and referred to as tinkering, to discredit the remedy before the people, and lead them to oppose and reject the means which will recover to them their lost values, earnings, and income, and restore their buying and consuming power.

It was currency reform, looking to sound money and an honest dollar to withdraw currency and credit, force down values, prices, and wages to a ruinously and disastrously low level, doubling taxes, interest and debts upon the people, and destroying their buying and consuming power. But now when it is proposed to reverse these currency operations, to restore values, prices, and wages, it is inflation, meddling, tinkering, disastrous, unthinkable, revolting, and in their humane felicitations, engrossed in benevolence, they forget self and plead not for themselves but for the widows and orphans and for the laboring man's wage. They warn of the danger of inflation, of tinkering, meddling with money.

Every ingenious argument and conceivable pretext is being and will be resorted to to hold these manipulated values in money, bonds, and contracts for money. They are now saying and will say that a return of the same money and credit back into circulation will be fiat money, as something abhorrent, when all money is fiat money and without the fiat of the Government, nothing will pass or be received as money. And they are charging and will charge that a restoration of money back into circulation will be printing-press money, when all paper money is printing-press money and when the money proposed to be returned would be the same money as the money contracted and withdrawn and the same as other money used and based upon the same gold for redemption.

THE GERMAN INFLATION

And then they will point to Germany and warn of German post-war money, withholding the true facts about Germany, that Germany was an insolvent and bankrupt nation, owing both domestic and foreign debts, and how money was used to destroy the domestic debts to put all resources behind the foreign debt, and too, was deliberately carried out by raising and multiplying values and prices many times one hundred fold above the normal level, and for the purpose of going back upon the international gold standard for the payment of the foreign private-debt holders and owners. And it was under this fall of values following the international gold standard, Germany with all her payments on her debts, owes more today and carries a greater burden measured in labor and labor products than before Germany had paid a single mark. Every abnormal expansion of money immediately preceding or followed by a contraction of money and credit, and a fall of values and prices, can be traced and shown to be a part of the preliminary money maneuvers and manipulations, and when values and prices are raised to a high level then property and commodities are converted into money and money contracts, in or calling for a greater number of dollars and following which conversion of commodities into money, currency, and credit are contracted to increase and multiply the value of the increased number of dollars.

The effect of this system of currency manipulation is a double multiplication of values as the one and the other comes into the hands of the manipulating financiers, and in the face of which some people are still curious to realize and understand why the rich grow richer and how less than 10 percent of the people have come to own over 90 percent of all the wealth and property of the country. It was under these double reverse currency movements that values and prices were made to rise for 2 years after the close of the World War, while surplus war materials held by war profiteers were being thrown back upon the market, and then suddenly made to fall, with the actual per-capita production declining, using the power of money to overcome the laws of supply and demand.

But this whole ingenious, camouflage argument, this propaganda to becloud the public mind, falls and fails in the face of the fixed program for the restoration of money and credits which is to restore values to the 1926 price level. This fixed and agreed price stage is below the normal level from which values and prices were forced down, measured in taxes levied and obligations contracted and to which the word "inflation" has no more application than a part meal in an empty and collapsed stomach. And the ominous warning of temptation that restoration would be carried further and above the fixed normal value and price level would be like refusing food to a starving man, claiming he would never stop eating, or refusing clothes to a shivering man, claiming he would only demand more clothing, or refusing shelter to a freezing man, claiming he would never again go outside and would become a hothouse plant.

By the secret contraction of money and credit, more tribute can be levied and collected from the people and more tribute has been collected from the people than ever royal rulers have exacted of their subjects, than ever marauding kings have taken in conquest and subjugation from the vanquished as the spoils of war. The international financiers and bankers, by taking advantage of the prejudice which they have deliberately created in the minds of the people, and by urging other measures for so-called experimental relief—they have delayed and are delaying, they are withholding and postponing from year to year the restoration of values, prices, and wages, without which no recovery can come, and are holding and are making secure their ill-gotten gains against a recovery back of the property of the people from which taken.

TRIFLING WITH THE PEOPLE

They are temporizing with the people, they are parleying with the people, they are trifling with the people by their appeal to prejudice, by diverting attention from the true cause, and by urging conflicting, experimental remedies, and the pity of it all, the humiliation of it all, and the tragedy of it all is that they are misleading the people to coerce their representatives in office, to suspend the administration of relief measures provided for the restoration of their buying and consuming power. And it would be divine and Christlike to say, "Father, forgive them, for they know not what they do."

What the country and the people need today is not high, scarce, dear money, with resulting low commodity values and prices, is not so-called currency reform, is not so-called sound money, is not a mere partial rise of values, prices, and wages, is not a higher price for a part crop but a higher price for a whole crop, a full restoration of the buying and consuming power, a full restoration of the taxpaying power, of the interest, debt, and mortgage-paying power.

LOOKING BEHIND THE SCREEN

And now, in conclusion of these remarks, I want to remove the screens and lift the curtains and look in upon some of the scenes of the secret bankers' meeting. I want to turn the radio dial to listen to a phonographic record of some of the proceedings of the bankers' conclave behind closed doors and safeguarded by soundproof walls. John Skelton Williams was at this time in office as the Comptroller of the Currency, and, ex officio by reason of his office, was a member of the Federal Reserve Board. Williams objected and protested against the secret order for the contraction of money and withdrawal of available credit, and in reporting his protest said:

> I heard much talk while I was a member of the Federal Reserve Board about forcing the farmer to sell his wheat, or the cotton farmer to sell his cotton, or the cattle raiser to sell his livestock, or the wholesaler or retailer to sell their stock (their merchandise) of goods.
>
> But I must frankly tell you that I do not recall of a single occasion during the last 2 years of deflation when the Board ever discussed seriously the importance or desirability of requiring the big banks of New York City to liquidate (pay) a portion of their loans, some of which were lending millions of dollars to their own executive officials on highly speculative securities and to big syndicates, in which those officials were actively interested and which these banks had been carrying for months, and some for years (without requiring) to liquidate a portion of their loans.

This same John Skelton Williams, Comptroller of the Currency during the secret contraction of money, explaining his efforts to stop the contraction and withdrawal of money and credit to John A. Simpson, then president of the Farmers Union organization, said:

> I told the other members of the Board, "Do you know that this will break a lot of little country bankers?" And they cold-bloodedly answered me, "They ought to break; there are too many of them." I told them, "Don't you know it is going to ruin lots of farmers?" And they cold-bloodedly replied to me, "They ought to be ruined; they are getting so prosperous they will not work."

This panic is no mystery; it is a conspiracy carried out under a secret gentleman's agreement. Bandit raiders of the range never hied to deeper caverns, gang murderers of a city never crept back to blacker darkness to cover highway robbery and theft or to conceal cold-blooded murder, than the international financiers who pulled the manipulating wires from behind closed doors and curtains or gave orders from afar, directing their tools and puppets in the secret bankers' meeting and in the Federal Reserve banks, for the contraction of money and credits, and thereby to take from the people their property and substance unawares.

But, forgetting the past and the cause for the present, and the remedy—water is the vitalizing, indispensable element going to sustain all animal and plant life, without which existence could not be prolonged and all would languish and finally perish and decay. Many of us have observed the anguish and pains, the griping contortions of the body suffering from the want of water, and the almost instant relief coming with the quenched thirst. Many of us have looked upon the dry, dead, parched earth, the withering vegetation during a drought, the want and scarcity of water, leaving the sod without semblance of existing life. And as often we have heard the rainfall coming gently in the nighttime and, awakening in the morning at the break of day, we have found all nature aglow and the sod springing to renewed life in sparkling, verdant green.

Money, currency, and credit as a means and medium for the exchange of property, commodities, and services is to our civilization and specialized system of industry what water is to animal and plant life. The people are suffering from a drought, from the want and scarcity of money, as a means and medium for the exchange of their services and what they produce, for others' services and what others produce, whereby to provide themselves with the necessaries and the comforts required to live. This vital element or agency of industry has been withheld until it has dried up the arteries, veins, and channels of trade, until industry has been left with the appearance of the dead, parched, lifeless sod. Yet the return of this vital, life element of industry, money and currency as a medium of exchange, would bring relief as prompt and as instant as the quenched thirst to the famished body, as the magic showers bring back life to the grass and plants lying dormant waiting for the raindrops on the sod.

Under this drought and scarcity of money, the failure of a medium of exchange and a measure of unchanging values, this vital element of social industry, like the potent energies of life, lying dormant to spring anew to active life and growth, is waiting to join in cooperation with the fertility of the soil, with the resources of the country, with the energies and enterprise of the people, to awaken to a new industrial activity, which medium and means of money have alone caused industry to develop and our advanced civilization possible. And prosperity, with a restoration of money, will come back to the people of the country as prompt in response as relief comes to the famished body with water to quench the thirst, and as magic life springs and returns to dry, dead, lifeless sod, drinking from the raindrops and the showers.

THE INVISIBLE BURDEN OF TAXATION

Mr. BACON. Mr. Speaker, there exists in the United States today an invisible burden of taxation which materially affects the purchase price of all articles of personal use and consumption.

An ever-increasing burden and multiplicity of taxes on the economic units of production, transportation, and distribution add to the daily cost of living.

One article of every-day consumption is bread. This necessity of life, common to all, bears its proportionate burden of more than half a hundred local, State, and Federal taxes before it reaches the table of the consumer.

The variety and number of taxes hidden in a loaf of bread are not limited to bread alone, but apply to practically all purchases. Other examples are meat, products manufactured from wheat, cotton, wool, steel, and leather, which bear from 40 to 63 local, State, and Federal taxes in the journey from farm and mine to the home of the consumer. No item of personal or family use is exempt. Shoes, clothing, household furnishings, and so forth, all bear their share of the total national tax burden.

Taxes, like wages and other expenses, must be included as part of the cost of production and distribution by all engaged in providing the nation with the things it buys. The cost of taxation must be recovered by the farmer, miner, manufacturer, railroad, distributor, and all units in the chain of supply if they are to make a profit and continue in the business of satisfying a nation's needs. No business can be run indefinitely at a loss. Consequently, although we never receive a tax bill, we do pay, in the retail prices of the things we buy, practically the entire tax bill of the combined units engaged in providing us with our daily purchases. Increased cost of government, with its resulting demand for increased taxes, increases the cost of living. Regardless of who pays taxes in the original instance, it is the consumer who ultimately pays. In that respect, cost of government is but another name today for cost of living.

Everything we eat and wear bears and accumulates its proportionate share of innumerable local, State, and Federal

taxes at each step of the journey to the consumer. Twenty-four percent of the rent we pay is for taxes. These three items—food, clothing, and housing—are the three chief necessities of life, and on the average take two-thirds of the family income.

For the year 1934, local, State, and Federal tax collections amounted to $9,500,000,000. The national income for this year was $48,561,000,000. Tax collections were, therefore, 19.6 percent of the national income. Practically 20 cents out of every dollar we earned went to the tax collector. But this is only part of the picture and does not tell the whole story. For the year 1934, cost of government was equal to approximately one-third of the national income. Government expenditures for this year—local, State, and Federal—totaled $15,500,000,000, or 31.9 percent of the national income. The difference between collections and expenditures was borrowed, and since it must be repaid, constitutes an unpaid tax bill. Federal Government expenditures alone, in the period March 4, 1933, to June 30, 1936, amounted to $25,067,769,509, or approximately $2.12 for every dollar received.

The cost of government today exceeds the margin of security in the average American family's earnings estimated at 25 cents of every dollar of income. This margin formerly provided for home building, education of children, sickness and old age, church and charity, and other requirements above the bare necessities of life.

Obviously, this burden of the cost of government is not an abstract thing. It is borne and paid for by every wage earner in everything he buys, although he never receives a tax bill. It is not confined to luxuries, but extends to all the necessities of life, and, unfortunately, the more common the use, the greater the contribution to the cost of government.

The hidden taxes collected by the Federal Government alone for 1935 totaled $2,232,402,340, which is a cost per family of practically $70. This does not include the Federal income, capital stock, and excess-profits taxes levied on corporations, or the Federal income, gift, and estate taxes levied on individuals. Hidden taxes, as the term is used, include only those taxes which are imposed indirectly upon and are paid by the consumer.

Since 1932 the amount of hidden taxes collected by the Federal Government has increased more than 286 percent, as shown by the following table:

Hidden taxes collected

	Amount	Per family
1932	$780,703,659	$25.35
1933	1,088,901,635	35.01
1934	1,992,051,345	63.24
1935	2,232,402,340	69.96

Freedom from taxes is a delusion, but the protest must come from the consumer who ultimately pays and bears this burden of the cost of government because it is part of the cost of his daily purchases, because it adds to his cost of living, because it lowers his standard of living, and because it threatens to destroy his economic security and places him on the line between individual independence and Government relief.

A RECORD OF SOME OF MY ACTIVITIES IN CONGRESS, TOGETHER WITH SOME OF THE ACTIVITIES OF THIS ADMINISTRATION IN CONNECTICUT

Mr. CITRON. Mr. Speaker, I desire at this time to review my activities as a Member of this great body. As a Representative of all the people of my State, I believe that I have consistently served their best interests. At all times it has been my care to preserve the closest relations with my constituents, to all of whom I have constantly held myself available.

I. Fundamental Principles of Human Rights

(A) LIBERTY OF RELIGION AND EDUCATION

I have actively interested myself in civil and religious liberties and have on numerous occasions denounced the violation of those fundamental human rights which are set out in the Bill of Rights of our Constitution.

On many occasions I have protested, by introducing resolutions and by speeches, against religious and racial persecution, no matter where it exists, in Mexico, Germany, or elsewhere. I believe that the voice of the people of this country should be expressed in such matters through the proper officials. That we must also zealously guard all of the priceless liberties of our own citizens is an axiom of my political philosophy.

And at all times must we be conscious of the danger of the spread of intolerance which finds expression in mob violence and lynchings. I have, therefore, actively supported the anti-lynching legislation in Congress.

(B) LIBERTY OF THE PRESS

I have advocated that in time of war for the defense of our liberties there should be a conscription of wealth, as well as of men. When we were considering the McSwain bill to prevent war profiteering, a national policy with which I am in complete sympathy, I introduced an amendment to exempt the press from the licensing provisions, lest our zeal to prosecute a war might cause us to forget the importance of a free press. My amendment was adopted.

II. Social Legislation

(A) OLD-AGE SECURITY AND UNEMPLOYMENT INSURANCE

I have consistently advocated and voted for such legislation. It is true that we have not provided complete protection for the aged and unemployed. But we have made a start, and as we learn by experience we will be able to extend and modernize pension and unemployment-compensation laws in this country.

(B) LEGISLATION BENEFICIAL TO EMPLOYERS AND LABOR

Our statutes now recognize the fundamental rights of labor to bargain collectively through representatives of its own choosing. I favored the Wagner-Connery labor disputes adjustment bill because it recognizes the equal rights of the laborer and the employer to adjust their differences by negotiation and is therefore beneficial to both.

(C) INTERSTATE SHIPMENT OF STRIKEBREAKERS AND ARMED THUGS; CHILD LABOR; AND SWEATSHOP CONDITIONS IN GOVERNMENT CONTRACTS

Some of the most progressive legislation of this session of Congress came out of the House Judiciary Committee, of which I have the honor to be a member. This committee approved, and Congress passed, the law prohibiting the interstate shipment of armed guards to interfere with peaceful picketing. We have thus abolished a notorious system whereby a few racketeers were making money by shipping armed thugs around the country to cause disorder and riots.

I introduced a bill to prohibit the Government from contracting for supplies from manufacturers who employ child or convict labor. The Judiciary Committee finally selected the best provisions of this and similar bills and incorporated them in the Healey Government contract bill, which requires contractors with the Government to covenant that they do not employ child or convict labor, use sweatshop methods, or employ workers over 40 hours per week or 8 hours per day without paying them for such overtime, utilize the indecent "kickback" system, or exploit labor by paying less than the prevailing rate of wages in the community. It is a bill which protects the manufacturers of Connecticut, including those in the textile industry, against unfair competition and low wage and labor standards in other sections.

(D) PREVAILING WAGES

I have advocated decent wages for labor and the inherent right of citizens to obtain work and to receive adequate remuneration to maintain themselves and their families. That is why I proposed, when the Merchant Marine Act was being considered on June 25, 1935, a prevailing wage rate amendment for workers engaged in shipbuilding. The amendment was adopted.

(E) PUBLIC WORKS AND WORK RELIEF

With millions out of work, this administration acted properly in providing public-works employment and work relief. I voted for the public-works program, and in this connection I can only ask, "Is there any person so inhuman as to assert that he would vote against a measure to save millions of unemployed from the bread lines and starvation, a measure that helps men and women to retain their self-respect and morale?"

(F) CIVIL SERVICE EXTENSION

I advocated the extension of the civil service and cited its success in the efficiency of the postal employees.

(G) VETERANS

I voted for payment of the bonus to the veterans because it was a debt owed to them. I introduced measures to give the veterans of the Spanish-American War, their widows and dependents, some of the priviliges given to veterans of other wars. It is not class legislation that I favor, but legislation to equalize their privileges and rights with others.

Many appeals have come to me from veterans and the widows of veterans for my assistance in obtaining more fair and equitable treatment, and I have been successful in many instances in securing justice for them.

III. FLOOD CONTROL AND PUBLIC WORKS

(A) THE CONNECTICUT RIVER VALLEY AUTHORITY BILL

Immediately after I came to Congress, on January 29, 1935, I introduced H. R. 4979, a bill authorizing $50,000,000 for a comprehensive plan of flood control of the Connecticut River and the incidental use of dams to generate cheaper electricity in order to help pay the cost of flood control. The bill did not constitute Federal interference but provided for Federal cooperation with the States involved. This was in the early part of 1935, when no one expected a disastrous flood such as occurred in the spring of 1936. Selfish interests attacked the bill, even arguing that "it proposed a garden for the Connecticut River Valley." Unfortunately, our Connecticut River Valley, which was a garden, suffered the havoc of this year's great flood.

(B) COMPACT BILL—RESULTS

On August 13, 1935, I introduced another bill, permitting the New England States to make compacts for flood control, elimination of pollution, and other improvements, such as reforestation and the prevention of soil erosion. Under the Constitution, congressional sanction is necessary for State compacts or treaties.

This bill was passed by Congress and enacted into law on June 8, 1936. Already it has stimulated the New England States to assemble their representatives and to make preparatory arrangements for such agreements. It permits them to proceed with a program for flood control and elimination of pollution, and it provides for protecting local traditions and State rights, because each State legislature must ratify these agreements.

(C) OMNIBUS FLOOD-CONTROL BILL—CITRON AMENDMENT FOR CONNECTICUT RIVER

About the same time that my compact bill was passed, the Senate finally passed the omnibus flood-control bill, containing an authorization of about $13,000,000 for the Connecticut River, of which the several States will have to contribute about $3,000,000.

This omnibus bill was introduced in the House last year, but there was no provision in it for the Connecticut River. I thereupon offered an amendment on the floor of the House for $1,000,000 for this river, and the amendment was adopted. This was on August 22, 1935, and when the Senate considered this bill this year there was available a new report from the War Department Engineers recommending $13,000,000 for the Connecticut River. This was substituted for my $1,000,000 amendment. It is my belief that my requests for surveys and reports, together with the widespread floods of this spring, brought home to the War Department a realization of the need of extensive flood-control work upon the river, so that its Engineers completed the report in time for the Senate's consideration.

(D) RIVERS AND HARBORS

I favor reasonable and sensible improvements in rivers and harbors, not only because of the permanent economic value but because of the opportunity to employ men on worthwhile projects.

Before the various committees and in the House I advocated improvements in the Thames River and New London Harbor, the Connecticut River, New Haven Harbor, and Stamford Harbor.

The CONGRESSIONAL RECORD of April 9, 1935, shows the following authorizations:

New London and Thames River	$820,000
Connecticut River, below Hartford	530,000
Connecticut River above Hartford, subject to local contributions—about	3,384,000
New Haven Harbor	352,000
Stamford Harbor	186,000

(E) OTHER PUBLIC-WORKS IMPROVEMENTS IN HARBORS

Through the medium of the Public Works Administration improvements have been made to Southport Harbor, and a survey of Bridgeport Harbor is now being completed. The War Department Appropriation Act of May 15, 1936, allotted $53,000 to Bridgeport Harbor for dredging and restoring channels.

I was instrumental in having surveys made of Clinton, Saybrook, and Madison Harbors, and of the Housatonic River.

(F) NEW LONDON, CONN.

At all times since my arrival in Congress I have worked for the improvement of this harbor. It is my opinion that New London, with its excellent location and wonderful natural harbor, may be developed into a great shipping point.

I appeared before the Naval Affairs Committee and protested the threatened removal of the submarine base from New London, and I have advocated the establishment of a merchant-marine school for New London in close cooperation with the Coast Guard Academy.

Recently I conferred with naval authorities concerning further development of this harbor. Although it is adequate for present needs, future considerations may alter the present status.

P. W. A. allotments to the naval base at New London total $2,697,891; to the Coast Guard Academy at New London $71,065; and to nearby Groton for construction of naval vessels $5,540,000. For construction of a dock terminal at New London P. W. A. has allotted $22,604.

IV. PROPOSALS FOR CONSTITUTIONAL AMENDMENTS

(A) TAX-EXEMPT BONDS

I have proposed an amendment (H. J. Res. 576) to the Federal Constitution to eliminate the issuance of tax-exempt bonds.

I also believe that there is an opportunity for Congress to improve our Federal Reserve System, which should not be an instrument for private profit and gain but a true public institution for the benefit of all of our people.

(B) VETO POWER BY PRESIDENT OF SEPARATE ITEMS

On March 30, 1936, I proposed an amendment (H. J. Res. 552) to the Constitution to permit the President to veto any item in a budget or in an appropriation bill. Too often "pork barrel" riders are attached to such measures, which the President is now powerless to eliminate since to veto one item the whole bill must be vetoed.

V. MANUFACTURE, INDUSTRY, AND AGRICULTURE

(A) TEXTILES

To protect the New England textile industry from extinction, I introduced, on March 14, 1935, a bill (H. R. 6721) to create a commission to study the textile situation. Later the President appointed a special Cabinet committee to study this vitally important matter.

In some States there is legislation providing for higher labor standards; in other States there is none. The textile industry is interstate in scope. It is therefore a national problem, which should be met with national legislation. One or two States cannot meet this problem alone.

When my attention was called to the dumping of Japanese and other foreign goods into our country, in unfair competition with our own goods, I protested. On May 29, 1936, the Secretary of State advised me that the President, upon recommendation of the United States Tariff Commission, had raised certain duties approximately 42 percent. On May 8, 1936, I took up with the State Department and the United States Tariff Commission the "dumping" of slide fasteners into our country and was instrumental in having our administration stop this unfair practice also by increasing the rate of duty.

(B) F. O. B. SHIPPING POINT PRICE—ELIMINATED TO PROTECT CONNECTICUT AND OTHER MANUFACTURERS

When the Patman bill amending the antimonopoly laws was being considered, I labored to eliminate the f. o. b. shipping-point price feature because it would be detrimental to Connecticut manufacturers. Our committee recommended its elimination and the House agreed.

(C) RECIPROCAL-TRADE AGREEMENTS HAVE INCREASED EXPORTS OF CONNECTICUT MANUFACTURERS

According to statistics, the reciprocal-trade agreements are helping Connecticut industry. Already the program of our able Secretary of State has resulted in increasing our export business.

Connecticut enjoyed an important export business until the days of the depression. Since then there has been an encouraging revival, which I noted in my remarks in the CONGRESSIONAL RECORD today.

(D) POULTRY; TOBACCO

I have endeavored to assist the poultry industry on many occasions, and the Connecticut Poultry Association passed a resolution commending me for my efforts in their behalf.

In my humble way I have also tried earnestly to help the tobacco industry by obtaining appropriations for the eradication of tobacco pests and by requesting the State Department to notify foreign countries, like France, which grant us tobacco concessions, of the quality of Connecticut shade-grown and sun-grown tobacco.

VI. OTHER LEGISLATION

MIDDLETOWN-PORTLAND HIGHWAY BRIDGE

Congress passed my bill granting consent to the State of Connecticut and Middlesex County to construct and maintain a bridge across the Connecticut River. Such legislation was necessary because the Connecticut River is a navigable stream and, as such, is under Federal jurisdiction.

VII. FURTHER ASSISTANCE TO CONNECTICUT BY THIS ADMINISTRATION

(A) THE RECONSTRUCTION FINANCE CORPORATION

The Reconstruction Finance Corporation has made loans totaling $25,958,880 in Connecticut.

(B) THE RESETTLEMENT ADMINISTRATION

The Resettlement Administration has loaned to Connecticut farmers a total of $99,049 and has made grants totaling $2,064.50. In addition, there is also under way the New London County land-use project, involving the acquisition of approximately 10,000 acres of misused and unsuitable land. The total estimated cost of the development plan is $262,508, of which $242,305 has been authorized from funds made available by the Works Progress Administration.

(C) HOME OWNERS' LOAN CORPORATION

The H. O. L. C. has closed in Connecticut, as of April 23, 1936, 10,278 loans amounting to $44,223,736. In other words, the H. O. L. C. saved 10,278 distressed home owners temporarily, and over 9,800 of these still have their homes today, thanks to the intervention of the H. O. L. C.

(D) FEDERAL HOUSING ADMINISTRATION

The Federal Housing Administration insured in Connecticut 11,833 modernization and repair notes for $4,634,956, and accepted for insurance 437 mortgages, amounting to $2,278,620, from the beginning of operations through February 1936.

(E) CIVILIAN CONSERVATION CORPS

As of May 31, 1936, there were 3,859 Connecticut men enrolled in the corps, and the organization has supplied direct employment for varying periods of time to an aggregate of 18,375 enrolled Connecticut men. The War Department estimates that as of April 30, 1936, Connecticut enrollees had sent home to dependents approximately $2,593,735.55 of their earnings.

(F) FARM CREDIT ADMINISTRATION

During the period May 1, 1933, to February 29, 1936, the Farm Credit Administration made 1,974 farm-mortgage loans in the State of Connecticut, totaling $4,277,800, and in the same period made emergency crop loans, drought relief loans, and agricultural credit association loans totaling $2,355,629.

(G) THE CIVIL WORKS ADMINISTRATION

The C. W. A. advances in the State of Connecticut amounted to $9,606,111.02 as of January 31, 1936.

(H) THE PUBLIC WORKS ADMINISTRATION

The Federal Emergency Administration of Public Works has made total allotments of $25,302,708 on 254 projects in Connecticut.

(I) THE WORKS PROGRESS ADMINISTRATION

The W. P. A. total expenditures in Connecticut as of June 1, 1936, amounted to $12,730,817. By April 15, 1936, 1,398 W. P. A. projects had been approved.

(J) TOTAL FEDERAL LOANS AND ALLOTMENTS TO CONNECTICUT

It is estimated by the National Emergency Council that in excess of $155,000,000 has been allotted, loaned, expended, or disbursed in Connecticut since March 1933 by departments and agencies of the Federal Government. This is a conservative approximation and includes loans and grants of Federal funds to individuals, organizations, and to the State.

VIII. CONCLUSION

In order to present a full picture of the work of a Congressman, I have included in my report some of the activities of the various Federal agencies which are helping to take us out of the depression, as well as my own legislative activities directed at the same goal.

More than the occupant of any other public office, a Member of Congress is the intermediary between his constituents and the Federal Government. Tradition and practice have brought this about. Besides being a legislator, he has to keep in touch with his constituents. That I have always attempted to do, believing that a Congressman, who is ready to serve, must make the problems of his constituents his own.

THE STRUGGLE FOR PUBLIC-UTILITY HOLDING COMPANY LEGISLATION—DESPITE THE DIRE PREDICTIONS OF OPPONENTS, UTILITIES ARE BETTER OFF UNDER ROOSEVELT—UTILITY CROWD WILL TRY TO CONTROL CONGRESS

Mr. CITRON. Mr. Speaker, last year Congress enacted legislation to regulate public-utility holding companies.

It was done to protect the people of this country, including investors and consumers, from the evils and abuses of the large public-utility holding companies, which permitted millions of people to invest in all kinds of fake, fraudulent, and watered securities without a chance of getting their money back.

DISCREDITED PRACTICES NOW ELIMINATED BY THE PUBLIC UTILITY HOLDING COMPANY ACT

In the New York Times of June 29, 1935, there appeared the following:

Bond "fraud" laid to Associated Gas. Utility accused of giving an unjustified guaranty and forcing employees to buy. Hopson unit under fire. Paid officers in system and billed companies at rate 250 percent higher, Mack hears.

Mr. Hopson and another person controlled this billion-dollar concern; and, according to the Federal Trade Commission's studies, were able to do this upon an investment of about $23,000, of which Mr. Hopson's share was $10,000. The total write-ups or watered stock of this outfit amounted to $212,012,065.

The New London (Conn.) Day of July 29, 1935, remarked that Hopson alone received from this firm during the depression days $2,805,000 and queried, "Who pays this?"

This system controls the Litchfield Electric Light & Power Co. in my State, and the customers of this Connecticut company are paying for the misdeeds of the holding company.

Another Connecticut concern, the Danbury & Bethel Gas & Electric Light Co., was also owned by a large outside holding company, the Cities Service Co. In 1924 and 1925 Cities Service Power & Light Co. took over securities owned by the Cities Service Co.

The assets were recorded on the books of the new company at $106,104,403, or 165 percent more than the $40,067,952 at which they were carried on the books of Cities Service Co. This was a write-up of $66,046,551, and people in Danbury, Conn., will be contributing to make good this watering of stock.

The Derby Gas & Electric Co. (of Connecticut) is owned by Utilities Power & Light Corporation. This firm had write-ups amounting to $4,902,262, according to volume 54 of the Federal Trade Commission reports, and the people of Derby will be contributing toward this watered stock.

UNITED GAS IMPROVEMENT CO. AND SOME OF MR. RORABACK'S CONCERNS

The United Gas Improvement Co. controls several Connecticut concerns in which Mr. J. Henry Roraback is the dominant figure. There is the Connecticut Electric Service Co., which, according to volume 54, page 769, of the Federal Trade Commission report, had a write-up of $11,118,649; and the Connecticut Light & Power Co., according to page 790, had a write-up of $8,657,449; and the Northern Connecticut Power Co., according to volume 58, page 65, had write-ups of $1,633,052.

Write-ups or watering of stocks are only one of the many evils that are harmful to investors and consumers. And does not the consumer have to pay the dividends on watered stock—if there are to be any dividends—in higher gas and electric rates?

PRESIDENT SAMUEL FERGUSON OF HARTFORD ELECTRIC LIGHT CO. FEARED AND DENOUNCED OUTSIDE HOLDING COMPANIES

Knowing all this, it is no wonder that Mr. Samuel Ferguson, head of the Hartford Electric Light Co. and of the Connecticut Power Co. took steps in those days to protect himself and his companies from being swallowed by these holding companies. He was instrumental in forming a trust agreement at one time among his stockholders to prevent his companies from merging with outside concerns.

One of the main arguments of President Roosevelt for the utility legislation was to avoid absentee ownership. A notice sent out by the Hartford Electric Light Co. in this connection stated:

> In various parts of this country one or other financial interests have been able to influence the majority of stockholders of local operating companies to surrender their control and sell out. A specific case recently in New England—the stockholders, through the ignorance of their stock rights and the purposes of their company, were induced to part with their stock far below its value.

Writing in the Electric World for January 21, 1933, Mr. Ferguson mentioned the "sins of speculation, wild finance, and get-rich-quick schemes to which abuses the holding company set up has lent itself all too readily", and in the New London (Conn.) Day of April 7, 1934, he stated:

> I join wholeheartedly in denouncing many of the acts of financial pirates who abused their control of utility securities to further what was straight robbery.

EVEN THE UNITED STATES CHAMBER OF COMMERCE ADMITTED THE ABUSES AND SUPPORTED SUCH LEGISLATION

This organization, through its president, Mr. Harper Sibley, admitted the necessity for Federal regulation in a circular letter addressed to Members of Congress under date of June 24, 1935, and came out in favor of the bill to regulate utilities.

UTILITY LOBBYISTS TRY TO DEFEAT LEGISLATION—WHAT HAS BECOME OF THEIR DIRE PREDICTIONS?

But, Mr. Speaker, when it came to enacting legislation last year, why did these utilities raise their wailing voices in an attempt to block passage? Why did they send swarms of lobbyists like locusts to Washington? They filled the air with dire predictions, none of which has come true.

According to the New London (Conn.) Day of July 19, 1935, one company alone, the Associated Gas & Electric Co., which owns the Litchfield Gas & Electric Co., in Connecticut, spent over $700,000 to defeat the Wheeler-Rayburn bill. What did the other companies spend?

And if they spent that much to defeat a bill, what will they spend to control Congress this fall?

I doubt if the investors and consumers will stand for this very long, for the money spent by these companies belongs to these two groups; it should go into dividends for stockholders or lower rates for the users of gas and electricity.

THE REPUBLICAN DILEMMA

The Republican platform confesses it is for regulation, but the platform writers did not have the courage to declare for repeal of the Wheeler-Rayburn bill.

When this legislation was being considered by Congress, the Republican organization opposed regulation but did not offer any constructive substitute. And the platform they adopted in Cleveland neither dared to criticize the administration's measure nor does it offer a suggested substitute.

GOVERNOR LANDON AND MR. RORABACK

Who wrote the Republican platform? Former Senator Bingham, of Connecticut, closely affiliated politically with Mr. J. Henry Roraback, head of many Connecticut utilities and interested in the United Gas Improvement Co.—of Philadelphia—was chairman of the platform subcommittee. Mr. Roraback joined the Landon band wagon and was instrumental in obtaining the nomination for him.

Mr. Roraback, who for years has been chairman of the Republican committee of Connecticut and Republican national committeeman, has been rewarded within the past few days with the high office of vice chairman of the Republican National Committee. He is assisting Mr. John Hamilton, the chairman, in trying to elect Mr. Landon.

WHO IS MR. RORABACK?

Mr. Roraback is a personally estimable gentleman whose abilities I respect. But I object to his theory and system of government. He has been for many years the head of the Connecticut Light & Power Co., the Connecticut Electric Service Co., and the Connecticut Electric Syndicate. In addition, he controls many other public utilities in that State, and of late years he has been connected with the United Gas Improvement Co. of Pennsylvania. Mr. Roraback guided the course of the Republican legislature not only in utility legislation but in many other matters. He is the head and dictator of the Republican organization in Connecticut. He is high in the councils of the national Republican Party and was closely affiliated with Mr. Hoover during the latter's administration.

MR. RORABACK'S CONNECTION WITH OTHER CONNECTICUT UTILITIES

The same Mr. Roraback received sometime about the year 1913 the sum of $15,000 from the Northern Connecticut Securities Co. "for legislative services." He also received $5,000 per year from the United Gas Improvement Co., an item which he could not explain at the time of the hearings by the Federal Trade Commission. (See vol. 55, doc. 92, Letters of the Chairman of the Federal Trade Commission.)

And this same report (p. 219) shows that the secretary of the Republican State committee received various yearly sums for the dissemination of public-utility propaganda in the State of Connecticut.

THE POLITICAL AND UTILITY ALLIANCE OF MR. RORABACK AND MR. FERGUSON

One of the leaders of the Fairfield County (Conn.) Republican organization, which is the backbone of the Roraback machine in Connecticut, is our esteemed colleague, the Honorable SCHUYLER MERRITT. Mr. MERRITT is an officer and director of the Stamford Electric Co., now in the process of merger with the Connecticut Power Co., of which Mr. Samuel Ferguson, of Hartford, Conn., is one of the heads. Mr. Ferguson is also head of the Hartford Electric Light Co., which has had certain business relations with the Connecticut Light & Power Co., Mr. J. Henry Roraback's outfit, through the Connecticut Valley Power Exchange.

Recently the annual reports of the Hartford Electric Light Co. and the Connecticut Power Co. carried almost identical statements attacking certain Connecticut Democratic Congressmen and a Senator for voting for the Public Utility Act of 1935. By innuendo these firms suggest voting therefore for Republicans.

The general counsel for both of these corporations, Mr. Austin Barney, has been a Republican State senator for several years and is politically affiliated with Mr. J. Henry Roraback.

And, of course, Mr. Ferguson, head of these two utilities, in these same annual reports, further explains that better legislation will come about when those in power "sit down with those in the industry."

For years Mr. Roraback, as chairman of the Republican Party, controlling the Connecticut Legislature, has sat down with Mr. Roraback, as head of Connecticut utilities, and for years no regulatory legislation was passed in that State.

Possibly it is Mr. Ferguson's idea that if Mr. Landon were elected President, he could sit down with his vice chairman, Mr. Roraback, and map out some utility legislation.

DESPITE MR. FERGUSON'S PREDICTIONS, PUBLIC-UTILITY INDUSTRY IS IN GOOD FINANCIAL CONDITION—PRICES OF STOCKS AND BONDS ARE HIGHER

Mr. Ferguson, like the utility lobbyists in Washington, predicted in these annual reports that the regulatory legislation of 1935 will "do great damage to the industry by adversely affecting the interests of both customers and investors." Therefore, let us look at the record.

We will examine the condition of the Hartford Electric Light Co. The report to the stockholders states:

It is of great interest to note that the sales of electric current for 1935 exceeded the corresponding sales for 1930—the previous highest record—by $5,000. The lowest volume of sales experienced during the depression was for 1932, and the sales for 1935 exceeded this figure by $670,000.

The electric output and revenues of the Hartford Co. have been increasing steadily since the present administration came into office, and its output and revenue have continued to increase in 1936.

The following information submitted to its stockholders in annual reports shows conclusively that the Hartford Electric Light Co. has not been adversely affected by the Public Utility Act of 1935 but, on the contrary, has shown increasing financial health since the inception of the present administration.

	1932	1934	1935
Kilowatt-hours sold to consumers	194, 602, 000	213, 506, 000	235, 791, 000
Kilowatt-hours sold to other companies	87, 244, 000	95, 862, 000	105, 545, 000
Total revenue from sale of electric energy	$6, 671, 141	$7, 010, 550	$7, 340, 613
Net income	$2, 405, 588	$2, 506, 884	$2, 547, 208
Dividends paid	$2, 303, 267	$2, 303, 304	$2, 303, 303
Rate of dividends (on par value) (percent)	11	11	11
Fixed capital (plant and property)	$26, 401, 265	$27, 372, 370	$27, 854, 701
Reserve for retirement of fixed capital	$5, 685, 451	$6, 644, 494	$7, 188, 441
Surplus	$3, 134, 239	$3, 334, 439	$3, 382, 497

These figures show that the company's total revenue, net income, fixed capital, reserve for retirement and surplus have increased each year of the Roosevelt administration. The stockholders have received each year, without a break, a return of 11 percent on the par value of their capital stock, which incidentally is 1 percent more than they received in 1929.

In 1932 the stock of the Hartford Electric Light Co. reached a low price of $33 per share. As the company's revenues and income increased concurrently with improved business conditions resulting from the efforts of this administration, the price of the stock rose, until in August 1935, prior to the passage of the Public Utility Act, the price bid for the stock was $65 per share. Since that time it has sold for as high as $72 per share, more than 10 percent above the price quoted just before this so-called destructive act was passed and more than 110 percent above its low price in 1932. This shows conclusively that the general investing public does not agree with the management of the Hartford Electric Light Co. when it states that the Public Utility Act of 1935 is "destructive" because investors were recently willing to pay more for the stock of the company than they paid prior to the Wheeler-Rayburn law.

Now let us see how this act has affected the electric utility industry in general, as indicated by the facts and facts only.

According to reports issued by the Edison Electric Institute, the output of the electric industry in 1935 was the greatest in its history and its revenues of $1,920,000,000 were only $20,000,000 less than the peak of 1929. Current weekly reports indicate that the output of the industry is continuing to soar this year, being more than 10 to 15 percent in excess of 1935 output for the same period.

I do not claim that the Public Utility Act was the sole cause for the continued rise in the market value of utility stocks and bonds, but I do claim that this act has been beneficial to the industry. For example, in August 1935, the month in which the Public Utility Act became effective, the average of the market quotations of utility bonds was 100.9, while in March 1936 the index was 105.1. During the same period the index of utility-stock prices has risen from 81.6 to 102.8. Thus, during the first 6 months of the administration of the Public Utility Act the index of utility-bond prices rose 4 percent and stock prices 26 percent. It is also well to note that during this period utility bonds continued to hold their position as prime favorites of the investor since the index of utility-bond prices was consistently higher than the prices of railroad and industrial bonds. This reflects the confidence of investors in the soundness and desirability of the Public Utility Act.

TALKING ONE WAY BUT ACTING ANOTHER

Now the officials of the Hartford Electric Light Co. and the Connecticut Power Co. have long maintained that they welcome reasonable regulation and reaffirm this position in their 1935 report to stockholders when they state that no right-minded man can quarrel with the objective of the Public Utility Act to supplement the regulatory power of State commissions in the "twilight zone" of interstate commerce.

Notwithstanding all this, the Hartford Electric Light Co. and the Connecticut Power Co. cut their interstate transmission lines, which for years had been utilized for the interchange of power with companies in Massachusetts and New York, for the sole purpose of escaping the jurisdiction of the Federal Power Commission with respect to such interstate transactions.

The Hartford Electric Light Co. and its affiliate, the Connecticut Power Co., were, I understand, the only utility companies in the entire United States which destroyed interstate connections because of the passage of the Public Utility Act.

Were the lines which these two companies cut important? Assuredly so, for they carried each year between the States of Connecticut, Massachusetts, and New York approximately the same amount of electric energy as the Hartford Electric Light Co. sold to all its consumers.

The severance of these interstate connections, it is admitted by the representatives of the companies concerned, has affected the reliability of service and increased the cost of power in the States affected.

On September 11, 1935, Mr. Frank R. McNinch, Chairman of the Federal Power Commission, asked Mr. Ferguson, among other things, "Were you correctly quoted as saying that the interconnections discontinued had meant 'savings to consumers of power amounting to between two million and three million dollars'?" And on September 16 Mr. Ferguson replied, "Yes. This is an understatement of what has been saved to consumers from exchange of power."

SOMETHING FOR CONNECTICUT CONSUMERS OF ELECTRICITY TO THINK ABOUT

Before I conclude, Mr. Speaker, I just want to include the following from the speech of our esteemed colleague, Hon. JOHN RANKIN, made on the floor of the House June 2, 1936. When we hear so much about utility virtues from the mouths of utility magnates, this is something that every electric and power user in Connecticut should think about when he reaches down to pay his electric bill:

CONNECTICUT

In 1934 the people in the State of Connecticut used 811,158,000 kilowatt-hours of electric energy, for which they paid the sum of $30,123,083.

Under the T. V. A. rates the cost would have been $15,672,083, a saving of $14,451,000.

Under the Tacoma rates the cost would have been $15,726,086, a saving of $14,397,000.

Under the Ontario rates the cost would have been $12,352,492, a saving of $17,770,594.

CONCLUSION

Mr. Speaker, I conclude by saying that the utility crowd lacks patriotic vision to see that the American people will not permit the recurrence of those abuses that wrecked millions of bondholders and stockholders. By attempting to revenge themselves upon Congressmen, and even upon our great President, for performing their duty, the utility crowd is menacing orderly, decent government. The day when they can control Congress and elections has ended—the day of the existence of political public utilities is over.

EXPOSING A VOTE-GETTING RACKET

Mr. YOUNG. Mr. Speaker, the newspaper that exposes some questionable, fake scheme used by characters of the underworld as a racket by which to ride to wealth and power and become a menace to society is the kind of a newspaper that deserves the gratitude of every citizen.

Similarly, when a newspaper exposes some unsound, impossible old-age-pension scheme used as a racket by promoters and politicians who would ride to wealth and power on false hopes created in the failing hearts of old people, that newspaper deserves the gratitude of all old people who are deceived by the scheme as well as the gratitude of all other citizens of the Nation.

MOST NEWSPAPERS HAVE COURAGE

While serving in Congress I have written articles each week for newspapers of my home State, Ohio, under the heading, "Straight From Washington." I am proud to say that most newspapers published in the State which I have the honor to represent as Congressman at large are fearless in exposing frauds and rackets that menace the public.

Many of the Ohio newspapers have the courage to expose these various old-age-pension schemes, impossible of realization, and which are ready-made for promoters looking for easy money or politicians looking for a vote-getting racket on which to slide into office.

THE BUCYRUS TELEGRAPH-FORUM

From among Ohio newspapers I have chosen the Telegraph-Forum as an independent Republican paper published in Bucyrus, Ohio, to which to address this open letter on one of the most amazing of all the old-age-pension, money-getting, and vote-getting rackets.

My two chief reasons for paying special tribute to the Bucyrus Telegraph-Forum are:

First. The Telegraph-Forum has printed some of the best editorials I have yet seen showing up the ridiculous absurdity of the unworkable Townsend old-age-pension plan which, fortunately for the old people and the country at large, is now rapidly dying out in the minds of sensible men and women who have given it any study.

Second. The other reason for designating the Bucyrus paper is because it has had the editorial courage to call by name the local candidate who is trying to ride into Congress on the coattails of the old folks foolish enough to believe that by voting for him they will have a chance to get a pension of $200 per month for life free.

YOU ARE INVITED TO READ THIS OPEN LETTER

The open letter which I have addressed to the Bucyrus Telegraph-Forum reads as follows:

Your editorials discussing Grant E. Mouser, Ohio's loudest and most notorious Townsendite candidate for Congress, holding out to people past 60 years of age the possibility of receiving a pension of $200 per month for life, should open the eyes of all the older people and all taxpayers to the fact that they are being taken for a ride.

Every thoughtful person in your Eighth Congressional District reading your editorials exposing the use of the old-age-pension idea as a three-shell game with which to hoodwink the old people, will applaud the editorial spanking you have given to Mouser, who is hitchhiking a ride on the Townsend band wagon.

POLITICIANS DISLOYAL TO THEIR PARTY SELDOM WIN

Your editorials should make it plain to every voter how you stand on the proposition of a candidate for Congress turning his back on the leaders of his own party, as Mouser has done, to join up with the Townsendite leader, who, under oath, swore that he is out to "wreck the Republican Party and the Democratic Party, too."

To make a vote-getting racket out of the pension needs of deserving old men and women is a wicked thing for any man to do, and the newspaper that has the editorial courage shown by the Bucyrus Telegraph-Forum in exposing this thing for the cruel hoax it is, deserves the gratitude of every citizen in the community.

TRIBUTE TO EDITORIAL COURAGE

When more newspaper editors show the fearlessness shown by the editors and publishers of the Bucyrus paper, it will be harder for political demagogues to "hitchhike" into office on such preposterous fakes as the Townsend-Mouser plan, which would bleed the taxpayers to death, delude the old folks, and destroy the business stability of the country.

The people of Bucyrus, Crawford County, and the other counties in the Eighth Congressional District, have been loyal in the support they have always given to me as the candidate for Congressman at large, and in this open letter to your newspaper I am glad to join with you in helping to protect my friends there from being imposed upon and misled by this gigantic fraud.

I FAVOR ADEQUATE OLD-AGE PENSIONS

Everybody recognizes the need for legislation providing adequate old-age pensions. It was in recognition of this need that, at a recent session of Congress, we passed old-age-pension legislation which eventually will cost the taxpayers billions of dollars and which will provide pensions for millions of older citizens.

Of course, this legislation which we have passed to provide pensions for the aged is not perfect, but plans are already under way to liberalize its provisions and make it more adequate.

LET US EXAMINE TOWNSEND PLAN TO SEE WHAT IT MEANS

Grant E. Mouser voluntarily turned his back on the leadership of his own party to go along with the Townsend people. He even made the amazing confession that he knows no other way to equalize the distribution of the Nation's wealth. Therefore, that Mouser may be given full credit for the Townsend advantage he is seeking, the Townsend plan will be referred to in this open letter as the Townsend-Mouser plan.

Now let us take this Townsend-Mouser plan apart, so everyone can see what Mouser, as Ohio's most blatant Townsendite candidate, proposes to do and how he proposes to do it.

Let us see who is to pay for this pension scheme, on which Mouser is trying to "thumb" a ride into Congress, and which would load a $24,000,000,000 extra burden on the backs of the taxpayer.

Let us see who would be injured by this unsound proposition. It will add thousands upon thousands of new political job holders for the taxpayers to support; but what will it do for the older people who are being deceived by it?

How will this impossible pension plan wreck hundreds of business concerns, create additional unemployment, and raise prices beyond the reach of wage earners?

HERE ARE ANSWERS TO SOME OF YOUR QUESTIONS

Just what is it that the Townsend-Mouser plan proposes to do?

According to Dr. Townsend in his testimony before our congressional committee, the plan proposes to give approximately 10,000,000 people past 60 years of age a pension of $200 per month for life at a total cost of $24,000,000,000 each year.

This staggering sum is to be raised by means of what Townsend and Mouser call a 2-percent transaction sales tax.

Before the old people will be permitted to receive their pension of $200 per month, they will be compelled to agree to stop earning anything, save nothing, and spend everything, says Dr. Townsend.

YOU PAY A TRANSACTION SALES TAX ON EVERYTHING

What is this 2-percent transaction sales tax; how does it operate; what does it do to the taxpayer; and how will they compel the taxpayer to pay it?

The 2-percent Townsend-Mouser transaction sales tax is a pyramided, compound sales tax on every transaction, through which any commodity passes from raw material until it gets into the hands of the consumer.

This tax also applies to services, wages, and all other transactions of every form and description.

Where the present Ohio sales tax now takes only a few of your pennies, the Townsend-Mouser 2-percent transaction sales tax will take your dollars.

To collect the $24,000,000,000 in new taxes to finance the Townsend-Mouser plan, you will be compelled to take out a license.

Under this license system you have no chance to escape, for if any tax item is evaded they can use the license to put the law on you.

The license which you would be compelled to take out under this plan is the legal gun the Townsend and Mouser plan will hold to your head while the tax collector picks your pocket.

REPUBLICAN DENOUNCES TOWNSEND TAX PLAN

February 24, 1936, Hon. ALBERT J. ENGEL, of Michigan, delivered a great speech in Congress in which he made the clearest presentation of the Townsend 2-percent transaction-sales tax that has been made so far within my knowledge, and I therefore wish to give full credit to Mr. Engel for the method of analysis presented here.

Mr. ENGEL is the kind of intelligent, courageous, loyal Republican who would not think of doublecrossing the political party that sent him to Congress by turning his back on the Republican leaders and joining up with the Townsendite enemies of his party.

STUDY THE FOLLOWING ANALYSIS CAREFULLY

The following analysis will enable you to understand just how Townsend and Mouser propose to use their 2-percent transaction-sales tax under the license system to raise the $24,000,000,000 necessary to pay 10,000,000 people past 60, $200 per month pension for life.

Only a few of the countless transactions are given here, just to let you see how it works, and these that are given apply only to the farmer. Altogether, there will be thousands of millions of transactions involving every man, woman, and child in the United States, says Dr. Townsend.

But let us take only this one group—the farmer—and see what the Townsend old-age pension tax plan does to the farmer in just a few transactions.

HOW THE TOWNSEND-MOUSER PLAN TAKES YOUR MONEY

As Republican Congressman ENGEL suggests, let us assume that you want to start in the farming business.

Suppose you buy an 80-acre farm for $8,000; terms $3,000 cash, the balance secured by a $4,000 mortgage, to be paid in 10 annual installments of $500 each plus interest.

The first thing the Townsend-Mouser 2-percent transaction-sales tax will do to you is to tax the purchase price of your farm, which will mean 2 percent of the $8,000 you paid for it, or a total tax of $160 at the very start.

Then a 2-percent transaction-sales tax on your 10 annual payments of interest at 6 percent, totaling $650, will be $33 more.

THEY TAX YOU EVERY TIME YOU TURN AROUND

You also will have to pay a 2-percent tax on the real-estate tax you pay on your farm.

Thus you see the Townsend-Mouser 2-percent transaction-sales tax compels you to pay a tax on your other taxes. It pyramids, compounds, doubles back on you and gets you every time you turn around.

Assuming that the real-estate tax on your farm is $150 a year, or $1,500 for the 10 years, then you will be compelled to pay a 2-percent tax on your total real-estate tax for 10 years, or a tax on a tax amounting to $30.

Can you imagine yourself voting for a tax racket which takes your last penny, as this vicious thing proposes to do?

WHAT FARMER WOULD STAND FOR THIS?

To start farming it will be necessary for you to purchase a team of horses, other livestock, and equipment. If your two horses cost you $300; six cows, purchased from other farmers, $300; total, $600, you will pay a 2-percent tax amounting to $12.

It will be necessary for you to spend, say, $1,000 to purchase tools, binder, mower, wagon, harrow, and other farming implements needed to start farming, and on this thousand dollars you will pay a pyramided tax of 12 percent, or $120.

All these new extra taxes that the Townsend-Mouser plan would compel you to pay, in addition to your other taxes, amount to the grand total of $355. This gives you some idea what you are letting yourself in for when you vote for a Townsendite for Congress.

BUT READ ON—THE WORST IS YET TO COME

The grand total of $355 already added to your taxes is the Townsend-Mouser tax on the farm and equipment only. Now let us see how the Townsend-Mouser plan picks your pockets when it comes to the operation of your farm:

First. You pay from 2 to 12 percent tax on all the feed you buy, depending upon whether you buy it direct or through a dealer.

Second. You deduct and pay 2 percent on all the wages you pay your hired help.

Third. You pay from 2 to 12 percent on all groceries, clothes, and so forth.

Fourth. You pay 12 percent on all additional farm machinery, replacement, and repairs.

Fifth. You pay from 2 to 12 percent on all fertilizer.

Sixth. You pay 2 percent on your telephone, telegraph, freight, and electric-light service.

Seventh. You pay at least 6 percent on your coal bill, plus a 2-percent tax on the freight charges.

Eighth. If you buy an automobile or a truck, you will have to pay a pyramided tax of 12 percent on the purchase price, on all repairs, equipment, gas, oil, and so forth. This is in addition to taxes you now pay and upon which you will have to pay another 2-percent tax under the Townsend-Mouser plan.

Ninth. If you rent your farm for cash or on shares, you pay a 2-percent tax on the cash rent paid on the value of the crop rent.

Tenth. When you pay your life, fire, automobile, or windstorm insurance premiums, you must add a 2-percent tax.

Eleventh. If you take out a new insurance policy, you pay 2-percent tax on the face of that policy also.

YOU WILL BE A TAXPAYING SLAVE FOR YOUR NEIGHBORS PAST 60

If you are foolish enough to vote for a Townsendite candidate for Congress, you will be voting to tax yourself to help keep your neighbors past 60 years of age in idleness on a pension of $200 per month for the remainder of their lifetime.

The Townsend-Mouser plan compels you to toil, slave, skimp, and save, while your neighbors past 60 blow in your tax money, loaf, and have a good time at your expense.

There are perhaps more than 30 men and women in your nearby neighborhood past 60 years of age whom you will have to help support in idleness at $200 per month, if you vote for this Townsend-Mouser plan.

The Townsend-Mouser plan proposes to let you go on working your head off to get out of debt, pay your taxes, and make a living, while these 30 neighbors past 60 receive a total of $6,000 a month, or $72,000 a year, with nothing to do but loaf and spend every cent of it.

TOWNSEND-MOUSER PLAN HANDCUFFS YOU WITH LICENSE

Furthermore, when you vote for Mouser or any other Townsendite you vote to compel yourself to report each month on every single item you sell, because the operation of this Townsend-Mouser 2-percent transaction-sales tax forces you to report down to your last cent, whether you sell by retail or wholesale.

Before the congressional committee, Dr. Townsend said he would compel all farmers to take out a license. This puts legal handcuffs on the farmer so he can be checked up, prosecuted, and fined if he should attempt to sell anything

off his farm without paying the 2-percent transaction sales tax demanded by the plan.

Under this license system, you will be compelled to keep books and accounts in detail on every penny involved in each transaction.

If you should overlook or fail to report anything under the sales-tax license, the Townsend tax inspector will get after you, and whether you like it or not, you will have to help pay the salary of the Townsend tax inspector who inspects you.

MOUSER PLAN MAKES FAT JOBS FOR POLITICIANS

Think of all the vast army of new inspectors, snoopers, bureaucrats, tax collections, bookkeepers, accountants, investigators, and new political job holders of every type and description that will be added to the Government pay rolls for the purpose of keeping all these millions upon millions of transactions checked up every 30 days.

In addition to your other tax expense you will have to help pay the salaries of all those in the vast army of new political job holders who will ride around over the country at your expense, swarm into your communities to check up on your sales, and poke their noses into your private business.

But this is only a glimpse of what you will let yourself in for if you vote for the Townsendite candidate for Congress and he is successful in getting this crazy thing enacted into law.

HOW TOWNSEND-MOUSER PLAN TAXES YOU AFTER YOU DIE

You should remember that the Townsend-Mouser transaction-sales tax, by which they propose to finance this old-age-pension plan, is one kind of tax you cannot escape when you die. The Townsend-Mouser tax collectors follow you to the grave, and here is how they do it:

If you should get sick, as Republican Congressman ENGEL explains, you will have to pay a 2-percent transaction tax on your doctor's services, a 2-percent tax on the medicine the doctor gives you, and on top of that you will have to pay another 2-percent tax on your nurse's bill.

The Townsend-Mouser tax plan slaps a transaction-sales tax on your coffin, a 2-percent tax on the undertaker's fee for embalming you, and the undertaker, in turn, has to pay a Townsend-Mouser tax on the embalming fluid with which he preserves you. This is the plan which Mouser says "will make everybody prosperous", to quote his own words.

YOU WILL GET TAXED IN YOUR GRAVE

You will have to pay a 2-percent tax on the services of the hearse that takes you for your last ride. There will be a Townsend-Mouser tax on the wages of the man who drives the hearse, and even for the lot in which you are buried you will have to pay a 2-percent transaction-sales tax.

This monstrosity sales tax which Mouser advocates as a method by which to finance the old-age-pension plan provides for a 2-percent tax to be taken out of the wages of the gravediggers who dig your grave and the poor gravediggers, in turn, will have to pay a 2-percent transaction-sales tax on their picks and shovels used in digging your grave.

After you are buried there will be a 2-percent transaction-sales tax on the fee the judge receives for probating your will and still another 2-percent tax taken out of the fee received by the administrator of your estate.

HOW TO STOP THIS INSANE TAX-RACKET PROPOSAL

If you have anything left after the Townsend-Mouser 2-percent sales tax gets through robbing you, then they will start in on your heirs, and a 2-percent tax will be taken out of every dollar you may leave to your wife and children after you are gone.

The only consolation you have is that, after you are dead, you cannot kick on these Townsend-Mouser taxes which you will have to pay if you vote for Mouser and he is successful in getting the Townsend plan enacted into law as he promises the Townsend people he will try to do.

No; you cannot kick about this tax racket to finance the Townsend-Mouser plan after you are dead. But there is one time and place when and where you can kick against this crazy, impossible taxation monstrosity Mouser is trying to put over on the people of the Eighth Congressional District, and you can kick good and hard, too, and the time and place to do your kicking so it will count is in the voting booth on election day.

WOULD BANKRUPT THE NATION

The total national income in 1933, when this administration went into power, was $41,000,000,000. To have financed the Townsend-Mouser old-age-pension plan at that time would have cost the American people $7,000,000,000 more than half the entire national income.

The cost of financing the Townsend-Mouser old-age-pension plan for only 1 year, $24,000,000,000, is more money than all the farmers of the United States could earn in almost 5 years at the rate they were earning when this administration took over the affars of the Government.

COST $800 PER FAMILY

The population of the United States reported by the last census was 122,775,046 people. To pay the Townsend-Mouser old-age pension would cost every man, woman, and child in the United States $195 each every 12 months.

The average earnings of the 30,000,000 or more families in the United States is between seventeen and eighteen hundred dollars annually per family. The average cost of the Townsend-Mouser plan per family on the basis of 30,000,000 families would be $800 per family, almost half the earnings for the average family.

WHY PLAN WON'T INCREASE PROSPERITY

The Townsend-Mouser old-age-pension plan would wreck every insurance company in America. What would become of the lifetime insurance savings of millions of people?

Far more than the majority of the people now living will be dead before 60 years of age and so never will receive anything out of this old-age-pension plan. They will toil, slave, skimp, and save to support a plan out of which they will not live long enough to get a single penny.

Mouser's argument that, by forcing 10,000,000 people past 60 to spend $24,000,000,000 of the taxpayers' money will increase prosperity, is exploded by the fact that this money will be taken from farmers, wage earners, and millions of the smaller income classes, and therefore it is already put into circulation as fast as it is earned, because the people who earn it are compelled to spend it immediately for the necessities of life.

TOWNSEND-MOUSER TAX PLAN SOAKS THE POOR

The Mouser argument that the plan would equalize the distribution of wealth is knocked into a cocked hat by the fact that the 2-percent transactions-sales tax plan is one plan that soaks the poor with the rich.

The Mouser tax plan does not take money from the rich like the income tax does. It is a sales tax on transactions, and is therefore the most vicious, cruel, robber tax that has ever been proposed to soak the poor with small earnings. It soaks the poor who work for low wages and have but meager incomes which they must spend as fast as they earn in order to live.

HOW TOWNSEND-MOUSER PLAN REDUCES WAGES

When you vote for the Townsend-Mouser plan you vote to add 30 to 50 percent to the cost of things the middle class of people are forced to buy, which is just the same as reducing their wages or their incomes from 30 to 50 percent.

How would lowering the smaller incomes from 30 to 50 percent by increasing the cost of food, clothing, rent, and all necessities of life, thus reducing the buying power of wage earners to that extent, help the farmer, workingman, and masses of people with ordinary incomes? It will not help them. You can see for yourself it will ruin them.

WHY MANY CONCERNS WOULD GO BROKE

The argument that the Townsend-Mouser plan will boom business, put more people to work, vanishes in thin air in face of the fact that the 2-percent transaction-sales tax will, in many cases, represent total profits of thousands of business concerns. In a vast number of cases this compound, pyramided transaction tax would mount so high as to make it impossible for business concerns to continue in business.

A large percentage of the tax could not be collected, because, to avoid paying the Townsend-Mouser tax, thousands of business concerns and manufacturers would reduce the number of transactions by combining to control the sources of material and the processes of distribution.

HOW PLAN WOULD THROW PEOPLE OUT OF WORK

To avoid the Townsend-Mouser tax, thousands of business concerns would go to Canada and foreign countries to manufacture their goods, as some are already doing, thus adding additional thousands of people to the army of unemployed.

The great shrinkage in capital value, the huge number of failures and bankruptcies, that would follow the business, financial, and economic dislocations caused by the Townsend-Mouser plan are so colossal as to be beyond calculation at present. The disaster, panic, confusion, and wreckage which this revolutionary thing would cause are terrifying to contemplate and should be obvious to anyone who takes the trouble to analyze the facts.

Instead of putting men to work the Townsend-Mouser plan would throw hundreds and thousands of men and women out of work, as every recognized economist in America will tell you.

TRYING TO FOOL THE YOUNG FOLKS, TOO

The argument that old people, 60, 65, 70, and 80 years of age, would turn their jobs over to the young people explodes the moment you verify for yourself the fact in your own neighborhood that hardly any of these very old people in such advanced years are holding jobs that young people would have, are prepared for, or at which they could earn a living.

Look about you! How many old men and women between 60, 70, or 80 years of age in your immediate neighborhood are holding jobs that young men and women could fill and which would offer the young folks any chance to make a living or offer any hope of a future career? From your own observation and your own common sense you can see how absurd is this idea. Furthermore, Dr. Townsend, in a statement issued at Baltimore the other day, proposed to take the jobs of those holding political and Government positions and give these positions to people past 60, thereby throwing out of work thousands who are now employed.

GOVERNOR LANDON OPPOSED TO TOWNSEND-MOUSER PLAN

As everybody knows, Governor Landon, the Republican candidate for President, is most emphatically opposed to the Townsend-Mouser old-age-pension plan. Governor Landon's strongest newspaper supporter in Washington, the Herald, in a recent editorial said:

> The Townsend plan perpetuates a grievous imposition upon the community. It misleads the aged with false hopes. It deludes the old with alluring promises which are utterly impossible of accomplishment. No promoter of worthless stock ever committed more inexcusable deception of the innocent and unsuspecting than are produced by this Townsend old-age-pension fraud.

Since Governor Landon, the Republican candidate for President, emphatically opposes the Townsend-Mouser old-age-pension plan and one of the leading newspapers supporting Landon for President denounces the plan as a fraud, what about the candidate for Congress who tries to run as a Republican and a Townsendite both and uses this alleged "fraud" to get himself elected? Thus we see the Bucyrus Telegraph-Forum has strong supporters who agree with its editorials denouncing the Townsend-Mouser plan.

HOW TO STOP THIS DEMAGOGUE'S VOTE-GETTING RACKET

Another one of Governor Landon's supporters who was himself talked of as a Republican candidate for President, recently said:

> You can corrupt the voters with false hopes as easily as you can corrupt them with money and the one is quite as reprehensible as the other. We must scourge the demagogues from the temple of leadership. We must build a public opinion that will stamp out of American public life the growing tendency to promise the moon to millions for a handful of votes.

Give the facts to the people and they will join with fearless newspapers like the Bucyrus Telegraph-Forum, to which this open letter is addressed, in helping to scourge from the temple of leadership those undesirable demagogues who promise old people the moon as a bribe to get their votes.

Expose these money-grabbing and vote-getting rackets as soon as they appear and there will be fewer candidates leaving their own parties to tramp along the political highways, thumbing for a ride in the hope they can hitchhike into Congress on gaudily painted vehicles, so wobbly, dangerous, and grotesque as is this fraudulent Townsend plan.

WILDLIFE RESTORATION

Mr. EKWALL. Mr. Speaker, no one doubts that over the years there has been a gradual diminishing supply of wildlife in America. Some species have vanished entirely, while others are on the ragged edge. When our forefathers established this Nation, practically the entire country west of the Allegheny Mountains was virgin territory, covered with forests and grasses, marshes and lakes, unpolluted water supplies, and watersheds undefiled by man. Game was plentiful; in fact, much of the food of our forefathers was taken from the forests and fields and streams. They lived on the land and from the water to a large extent.

What are the underlying factors producing this change from plenty to poverty in our wildlife resources? It is a sad commentary, but it is nevertheless true, that the advance of civilization, sweeping across the mountains of the Eastern States into the valleys of the Ohio, Mississippi, and Missouri, and other midwestern streams, and thence over the Rockies into the fertile regions lying on the Pacific coast, is largely responsible for the impoverished condition of our land and water today, insofar as it relates to fish and game. The rapid increase in our population from a few millions when our Nation was formed to the more than 125,000,000 of today, is a cause to which we too frequently do not give sufficient weight or importance in our discussions of vanishing wildlife. The rapid taking up of our public lands, the turning of them under with the plow, and its later intensive cultivation, have robbed much of our upland game of its birthright for unmolested cover and food, and is today one of the vital factors in our drought problem in the Midwest.

Our western civilization progressed as though it had taken on the wings of Mercury, the strength of a Hercules, and then, not satisfied with the progress, pulled on the seven-league boots in order to overcome every obstacle in its path. It tore down the sustaining influences of our forefathers to make way for more intensive farming, grazing, and industrial pursuits to house and feed the rapidly increasing local population, augmented by the flight from European countries of emigrants attracted to this new "land of the free and home of the brave."

The extraordinary efforts put forth from 1914 to 1918 to produce more foods, more industrial products, to take care of the needs of the war have left their blight upon the economic situation of today and are somewhat responsible for the depression through which we are now going and from which we hope to emerge in the not too distant future.

What have we done about all of this? What has been the answer to the problem, as conservationists have seen it, in the years that have gone by and which have taken such a heavy toll of our wildlife? True, each one of the 48 States now has some form of authority dealing with wildlife. It may be a commission or a board; it may be a one-man commissioner elected or appointed; but no matter what form it takes, there is some authority everywhere coping with the problems involved in the diminishing supply of our fish and game.

How have we taken up this challenge? For the most part we have reduced bag limits and curtailed seasons. We have carried on in some cases a highly developed system of enforcement and in other cases a very haphazard one. The numbers of those who have taken out hunting and fishing licenses have quadrupled in the last 15 years. We have formed groups of well-meaning sportsmen throughout the country to aid and assist the local authorities in conserving the wildlife resources; yet, despite very honest and earnest efforts put forth by the conservationists of this country, year after year our heritage in wildlife grows smaller and smaller,

until today we are threatened with complete closure of one of the greatest of all outdoor sports, that of waterfowl shooting. Throughout the States over the years many counties and districts have been closed to this and that variety of game, until today the limits within which the 6,000,000 hunters and 7,000,000 fishermen may pursue their sport have become appreciably narrowed over that of a generation ago.

We have been thinking altogether too much about conservation and not enough about restoration. It is well enough to conserve if the forces which are at work to destroy our game are sufficiently held in check. But there are so many other factors that enter into the problem that mere conservation is not sufficient. It should be the aim of those engaged in wildlife problems to maintain our game resources at a level consistent with the normal capacity of their environment and the needs of mankind.

Our battle is against depletion—against the onslaught of civilization. Up until recently our chief efforts have been to curb or restrain our people in their use, and, I might add, their abuses of our wildlife.

In its broadest sense the conservation of wildlife embraces the conservation of the related associations of field, forest, and water. Its problems deal with the biological aspects of the destruction and perpetuation of our natural resources and the wise use of the species therein and their adaptation to human welfare.

Our problem is no longer one of conservation. The problem now becomes one of restoration. This is due, naturally, to the rapid development of our civilization in which everything in the way of its progress apparently had to be cast aside or trampled underfoot.

This is not a pleasing picture for us to view. Yet there are some hopeful aspects—some rays of sunshine—which make us look into the future with optimism. I need not recount all of the things that have been done and are being done which make this optimism possible. Most of them are of such recent origin that they are fresh in the memory of all of us. The transition from regulatory measures to restoration methods is so recent that we are all familiar with them. The able thought of the Nation has labored consistently over a long period of years to bring about this later concept of wildlife problems.

After nearly 20 years of ceaseless effort, a broad policy has been adopted by the Federal Government through congressional action for the restoration of our migratory waterfowl resources within our own borders. The duck stamp bill will eventually bring about a restoration of many of the former breeding and nesting areas in our own country. Reforestation control of erosion and pollution, regulation of grazing on public domain and within the national forests, new and enlarged national parks, monuments and reservations, will, in the coming years, have a wholesome influence on the wildlife indigenous to the areas affected by these Federal activities.

During the past few years many strides have been taken toward restoration of wildlife throughout the Nation and in the several States. Nearly two million acres of land, which formerly were waterfowl breeding or nesting areas but which have either been drained or dried up, have been restored as marshy areas and reclaimed for ducks, geese, and other waterfowl. Most of this land had proved unsuccessful as farming ventures. About $16,000,000 has been expended in purchasing and developing these refuges—a small amount compared with other expenditures, some of doubtful value.

In Oregon the greatest waterfowl refuge in the world is about completed. The old bed of Malagur Lake is again filling up with water and marshy grasses. The land and waters of the Donner and Blitzen watersheds have been acquired by the Government, which will insure forever an adequate supply of frfesh water for this greatest of waterfowl nesting areas within continental United States. More than a hundred thousand acres are to be found in this refuge which will insure a plentiful supply of waterfowl life for generations to come.

Oregon is one of the nine States which is participating in a cooperative research in wildlife management—one-third of the money being put up by the Federal Government, one-third by the agricultural college, and one-third by the game commission.

The paramount objectives of the program are three:

First. To carry on such research and investigation as will furnish foundation knowledge upon which to base practical wildlife management.

Second. To establish actual experimental and demonstration areas where methods of handling wildlife and environment and methods of game management and utilization can be tested; and where landowners, hunters, and all others interested in wildlife production can see examples of such management and utilization. These areas will be conducted under practical land-utilization conditions as they exist in various parts of the country.

Third. To carry on educational work: (1) To make available to the public the results of investigations and demonstration; and (2) to promote a greater interest in wildlife production and in practical methods of making a surplus available for utilization.

Upper and Lower Klamath Lakes, Three-Arch Rocks, Tule Lake, and several other minor regions have either been established as wildlife reservations or in process of becoming such. The antelope in the Hart Mountain region will sooner or later have a reservation set aside for themselves in this, their native home. The Biological Survey, the Grazing Administration, and the stockmen have agreed on a program for the maintenance of a sufficient area to graze at least 4,000 head of these magnificent game animals.

The Bureau of Fisheries, with its hatcheries and its excellent cooperation, is assisting in maintaining streams with their native trout.

It is on account of these considerations—the broad program of the Federal and the State Governments—and in spite of the tragic position in which our wildlife finds itself throughout America generally, that I look into the future with optimism—not with hope, because hope involves a doubt while optimism carries with it assurance. Let us never lose sight of the major problem involved, which is the restoration of our wildlife. Let us march forward with that single purpose in view.

THE EVERGLADES OF FLORIDA, THE POTENTIAL SUGAR BOWL AND GARDEN OF THE WORLD

Mr. PETERSON of Florida. Mr. Speaker, it is my opinion that the people of the State of Florida feel that there should be no attempt on the part of the National Government to restrict or prohibit the production by them of a nonsurplus commodity.

On May 26, 1936, before a subcommittee of the Senate Finance Committee, the sugar producers of Florida protested against the imposition of any excise tax on sugar, the payment of any benefits on sugar production, and the imposition of any restriction on continental sugar production, and that they believed "the industry should stand on its own feet."

Throughout the world's history probably more wars have been fought for the control of supplies of sugar, or other sweetening agents, than for any other cause, with salt taking second place for the credit, or blame, of causing strife among the nations of the world. Both are fundamental necessities of life. Of salt we in continental United States have an abundance; of sugar in continental United States we are woefully short, both cane- and beet-sugar supplies being about one-quarter of our requirements, with 95 percent of our cane-sugar requirements being imported. Sound political economy, both national and international, as well as good statesmanship, national defense, encouragement of national industry, the alleviation of distress and unemployment, together with protection of the consumer, all point to home production of vital necessities. The last time the "offshore" sugar-producing areas had control of our sugar supply the price was five times what it is today.

The Tariff Commission Report No. 73, on sugar, shows that in the period 1907–11 the Philippines supplied 2.3 percent of our sugar requirements, while today they supply 16 percent;

in the same period of 1907–11 Puerto Rico supplied 7.4 percent and today 12½ percent; and in the face of these facts not only is the continent prohibited from increasing its proportionate share of the requirements but is not permitted to supply more than 30 percent of any increase in requirements. Why? Simply to protect and encourage those who, the last time they controlled our sugar supply, charged the consumer 25 cents a pound.

Both public and private publications are replete with conditions of labor in, and the attitude toward the United States of, the "offshore" sugar-producing areas, and it is on these slender, weak, and perhaps broken reeds that we depend for 95 percent of our cane-sugar requirements. The story is a sordid one, but because it is sordid is no reason why we should close our eyes, ears, and intellects to it. We have beggared our own people through granting to these free access to our markets, on a preferential basis. We have restricted the production of necessities in this, our own, country for the benefit of other countries, on whom we have wasted time, money, and effort, and they have taken all that we gave and then gone on in their own way. Is it not time that we awaken to our own interests?

What have we received from the "offshore" sugar-producing areas for free access, or preferential access, to our markets? Referring again to the Tariff Commission's report, we find that for the 8 years 1925 to 1932 we purchased merchandise and commodities from such areas in excess of all their purchases from us as follows:

Cuba	$533,000,000
Philippines	328,000,000
Hawaii	186,000,000
Puerto Rico	116,000,000

Or a grand total of the enormous sum of $1,163,000,000. Just imagine the amount of employment the expenditure of that sum would have created if it had been spent here instead of elsewhere.

When continental United States purchases sugar from "offshore" areas we have the sugar and they have the money to spend where and with whom they please; but when continental United States produces its own sugar it has both the sugar and the money, and, in addition, has furnished employment for many thousands of its own people. Who will claim that an insular possession or foreign country has any vested right to the continental market under these circumstances? The American farmer employing American labor should not be penalized by even partial exclusion from the market that essentially, rightfully, and according to all historical precedent belongs to him.

We hear much ado about regaining the market in Cuba for our agricultural products. Such market is, to a great extent, gone forever and cannot be regained. Our Department of Agiculture during the last decade sent its experts to Cuba to teach the Cubans how to raise the things we sold them. They were well taught and learned quickly, because they now export some of the commodities that we formerly sold them.

The standard of living and the demands for the comforts of life are far greater in Florida than in any "offshore" area. Permit Florida to produce all the cane sugar it desires, and many thousands of our citizens will find employment therein, and their demands will require the employment of many more thousands in other lines.

The American market for American producers is the only fair, just, and reasonable basis for consideration of any sugar legislation. Florida does not believe in continental restriction; neither does she believe in processing or excise taxes, or benefit payments, on sugar.

All of the "offshore" areas will naturally oppose increasing continental production for the same reason that England would like a monopoly of our woolen market; Germany our iron and steel market; and Japan our silk, rayon, and cotton textile markets. Will Congress favor "offshore" areas or continental producers?

In Florida 1 person out of every 5 has an automobile; in Puerto Rico, only 1 out of 130; in Cuba, 1 out of 230; and in the Philippine Islands, only 1 out of 490. It is thus apparent that any increase in Florida's agriculture will have very beneficial effects on employment in the automotive industries. In Florida there is 1 telephone for every 10 persons; in Cuba, 1 for every 110; in Puerto Rico, 1 for every 130; and in the Philippines, 1 for every 490. These same relative statistics are true for home radios, mechanical refrigerators, and many other comforts and conveniences. Such figures conclusively prove that increased continental production of our sugar requirements will result in increased employment in many varied lines of industry.

Each and every nation seeks and expends great effort in trying to reach self-sufficiency. Other countries will buy from us only those things which they cannot themselves produce, and this should likewise be the policy of this country. Cuba, through the gratuitous assistance of our governmental departments, has learned to become more and more self-sufficient; in fact, today they are exporting some things which we formerly supplied them. The Philippines are increasing their purchases from Japan at the expense of our factories. The Puerto Ricans demand free and unlimited access to our markets to dispose of products produced by the lowest compensated labor.

Florida has suffered much from the hands of our tropical charges; her pineapple culture was destroyed; her tomato culture, as well as winter vegetables and citrus crops, are affected by this competition; and her cane-sugar production has been restricted. Why? To benefit peoples not accustomed to our ways, and who, moreover, want none of them.

That the State of Florida has shown that it contains all of the worth-while, and none of the sordid, elements necessary to become one of the outstanding sugar-producing areas in the world, and, therefore, is entitled to supply a substantial portion of the consumptive requirements of continental United States, can no longer be denied, and this unequivocal statement is fully supported by the facts disclosed in a report to the President on sugar by the Tariff Commission.

During the hearings before the Tariff Commission preceding the preparation of the report to the President representatives of the offshore areas stated that the costs for the periods used in the study were entirely too low, because during such period labor received just food and shelter, and yet, despite such extremely low costs, the cost of 96° raw sugar delivered to continental refineries was—

	Cents per pound
Philippines	2.36
Puerto Rico	2.82
Hawaii	2.85

as against Florida costs, paying an American scale of wages, of only 2.58 cents per pound delivered to refinery.

The creation of wealth from agriculture within our domestice areas, through the production of commodities by those having an American standard of living in the United States, instead of the purchase of such commodities from foreign and insular areas having an extremely low standard of living, can only result in increasing the demand for those articles of commerce rightfully considered as necessities of life by the average American, but viewed by inhabitants of other countries as the very height of unattainable luxuries, and thus, in turn, creating an ever-increasing demand for American industrial, agricultural, and commercial labor.

The vast area of the Everglades came to the State of Florida as a gift from the Federal Government in the expectation that through the development of the area the wealth of the State would be increased. The Everglades are the greatest undeveloped natural resource in the State of Florida and probably one of the greatest undeveloped natural resources in the entire United States; they contain over 4,000,000 acres of land, on which from time to time various developments have been projected, and as a result many thousand acres have been cultivated for winter vegetables; the central muck land, except for a very narrow fringe devoted to winter vegetables, until the advent of sugar-cane culture in the district, had been practically undeveloped.

Spasmodic attempts to develop cane-sugar culture in the Everglades were made as far back as the middle eighties of the last century, the early efforts being rendered worthless

largely on account of inadequate water control. The production of cane sugar in the Everglades may be said to have started with the harvest season of 1928–29, when 769 tons of raw sugar were produced. By 1932–33, despite hurricanes, cloudbursts, the lowest price at which sugar ever sold on the New York Exchange, and the worst depression in the history of the country—the production had increased to 35,908 tons, and today this area, together with another sugar-producing area in the State, centering at Fellsmere, are restricted, together with the entire State of Louisiana, the oldest continental sugar area, to a base quota for both States of the insignificant figure of 260,000 tons, or a paltry 4 percent of the Nation's sugar requirements. Only 15 years ago Louisiana alone produced 7 percent of our sugar requirements, and today the oldest area and the newest area together are limited to slightly more than one-half of that proportion, or 4 percent.

Based on, first, the costs of production in Florida, as compared with other areas; second, the protection to the consumer, as well as the reduction in the problem of national defense, that would result from larger continental production; third, the development of our own resources; and, fourth, increased employment—all demand that there should be no limitation on Florida production.

During the past 5 years, despite restrictions, the sugar producers of the Everglades have satisfied over $2,000,000 in accrued and current taxes, have provided funds for the operation of pumping facilities that served not only their lands but the lands of hundreds of small farmers, have given employment to some 3,600 persons each year, and indirectly furnished employment to many thousands more in transportation, industry, and commerce, satisfying the needs and desires of those directly employed.

To increase production where no domestic surpluses exist, to employ American labor on an American basis, to increase the demand on capital-goods industries and make available the existing wealth of the Nation through the development of its natural resources, the utilization of a vast fertile area in the production of food crops without competition with other areas in the continental United States are substantial means of relieving distress.

Not only does the Everglades offer opportunities for the development of the sugar industry and the raising of fresh fruits and vegetables at a period of time when a great portion of the country is under ice and snow but I am reliably informed that sisal, manila, and casava, and many other crops not heretofore grown, may be grown in this area, richer than the delta of the Nile. With such a development will come manufactures, stock feed, canning plants, and so forth, all employing American labor for the production of American products to feed America.

The development of this area is comparatively recent and in any farm program should be considered most carefully with a view of allowing the increase in the production of those products which are not competing with continental United States, giving employment to many thousands at the peak season of unemployment elsewhere.

I feel that it is most fitting and proper that tribute should be paid to the Army Engineers for their fine work upon the Okeechobee-Caloosahatchee flood-control project, a work which has required engineering skill and thoroughness, enabling the permanent laying out of a program in this area without the constant fear of floods, bringing hope to the faces of the inhabitants where before there was a constant apprehension. I view the Caloosahatchee-Okeechobee project as a major engineering undertaking, as money well spent by the Federal Government, and I am most hopeful that it may be completed. The Federal Government has, with the cooperation of the sugar and vegetable producers and the State of Florida and local units, made possible an orderly development of a great natural resource, and we should not now curtail the right to develop same or overlook that great right of the American market for American producers.

ROOSEVELT CONDEMNED UNJUSTLY

Mr. KELLY. Mr. Speaker, having been a Member of this House for the past 6 years, coming to Congress during a period of unrest and distress, when confidence not only in government of the people had been forsaken but lack of confidence in business was broken down.

We recall in the spring of 1933 when business was prostrate and our banks were closed, newspapers, magazines, and periodicals were loud in their praises of President Roosevelt.

But now, when the papers themselves are heralding the story of returning prosperity, most of them are denouncing the President and declaring that the business revival which is occurring under his administration cannot occur under his administration.

One might suppose that this is because another Presidential election will soon be due and that the editors of these papers are generally Republicans. But that does not explain it, as the newspapermen themselves understand. It does not make much difference, in fact, whether the editor of a newspaper is a Republican or a Democrat. What actually makes a difference is who owns the paper, not who writes the editorials. Let the owner give the word, and a Republican editor will write Democratic editorials or a Democratic editor will write Republican editorials. But why did these newspapers laud the President or at least refrain from criticizing him in the dark spring of 1933? That is easy. Strange as it may seem, American financial interests were not particularly anxious to have their way at that particular time. They were too sick. They had lost confidence in themselves. Furthermore, they had had their way. That is what made them so sick.

So naturally they begged the President and his administration to do something and do it quickly. They could not say what, but they wanted him to do something which would revive business. Even the newspaper business at that particular time was in a bad way.

And President Roosevelt did something, and eventually business did show signs of recovery. Then the big financial interests did want their own way once more.

While President Roosevelt met with little opposition from the big financial interests in the spring of 1933, it must be admitted that he and they faced our business problem with distinctly different points of view. Both were anxious that business should recover. But President Roosevelt wanted business to recover so that it might support the masses of people who are dependent on it, while these financial interests wanted business to recover so that it might have another grand spree. What they actually said was, "Recovery before reform."

I am not objecting, particularly, to these attacks upon the President. Every President who has done anything worth while has been subjected to just such attacks. Washington met with so much unfair criticism that he declared he would rather be in the grave than in the Presidency, but America remembers Washington and has utterly forgotten who those critics were.

Even President Roosevelt is not being attacked more bitterly and more unfairly than was Abraham Lincoln; and if men like Washington and Lincoln could take it, I am not going to worry about Franklin Roosevelt.

It has been charged that Roosevelt (and Lincoln) did not live up to party platforms. Although Lincoln, conscious of his inexperience, looked cautiously, testing his footing at every step, often pausing or changing his direction but never retreating, his objective was the preservation of the Union. To achieve that, he stood ready to lay aside all preconceived opinions as to the surest route for reaching the goal. Lincoln was by no means immune from errors, and he had frequent occasion to change his mind. When he made a mistake, however, he assumed entire responsibility for it, correcting it fearlessly without apologies. Horace Greeley, the famous editor of the New York Tribune, published an open letter to the President which to no slight extent voiced the popular discontent with Lincoln's policy. Greeley was then at the very height of his power and the influence of his paper had become enormous. In fact, the editor had grown to believe that he was the real power behind the Government and could enforce his opinions upon it almost at will. However that may be, he adopted a most offensively overbearing tone in addressing the President. He did not hesitate to proclaim

himself the spokesman of over 20,000,000 people, judged Lincoln with remissness in the performance of his official duties, accused him of being the tool of politicians and influenced by timid counsels, and required him in the name of the people to execute laws.

Lincoln suffered from the most exasperating forms of criticism which petty meanness and spite can inflict on public men. Nothing that he said or did escaped ridicule or censure. For instance, at about this time he happened to write a private note to the actor, James Hackett, thanking him for the gift of a book and expressing some modest and perfectly legitimate preferences among the passages and works of Shakespeare. The actor indiscreetly published this letter, which the newspaper editors seized upon to scoff at the President's literary pretensions and jeered at his taste. Of course, Lincoln had long been accustomed to personal abuse and had no time to waste on it. In fact, at that particular moment he was engaged in preparing the Gettysburg Address, now enshrined among the classics of English literature.

Lincoln, like Roosevelt, was denounced in Congress in open attacks not only from the party opposing him but from his own party as well. From the pulpit he was anathematized by such eminent political divines as the Reverend Dr. Cheever, while the rostrum poured forth bold denunciations through the speeches of Wendell Phillips.

Unprejudiced consideration will find that the action taken by President Roosevelt has been fully consistent with the statement made in his inaugural address, in which he said:

> It is hoped that the normal balance of executive and legislative authority may be wholly adequate to meet the unprecedented task before us. But it may be that unprecedented demand and need for undelayed action may call for temporary departure from that normal balance of public procedure. I am prepared under my constitutional duty to recommend the measures that a stricken nation in the midst of a stricken world may require.

At the time of the President s inauguration not even small voices of opposition were heard in answer to the President's frank avowal that he would take even unprecedented action to save the stricken Nation! Such action was taken. The masses of the people see the evidences of recovery on every side of them, and now opposition and criticism seeks popular support through false charges of unconstitutionality rather than through a positive, intelligent program.

THE CLEVELAND CONVENTION OF THE REPUBLICAN PARTY WAS MERELY AN ADJOURNMENT OF THE "GRASS ROOTS" CONFERENCE AT SPRINGFIELD

Mr. LUCAS. Mr. Speaker, under general permission granted on June 3, 1936, to extend remarks in the RECORD, I desire to submit a few observations with reference to the Republican convention held at Cleveland.

Mr. Speaker, it was Abraham Lincoln who said, "You can fool some of the people all of the time and all of the people some of the time, but you cannot fool all of the people all of the time." That statement was made in the days when the chief mode of conveyance was the horse and buggy. That was uttered when the radio and other modern means of communication were waiting to be discovered. That pronouncement of human interest was delivered by the immortal Abraham Lincoln at a time in our national life when it was impossible for the people to learn all of the existing facts before a decision could be made.

But today America is awake. America understands. Modern methods of communication and travel have thrown the people and their problems into a closer proximity, the result being that the average man on the street is fairly well versed upon the important current questions of the day. The old Lincoln axiom does not apply, for in this intriguing day of American life I emphatically state that you cannot fool any group of people any part of the time. And any political party which enters into a national campaign believing that the American voter today is credulous and gullible is riding for a political fall.

And yet, my colleagues, the old guard Republican leadership of the Nation which today controls the destiny of the Republican Party is seeking through subterfuge and undercover methods to bamboozle the American people in the 1936 campaign. They have been put to route under the leadership of President Roosevelt. The present Chief Executive has made the old guard retreat to the back room. They recognize that political strategy dictates they do their driving in this campaign from the back seat. Realizing that the great mass of the American people is backing a humanatarian like Roosevelt, the old guard are now using fantastic methods to convince the American people that reactionaries have been submerged by a new young Republican movement which has been consummated by the nomination of Alfred M. Landon, of Kansas, as the Republican candidate for President of the United States. They are attempting to impress upon the people of this country that the Republican young guard will sweep clean all of the reactionary forces that so long dominated the Grand Old Party. Evidence of this line of political strategy was seen at every turn during the recent Republican convention held in Cleveland, Ohio. The old guard, sitting in behind the scenes, are anxious to have the American people believe that the Republican Party was reborn at Cleveland, and they brought about this delusion by permitting the younger group to move the political pawns while they sat in the background and by remote control maneuvered the stalemate.

Yes, Governor Landon is to be the standard bearer of the reborn Republican Party; and John D. M. Hamilton, vigorous, fighting captain of the young guard, is to lead his phalanxes to victory. It matters not in this campagn that up until a few years ago Hamilton was the most bitter political enemy of Governor Landon in the State of Kansas, and was instrumental in defeating Mr. Landon for the humble office of precinct committeeman in Independence only 6 years ago. It matters not that Mr. Hamilton was tutored at the knee of Dave Mulvane, stanchest of the old guard bitter-enders. Mr. Hamilton now leads the new battalions of young Republicans under a new ensign of liberalism, with the members of the old guard wigwagging proper signals from the lofty towers above.

It is proper at this point in my address to return to an eventful week in Republican history. It was only a year ago when several thousand Republicans of the Middle West gathered at Springfield, the capital of my home State, to put forth a declaration of principles. That was the beginning of the 1936 Republican campaign. It is important that the voters of America know who were in charge of the "grass roots" conference. Let us peer below the surface and see who controlled the destiny of that convention in the hotel rooms at Springfield. Mr. Hamilton was there and Mr. Harrison Spangler, old guard member of the Republican National Committee. Present were former Senator Jim Watson, of Indiana, old guard Republican leader of the Hoover administration, defender and vigorous champion of the iniquitous Smoot-Hawley tariff bill; Pat Hurley, Mr. Hoover's Secretary of War, Arthur Hyde, his Secretary of Agriculture; Arch Coleman, Hoover's political Assistant Postmaster General; George F. Getz, Republican national treasurer; Sam McKelvie, member of the old guard Farm Board; R. B. Creager, old guard committeeman from Texas; Charles Dewey Hilles, New York national committeeman; Henry Allen, former Kansas Governor and press agent of the Hoover campaign committee; Bob Lucas, former executive secretary of the Republican National Committee. There were others also—Dan Casement, implacable enemy of the Agricultural Adjustment Act; Mrs. George Simmons, professional dirt farmer and stump speaker for the old guard. There were representatives of the Farmers' Independence Council of America, an organization created under the auspices of the American Liberty League, whose moving spirit was an employee of the league. There were real, honest-to-God dirt farmers and farm leaders also, but did they have any voice in framing the "grass roots" conference declaration of principles? That is best told by Jay Hayden, correspondent for the Detroit News, who said in a dispatch to his paper following the conference:

> To measure the success of the Republican "grass roots" conference it is necessary to know the purposes which were in the minds of the men who promoted it. First of all, they were out to prove that a large gathering of Republicans from the corn and wheat region would produce a platform as satisfactory to the business interests of the United States as any similar meeting in the East. The idea was to present a declaration of principles, ostensibly made by the farmers, which would stimulate rather than retard the collection of a campaign fund for the 1936 Presidential battle.

The rules were so devised as to offer no opportunity for general discussion. There was not even a public hearing before the resolutions committee, such as is provided in all national party conventions as a means of showing receptiveness to new ideas. Every speaker was hand-picked and his speech carefully combed in advance of its delivery to make sure that no alien note would creep in. Individual delegates were forbidden to speak unless their appearance was requested by the chairman of their State delegation. Needless to say, the State chairmen also were hand-picked. The convention for these reasons may have suffered from a lack of spontaneity, but it preserved the appearance of solid conservatism and unity of action which its promoters were anxious to present to the country.

There at the Springfield "grass roots" conference this young Republican movement was cradled; it was there that the candidacy of Gov. Alfred Mossman Landon of Kansas was born, there fathered, sponsored, financed, and secretly directed by the old guard Republicans, by the corporate interests of the East, by the big packers and other processors, by the discredited Farmers' Independence Council, and by the Du Pont-financed American Liberty League, and cheered on by the Tory press. How gleefully these papers, representatives of great corporate wealth, hailed the "grass roots" conference and are now hailing the candidates and platform of the Republican convention! Can there be any better proof of the influence of the old guard? Can there be any better evidence that Wall Street and the big processors and rich meat packers are now completely satisfied with the Republican Party candidates and its platform?

Yes; they called it a "grass roots" conference. I wonder why. Certainly the financial and corporate powers in control of that conference knew little or nothing about grass roots. But here is more evidence of how the old guard attempted to fool the American farmer by coining a phrase which apparently came from the farmer himself.

The "grass roots" conference put forth a platform avowedly to influence the Republican national convention, for its chairman, John Hamilton, now chairman of the Republican National Committee, declared:

In this conference we cannot be unmindful of the fact that no group can bind our party to any program prior to the national convention of 1936. However, there are certain fundamentals which can properly be stressed with the thought that the Republican Party, seeking to reestablish a normal relationship between a people and their Government, will include them in its platform.

How well the Republican platform committee at Cleveland performed! A casual glance at the declaration of grievances laid down by the so-called "grass rooters" will indicate to any fair-minded and reasonable man that the leaders of that conference proved themselves to be the real champions of destruction, invective, and derision against the President of the United States. It was a shameless example of what the old-guard political leaders will do when blinded by rage because they are unable to control the politics of the country.

Did the grass-roots platform at Springfield have anything to say in praise of the Agricultural Adjustment Act? Did it say anything about the benefits that have come to the farmers under the Roosevelt Administration? Did it tell of the rise in the farmers' income from $5,337,000,000 in 1932 to $8,110,000,000 in 1935? Of course not.

What a paradox they presented with their unbridled denunciation of the Roosevelt Administration policies in one breath, while in the next they endorsed in principle, in their ten-point program, many of these same policies. If they had been consistent and had honestly believed in their grievances against the President, there was only one thing left for them to do, and that was to advocate the repeal of every measure of reform and recovery initiated under the Roosevelt administration. But an examination of the record will show that no group of Republican leaders in convention or otherwise in any part of the United States has ever adopted a single resolution proposing the repeal of the New Deal program. And the Cleveland convention, following the lead of the "grass roots" conference at Springfield, was equally silent upon the repeal of any New Deal laws.

Diverging for a moment, it is advisable to state that the "grass rooters" found it uncomfortable in trying to substitute something for the Agricultural Adjustment Act, later invalidated by the Supreme Court. They racked their weary brains in attempting to find a substitute which would alienate the farmer from this important legislative measure. And, ladies and gentlemen of the House, that was the primary reason for the calling of the "grass roots" conference. It was in the hope that, through the collective thought of the leaders of that convention, something might be discovered which would give to the farmer of the agricultural West a better and a more constructive program than that which had been given to him under a Democratic administration. They realized that the farmer's vote was lost to the Republican cause unless some new measure could be found to take the place of the first and only workable law ever given to the American farmer in the history of the Nation.

Finally they became stymied. They were in more or less of a mental panic. They sent for Frank O. Lowden to appear before the resolutions committee. Lowden declared flatly in favor of government benefits to farmers corresponding to industry's protective tariff. And, my colleagues, after that statement, the resolutions committee adopted a curious agricultural plank, noticeably weak and evasive in regard to the Agricultural Adjustment Act, which might mean anything, or nothing.

I submit that a careful examination of the agricultural plank adopted at the Cleveland convention will disclose that that plank is no better or no worse than the one suggested at the "grass roots" conference. It follows the same avenue of uncertainty and vacillation. Mr. Hamilton declared at Springfield that "above all else we must look to a return of an economic program based upon a theory of plenty and not scarcity", almost the same words used by the platform makers at Cleveland. The "grass roots" platform insisted also that there should be a "sound currency based on gold", which, as Senator BORAH said, would be the greatest threat that could come to agriculture. And, while Senator BORAH was able to eliminate that declaration of principle as the basis for our currency during the convention days, yet we find the Republican presidential nominee, Mr. Landon, practically agreeing in his telegram to the convention that there should be a sound currency based on gold.

Did the Springfield convention have anything to say about reciprocity in our dealing with foreign nations, a policy advocated and championed by such Republicans as William McKinley, William Howard Taft, and Charles Evans Hughes, a policy that the big industrial barons of the East condemn? No; but the platform committee at Cleveland supplied the omission. That committee declared that "we strenuously oppose the so-called reciprocal treaties", and "we will repeal the present reciprocal-trade agreement by law."

In view of the platform adopted at Cleveland, can any reasonable man doubt that the Republican convention at Cleveland was but an adjourned meeting of the Springfield "grass roots" conference? What prompted Governor Landon in his celebrated telegram of interpretation to clarify the planks on labor and the currency and fail to clarify the plank on agriculture, the most incomprehensible and inconsistent plank in the platform? Was it accident or design? Or was it surrender? It was surrender, complete and abject surrender, to the industrial East and the old guard, the same forces that controlled the "grass roots" conference at Springfield and the Republican national convention at Cleveland.

There is but one conclusion to be drawn: At Springfield, as at Cleveland, "the voice was Jacob's, but the hands were the hands of Esau."

True it is that the old guard were fearful of having Herbert Hoover appear at Springfield, but they saw to it that he made the principal address at the Cleveland convention. And the American farmer, listening in over the radio, will not forget how the delegates cheered Mr. Hoover for a period of 15 minutes before he started the main part of his address. The newspapers and the old guard commentators unhesitatingly concluded that Hoover made the greatest speech of the convention. He ran true to form. He has always been long on talk and short on action. His feeble attempts and futile efforts to meet the economic crisis during his regime are still fresh in the memory of us all. The American people are familiar with the many outstanding

examples of his vacillations, which were always exhibited most pitiably in extreme national emergencies. One must conclude from the reactionary speech made by Mr. Hoover at Cleveland that he and the present Republican leadership of this Nation are anxious to take us back to the primrose path of 1932.

My colleagues, I would not for one moment impugn the honesty or challenge the sincerity of Governor Landon. I know him personally, and I have every reason to believe that he would be glad to be helpful to the farmers of his own State and of the Nation if he could. That conclusion is based upon what occurred at the beginning of the Roosevelt administration when Governor Landon endorsed many of the recovery measures proposed by President Roosevelt. He favored the Agricultural Adjustment Administration; at any rate he did not oppose it. In fact, every member of this House from the State of Kansas, Democratic or Republican, supported that important measure. But when that act was passed Mr. Landon was merely Governor of Kansas and was going along with what the people of that particular State wanted. He did not have the slightest knowledge that within the short space of 2 or 3 years he would be the candidate for President on the Republican ticket.

And so today his viewpoint becomes Nation-wide. His visions turns to the East, the North, the South, and the West to determine what is necessary in the way of a national policy which will place him in the Executive chair. Much to his amazement he finds himself the leader. It is a miracle that as yet he cannot understand. But, as he ponders the subject he realizes that behind the Republican Party and the Nation are the great electric utilities, the Du Ponts, the big meat packers, the rich and monopolistic tariff barons of Pennsylvania, and the other interests financing the Liberty League and the fake farmers' independence council. He knows that his campaign must be financed by these greedy interests. He cannot help himself. He will be swayed by them. He stands on the Republican platform which has been written by that group of predatory interests. That document, in its concluding paragraph, declares:

> The acceptance of the nomination tendered by this convention carries with it, as a matter of private honor and public faith, an undertaking by each candidate to be true to the principles and program herein set forth.

And that platform has nothing in it for the farmer but contradictions and the same musty promises that were broken over and over in the 12 years prior to 1932.

Let us see how consistent the Republican nominee has been, not only in his public utterances but in his attitude before and after the adoption of the Cleveland platform.

In February of 1933, before President Roosevelt went into the White House, Governor Landon said:

> Dictatorships have been established all over the world. I do not view the granting of additional powers to President-elect Roosevelt as belonging in this class. I do not believe it would endanger our democracy.

But the Republican platform declares in its opening sentence, "America is in peril."

And in answer to that I say that America is in peril, provided the voters of this Nation should return to power the group in control of the Republican campaign, the same crowd who controlled Herbert Hoover, under whose administration America suffered the greatest depression in all of our history.

In March of 1933 the Kansas Governor declared: "I plan to enlist with President Roosevelt for the duration of the war against depression." And the Cleveland platform says the Roosevelt administration has prolonged the depression. What an asinine piece of drivel! What an insult to the intelligence of the American people. All one has to do is to look at the financial sheets of any big corporation or take a little trip through the research departments of the Capital, and he will discover that practically every business organization of the Nation has increased its profits during the Roosevelt administration. We farmers in the Middle West saw 10-cent corn under Mr. Hoover; today it is 60 cents. We saw 30-cent wheat; today it is 85 cents. And everywhere under this Democratic administration the farmer has prospered. If the old guard and the Republican leadership can get any satisfaction out of such a hollow statement, under the light of the true facts, they are welcome to it. But, once again, I declare that the American people are not so credulous and gullible.

Governor Landon in March of 1933 also said:

> I desire to acknowledge in a tangible way the appreciation of the people of my State for the courage with which Roosevelt has tackled the depression.

And the Cleveland platform declares the administration "has bred fear and hesitation in commerce and industry."

Again in May of 1934 Governor Landon said:

> It would be good business, in my opinion, for Kansas to borrow every dollar it can get under the P. W. A. that could possibly be spent on highway work by July 1935.

And the Republican platform says, "The New Deal administration constantly seeks to usurp the rights reserved to the States and the people" and "it has destroyed the morale of our people and made them dependent upon government."

And in September of 1934 Governor Landon, not then the Presidential nominee of his party, said:

> We have not yet found how to control and manage the industrial civilization which we have created. The only way we can find the solution is the age-old way of trial and error and experience.

Even as late as November 1935 Governor Landon said:

> I am confident that the President and the W. P. A. are doing all in their power to get the people to work.

And the Republican platform declares the Roosevelt administration "has bred fear and hesitation in commerce, thus discouraging new enterprises, preventing employment, and prolonging the depression."

What a change has come over the Governor of Kansas who has become the Republican nominee for the Presidency. Now Republican Presidential nominee, Alfred Mossman Landon, says, "The centralization of control in Washington has brought about a lamentable break-down of local responsibility", and that the Roosevelt administration "has made the worst record ever made in the history of the United States in bringing this country out of a depression."

And finally Governor Landon declares:

> If we, as Republicans, would keep faith with the people, our platform must say exactly what we mean—and we must mean exactly what our platform says.

What did Governor Landon mean as Governor of Kansas, and what does he mean as the Republican candidate for President?

It is of interest to note that most of the pro-Roosevelt utterances by Governor Landon were made in 1934. Landon was a candidate for Governor. Can there be any doubt that his campaign, particularly his stressing a major part of the Roosevelt policies of recovery, played a large part in his election as the Republican Governor?

Let me call your attention to the latest evidence as to how the old guard is working with Governor Landon in his quest for public office. Governor Landon has announced that among his advisers who will shape his speeches during the campaign is Charles P. Taft, brother of Robert Taft and son of a former Republican old guard President. Frederick T. Robey, economist of the Columbia University, who writes a column on economics for the New York Herald Tribune, a reactionary Republican daily, and is consultant for major corporations in New York City, will be the candidate's economic adviser and writer of the Governor's speeches on economics; and Earl H. Taylor, associate editor of the Country Gentleman, will write the candidate's speeches on the farm problem.

Who are these men who are to advise and direct the Republican nominee in his campaign—to inject their views into and write the candidate's speeches? They are men who have long been associated with the reactionary old guard, with the big interests of the East; they are the spokesmen for these interests; they represent the old guard.

In view of this record, the American people anxiously await the decision of the Republican Presidential nominee upon the

part the old guard will continue to play in this political drama. Will they continue to operate behind stage, as they did at Springfield and at Cleveland, or will Governor Landon have the courage and the fortitude to insist that Herbert Hoover, Ogden Mills, Walter Brown, Jouett Shouse, of the Liberty League, Charles Dewey Hilles, contact man for Wall Street, Jim Watson, the Du Ponts, and a score of others take to the open spaces of America and from the agricultural platform speak in his behalf for the greatest office within the gift of the American people?

GREATER NEED FOR AIRPLANES AND DIRIGIBLES FOR RELIEF WORK

Mr. BLAND. Mr. Speaker, under leave to extend my remarks I desire to call attention to the need for airplanes and dirigibles for relief work.

Everyone will recall the trying suspense of the last winter when Tangier Island, located in the Chesapeake Bay, was out of communication with the mainland. The conditions were unusual and practically unprecedented. With characteristic courage, the inhabitants of the island met their problems. With commendable zeal and indefatigability the nearby communities, States, cities, and towns did their part in relieving suffering and distress.

So much was undertaken by so many different persons, activities, and agencies that a detailed recital of the many worthy efforts might work unjustly to those whose names might be omitted inadvertently.

There are lessons to be learned from the trying suspense of those anxious days. One of these lessons is the need for the development and utilization of airplanes and dirigibles in this kind of work.

When it appeared last winter that the efforts of the United States Coast Guard to reach the island would prove ineffectual for several days because of the gravity of ice conditions, it became apparent that relief should be undertaken through the air.

I asked Commander Karl Lange, of the Goodyear Corporation and commander of the blimp *Enterprise*, and Mr. Frank Geppy, of Arthur Kudner, Inc., if the *Enterprise* could be used to make contact with the island, and report conditions. Without a moment's hesitation they assured me gladly that they would go just as soon as the weather could permit.

In fact, the next day Commander Lange, with Verner Smith as first officer, landed the *Enterprise* on the island and reported the conditions there. The next day they returned to the island and carried 1,000 pounds of food provided by the American Red Cross.

Too much credit cannot be given to the perseverence, intrepidity, and zeal of these gentlemen who established communication with the island and commenced the work of relief.

Later, when the situation became more critical, the dirigible again carried food to the island.

In the meantime airplanes secured by the Washington Herald, Albanus Phillips, food packer of Cambridge, Md., and doubtless by other merchants, agencies, and activities, carried food, supplies, medicine, physicians, and nurses to the island.

One of the noblest efforts was that made by Maj. Enoch B. Garey, chief of Maryland State police, and the men under him. It was on this expedition that Sgt. Wilbert V. Hunter, of the Maryland State police, lost his life in his heroic effort to relieve suffering. His memory will live in the affections of those he sought to save, and his heroic struggle will serve as an inspiration far beyond the present generation.

Relief in larger volume was provided by the American Red Cross with the aid of the bombing planes of the United States Army and vessels of the United States Coast Guard.

From the day of the first trip of the *Enterprise* to the island and the report of its condition, Mr. Colin Herrle, of the Red Cross, was active day and night to supply relief, and Gen. Malin Craig, Chief of Staff of the Army, was active in providing facilities to send the provisions by bombing planes if necessary and as a last resort, as the deliveries were necessarily attended with some degree of danger to the inhabitants. Fortunately, through the skill of the aviators and the cooperation of the inhabitants, no damages or injuries were sustained.

The greatest possible credit is due to all who shared in the work of mercy and relief, whether or not connected with the Government and whether or not mentioned in these remarks.

It would be a pleasure to detail in full the splendid work done by all who so nobly engaged in this mission of mercy.

The value of dirigibles and airplanes for relief work was demonstrated beyond the possibility of question and under the most trying conditions. It is peculiarly important that the Government shall be provided with sufficient airplanes and dirigibles to carry on this kind of work when necessary. These airplanes and dirigibles might be jointly used and operated by the executive departments under regulations permitting their use for practical purposes at all times.

As a result, greater knowledge would be obtained as to dirigibles and a trained personnel could be secured.

The experience of the Goodyear Co. has demonstrated that we can build and operate dirigibles in the United States successfully. Notwithstanding the tragedies of the *Akron* and the *Macon*, the Goodyear Co. has been operating a fleet of small airships known as blimps. The blimp *Enterprise*, which first established contact with Tangier Island and delivered 2,000 pounds or more of supplies, was one of this fleet. These ships are operated for passenger-carrying, advertising, and training purposes. Mr. Stillman, vice president of the Goodyear Tire & Rubber Co., Akron, Ohio, testified in April 1935 before the Committee on Merchant Marine and Fisheries of the House that these blimps had flown 1,924,963 miles, which was practically three times as far as the *Graf Zeppelin* had flown, and that they had carried 173,908 passengers without injury to a single passenger.

The use of the blimp *Enterprise*, its landing under the most trying conditions on the ice, its navigation under adverse weather conditions, the use of airplanes in making similar landings, and the service of the bombing planes of the Army in delivering supplies in large quantities all demonstrate the need of greater development and utilization of these agencies for relief work.

MONEY AND THE CONSTITUTION

Mr. GRAY of Indiana. Mr. Speaker, our forefathers in early colonial days, realizing the evils and abuses of the secret, private control of money, and to safeguard the people against the money changers of that day and the pillage of the unsuspecting, they wisely provided in the Constitution that the power to issue and regulate money should forever be in the Congress of the United States to be exercised as a public function, open in the glare of the noonday sun, as other public affairs of the people. (See art. I, sec. 8, clause 5, United States Constitution.)

THE SAME FINANCIERS NOW AS THEN

But the financiers of that day were just as loath and reluctant to release their strangle hold on money, as the international financiers of this day, and, shrewdly taking advantage of the strain of the Revolutionary War debt, then pressing for payment or adjustment, they craftily preyed upon the fears and apprehensions of the first new Congress and President to surrender the constitutional power of Congress to issue, coin, and regulate the value of money and surrender this over to a private banking corporation organized for the purpose of controlling the money supply.

THE SO-CALLED UNITED STATES BANK

They shrewdly took this power over money under the style of the "United States Bank", but which was a private corporation concealed under a public name, the greater part of the stock of which was subscribed and held by British financiers who secretly dictated our supply of money.

At this time Thomas Jefferson was in office as Secretary of State under the administration of Washington. Jefferson protested against the surrender and declared the private control of money was a greater menace to the liberty and welfare of the people than standing armies in time of peace. These are the words Jefferson used in condemning the surrender

by Congress of its power over money to private banking interests:

WHAT JEFFERSON SAID

If the American people ever allow private banks to control the issue of their currency, first by inflation and then by deflation, the banks and corporations that will grow up around them will deprive the people of all property until their children will wake up homeless on the continent their fathers conquered.

Again Jefferson said:

I believe that banking institutions are more dangerous to our liberties than are standing armies. Already they have raised up a money aristocracy that has set the Government at defiance.

The issuing power should be taken from the banks and restored to the Government and the people, to whom it properly belongs.

WHY JEFFERSON ORGANIZED A PARTY

And, failing to prevent the surrender, Jefferson resigned from Washington's Cabinet and organized the Democratic Party for the purpose of recovering back to Congress its constitutional power over money for exercise, regulation, and control as an open public function vital to the people's welfare.

The surrender of this power was by charter to this private banking corporation for a period expiring in 20 years; and, this charter expiring in 1809, under the administration of President Madison, who was acting with Jefferson, the renewal was refused for another term.

AGAIN USED A PUBLIC NAME

But the financiers, abiding their time and shrewdly taking advantage of the war debt created by the War of 1812, again so preyed upon the fears and apprehensions of Congress that Congress in 1816 was induced to make another surrender of the constitutional power over money to a so-called Second United States Bank, a private, secret, selfish corporation organized for profit and gain.

ANDREW JACKSON A DIFFERENT MAN

This surrender of the power of Congress was also by charter for 20 years, and which expired under President Jackson in 1836, and the financiers made their demand upon him for renewal, followed with their usual threats and intimidations of bringing on a panic and ruining the country if denied. But this time they met a different man.

Andrew Jackson, as President, called these financiers before him and, addressing them, he said:

Gentlemen, do you have as financiers the power to bring a panic upon the country?

They answered:

We have that power, and we will use it.

And whereupon President Jackson replied:

If you have that much power, you have too d——n much power; and I propose to take that power away from you.

And when they protested and continued their demand President Jackson further answered them:

It would be my sin to permit you to continue in your unjustifiable business.

The following is an excerpt (extract) from Andrew Jackson's message to Congress December 2, 1834, preliminary to the veto of the bill to recharter the Second United States Bank, usurping the power of Congress to issue and control the currency:

WHAT JACKSON SAID

The bold effort the present bank has made to control the Government, the distresses it has wantonly produced, the violence of which it has been the occasion in one of our cities famed for its observance of law and order, are but premonitions of the fate which awaits the American people should they be deluded into a perpetuation of this institution or the establishment of another like it.

It is fervently hoped that, thus admonished, those who have hitherto favored the establishment of a substitute for the present bank will be induced to abandon it, as it is evidently better to incur any inconvenience that may be reasonably expected than to concentrate the whole money power of the Republic in any form whatsoever or under any restrictions.

Let it be said to the everlasting glory of Andrew Jackson as President that he defied the money-power monoply, refused to renew their charter, and restored the power over money to Congress, where the Constitution placed it, and where it rightfully belongs.

But these money-gambling financiers were not dismayed, but again abided their time when another war should come, bringing another war-debt crisis under which they could again demand the surrender by Congress of its constitutional power over money.

TAKING ADVANTAGE OF WAR DEBTS

And in 1862 another great war did come, with the great Civil War conflict, the conflict between the North and the South, came with another war-debt crisis, and the money-gambling financiers, taking advantage of this war debt and the crisis for money to carry on the war, as they had taken advantage of other war debts, renewed their demands for another surrender by Congress of its constitutional power to control money.

They demanded as their price for supporting the bond issue to provide money to carry on the war, that Congress surrender its constitutional power to issue and control the money supply and this power be given over to them.

And yielding to their demands, Salmon P. Chase, Secretary of the Treasury, recommended and induced Lincoln to sign the National Bank Act, under which the power over money was again taken away from Congress and again given over to private banking interests.

LINCOLN'S SECRETARY OF THE TREASURY

Later, after the law was enacted surrendering the control of the people's money over to the manipulating private bankers, Salmon P. Chase, then Secretary of the Treasury, realizing the effects of what he had done, said that he would regret to the day of his death that he advised Lincoln to sign the bill. The following are the exact words used by him:

My agency in procuring the passage of the National Bank Act was the greatest financial mistake in my life.

It has built up a monopoly that affects every interest in the country. It should be repealed.

But before this can be accomplished, the people will be arrayed on one side and the banks on the other, in a contest such as we have never seen before in this country.

WHAT LINCOLN SAID

And Lincoln, who was led to sign the bill creating the national-bank law surrendering the power over money to private banking interests, after the war was over and peace came, realizing the enormity of the power surrendered and the advantage taken by the private bankers, said:

As a result of the war, corporations have been enthroned and an era of corruption in high places will follow.

The money power of the country will endeavor to prolong its reign by working upon the prejudice of the people until all wealth is aggregated in the hands of the few and the Republic is destroyed.

I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. God grant that my suspections may prove groundless and untrue.

Again Lincoln said:

When $100,000,000 or more of the circulation we have now shall be withdrawn, who can contemplate without terror the distress, ruin, bankruptcy, and beggary that must follow?

The man who has purchased any article, let us say a horse, on credit, at $100 when there are $200,000,000 circulating in the country, if the quantity be reduced to $100,000,000 by the arrival of pay day, will find the horse but sufficient to pay half the debt; and the other half must either be paid out of other means and thereby become a clear loss to him, or go unpaid, and thereby become a clear loss to the creditor.

What I have said of a single case of the purchase of a horse will hold good in every case of a debt existing at the time a reduction in the quantity of money occurs, by whomsoever, and for whatsoever, it may have been contracted. The general distress thus created will, to be sure, be temporary, because whatever change may occur in the quantity of money in the community, time will adjust the derangement produced; but while that adjustment is progressing, all suffer more or less, and very many lose everything that renders life desirable.

WHAT LINCOLN RESENTED

Lincoln was killed by Booth on account of his part in the great Civil War in freeing the slaves.

But at the close of the war, Lincoln became so bitter against the money power and so resented the deception

practiced upon himself and Secretary Chase, in securing the passage and his approval of the National Bank Act, that many of his close friends always believed and contended that Lincoln was killed by order of the bankers and the money power to prevent him from repealing the national-bank law.

Of course this was an erroneous theory to account for the assassination of Lincoln but it shows the state of mind and the bitter resentment of Lincoln against the bankers at the time.

Only a few years ago, a close friend of Lincoln's, then residing in Canada, testified before the Banking Committee of the Canadian Parliament that he believed and had good cause to believe that the money power ordered Lincoln killed.

GOVERNMENT MONEY

In the meantime, before this surrender by Congress of its constitutional power to issue and control the people's money, Lincoln and his Congress had begun the exercise of that power by Congress and had issued almost one-half billion of money to carry on the operations of the war.

But here is what stopped them. And here is what brought about the surrender by Congress at that time of its constitutional power over money under the National Bank Act which Chase was induced to recommend to Lincoln.

When Lincoln and his Congress began the issue of money in 1861 to provide for and carry on the war, the international bankers of that day were fearful they would lose the opportunity to take advantage of the war to force another surrender by Congress of its constitutional power to issue money. The international bankers, adroitly organized, and the bankers of London, England, sent, post haste, a circular letter to their associates, the bankers in America, warning them of the great danger of allowing Lincoln and his Congress to continue the issue of money direct by the Government under the Constitution.

INTERNATIONAL BANKERS THEN

England had already abolished slavery, and they made the argument that slavery was not necessary to their interests, but a far greater interest and advantage was in great danger and jeopardy, that of allowing the Government to issue its own money and deprive them of billions of dollars of interest and the control of the circulation.

This letter is known in history as the Hazard Circular, and the following quotation would show the danger they apprehended and that they were then working upon the fears of Salmon P. Chase, Secretary of the Treasury, and to induce him to recommend the national-bank bill to Lincoln and his Congress:

Slavery is very likely to be abolished by the war power and chattel slavery to be destroyed.

This I and my European friends are in favor of.

For slavery is but the owning of labor, and carries with it the care of the laborer, while our plan is for capital to control labor by controlling wages.

The great debt that capital will see to it is made out of this war must be used as the means to control the volume of money.

To accomplish this the debt must be bonded and the bonds used as the banking basis.

We are now waiting to get the Secretary of the Treasury to make the recommendation to Congress.

It will not do to allow the greenbacks to circulate as money for any length of time, for we cannot control them, but we can control the bonds, and through them the bank of issues.

The international bankers were successful. Salmon P. Chase, as Secretary of the Treasury, recommended the National Bank Act to President Lincoln and his Congress. The bill was passed by Congress, signed by President Lincoln, and went into effect, and the international bankers took over the constitutional powers of Congress to issue money.

And under the bankers' dictations and demands all of the money issued by Congress, excepting $346,000,000, were retired, canceled, and destroyed and put in bonds for the bankers and upon which they have drawn billions of dollars of interest.

They likewise demanded the cancelation and retirement of the remaining $346,000,000, but by a miracle this amount was saved from destruction. A calculation has been made of the compound interest on the bonds which would have been collected from the people if they had been successful in their demands for the cancelation of this remaining $346,000,000.

WHAT PEOPLE SAVED

By the failure to destroy this remaining $346,000,000 the Government and the people up to this time have saved and the international bankers have thereby lost the incredible and staggering sum of eleven billions of taxes to pay interest. But the financiers have taken many more billions from the Government and the people on the bonds replacing the billions destroyed, in round numbers, four times that staggering amount.

THE HARD TIMES OF 1887

During the hard times of 1887 a movement was started to recover back to Congress its constitutional power to issue money, surrendered to the international bankers through the enactment of the national banking law which Chase and Lincoln had regretted. The people were in dire distress and demanding relief from bankers' interest under the galling yoke of Wall Street and the bankers' merciless and exacting tribute.

To meet and stop this movement by the people Wall Street first subsidized the newspapers by shrewd and ingenious argument and money, to oppose and help defeat this rising demand of the people to recover back to Congress the constitutional power over money.

At the same time the following circular was sent to the bankers of the country, urging them to support the papers and stop all loans to the people who refused to join them in opposing the demand and movement of the people to recover back the constitutional power of Congress to issue and control money:

It is advisable to do all in your power to sustain such newspapers * * * as will oppose the issue of greenback money and that you also withhold your patronage or favors from all applicants who are not willing to oppose a Government issue of money.

Let the Government issue the coin and the banks issue the paper money of the country. * * *

To repeal the law enacting the national-bank notes or to restore to circulation the Government issue of money will be to provide the people with money and therefore seriously affect your individual profits as bankers and lenders.

Having stopped the rising movement among the people in 1887 for the Government to issue and control its own money, the bankers were encouraged to go further and make the Government retire its money and issue bonds calling for interest coupons.

INTERNATIONAL BANKERS IN 1893

On March 12, 1893, the National Bankers Association sent out to all banks in the form of a letter what is known in history as the "panic circular." This letter is as follows:

MARCH 12, 1893.

DEAR SIR: The interests of national bankers require immediate financial legislation by Congress. Silver, silver certificates, and Treasury notes must be retired and the national-bank notes, upon a gold basis, made the only money.

This requires the authorization of $500,000,000 to $1,000,000,000 of new bonds as a basis of circulation.

You will at once retire one-third of your circulation and call in one-half of your loans.

Be careful to make a money stringency felt among your patrons, especially among influential businessmen.

Advocate an extra session of Congress for the repeal of the purchase clause of the Sherman law; and act with other banks of your city in securing a large petition to Congress for its unconditional repeal, as per accompanying form.

Use personal influence with Congressmen; and, particularly, let your wishes be known to your Senators.

The future life of national banks as fixed and safe investments depends upon immediate action, as there is an increasing sentiment in favor or governmental legal-tender notes and silver coinage.

The order, "you will retire one-third of your circulation and call in one-half of your loans", was obeyed and the panic planned, promptly followed.

Cotton sold at 4 cents, hogs at 2 cents, wheat at 35 cents, and corn at 10 cents. But what is even more significant, the big bankers got everything they wanted and demanded at the time.

FEDERAL RESERVE MONEY LAW

The national-bank law, surrendering the constitutional power of Congress over money, remained in force until modified in 1913, when, under the claim and pretext of recovering back to Congress its constitutional power over money, this power was again surrendered and the international bankers given even greater control over public currency.

This time the surrender was to a private banking corporation—hidden, covered, and concealed under the name and style of "The Federal Reserve System"—where it remains to this day, with private bankers secretly controlling the money supply of the country and resisting, evading, and defying the Government in its efforts to relieve us from the want and scarcity of money.

PANICS UNDER PRIVATE CONTROL

It was under the control of national-bank financiers that the panic of 1873 came, the panics of 1893 and 1907 came, and it was under the Federal Reserve System that the panics of 1920 and 1929 came, from which we are suffering today.

WORLD WAR DEBT

During the great World War the international financiers loaned to their governments what they now call "a cheap dollar", which is a dollar under higher values, under higher prices, and higher wages.

But when the war was over and peace declared, they did not want to be paid back in the same kind of money loaned. Instead they wanted to be paid back in a high, scarce, dear dollar, in a dollar worth two or three times the dollar loaned, or a dollar calling for two or three times the property, commodity, and labor values.

And these financiers, being in control of the money of their different governments, or in position to dictate such control, they changed the money of their countries. In this country they changed the dollar, our monetary unit of value, to make the dollar and their bonds and interest coupons call for two or three times the value loaned.

To do this the international financiers of all the World War countries of the world, led by our Federal Reserve bankers, met in Brussels, Belgium, in Genoa, Italy, and in other places abroad and here, and in secret conclave and under a secret gentlemen's agreement carried out a plan to change the value of money in all their countries.

And, assuming to reestablish the gold standard, they changed the money of all the World War countries, doubling and tripling its value and thereby doubling and tripling the value of all the war-debt bonds held by the international financiers of all the World War countries.

BROUGHT WORLD-WIDE PANIC

This brought on a world-wide panic, a panic in every World War country. In this country it brought on the panic of 1920 and began the panic of 1929, and which were followed by the same panics over the world, making it impossible for foreign countries to pay their debts to this country, and in this country as well as other countries making it impossible for the people to pay their private debts and mortgages.

This is a world-wide panic, brought upon the world at the same time, resulting from the same cause and from the course and policy of the same men under a secret gentlemen's agreement entered into by the international financers to double and multiply the value of their World War bonds.

The same men who were in control of money when the panic of 1873 came, when the panic of 1893 came, when the panic of 1907 came, when the panic of 1920 came, and when the panic of 1929 came are still in the secret control of money today, which the Constitution in plain, clear, and unequivocal words vests in Congress for public, open administration.

TWENTY-FOUR MAJOR PANICS

There have been some 24 major panics, and every one has come under the private and secret control of money, and the country after suffering untold loss has finally recovered from all of them; but recovery has come without a remedy, and one panic has followed another.

Recovery from all these panics has come with the rich richer and the poor poorer and with the millions unable to recover back their farms and homes and their property lost.

RECOVERY WITHOUT A REMEDY

We are now recovering from this panic without a remedy enforced. The same private bankers are being left in control of money, and in the light of experience and following the examples of history we can expect another panic to come sooner or later to follow recovery from this panic.

But more than this, under recovery without a remedy, prosperity has come back but always came back only to the certain special few, the financial manipulators, and the many, the masses have remained in the throes of economic distress.

Now we must leave ancient history and the regrets, errors, and surrenders of the past to meet the living issue of the present. We are now faced with the same crisis in defending the constitutional powers of Congress to issue and control the money of the country.

The same international banking interests which intimidated Washington and his Congress, which intimidated Madison and his Congress, which attempted to intimidate Jackson and his Congress, which intimidated Lincoln and his Congress, and enforced a surrender from Congress of its constitutional power over money, is intimidating this administration and Congress.

CURRENCY LAW OF MAY 12, 1933

This administration and Congress passed the currency law of May 12, 1933, authorizing Congress to exercise its constitutional power to issue and replenish the money supply, to restore values, and the price level regardless and independent of the international bankers claim for interest.

This law was passed in good faith by the administration and Congress May 12, 1933, and to be enforced and administered as a part of the recovery program, provided for in different parts at the same time, and was placed upon the statute books before the crafty international bankers were aware of its object and purpose and who were taken by surprise.

But before the printer's ink was dry from the printing presses publishing the law, the international bankers were organized as they had organized many times before to protect their monopoly of money. They raised the old hue and cry of "bad money" and "inflation" to prevent and defeat the enforcement of the law.

And for this purpose they have craftily insisted, first, to try out other parts of the recovery program leading to the killing of millions of pigs, disemboweling millions of mother swine, slaughtering vast dairy herds, and destroying farm crops and food products.

And above all, they have encouraged the vast expenditure of money for relief and to provide employment, all to furnish them bonds drawing interest, as well as to suspend and postpone the operations of the currency laws of May 12, 1933, restoring to Congress its power over money.

CONGRESS IS BEING INTIMIDATED BY FINANCIERS

This administration and Congress is being intimidated, coerced, and misled, as Washington and his Congress were intimidated, as Madison and his Congress were coerced—but not as Jackson and his Congress—as Lincoln and his Congress were misled, to defeat the operations and administration of the currency laws of May 12, 1933.

This will be the issue of the next campaign—to elect in the next, the Seventy-fifth Congress, enough Members with sufficient courage to stand out against the demands of the international financiers and bankers and to enforce the currency laws of May 12, 1933, restoring to Congress its constitutional powers over money to replenish the depleted money supply and give relief from the panic.

WE MUST PLEDGE ENFORCEMENT

With the Republican Party in terms concealed, but no less positive in meaning, pledging the repeal of the currency laws of May 12, 1933, unless the Democratic Party in national convention will pledge the enforcement and administration of the currency law of May 12, 1933, passed by Congress and signed by the President in good-faith obligation to the people, history will again repeat itself.

Another surrender by Congress of its constitutional power over money will again be written and recorded, and the contest begun by Christ against the money changers 2,000 years ago and taken up by Jefferson and Jackson will have again been lost to the cause of civilization and human welfare.

THE NEW CONGRESS FOUND

When the new Congress convened in 1933, on full inquiry, Congress found, and all economic students have agreed, that it was the fall of values, prices, and wages which took away the earnings and income of the people and destroyed their buying and consuming power and brought the panic upon the country.

And Congress also found, and all economic students have likewise agreed, that a recovery from the panic requires a rise of values, prices, and wages to bring a return of earnings and income and restore the buying and consuming power.

TWO RECOVERY MEASURES

And to restore prices, values, and wages Congress enacted a recovery program in two parts: One to raise prices by reducing and limiting the supply under which crops and all production was to be reduced, abiding the principle or policy of want and scarcity, and known as the crop-reduction industrial recovery plan.

The other way provided by law was by restoring the money supply while maintaining plenty and abundance of all the necessaries, comforts, conveniences, and luxuries, and known as the currency provision of the Recovery Act of May 12, 1933.

Under the recovery program provided, both parts were to be carried out, administered, and put into force and effect concurrently one with another, and made permanent accordingly as one or the other proved most effective for the purpose of restoring the tax and the debt-paying power and the buying and the consuming power.

ONLY ONE PART BEING CARRIED OUT

The crop-reduction laws and the laws providing for industrial reduction have been fully administered and carried out by killing millions of pigs and mother swine, the slaughtering of vast dairy herds, by destruction of food and clothing crops and materials, and by assessing and collecting taxes to pay farmers for leaving their ground lay idle, and by limitation of hours to reduce industrial production.

But the currency provisions of May 12, 1933, enacted to restore and replenish the money supply, have never been put into force and effect but remain upon the statute books without resort or administration.

RECOVERY DOWN TO DATE

This brings the recovery program down to date with the Republican Party declaring substantially for the same crop-reduction plan and pledging to repeal the currency provision of May 12, 1933, enacted to restore and replenish the money supply before the law can ever be administered. This is the law passed by the new Congress to recover back to Congress its constitutional power to issue and control money.

The Democratic Party is holding the law enacted to restore and replenish the money supply on the statute books until the program of want and scarcity can be further tried out and tested, when the same will be put into force and effect.

ONLY TWO WAYS TO RAISE PRICES

There are only two means or ways whereby to raise or restore values, prices, and wages known or recognized by the scientific world. One way is to reduce the supply of the property, commodities, or labor, the value and prices of which are to be raised; that is, by creating a want or scarcity of such property, commodity, or labor. This is the crop- or industrial-reduction plan.

This policy of creating want or scarcity by reduction or destruction of the supply raises the price of one article or commodity at a time and leaves the price of others low, and compels a part of the people to pay more for less without more to pay with.

By the other way—to increase prices—production and supply are left normal, unchanged, and the relative amount of money is increased and restored. This raises prices, the money value, while maintaining plenty and abundance, and is provided for under the currency law of May 12, 1933.

But more than maintaining plenty while restoring prices, this way of raising prices raises all values, all prices, and all wages up on an even level or stage, at the same time, so, if one person is compelled to pay more for what he must buy, he will always have more to pay with, and prosperity will be brought to all the people.

And there is still another difference in raising prices, values, and wages by reduction or destruction of the supply from raising prices, values, and wages by restoring or replenishing the money in circulation.

In raising prices, values, and wages by reduction and destruction of the supply the people suffer from economic loss and waste, and taxes are assessed to pay the cost of enforcing the operations of reductions. But raising prices, values, and wages by restoring the normal supply of money brings no such economic loss and waste and calls for no taxes to pay the cost to be levied and collected from the people.

THE DIVISION OF POWERS

The Constitution divides the powers of government into three separate and different parts—Congress, the legislative, which makes the laws; the President, the Executive, who enforces the laws; and the courts, the judiciary, to construe the laws; and the Constitution further provides that the powers of one department shall never be exercised by another department.

Under this division and separation of powers the Constitution vests in Congress the power to issue and regulate the value of money. Under the express provisions and declarations of the Constitution this power conferred upon Congress excludes or prohibits this power from being exercised by either the executive or judicial departments.

Notwithstanding these express provisions of the Constitution, the power to control money has been surrendered by Congress over to private banking interests for control and manipulation for profit and gain. And the executive branch of the Government, prohibited from exercising control over money, has long been contending with the private bankers to acquire more control over money.

This fight between the executive branch of the Government and the private banking interests for the control of public currency is like two men fighting over another man's wife, neither of them having any claim to her, while the dazed husband stands by and looks on.

And so it is with the executive branch of the Government contending with the private banking interests for the control over public currency. Neither one has any constitutional right to issue, regulate, and control the currency of the country. But both of them are claiming and contending for the right while Congress stands by and abdicates its constitutional power.

IF WE WERE STRANGERS ON A SEA

If we were sailing on a sea and had come to a new country, and on going ashore found everybody begging for water, and wherever we went in that country the people were crying out for more water, would we not be justified in concluding there was a scarcity of water, or a failure of the proper distribution of the water in that country, and that the people should be relieved by providing them more water or a better distribution of water among them.

Then let us suppose that we were foreigners and coming to this country, coming to Washington, D. C., and we found everybody writing or sending in asking for a loan of money, farmers begging for money, home owners begging for money, manufacturers begging for money, banks and insurance companies begging for money, everybody everywhere begging for money, saying they could not carry on without more money.

Would we not be likewise justified in concluding there was a scarcity of money in the United States of America or a failure of a proper distribution of money. And would we not be justified in contending that we should have more money or a better distribution of money?

MEN BORROWING WATER IN A DROUGHT

Without a restoration of the money supply, a course of a recovery program will be like men in a drought borrowing water to prime a pump in a dry well—they will get no water out of the well and will lose a part of the water used in priming and be in debt for the borrowed water.

A LEAKY BOAT

An economic recovery program to restore values, prices, and wages, reducing, destroying, and limiting production of the necessaries, conveniences, and luxuries, without replenishing the money supply, restoring money values and the general price level, would be like men in a leaky boat throwing over their supplies to stop the boat from sinking and to lift the boat in the water instead of stopping the leak and bailing out the water to stop the sinking and to lift the boat.

Prosperity does not mean less of the necessaries, conveniences, and luxuries; does not mean creating want and scarcity. Prosperity means to provide more and have more; more for men to use to maintain and enjoy life, to live a more abundant life.

And recovery does not mean a gain in price on a part production to be offset by a loss on the total amount of production. Recovery means a gain in prices on the full, normal amount of production.

The object of the recovery program must be to restore the normal value of properties, commodities, and labor on the full and normal output of the people, in order to restore the money power of labor and labor products to pay taxes, interest, and mortgages—requiring greater total money proceeds from property, commodities, and labor and not a higher price or money value for less.

When the currency laws enacted May 12, 1933, in good faith are enforced and administered as a part of the recovery program and the general price level is raised up to the level of taxes, debts, mortgages, and fixed charges on a full, normal crop of labor and labor production, then the farmers and home owners can pay their mortgages, then there will be a surplus left over for use as buying and consuming power, then the 11,000,000 unemployed and the 20,000,000 on relief will fade away as the morning mists before the glare of the noonday sun.

NEW MONEY LAW UPHELD BY THE COURTS

The Constitution clearly authorizes and enjoins this part of the recovery program; and the law is on the statute books, confirmed and upheld by the Supreme Court, awaiting enforcement and administration, waiting to be carried into effect for the purpose of which the law was passed.

The Constitution is full, ample, and sufficient. It is not necessary to burn the barn to get the rat; it is not necessary to undermine the building to adjust the frame.

It is not necessary to change the Constitution; it is not necessary to extend or enlarge the Constitution; it is not necessary to strain the Constitution; the Constitution not only gives this power to Congress but it commands and enjoins the exercise of such power.

The currency laws of the recovery program must be administered and enforced before the international bankers are allowed to mislead a great political party and bring about its overthrow and repeal.

CONGRESS WAS RIGHT

Congress and all economic students were right in their diagnosis of the panic, that the depression was caused by a fall of values, prices, and wages, the money value of property, prices, and labor, and that a recovery from the panic requires a rise of values, prices, and wages.

And Congress and the administration were right in the enactment of the currency law of May 12, 1933, to raise the general price level, the general money value of commodities, properties, and labor; to restore the power of labor and labor products to pay taxes, interest debts, and fixed charges, and thereby restore and leave a surplus over for use by the people as buying and consuming power.

And there can be no full, normal recovery until there is a general rise in prices to restore such tax and debt-paying power necessary to leave such surplus over for use as buying and consuming power.

This panic was caused by a fall of money values, prices, and wages, while taxes, interest, debts, mortgages, and fixed charges were left held upon a higher level of prices under which they were contracted, fixed, and obligated, which made these taxes, debts, and charges call for more property, commodities, and labor to pay and leaving less to sell for surplus as buying and consuming power.

TAXES, DEBTS, AND PRICES

Full, normal recovery requires one of two alternatives. Taxes, interest, debts, and fixed charges must either be reduced or scaled down to the lower level of values, prices, and wages, or the money values, prices, and wages must be raised up to the level of taxes, interest, debts, and fixed charges in order to make it possible for them to be paid.

The first of these two alternatives, reducing or scaling down taxes, debts, and charges, is impossible under State and National Constitutions, and if possible, would be unjust to debt holders.

The second of these two alternatives, raising money values, prices, and wages, is especially authorized by the Constitution, and the law is on the statute books to do it.

But restoring money values, prices, and wages on a part crop, part production, or part labor time will not restore normal prosperity without reducing and scaling down debts and taxes, mortgages, and fixed charges to the level of lower earnings and income. There must be a higher money value on full production, crops, and labor, and the law is on the statute books to do it awaiting administration and enforcement.

This law to restore the money supply remains upon the statute books ready for administration and enforcement, and has so remained since May 12, 1933, and all that remains to be done to complete the recovery program is to enforce and administer the law.

The enforcement of this law will reverse the money operations resorted to by the international financiers to bring a want and scarcity of money and restore the normal supply of money and can be enforced any day promptly, speedily, and without waiting further.

When this law is enforced we can stop the crop-reduction plan; we can stop the program of want and scarcity; we can stop levying and collecting taxes to pay farmers for leaving land lay idle and to pay the cost of enforcing the reduction; we can stop borrowing to provide employment; we can rejoice in prosperity, permanent, lasting, and without cost or price.

ENGLAND AND 21 NATIONS

England and 21 European nations have abandoned the gold standard; have abandoned the course and policy of crop reduction, of want and scarcity; have abandoned expenditures for employment and are resorting to the money remedy by restoring the normal supply in circulation.

And England and these 21 nations are rejoicing in a return to prosperity and are far more advanced in recovery, with unemployment fast decreasing or altogether overcome under a managed currency or commodity dollar under which they are restoring the money supply.

I HAVE FILED TWO RESOLUTIONS

I have filed two concurrent resolutions, one during the Seventy-third Congress and one during the Seventy-fourth Congress, asking Congress to mandate the enforcement of the currency law of May 12, 1933, enacted to replenish the money supply, but the law still remains upon the statute books a dead letter without administration.

If I am favored with another term in the Seventy-fifth Congress, I will again file the same resolution to mandate the enforcement of this law, and I will have 149 Members to back me if the same Members who voted for the farm-mortgage law, reducing the interest, are returned by the people.

We have financed many home owners, that is, extended their mortgages and given them longer time to pay, and saved them from threatening foreclosure, saved them from

sale to pay taxes and from their personal debt obligations, and given them new hope to hold their homes for their children.

And we have brought recovery sufficient to enable them to meet their interest and taxes and sufficient to save their mortgages from default in interest and tax delinquencies for the present, for the time being.

But until we raise prices, values, and wages back to a normal higher level, necessary to restore earnings and income and the tax- and debt-paying power under which taxes were assessed and mortgages made, we have not saved the home owners.

Without the enforcement of the currency law of May 12, 1933, these home owners may hold their homes and save their mortgages from default and taxes assessed upon them from delinquency and from foreclosure and sale, but they will not be able to pay the principal and leave their homes to their children debt and mortgage free.

REFINANCING MORTGAGES NOT ALONE SUFFICIENT

Extending and giving longer time for the payment of mortgage debts, loaning home owners more money to clean up personal debt obligations or to make further improvements will not alone save the home owners.

Loaning the home owners more money to pay personal debts and for improvements will only increase their mortgages; this will only make more interest to pay; this will only increase their debt obligations, which in the end must be met; and without full restoration of the power to pay, home owners will not be saved from their debts.

MORTGAGES EXCEED PRESENT VALUES

But there is another class of town and city home owners and of farm home owners as well who have not been refinanced and whose loans have not been extended, who have been given no longer time to pay and who have not been saved from impending foreclosure sale.

These are the town and city home owners and the farm and rural home owners with the value of their farms and homes fallen to so low a value level that, at the present, assessed valuation is lower than the existing mortgages, and under which no appraisement can be made to save them.

The only hope for these farmers and home owners is the restoration of the former values of their farms and homes to the value level upon which the mortgages were made and to permit an appraisement showing a value of at least one-third or more above the amount of their mortgage debts.

When the currency laws of May 12, 1933, are administered and put into force and effect and the new money thereby provided for shall have come into the channels of circulation, then general values, prices, and wages will have been raised and restored back to their former levels.

Then with the rise of such price and value level the value of farms, town and city homes will be lifted, raised, and restored. Then these farm and home owners can be refinanced, then their mortgages can be renewed; then they can not only meet the interest but they can meet payments on their loan. Then they can pay off their mortgages and save their homes for their children.

MUST BE A GENERAL PRICE RISE

Without a restoration of the general price level, without lifting and restoring property valuations necessary to bring back normal earnings and income, and the ability to pay, refinancing and extending mortgages, a part of the farm and home mortgages, and leaving the valuation of others too low to reach for renewal and extensions, recovery will prove an empty gesture, a mere temporary step taken, and a meaningless and fruitless maneuver to save the farm and home owners of the country, the misery and painful suspense will still be held over them, and in the end their farms and homes will be lost.

TWO ECONOMIC PRINCIPLES CONTROL PRICES

There are two economic principles operating to control prices, values, and wages. One is the supply and demand of money relative to the amount of property, commodities, and labor. This controls the general level of values, prices, and wages and on a permanent and continuing and lasting level.

The other economic principle is the supply and demand of the different articles or commodities which rise or fall in value of that one article or commodity alone as the supply and demand for the same change, leaving all other articles and commodities remaining on the general price level. This principle fixes the temporary values for the time being.

It is only by increasing the supply of money that the general value, price, or wage level can be lifted, raised, and maintained permanent and for a continuous time, upon which men alone can depend for earnings and income to meet the obligations of both the present and the future.

THERE IS NO ROYAL ROAD

There is no royal road assuring relief to the home owners. The general value and price level must be raised. All prices and wages must be lifted. The debt- and mortgage-paying power must be restored to the level upon which the mortgages were contracted.

The currency laws of May 12, 1933, now awaiting on the statute books for administration to restore the depleted money supply, thereby to lift the general price level, must be enforced and carried into effect before the farmers and the home owners can be assured of relief and the ability to pay their mortgage debts coming due and payable in the future.

FEDERAL AND STATE RELIEF MONEY IN SOMERSET AND FAYETTE COUNTIES

Mr. SNYDER of Pennsylvania. Mr. Speaker, quite frequently we hear individuals or groups make statements like this: "The Federal Government is interfering with State rights." "The State government is interfering with the county's rights." "The county government is trying to run our city affairs."

Well, these sayings may sound good, and in some respects they are true. But in checking over the relief situation in the Nation as a whole since March 1933, I have made some striking observations.

For instance, I have found in Fayette County, Pa., that the Federal Government and State government combined have given to Fayette County $11,883,604.93, and in the same time they gave to Somerset County, Pa., $3,568,904.23.

In other words, if the taxable property in Fayette County would have been assessed so as to raise this amount of money in order to take care of its straight relief program, Fayette County would have been obliged to put on about 45 additional mills each year since 1933. That is for dole relief only, and dole relief is only one small item of the help the taxpayers received from the Federal Government and the State government since 1932. The W. P. A., the Reconstruction Finance Corporation, the P. W. A., the Federal land bank, the H. O. L. C., and other avenues of support put into the county many more millions than relief put in.

The same comparison is true of Somerset County, and for that matter all of the counties. In other words, if the Federal Government and the State government had not come to the rescue of all of the counties in the State when they did, these counties would not only be absolutely bankrupt, but the people living in them in 1933 would now be not only bankrupt, but in many places starvation would have taken them.

I am not in favor of the Federal Government or the State government or the county government interfering with the affairs of the units under them. But when emergencies come we have to apply emergency measures, and I am sure everyone who reads this will feel proud of the fact that they live in the only country in the world where such a harmonious feeling exists relative to helping the needy and the unemployed.

Sometimes we hear an individual say: "Yes; but the tax burden that is being piled on my shoulders." A good honest man in my district said that to me recently concerning his home. I said in turn to him that I did not believe that on an average the taxes on the little home owners and the farmers in my district had been raised much since 1933. Of course, he was honest and sincere in thinking that they had been raised on his home considerably, so he got his books and we checked up his taxes on his home since 1929. Remem-

ber, he lived in this same home for 20 years and each year he had made some improvements on it, and he made some improvements since 1929, but in the face of all that here are the taxes he paid on his home each year from 1929 to 1935, inclusive.

Total taxes:

1929	$93.48
1930	96.52
1931	102.08
1932	106.86
1933	98.25
1934	94.96
1935	92.78

The same is true of the taxation on the average farm. When the farmer begins to count up his taxes that he actually paid and compares them with what he paid in former years he will find about the same thing true.

Yes; I know it takes additional taxes to raise the money to make the large appropriations that the Nation has been making during the last few years to take care of the poor and the hungry. But, my friends, the thing that interests the masses, and especially the farmers and the small-home owners, is that the several measures that Congress has put into effect during Roosevelt's administration relative to taxation, take the burden of taxation off the shoulders of the farmer, the laborer, and the small-home owner and put it where it belongs, on the upper brackets of finance.

It is just dawning on the farmer and the small-home owner that they are not only being helped but they will continue to be helped by this administration. They are now seeing that the tax structure which has been built by the Seventy-third and Seventy-fourth Congresses is destined to relieve them from paying an unjust amount of taxes. Of course, the structure is not completed. It will take a number of other adjustments yet before it is completed. But I, for one, shall not cease my efforts until the farmer, the laborer, and the small-home owner, are taken care of with reference to taxation. In other words, I shall continue to fight for a basis that the farmer pays no more taxes in proportion to his holdings than the Morgans and the Mellons, and Wall Street, and the rest of them.

In closing, I should like to leave with you the following relief figures for my congressional district:

Of the $11,883,604.93 that the State and Federal Governments gave to Fayette County since 1933, up to and including June 27, 1936, 68 percent of this amount, or about eight millions of this amount, came to Fayette County directly from the Federal Government and the other three millions plus from the State government.

Of the $3,568,904.23 that came to Somerset County from the State and Nation combined, up to June 27, 1936—over two millions of it came direct from the Federal Government and the rest from the State.

Once in a while we hear someone say that the relief load in our county was more than it ever was, and expressions like that. In order that you may have a vivid picture of the reduction in the relief load, in my county, and I know it will apply to all the counties in the Nation—I submit the following:

Average number persons receiving relief

	Fayette	Somerset
July 1933	56,375	21,474
January 1934	40,957	6,306
July 1934	47,787	17,617
January 1935	67,293	18,685
July 1935	52,595	19,989
January 1936	13,811	4,817
Week ending June 29, 1936	14,266	8,017

HOME OWNERS GRATEFUL FOR THE HOME OWNERS' LOAN CORPORATION

Mr. SNYDER of Pennsylvania. Mr. Speaker, in the black days of 1932 and the early part of 1933 the owners of homes and farm owners throughout the Nation were bewildered and almost frantic in their efforts to save their homes. In tens of thousands of cases they had lost their jobs and had mortgages on their homes and farms. The banks held the mortgages.

In 1929, 71 national banks closed their doors. In 1930, 88 national banks closed their doors. In 1931, 357 national banks closed their doors. In 1932, 322 national banks closed their doors. Up to April 1933, 438 national banks closed their doors. In these years a total of 1,276 national banks closed their doors. The closing of these banks swept away the savings and earnings of hundreds of thousands, yes, millions of our people. Many of these same people were about to lose their homes when the Roosevelt administration, under the Seventy-third Congress, put into effect the Home Owners' Loan Corporation. As a result, tens of thousands of homes have been saved, because the home owner could get a loan at a low rate of interest spread out over a long term of years.

In Fayette County, Pa., 1,102 loans were closed on homes, amounting to $2,352,631.89.

In Somerset County, Pa., 332 loans were closed on homes, amounting to $662,691.92.

About the same time in 1933 Congress passed the new Banking Act and later in 1935 strengthened the same by raising the insurance feature to $5,000. The new Banking Act insures all deposits up to $5,000. This act gave hope to the people. Once more the rank and file had confidence in our banking institutions—confidence beyond all expectations. Just this morning, July 8, 1936, I see the authentic statement in a New York paper that the bank deposits of the Nation are in reality greater than they were in 1929.

Mr. Speaker, if the Roosevelt administration had done nothing else than to restore our banks and give the people the assurance that their savings up to $5,000 were secure when they put them in a national bank that was operating under the new Banking Act, it would have been sufficient to recommend the administration for an extension of 4 more years.

Just think of it. Only five banks have failed since the new Banking Act went into effect in 1933; and when they did fail it was only a matter of 48 or 72 hours until Uncle Sam paid the depositors having $5,000 or less on deposit every cent.

The Republican leaders want to get back in power to put into effect the old banking system which was in operation under their administration in 1929 to 1933, when a total of 1,276 banks closed their doors and wiped away the savings of widows, orphans, and thousands of old people who had retired, driving thousands into the poorhouses and the bread lines, causing scores of bank presidents and bank cashiers to commit suicide. Yes, my friends, the flood like we had in the Johnstown district this spring was bad. The dust storms in the Dakotas which are sweeping over the West are bad; but the misery and the heartaches caused by the unsound banking procedure in those black years of 1929 to 1933 left a much greater chaotic destruction than these two forces in action this year.

Mr. Speaker, right here we might insert a bugaboo that the Republican leadership is and has been flaunting in front of the people for the last half century. The bugaboo is the term "gold standard." Many of us—I for one—as we grew up as young men thought this gold standard was some sacred thing that should be saluted like the flag. Of course, it was only natural that we did get that impression of the gold standard, because the powers that controlled the gold saw to it that we got sufficient propaganda in our papers and elsewhere to educate us to think of the gold standard in that light. Well, there is nothing the matter with the gold standard as a standard. The thing that goes wrong from time to time and went wrong right before the crash of 1929, was that those big financial interests who manipulated the money market moved the gold standard around over the checkerboard in such a way that they came out on top, and the little fellow was left holding the empty bag. In other words, today we have the soundest money in the world. It is sound because we have several mediums with which we deal in our money adjustments. The farmers and laborers do

not need to get scared today about the money grabbers closing in on them.

SOME ACHIEVEMENTS OF THE SEVENTY-FOURTH CONGRESS

Mr. RUSSELL. Mr. Speaker, there is a clause in the Constitution of Massachusetts which declares that—

Government is instituted for the common good; for the protection, safety, prosperity, and happiness of the people, and not for the profit or private interest of any one man, family, or class of men. Therefore the people alone have an incontestible, inalienable, and indefeasible right to institute government; and to reform, alter, or totally change the same when their protection, safety, prosperity, and happiness require it.

The same philosophy of government is contained in the Declaration of Independence and the Constitution of the United States. It is a part of the fundamental law of the land. It is the foundation upon which the structure of our Government has been erected.

My father, the late William E. Russell, in his first inaugural address as Governor of Massachusetts, said with reference to this doctrine:

This declared purpose of government and power over it guaranteed to the people make it the imperative duty of their chosen representatives, as their trusted servants, to keep it ever true to their interests, to watch for the expression of their will, and when ascertained implicitly to obey it.

I believe this declared purpose of government imposes upon the representatives of the people two additional obligations—first, accurately to render an accounting of their stewardships; and, secondly, to participate with their constituents in discussion and debate of issues and in political campaigns to the end that the voters may exercise freely and with complete knowledge of the facts the right of franchise and the powers so guaranteed them.

Accordingly with the passing of the Seventy-fourth Congress, I deem it appropriate for one who has been privileged to participate in its deliberations and share in the responsibility for its decisions to pause at this time to consider its accomplishments and failures.

THE INFLUENCE OF MASSACHUSETTS IN NATIONAL AFFAIRS

Mr. Speaker, biologists tells us that the character, opinion, and actions of men and women are influenced largely by heredity. Students of sociology emphasize the effect of environment.

As I look at the map I am ever impressed with the comparatively insignificant proportion of the vast territorial limits of the United States occupied by the little State of Massachusetts. Yet I believe she has always accepted her full share of responsibility for the general welfare of the Nation. In every crisis she has been ready and has contributed freely of her men and treasure. Her sons and daughters have always been found in the front ranks of every progressive movement, high in councils of the people and in positions of trust and power in every aspect of human endeavor.

Today in the Congress of the United States I sense the influence of Massachusetts and her institutions far beyond the Members elected to represent her. I doubt if there is a State in the Union whose delegation does not number many who have either had their roots in New England or have had contacts with the educational facilities of Massachusetts. New surroundings and local problems may have had their effect upon earlier beliefs, but the restraining influence of heredity and traditon and sentiment are still evident to even a casual observer. At hearings before committees, in debate on the floor of Congress, at informal discussions in the lobby and at social functions, in every department of the Government, when matters of interest to Massachusetts were involved, I have always received courteous attention and sympathetic response. I take this opportunity to express to the membership of the House my very sincere gratitude for the cooperation and assistance they have extended to me.

FORCES ACTING UPON THE COURSE OF FEDERAL LEGISLATION

Mr. Speaker, I have mentioned the power of these influences which I believe have had a beneficial effect on legislation, because I believe no adequate appraisal can be made or enlightened public opinion formed of the acts and omissions of the Seventy-fourth Congress without due consideration of the forces and events, which, operating upon the influence of heredity and environment affecting every Member of Congress, prompted the course of its legislation.

The World War with its draft of men for the Army and Navy and its demands for fighting equipment and munitions forced American industry to speed up, to produce more with fewer workers. Women and more efficient machinery took the places of the men at the front.

At its conclusion demand for replacement of peacetime materials, neglected during the war, and purchases with credit maintained the high rate of productivity for a while and even accelerated it. But the prosecution of the war also necessitated loans to our allies. The United States ceased to be a debtor nation and became the chief creditor of the world. European countries could no longer pay for American goods with moneys which this country owed abroad. As the shortage in the domestic peacetime requirements of industry occasioned by the war were filled, American bankers sought to maintain a demand for American products by financing foreign purchases with more loans abroad. An impossible international debt situation was thus aggravated. For a time, however, it appeared to work. Our factories continued to produce to capacity; wages and prices rose; speculation ensued; and, like everything else built upon an unsound foundation, the structure collapsed; the bubble burst; men were thrown out of employment; the value of securities and property fell, and depression stalked the land.

The administration then in power was stunned. It and most of the American people believed we were living in a new era of prosperity that would endure. Even after the collapse this thought persisted. We were assured that shortly everything would be all right again.

For a long time the American people suffered patiently and with fortitude, but they could not endure without food, clothing, and shelter. Savings were withdrawn from banks and exhausted. Unemployment continued to increase, values continued to decline, the bankers began calling loans, people began to distrust their institutions, hoarding commenced, more deposits were withdrawn from banks, fear accelerated the process, banks with frozen assets could not meet demands of depositors. Bank failures and panic followed. Industry became paralyzed.

In the meantime, affairs in Europe had developed rapidly. The peoples of the vanquished countries, angered at the harsh terms of peace imposed by the victors and at the governments that had led them to disastrous war, revolted. The victors became distrustful of the vanquished, and, in spite of finances shattered by the war, proceeded further to burden their peoples with large armaments. Thus, the war to end wars and preserve democracy has resulted in preparation for more wars and dictatorships.

In brief, this is the situation which confronted the administration which took office in March 1933.

While these facts and more are well known to every man and woman who lived through those days, the memory of the American people is short. It is sound to refresh it if, as I have said, a fair appraisal is to be made of the measures enacted to meet the awful situation which culminated in the closing of every bank in the United States in March 1933.

THE PROBLEM OF THE ROOSEVELT ADMINISTRATION

As the new administration analyzed the problem its first task was to set in motion the machinery of industry, commerce, and finance which had become completely stalled; its second task was to strengthen weak points in the structure and stop abuses, which were factors obviously contributing to the debacle.

RECOVERY MEASURES

Its handling of the first phase of the problem met with almost universal approbation. Confidence had to be restored. The banks were examined carefully and expeditiously. Those in a strong financial condition were reopened immediately. Those temporarily embarrassed were given aid by the Government and its agencies and were also reopened. Others were

reorganized under Government supervision and with the assistance of the Government were put in shape to serve their respective communities again. Still others were liquidated by agents of the Government in such a way that the losses of creditors were greatly minimized.

In a similar way Government aid was extended to the railroads, to industry, to farmers, to home owners, to the unemployed, and to States, cities, and towns by laws enlarging the powers of the Reconstruction Finance Corporation, by the creation of other Government credit agencies, by grants and other measures.

The program accomplished its purpose. Confidence was restored. The wheels of industry were set in motion and a recovery movement was launched and then accelerated.

OTHER IMPORTANT LEGISLATION

The first immediate and critical objective obtained, the administration turned to the task of consolidating gains.

The banking structure has been strengthened by the inauguration of Federal deposit insurance and by changes in the banking laws to extend control over bank reserves, rediscount rates, and open-market operations in Government securities, and in many other ways.

The abuse of corporation powers, unsound and in some cases fraudulent financing, manipulation in security dealings, and other unfair practices in trade have been sought to be eliminated by a great variety of legislation, much of which was extremely controversial in its nature.

The laws to regulate the issuance and trade in securities and practices on securities exchanges, while bitterly opposed when first introduced in Congress, are now, since they have been in operation, generally supported as constructive and useful measures.

Abuses which had developed in the use of the holding-company structure, particularly in the utility field, such as the concentration of power in the hands of few often in opposition to the interests of real owners, the diversion of earnings from operating companies to holding companies by unjustifiable charges for financing and for legal, technical, and other services, overcapitalization on the basis of over-optimistic estimates of economies, development, and future earnings and in other ways, prompted the introduction of drastic legislation to compel their dissolution. Ostensibly designed to protect investors, it was felt by many that the legislation went too far. It was based on the assumption—never satisfactorily established—that no good would come from the class of structure it attacked. It was aimed at practices already so thoroughly discredited that they were not likely to be repeated, and it might in some instances prove to be an obstacle to future worth-while development. Finally, to many, it seemed that its principal accomplishment would be to cause further losses to small investors who had already suffered much at the hands of high finance, for it would cost huge amounts of money to dissolve the complicated structures and the security holders would have to pay the bills, the big insiders would have better knowledge of ultimate value than the small stockholders, and the former would inevitably profit through market fluctuations at the latter's expense. In a word there was every indication that one principal result of the enactment of the law in the drastic form originally proposed would be to give the big, unscrupulous utility magnate one more opportunity to fleece the innocent public. However, if this legislation is administered as well as the stock-exchange and securities laws by the Securities and Exchange Commission, it will unquestionably accomplish a useful purpose. It has not been in operation long enough to judge its ultimate value.

While there are many sincere citizens and careful students of the times who question the necessity for the huge appropriations that have been made for the Military Establishment, these cannot be criticized fairly without taking notice of events in other parts of the world. Important Governments in Europe have fallen. Internal dissatisfaction is everywhere in evidence. Disorder is not uncommon. Dictatorships have replaced constitutional governments. Treaties have been abrogated. International distrust is the order of the day. Armament building abroad has taken the place of disarmament compacts ruthlessly violated. Confidence in international agreements has been shattered. Agencies to promote peace have been ruthlessly disregarded. Wars have been made and more are in the making. Under such circumstances few Americans object to provisions by the Government for an adequate national defense. While opinions differ as to the amount necessary for this purpose, I believe it was the intention of Congress to confine the appropriations to a national-security basis.

In a single speech it is not possible to discuss all of the far-reaching legislation enacted in the last 4 years, even in the summary way that a few of the more important laws have been treated here. The merits and demerits of the program will be developed in detail in the approaching campaign. The purpose of this speech is merely to recall the problems confronting the American people 4 years ago, to indicate in a general way how their representatives have approached those problems, what has been done with reference to them, and what remains to be done.

UNEMPLOYMENT

Mr. Speaker, this brings me to my conclusion, which is a brief statement of the task remaining before the American people as I see it. I use the term "American people" advisedly because in my judgment it is not or should not be exclusively a governmental problem.

The President stated some 6 months ago that the Government must get out of this business of relief. Past experience indicated that business recovery from depression would absorb unemployment. Today, however, we have before us the picture of recovery with profits restored to industry and trade, and purchasing power restored to the workers, with farmers in many respects better off than ever before, but with unemployment only partly ameliorated. One reason for this situation is obvious. Modern machinery has made it possible to produce more with less manpower. But this should not be harmful. It should be beneficent. I do not sympathize with those who would curb invention and eliminate the use of labor-saving devices. I hold that if 1 man can produce with modern machinery what it took 10 men to produce a few years ago there exists the possibility of satisfying just so much more of human wants. The problem is then not so much one of production as it is one of an equitable distribution of opportunity. For the time being man's inventive ingenuity has outrun his capacity to adjust himself to his own inventions.

To date the Government has had to meet this situation with relief. By use of the taxing power this could be continued. But the President has said the Government must get out of this business of relief. With this I agree. It is un-American. Every American citizen ready and willing to work for a livelihood should be given the opportunity to do so.

Panaceas have been suggested, but experience has disclosed that theories involving printing-press money or other drastic tinkering with currency or other ill-considered innovations have only resulted in uncontrolled inflation and disaster and a situation worse than that sought to be cured.

While there is room for considerable difference of opinion as to the method which should be adopted, the solution, I believe, is clearly indicated to be along the line of a more equitable distribution, not so much of the products of industry as of the right to the use of the tools of production. The former will follow from the latter. Shorter hours of labor may provide the method. On this the Government is now working, but whatever the ultimate answer may be to this problem I doubt if there is an intelligent man or woman who has given thought to it who will not agree that herein is the great task which lies before us.

The great resourcefulness of the American people must be concentrated on bringing about whatever adjustments may be needed in industry, business, and the economic and social life of the country and in the Government, if need be, in order to secure the protection, safety, prosperity, and happiness to which the American people are entitled.

With bitterness toward none, with a "patriotism that is born of moral courage, the courage that attacks abuses and struggles for civic reform single-handed without counting opposing numbers or measuring opposing forces", let us go forward with the work we are in to a full realization of our national possibilities.

REPUBLICANS PROVIDE VETERANS WITH BENEFITS, DEMOCRATS TAKE THEM AWAY

Mr. REECE. Mr. Speaker, it is a strange commentary that many of the facts concerning war veterans' benefits are not clearly understood even by the veterans themselves. Some have thought of the New Deal Economy Act of March 1933, which cut payments to war-disabled veterans and their dependents more than 50 percent, when the Nation was embarking upon the greatest spending spree in the history of the world, as an isolated incident, forced through Congress as an emergency measure.

It may not have occurred to many veterans that the history of the Democratic Party shows it has uniformly adopted an ungrateful policy toward war veterans, and that this traditional attitude only reached its climax in the passage of the Economy Act. On the other hand, it has been the traditional policy of the Republican Party in helping with the policy established by Washington to acknowledge the responsibility of the Federal Government to all disabled veterans and to provide adequate justice for them and their families throughout this land for which they offered, but a short time ago, to sacrifice everything—even life itself.

This policy was enunciated by George Washington on June 8, 1783, when he said:

In what part of the continent shall we find any man or body of men who would not blush to stand up and propose measures purposely calculated to rob the soldier of his stipend and the public creditor of his due? And were it possible that such a flagrant instance of injustice could ever happen, would it not excite the general indignation and tend to bring down upon the authors of such measures the aggravated vengeance of Heaven?

This is strong language, but it expressed his sentiment. Nearly a hundred years after Washington laid down the country's policy toward veterans, Abraham Lincoln, with a heart heavy from experience of war, in his second inaugural address declared it to be the duty of the Government—

To care for him who shall have borne the battle and for his widow and his orphans.

And then, after Theodore Roosevelt, who had resigned as Assistant Secretary of the Navy to lead his now famous Rough Riders up San Juan Hill against the veteran Spanish troops, became President he made this declaration:

War veterans have a greater claim upon us than any other class of our citizens.

These declarations by Washington, Lincoln, and Theodore Roosevelt embody the true spirit of America. They established a policy which served as a basis for all veteran legislation. The fundamental policy of the Government toward its defenders was not questioned until the advent of the New Deal. Franklin D. Roosevelt openly repudiated it in his address before the American Legion convention in Chicago, when he said:

No person, because he wore a uniform, must thereafter be placed in a special class of beneficiaries over and above all other citizens.

From this statement one can see there is a direct clash on principles. He thus repudiates the policy established by Washington and Lincoln and consistently adhered to by the Republican Party, and sets up an altogether new theory under which the pension roll ceases to be an honor roll. It was from this New Deal principle that the Economy Act resulted.

Should the New Deal be returned to power and make any effort whatever to cut Government expenditures, the veterans may expect that its first victims will again be the war veterans, their widows and orphans. We have a right to judge the future by the past. We not only know what was done but the President announced the theory on which it was done.

War veterans will do well to consider the veterans' plank in the Republican platform adopted at Cleveland.

This reaffirms the policy enunciated by Washington and in harmony with it reiterates the Republican Party's historic regard for war veterans in the following language:

We pledge continuation of the Republican policy of adequate compensation and care for veterans disabled in the service of our country and for their widows, orphans, and dependents.

This Republican pledge is no idle boast. It is a promise which will be lived up to with fidelity. You will have reason to agree with me, I think, after you have examined the Republican record of justice and fair treatment with the Democratic record of injustice, neglect, and broken pledges to those who were disabled in the defense of all the people—and the widows and orphans of those who have died.

I shall recount a brief history of the facts. At the outset I want to point out that the Republican regard for war veterans is demonstrated even in its choice of leadership in the present campaign.

Alfred M. Landon, the Republican nominee for President of the United States, served honorably in the military forces during the World War.

Col. Frank Knox, the nominee for Vice President, served with Theodore Roosevelt's Rough Riders in the War with Spain, participating in the charge up San Juan Hill; and although Colonel Knox was no longer a youth when the World War broke upon us, he promptly volunteered and saw active service at the front in France with the American artillery.

John D. M. Hamilton, the chairman of the Republican National Committee, entered the service early during the World War and served honorably with the colors for the duration of the hostilities.

I think you have a right to judge the future attitude of the Republican and Democratic Parties toward war veterans by their past performances.

All of you remember that when war was declared on April 6, 1917, the Democrats were in control of the Senate and the House of Representatives, and that President Wilson, a Democrat, was in the White House. The war Congress acted promptly when it came to the enactment of war measures. England had been in the war for 18 months before she passed an act drafting her soldiers. Canada had been in the war more than 3 years before she started drafting men for the trenches. The United States had been in the war only a month before our draft act was passed. In fact, it preceded the Canadian draft act by 3 months.

The reason that I have mentioned this will become apparent when I remind you that we had been at war for 6 months before the Democratic Congress enacted a law to provide our drafted men and volunteers with compensation against death and disabilities, as well as insurance and family allotments to protect the dependents whom the service men left at home.

Americans had already been killed or died, while others were under fire in France before the Congress passed the War Risk Insurance Act, providing the benefits to which I have just referred.

I would not give the impression that I believe the soldiers and their families were purposely neglected by the Democratic Congress, but I would emphasize that the measures taken by the Democratic war Congress—and the record proves this—were more for the protection of the Government than they were for the protection of the soldiers and their families.

A system of allotments and allowances was provided for the drafted men. The Government allowed a soldier's wife $15 a month, a dependent mother $10 a month, and his child $5 a month. If he had both wife and child, $25 a month; a wife and two children, $32.50 a month, with $5 for each additional child. But the system had a catch in it. In order to obtain this money for the loved ones left at home, the soldier, who was perhaps drafted for his service, had to contribute $15 a month out of his own pay. This was called an allotment and was deducted from the amount the soldier received each month.

You remember how these meager sums failed to provide for the wives and children of the soldiers left at home. How savings had to be drawn on to protect them from want, farms and homes sold to raise sufficient money for their necessities.

The cost of living increased by leaps and bounds during the war. Yet the Democratic Congress never recognized this so far as the soldiers were concerned, although it recognized it continually in voting billions for war supplies which never saw the western front.

The last feature of the War Risk Insurance Act allowed the men in the service to purchase term insurance at cost. Premiums averaged about $6 a month, and these also were taken from the men's pay.

As you remember, the men in the United States received $30 a month, those in France $33 a month. When deductions were made from this pay because of the insurance and family allotments the maximum monthly pay which the men could receive in the United States was $9 a month, and $12 a month in France. But you will remember that there were countless other expenses which the soldiers were forced to undergo, and these, too, were deducted from their pay.

All of you remember that many a month passed when a soldier did not receive sufficient pay to provide himself with cigarettes, and how in many instances a man had so many deductions made against his pay that he literally had nothing coming to him at the end of the month.

So much for the solicitude of the Democratic Party for the welfare and happiness of the men they had drafted into the service. Those who volunteered received the same treatment.

The War Risk Insurance Act, to which I have referred, provided only $30 a month for a man who was totally and permanently disabled. That was all. Think of it. Think of the mental attitude of the Democratic Congress which would draft men and then provide compensation at only $30 a month where they were so hopelessly disabled as to be bedridden for the remainder of their days. The sum of $25 a month was provided for the widows of the men who were killed in action, smaller sums for dependent parents and orphans.

Such is the manner in which the Democrats neglected to protect the soldiers, sailors, and marines who fought the World War. This attitude is not, however, unlike the traditional attitude which the Democratic Party has maintained toward veterans of other wars. Although they were in power during two administrations, no provision was made for the veterans of the War with Spain and their dependents until 1920, after a Republican Congress had been elected, and likewise it was the Republican Party which sponsored all legislation bestowing benefits upon the veterans of the Civil War and Indian wars. As I have said, the Republicans through the years have the responsibility of the Government to protect and defend those who have protected and defended it.

Dissatisfaction at Democratic mismanagement continued to grow during the war, and in the election held a few days before the armistice in November 1918 a Republican Congress was elected. But that was prior to the Norris amendment to the Constitution, and the succeeding session of Congress, December 1918 to March 1919, still continued the old Democratic majority, and was dominated by Democratic "lame ducks"—Senators and Congressmen who had been defeated for reelection the preceding November.

The soldiers had been treated as stepchildren from the very beginning. The Democrats had failed to furnish hospitals for the disabled soldiers, to relieve their disabilities after they were discharged from the service. Thousands of these disabled men were soon roving the streets, without money to obtain badly needed medical treatment and without funds for anything like an adequate support.

They saw the silk shirts of the munitions workers and the shipyard workers, without any place to turn, and reflected upon the ingratitude of their Government.

CARTER GLASS, who was then Secretary of the Treasury, recognized the manner in which the Government was unprepared to care for its disabled soldiers. On December 5, 1918, he submitted to the Congress a recommendation from the Surgeon General of the Public Health Service that $85,000,000 be immediately appropriated for hospital beds for disabled veterans, predicting 36,000 beds would be needed by 1932.

The answer this "lame duck" Democratic Congress gave was to appropriate $9,050,000, although in January 1919 there were 120,000 soldiers in A. E. F. hospitals, and the Surgeon General had reported that 81,000 disabled veterans were in need of hospitalization. The estimate of Colonel Banks, Chief of Medical Service of the War Risk Bureau, went even further than this. He stated that more than 20,000 applications for hospital treatment had been received already, and that more than 200,000 disabled war veterans were known to be entitled to hospitalization.

The Democratic attitude toward the war-disabled veterans is well illustrated by this fact: Just before this Congress voted the utterly inadequate $9,000,000 for disabled veterans' hospitals they voted $100,000,000 to feed the people of various European nations.

Now I do not say that it was wrong for us to give this $100,000,000 to the peoples of Europe—on top of other billions which we were loaning them—but I do say that the Democratic Congress owed an obligation to its disabled soldiers which was far superior to any obligation owed the people of various European nations.

Its neglect of the disabled war veterans at that time was nothing less than shameful.

Another matter which should be mentioned in connection with this neglect was that under the authority granted the Secretary of the Treasury before the armistice was signed the United States Government loaned the Allies after the armistice—mark this well—after the war was won, and our troops were on the way home—the United States Government loaned to the governments of Europe the stupendous sum of $2,521,000,000 in cash, and on top of this sold them billions of dollars of war supplies on credit, for which we charged the nominal sum of $740,000,000.

Well, I don't have to tell you what the European nations have done about these debts and the billions that were loaned them after the armistice by the Democrats in control of the Government. The debts have been repudiated and we are now holding the bag for both the millions of the prearmistice debts, and the billions of the postarmistice debts.

President Wilson had been at the Paris Peace Conference during the winter of 1918–19. On his return to the United States in the spring of 1919 he summoned the Congress into special session to consider the peace treaty and the League of Nations.

This session of Congress was controlled by the Republicans, in both the Senate and the House. One of the first actions of this Republican Congress was to throw into the discard the niggardly laws which the Democrats had enacted for governing payments to war-disabled veterans.

The War Risk Insurance Act had authorized vocational rehabilitation for men disabled in the service. By a law passed in 1918 the payments they might receive were limited to the monthly sums they had gotten in the service.

In normal times it would have been practically impossible for a disabled man to exist upon $30 or $33 a month. In those abnormal times of high prices, these sums were so inadequate that practically nobody took advantage of the Government training offer.

A short time after the Republican Congress convened in the spring of 1919 Senator Kenyon (Republican), of Iowa, introduced a bill to increase these payments, and this bill was passed by both Houses and signed by President Wilson on June 11, 1919. It provided $80 a month training pay for a single man without dependents and $100 a month plus family allowances for disabled men with dependents.

This caused many eligible disabled to immediately apply for vocational training. But, unfortunately, the administration of training was in control of the Democratic administration, and it broke down to an extent which was nothing less than scandalous. Men who were eligible had great difficulty in being accepted for training, while the

training they did receive after they were accepted was inadequate to meet the situation.

In many instances 6 months or more elapsed after a man got out of an Army hospital before he could prevail upon the Federal Board for Vocational Education to accept him for training. In its helplessness, the Government advised disabled men to apply to the Red Cross for aid. It was indeed a black administrative record.

In the spring of 1920 Marquis James, of the American Legion, discovered and published a Federal board order to its agents contacting wounded men, which read, in part, as follows:

> The organs used in approving cases are the eyes and the brain. The ears and the heart do not function. Be hard-boiled. Put cotton in your ears and lock the door. If you are naturally sympathetic, work nights when nobody is there.

The exposure of this heartless order caused an explosion in Government circles. Conditions were slowly improved, but the Federal board never did function efficiently, and in 1921 its duties were taken over by the Veterans' Bureau, which had just been created through the actions of a Republican President and a Republican Congress.

The next major relief bill which the new Republican Congress enacted in 1919 was sponsored by Representative Burton Sweet, Republican, of Iowa. This bill increased compensation to a man temporarily and totally disabled to $80 a month, plus family allowances, and to a man permanently and totally disabled $100 a month. Veterans with disabilities less than total received percentages of these sums, according to the degree of disability they were rated.

President Harding was inaugurated in March 1921. A few days after he came into office he appointed a committee of eminent men and women to consider the plight of the disabled veterans and recommend legislation which would do justice to their needs and fulfill in part the Nation's neglected obligation to them. The chairman of this committee was Gen. Charles Gates Dawes, of Chicago, a distinguished World War soldier who later was to become Vice President of the United States.

The committee recommended the consolidation of the Bureau of War Risk Insurance, the Federal Board for Vocational Education, and the hospital and medical service being extended veterans by the Public Health Service. This was accomplished in a few months through the enactment of a second Sweet bill, which created the Veterans' Bureau, and was known as the act of August 8, 1921. This act not only consolidated the activities of the three Government agencies mentioned but it decentralized these activities into regional offices established throughout the United States, so that service to the veterans was immediately brought closer to their homes and humanized in its administration.

In addition to this, the Dawes Committee recommended an enlarged and permanent hospital building program, and within the next year $35,000,000 was provided for that purpose. Other hospital-construction laws were passed from time to time by Republican Congresses, until now the veterans' hospitals are more than 80 in number and constitute the finest and most modern group of its kind to be found in the world.

Many subsequent laws were enacted by Republican Congresses for the relief of the disabled veterans, but their details are too numerous to recount here.

However, brief space must be devoted to the World War Veterans' Act of 1924, which was the most liberal, humane, and forward-looking piece of veterans' legislation ever enacted into law by the Congress of any nation. This act is sometimes referred to as the Reed-Johnson bill, after its Republican sponsors, both of whom were veterans with outstanding World War records, as well as able legislators. These were Representative Royal C. Johnson, of South Dakota, and Senator David A. Reed, of Pennsylvania.

This act was approved by President Coolidge on June 7, 1924. It contained more than twoscore amendments to the laws governing benefits for the disabled and the dependents of the men who died as a result of their service. Its two outstanding provisions were free hospitalization regardless of service connection of disability, which had been recommended by President Coolidge, and the extension to January 1, 1925, of the period where tuberculosis and mental disease were presumed of service origin.

This new law saved the lives of thousands of veterans. It has benefited other scores of thousands, who have been returned to health and productivity by its far-reaching provisions.

A Republican law, which proved of great benefit to veterans who had contracted tuberculosis in the service, provided them $50 a month for life when their affliction had reached a condition of arrest. This small monthly payment has enabled many a disabled veteran to stage a come-back.

A Republican Congress recognized that the soldiers had been underpaid while in the service and as a result passed the adjusted-compensation law, which has finally reached full fruition—the cash-payment plan recently enacted over the veto of President Roosevelt.

Only a few other laws of major importance to disabled World War veterans were enacted by a Republican Congress, although a great many minor ones were passed. The most far-reaching of these was the disability-allowance law of July 1930. It was initiated by President Hoover in response to a congressional demand for laws which would provide payments to the so-called borderline cases; that is, to men who were unquestionably disabled, but who had not been able to prove the service origin of their disability under the rigid regulations the Veterans' Bureau had erected for the protection of the Government.

There were many reasons for this lack of proof. Lost or destroyed company records, failure on the part of civilian doctors in rural communities to keep written records of treatments administered, and the death of comrades who could testify as to the service origin of the disability, were among the contributing factors. President Hoover decided to provide relief for these veterans. He recommended the disability-allowance law to the Congress, which promptly enacted it. This was the first measure to provide disability payments to World War veterans regardless of service connection. The benefits provided were considerably smaller than the service-connected payments. The maximum for permanent total disability was $40 a month, while the payments for partial permanent disabilities were $12 for 25 percent, $18 for 50 percent, and $24 a month for 75 percent permanent disability. No payments were authorized for temporary disability.

Now, a word about benefits extended by Republican Congresses to the veterans and dependents of other wars. The Congress in 1920 provided service pensions for age and disability to the Spanish War veterans, and payments to their widows after the veterans' death. Subsequent Republican enactments increased both types of payments. The Republican Congress also increased the old-age and disability service pensions to the veterans and widows of the Civil War, so that these aged people who had suffered that the Union might be preserved would be protected by the Government in their declining years. Proportionate increases were also provided for the veterans and dependents of other wars.

In 1932 the economic depression had reached great depths. At that time the major source of Federal revenue was income taxes. The depression had caused a great shrinkage in these, with the result that in 1932 Federal revenues were only a little more than $2,000,000,000. Despite the fact that Government expenses had continued to grow in the effort to relieve the depression, veterans' expenditures during that year constituted more than 19 percent of the total expenditures of the Federal Government.

This created a situation which caused thoughtful Senators and Representatives to realize that a reasonable economy should be exercised over all Federal expenditures, including those for veterans. President Hoover suggested a measure which would temporarily reduce expenditures, including certain of the veterans' benefits. These latter were chiefly expenditures on account of disability not proven of service origin. But after much debate the Congress rejected the proposal.

On March 4, 1933, the New Deal came into control of both Senate and House and President Roosevelt entered the White House. Disabled veterans were then to learn the terrible suffering which persons can be forced to endure when authority over their lives and fortunes is transferred by the Congress to the President of the United States.

President Roosevelt sent the Economy Act message to the Congress on March 10, 1933. In it he said:

> The Members of the Congress and I are pledged to immediate economy * * * I am asking for * * * legislation * * * giving * * * the Executive * * * authority to prescribe * * * details.

There was no hint in the message of the cruelty of the cuts in veterans' benefits which were planned. Senators and Congressmen were privately assured that the new act would be administered with justice and consideration. It was introduced under the high-sounding title of "To maintain the credit of the United States Government." The Economy Act was approved by President Roosevelt on March 20, 1933, after furious but vain congressional battles, waged by those who opposed this revolutionary delegation of congressional authority to the President, and by others who doubted that the act would be administered humanely and justly. But the opposition was of no avail. Both Senate and House contained Democratic majorities of 3 to 1, and the President had his way in his first congressional struggle of major importance. Under then-existing circumstances it required courage to oppose the so-called Economy Act, but within a short time it was seen that opposition to this cruel and insincere measure had been more than justified. The Roosevelt regulations which were issued under the authority which Congress had delegated had the force and effect of law.

They cut payments to veterans and their widows and orphans by more than 50 percent. The deepest cuts were inflicted upon veterans disabled as a result of World War service. These men, who by every right and decency were entitled to adequate protection from their Government, were cut 70 percent, or from $222,000,000 a year to $65,000,000. Other cuts on other classes, including widows and orphans, brought the total cuts to $450,000,000 a year.

The unscientific cutting methods which President Roosevelt had caused to be hurriedly devised made the battle-casualties and amputation cases suffer the greatest reduction. At least four-fifths of these fell upon men who had labored with their hands, such as farmers, city laborers, and mechanics; in other words, upon the least-prosperous classes.

After a number of weeks the Republican war veterans in the Congress began quietly organizing opposition to the more severe of the penalties imposed under the Economy Act. Word of this reached the President. In the meantime, to the astonishment of the Nation, he had launched forth upon his great spending spree. This dismayed many Members of the Congress, who had mistakenly taken his economy pledges at 100 percent of their face value.

Under the leadership of Republican veteran Members, congressional opposition to the cuts continued to grow. President Roosevelt attempted to stem the rising tide by granting a few restorations in May 1933 through Executive order, but these proved only a drop in the bucket. They were insufficient to head off the impending attack.

Led by Senator FREDERICK STEIWER, of Oregon, and the late Senator Bronson Cutting, of New Mexico—both Republicans and distinguished World War soldiers—the Congress revolted, and the battle for restoration of veterans' benefits lasted for more than 2 weeks. Success was greatly aided by a memorial of protest signed by Republican war veterans of the Senate and House, which branded the cuts as utterly brutal, and pointed out that President Roosevelt had failed to live up to his promise "that he would deal justly, fairly, and humanely with the veterans." Partial restorations were made as a result of this congressional battle.

In the spring of 1934 the same group of Republican Senators and Representatives returned to the attack, with the result that a bill was enacted into law over President Roosevelt's veto—March 28, 1934—which restored the major portions of the benefits taken away by the Economy Act. This bill was known as the Taber amendment. One of the outstanding features of this law was that it took away from President Roosevelt for all time the authority to set rates and eligibility restrictions upon service-connected death and disability, and by this act the Congress properly resumed its constitutional authority over the benefits for veterans disabled and the dependents of those dead as the result of wars.

Did President Roosevelt live up to the economy pledge which he gave when he forced the Congress to cut the veterans $450,000,000?

He did not. Instead of this he launched upon the greatest spending spree ever recorded in the history of any nation in time of peace.

One of the many things President Roosevelt has done which disabled veterans and widows will find it difficult to forgive is this:

After he cut them so cruelly under pretext of necessary economy, he added a quarter of a million Government employees to the rolls, whose salaries total almost $600,000,000 a year.

In other words, the disabled veterans were to be sacrificed so that President Roosevelt could build up a political army.

But to get back to the contrast of general spending, President Rooseevlt spent more than $6,000,000,000 the first year of his administration, which was a far larger amount than the previous year's spending which he had so severely criticized in his campaign. The second year of his administration President Roosevelt boosted his expenditures to $7,367,000,000. The third year of his administration—which ended on March 3, 1936—he spent $7,608,000,000. Nobody knows how much money he will spend before he goes out of office on January 20 next, but a reasonable estimate for the concluding 10 months' spending of his administration is $8,000,000,000.

As a result of President Roosevelt's gay and careless extravagances we have already accumulated deficits under his administration which amount to more than $14,000,000,000, and he has boosted the public debt from less than $21,000,000,000 to about thirty-four and one-half billion dollars.

The Economy Act was only one of the many acts under which President Roosevelt forced the rubber-stamp New Deal Congress to delegate its powers to him and his college professors. Such laws constitute a dictatorship, as they deprive the Congress of the ability to legislate for the benefit of the people and center all authority—legislative as well as administrative—in the hands of one man, and make the welfare of the entire Nation subject to his whims, experiments, and personal theories of government, subject only to the Supreme Court, which is now being so bitterly attacked.

The World War veterans know better than most classes of citizens the dire effect of the efforts of President Roosevelt's New Deal to change our form of government through thus centering all power in the President. They realize the necessity of maintaining the authority of the Supreme Court to declare such laws unconstitutional, for thousands of them would today have invalid Government insurance upon which they had paid premiums for years, were it not for the Supreme Court's decision which threw out President Roosevelt's edict that they be denied payments under the insurance they had bought with their own money.

Other classes of citizens—including many businessmen—have learned through New Deal injustices that the edict method of government is both unfair and contrary to our American form of government, which was erected by our forefathers a century and a half ago, under their ideals of human liberty, but perhaps none of these classes have suffered from the attempted New Deal dictatorship to the same degree as the disabled war veterans, for this class of unfortunates were less able to protect themselves than other groups of our citizens.

ACCOMPLISHMENT OF THE ROOSEVELT ADMINISTRATION FOR RECOVERY AND SOCIAL JUSTICE

Mr. DORSEY. Mr. Speaker, under the consent accorded me I am taking this opportunity to review important enactments of the Congress, particularly as they affect the constituency which I have the honor of representing—the

Fifth District, Pennsylvania. It is a privilege to serve them, because they can be properly characterized as typically American. They have their roots in all the racial stocks, but most of them are American clean through. These people have suffered with understanding the hardships of the depression and turned their eyes to the administration and its leader for security in their homes and hope for the future of their young.

As an administration Democratic Congressman, elected from a district which had not sent one of my political persuasion to Congress in a quarter of a century, I face a unique fight this fall. I am asking to be returned on the administration's record of having corrected the desperate banking situation of early 1933, of having fed the hungry and thereby averted revolution, and of having put business definitely on the upgrade. I have been told by sincere Republican friends of long standing not to spend a dime on reelection; that I can coast in without even tacking up a poster. But I do not concur with them, for the opposition will pour money into our district in a desperate effort to regain it.

In last year's Philadelphia municipal election one man alone, Mr. Pew, president of the Sun Oil Co., donated several hundred thousands of dollars to the opposition campaign chest. As newly named chairman of the Pennsylvania Republican committee, he will be far more generous this time. The Pews and the Du Ponts will center their largess upon districts like mine, because they have but recently turned from long-term Republican dominancy. In their forced optimism, the moneyed boys believe that this change was but the passing whim of a fickle electorate. They have not sensed what really caused the swing of so many lifelong Republicans to Roosevelt. In this speech I intend to tell them some of the facts and answer some of their criticisms. No adequate appraisal of this administration's accomplishments could be given unless we start with conditions it inherited from the previous administration.

Unemployment had been growing in the Coolidge regime, despite apparent prosperity. It increased measurably with the market crash in October 1929, only 7 months after the Hoover inaugural. Business failures reached an all-time high. Bread lines were forming throughout America, and appeals were made by hastily organized agencies for private donations in our various counties and municipalities all over the Nation. Finally, this manner of treating the crisis collapsed when it became evident that private charity could no longer meet a problem of such magnitude. It was up to the counties and States to assume it. Most of these were so harassed with delinquent taxes that they could do little with available funds to alleviate the situation.

About this time, the bonus army marched upon Washington to collect a debt when they needed payment the most. It was, excepting a very, very slim minority within its ranks, a peaceful, well-intentioned group. Many of the vets brought wife and children, a sign that they were not bent upon violence and pillage. But for some unfathomable reason this band of Americans scared President Hoover stiff. He could have addressed them and made friends, but he chose to cloister himself in the White House, not realizing that this small detachment of destitute veterans was but a symbol of the millions of Americans who were starving. The bonus army petitioned Congress in an orderly manner, but they were getting on Hoover's nerves, and this was before the wise-cracking period in his life, previous to any connection with hired "gag men." He was too befuddled then to consort with the boys who write jokes for pay.

They got on Hoover's nerves, these veterans, and we all know what followed—one of the darkest pages in American history. It was written when Hoover evicted the bonus marchers, their wives and children, in the middle of the night. They were driven from their camp on Anacostia Flats with tear gas and bayonet, by the Regulars of the United States Army. God, what a job to give the new generation in khaki! The heartless attitude of Hoover toward hungry men who had served America in her dark hour was not altogether a surprise. With the flood victims of Arkansas he had decided to feed not them, but their mules. This caused Senator NORRIS to remark: "Blessed are they that starve while the asses and mules are fed, for they shall be buried at public expense." Now I give you all this to show you previous attitudes and to remind you that not one word of dissent was heard from Republican leaders, many of whom called the shots at the Cleveland convention in June. We have a right to believe that their silence expressed approval. Contrast the difference in the Roosevelt attitude. It is important, for we might have had red revolution if Hoover's ideas had persisted a few months after his welcomed exit. People do not starve supinely. They do something about it. With our destitute the term "rugged individualism" had the same effect as "let 'em eat cake" had on the hungry of Marie Antoinette's day.

Meanwhile and elsewhere in America, the bright plan for relieving the needy was to make apple vendors of them and, of course, the idea was predestined to a short life. It is well to bear in mind that many of the unfortunate of this time were thrifty, well-doing people who had laid away a competence, wiped out in the collapse of the security markets and in wholesale bank failures. These latter multiplied at such an alarming rate that in late 1932 the average American was making his bank deposits downstairs in his safe deposit box instead of at the receiving-teller's window. Bank runs were everywhere. All of this rapidly growing crisis culminated in the spectacular transfer of funds to save the Dawes bank in Chicago and in the collapse of several very large banks in Detroit. This was the unenviable condition that Franklin D. Roosevelt faced on his inauguration day, March 4, 1933. American finance and business was on its knees; many of our people suffering hunger; confidence at its very lowest ebb.

His inaugural address breathed back that confidence to a distraught America. It is one of the gems that will live with Lincoln's Gettysburg speech. And immediately Roosevelt began to translate words into action. The bank holiday was declared so as to learn the really good financial institutions from the bad, and put the questionable ones in order where possible. In short order the new Congress, preponderantly Democratic, enacted a deposit insurance which restored the confidence of the people in our banks and caused them to form long lines at the receiving teller windows throughout the land. Today we deposit money in any bank in the country without thought of possible loss.

The Seventy-third Congress, with the President, faced the worst economic problem that America was ever called upon to tackle when it began where Hoover left off. Homes by the thousands were going under the sheriff's hammer, breadlines, young men drifting around the country in the vain hope that employment could be secured elsewhere, or lounging on the corners when they wanted work worse than anything else; business stagnant or nonexistent, and agricultural prices lower than the cost of production. Here are some of the agencies that were set up to correct these conditions.

H. O. L. C.

During the Hoover days of deflation, all investments nosedived into new lows, and real estate, that most widely held of all investments, suffered with the rest. An avalanche of distress and sheriff sales shot the market down at an alarming rate. In Philadelphia, some of the big banks acquired R. F. C. funds in the Hoover administration and used them to buy up mortgages. They immediately informed the home owner that he must reduce his mortgage by a given date. These institutions were actually using Government money to make a bad condition worse. So it was apparent to all that solution of the problem was not to be found in feeding money at the top, but by taking care of the distressed home owner in a direct and personal way. This the Roosevelt administration did when it set up the Home Owners' Loan Corporation. Its operation stemmed the downward plunge of real-estate values and saved millions of homes throughout the land. The average residence property in

Philadelphia will now bring approximately twice the sum it could be sold for in 1932. In Philadelphia alone 14,738 homes were saved, involving $36,400,485. Once more there is some semblance of activity for Philadelphia real estate and it is not of the distress order.

The administration was anxious to take the Government out of the real-estate business just as quickly as the crisis abated, and now we find the banks performing the function previously accomplished by the H. O. L. C. The Government is guaranteeing 80 percent of the mortgage, through the F. H. A., with the bank transacting the business. H. O. L. C. is but a skeleton of its former self. However, thousands of home owners will look back upon it as the Heaven-sent agency that saved their dwellings.

N. R. A.

This was a quickly thrown together plan that was bound to acquire some of the imperfections inherent to hasty organization. When it came into being, the crisis was too acute to permit of much deliberation. The Supreme Court has since killed N. R. A., but we can think of it in terms of the ballad, "You will miss me when I'm gone." Many small-business men who threw their hats in the air at its passing have since wished that they had at least a portion of it back. England thought enough of it to copy a number of its features. The Washington correspondent to a Philadelphia Republican paper, the Evening Ledger, recently reflected this in his column: He reported an interview with a businessman who said, "We hailed the passing of N. R. A., but I'd give a lot to have about 40 percent of it back again. It did much to stop cutthroat practices in my business." When the Supreme Court killed the N. R. A. it opened the door for the return of child labor. In some families in this country the child is the only employed person in the household. Right now in Philadelphia, strike pickets walk in front of the stores of a large grocery chain. Immediately after the N. R. A. decision of the Supreme Court this chain increased hours. Then it chopped wages and the clerks formed a union that affiliated with the American Federation of Labor. Here was unionism, not for agitation but for protection of the employees. Ask these clerks if they hail the Supreme Court's N. R. A. decision. Ask yourself if we can always depend upon big business to regulate itself and measure up to its civic responsibilities.

It is interesting to note the fate of the Schechter Bros., who instituted the famous "sick chicken" proceedings that eventuated in the demise of the Blue Eagle. They have failed in business and have been unable to save their aged father's home. They and their attorney, in an interview, agreed that there was much good in the N. R. A. Let us look at the accomplishment of the reactionaries in their successful fight against the National Recovery Administration. Cutthroat practices have returned to business, child labor is back with us, longer hours and reduced pay is the order in many places. Are these what made the Liberty Leaguers so gleeful when the Blue Eagle was interred? Well, that is what we got with the passing of N. R. A. The victory is theirs and they are welcome to it. Ask the textile manufacturer and worker in my district if he would like to have the N. R. A. Since its passing they have been thrown into serious competition with other areas which employ child labor and who view adult wages in a different light from we in Philadelphia. They now contend that national legislation is imperative if the textile industry in the North is to be saved.

A. A. A.

Many people place the beginning of the depression at the point where farm prices began their downward move. Any business such as agriculture, which employs one-third of the Nation's workers, must thrive if the mills of industry are to be kept busy. High European tariffs, some of them retaliatory against the high rates set by the Smoot-Hawley schedules, precluded any chance of marketing our huge surpluses abroad. The farmer was ruining himself by the very abundance of his product. Manufacturers within a given industry had long since cooperated with each other in limiting production for the good of all concerned. We looked upon it as a sensible and logical thing for them to do. The farmers being geographically detached, producers lacked ready means of getting together to form the same kind of production agreements. But their problem was absolutely identical with that of the industrialists. Unable to do the required job for themselves, the administration, through A. A. A., accomplished for the agriculturists what the manufacturers could do on their own. We hear a lot of criticism of plowing under and crop restriction, and so forth, but the farmers liked A. A. A. and voted 6 to 1 for its retention. If you think it did not help business in general, ask the people who sell things to the farmer—the automobile, radio, implement manufacturers, and the mail-order houses. Read what the president of Montgomery-Ward, no lover of the New Deal, said at the stockholders' meeting. Said Mr. Sewell Lee Avery: "Hell, you're going to get your dividends. Here's a company that 4 years ago was ready to roll into the river, and every unit today is profitable." (Time, May 4, 1936.)

The farmer is a spender when he has money, and that means more employment for workers in our mills and factories. With the advent of A. A. A. one-third of the workers of America were taken out of the nonspending class and put in the market for goods. The A. A. A. was thrown out by the Supreme Court. The Court decreed that such a measure was in violation of State rights. Economists have been telling us for years that we must think of wheat, for example, in terms of world economy; that the price of wheat in the Argentine affects the price of the loaf of bread I eat in Philadelphia. The Court edict will not even permit us to consider wheat in the light of national economy, but compels us to view it from the standpoint of 48 separate economies.

With such a decision threatening to put a brake on the momentum gained through A. A. A. the soil-erosion bill was passed, which accomplishes the objective via conservation. When the farmer thrives industry hums, and much of the gains reported on the financial pages of our papers can be ascribed to the economic comeback of the man behind the plow. Criticize the legislation all you wish, Liberty Leaguers, but the financial reports of your own companies belie your criticism. The farmer is spending, and we in the Fifth District, Pennsylvania, find reflection of that in increased pay rolls and better business.

C. C. C.

In normal times a portion of a high school graduating class matriculated into college, while a fraction left school and was absorbed by business. With the acute economic situation, many of these boys of the "depression generation" were unable to find employment, and the family exchequer was not in condition to afford them a higher education. There was danger for America if these lads were compelled to spend their hours on street corners in idleness. That is how criminal gangs begin.

The C. C. C. took these young men to the out-of-doors, engaged them in healthful and useful work, and had them send a portion of their wages back to their families on relief. The tasks performed were of immediate and future usefulness—forest-fire prevention, flood control, soil and forest conservation. Not even a Liberty Leaguer can find anything to shoot at when it comes to C. C. C. This New Deal idea has met with universal acclaim.

W. P. A.

When a Liberty Leaguer speaks derisively of "boondoggling" he is losing sight of the principal purpose of Works Relief and W. P. A. This agency is accomplishing many needed improvements throughout the country but we should bear in mind that its chief aim is to take people off the relief rolls and put them to work, for the good of their morale and hence the good of America. While most of the projects have been in the construction field, an artist, an actor, a manicurist, and a violinist grow just as hungry when unfed as do persons engaged in construction or landscaping, and all of these people would rather perform some work

for their money than accept a dole. Many a 50-year-old violinist would collapse in 1 day if you put him on the push end of a wheelbarrow, but he can help to bring joy to thousands if you place him in an orchestra with other musicians on relief. When he receives work relief he has lost none of his pride and feels infinitely better inside of him than when he was on a dole. The permanent value of W. P. A. work will be better appreciated after we have passed into normal business activity and have abandoned the program. Of course, we all like to think of the spectacular and efficient work performed by W. P. A. workers in the flood-stricken areas of Pennsylvania. Just a few short months ago they not only assisted in rescue work but prevented the spread of disease by immediately cleaning up the muck left by the receded waters.

Republican politicians in Pennsylvania are attempting to make a football of W. P. A. with the thought of accumulating political capital for November. They claim that the Democrats have used the agency for promoting their political ends. If that is so, most of our Pennsylvania Democratic Congressmen have been short-changed. From my observation, and with no definite data before me, I would say that there are many more Republicans on the W. P. A. pay roll in my city than Democrats. The President of the United States handed down the order to keep politics out of works relief and as far as is humanly possible this has been done in Philadelphia through Governor Earle's stand.

S. E. C.

For years security racketeers have mulcted billions of dollars every year from American investors. Blue-sky laws have not afforded sufficient protection to the average person with money to invest and none too much knowledge of securities. The market crash of 1929 showed us that crooked manipulation could go on in high places. Confidence in securities was shattered by the dishonest methods of men who were once esteemed. That is the reason the administration suggested the creation of the Securities and Exchange Commission; to regulate the sale of securities, to license the vendors, and to look over their offerings before they became available to the public. There will never be such a thing as failure-proof securities, but the old piracy has passed and the racket boys will no longer be able to operate high, wide, and handsome.

As expected, the brokers and investment houses cried to high heaven when this legislation was passed. Since its operation many investment men have agreed that the enactment restored a much-needed confidence and dignity to their business among the public. The honest broker and investment house has nothing to fear, and the public enjoys a measure of protection that it never previously had. Business needs the investor's money for expansion and the investor requires good securities. It is important to America's development that a Government agency has at last set up sane regulation for the vendor and protection for the buyer. This is an example of New Deal corrective enactment.

SOCIAL SECURITY

If the Seventy-fourth Congress had enacted no other legislation, it would be long and favorably remembered for passage of social security. The depression wiped out many a nest egg that had been laid up against old age. The provident joined the improvident on the relief rolls when bank failures combined with building-and-loan collapses to wipe out the life savings that were accumulated for the declining years of life. Bewildered men and women felt that there was no such thing as security and that there was no safe place to put money. More than a few of the aged who have visited me in Philadelphia lost their all in the Hoover cataclysm of 1929–32. Were it not for the prospect of old-age pensions they would be faced with the almshouse instead of experiencing the comfort they saved for. If the Republican senate in my State will forget politics, the special session now in deliberation will coordinate Pennsylvania social security laws with the Federal and thereby double the number of aged who can be pensioned on the present State appropriation. Of my work in the last 2 years there is none of which I am prouder than that given to passage of this enactment for the old folks.

Under the act, too, practically all employees enjoy a plan heretofore confined to Federal employees and workers in some of the larger industries where private pension plans operate. A small percentage of their salaries will be set aside each month, and they will draw a pension when they retire from active employment. There is further security afforded the worker in the form of unemployment compensation. We all hail the way the enactment enables the Federal Government to cooperate with the States in taking care of the blind and of dependent children. Social security has taken the fear out of living for many of our people and has humanized government. A recent poll shows it to be one of the most popular of the New Deal measures. Roosevelt was no trail blazer in social security. We were a backward Nation in this particular, and he merely brought us up to date. Europe and even South America were ahead of us until the Seventy-fourth Congress brought up America on even terms.

BANKING

One of the most serious problems to confront the incoming administration in early March 1933 was the banking situation. While catastrophe came to our banking structure with a sickening impact, the contributing causes were strung out over a period that began with President Harding's administration. Unnoticed by the average American because of an alleged prosperity, these conditions became more accentuated in the Coolidge regime and arrived at their deadly climax under Hoover with the stock-market collapse in October 1929. The waning days of his administration saw confidence in our banking institutions utterly destroyed.

The Hoover formula was to restore assurance through mass meetings where depositors were requested not to withdraw accounts. This had the psychological effect of advertising the weakness of the situation and making more people conscious of it. But it was the best Mr. Hoover had to offer the depositor, futile though it was. The slightest rumor brought runs, and increasing failures of banks threw the public into panic. Lifetime savings were wiped out among the working classes, and many a businessman lost his bank balance overnight. Mortgages held by closed banks were soon called and the workingman had to quickly produce the money or lose the equity in the home he was struggling to buy. Many of these closed bank buildings stand as monuments in my district to the memory of Republican inaction in a desperate situation.

To cull the weak from the strong, to save what was left of the structure and restore confidence, President Roosevelt was forced to declare a bank holiday. This direct and immediate action both stunned and relieved the public mind. After many tense months of futility here at last was a man with a plan—a leader who was headed places. The banking situation was saved and with it the very bankers who now cry "regimentation" and the other mouthings of the Liberty League. With astuteness and vision, the Comptroller of the Currency, Mr. J. F. T. O'Connor, has built upon the solid administration foundation, so that the banking situation is now more solid than ever before. To protect the depositor, particularly the workingman who sets aside a small sum from his earnings, and the small-business man, who comprise the backbone of our business life, the Federal Deposit Insurance Corporation was organized. This affords protection through Government insurance to sums up to $5,000. At its inception a cry went up from big bankers who were compelled to pay for this insurance that it would create loose banking methods. The fallacy of their reasoning is proved by the record made during the last 3 years. Never before in our history was banking more secure nor our banks in such a favorable position. Let us scan the record. Whether or not we attribute it to deposit insurance, the Liberty Leaguers must reluctantly admit that failures have been fewer under Franklin D. Roosevelt than in any previous administration.

It is well to hark back to the long line of bank failures under Harding, Coolidge, and Hoover to properly appreciate the progress made under Roosevelt. The Harding record shows 91 failures in 3½ years, the Coolidge record shows 533 failures in 4½ years, the Hoover record shows 1,035 failures in 4 years, and the Roosevelt record shows 8 failures in 3

years. Of the eight failures during the present administration, five suspended in 1934–35. All deposit accounts up to $5,000 were insured by the Federal Deposit Insurance Corporation. From November 1932 to March 4, 1933, during the Hoover regime, there were 101 national-bank failures, totaling deposits of $101,676,600. Compare this with the Roosevelt record. During the report year of 1934 only one national bank closed, with deposits of $41,950, and during 1935 only four with deposits of $5,398,802.

The facts are evident that the policy of this administration toward banking has not only brought confidence to the depositor but with it a solidarity to our banking system. Better than any words I can utter are the semiannual reports of banks that appear in the newspapers. They offer conclusive evidence of how the erstwhile sickly banks have regained their health.

I have outlined but a fraction of the Roosevelt accomplishments, but in a limited time I have tried to touch some of the high spots. It is not a pleasant task to take you over the ground of previous administrations, but in no other way can we properly gage the change in attitude and plan that has taken us from the very depths of depression to the high road of recovery. When we survey the Declaration of Independence and the Revolutionary War we must dig down to causes and events which had their culmination in our freedom from the mother country. So if we would understand what has been attempted and accomplished in our war on depression, we must first turn our minds back to the Coolidge era of false prosperity and trace through to the calamity that came under Hoover. Such experts as Babson and Walter Lippmann tell us that greed and avarice were in no small measure responsible for the catastrophe. They are only telling us what is very apparent—that prosperity cannot be long lived if any considerable portion of our public is underpaid. Leaving aside the valid Christianity back of this thought, we can see the common sense of it, to say nothing of the sound economics. We have seen the light—that purchasing power in the hands of many, spells work for all in this age of the machine and line production.

The Roosevelt administration has taken into combat this giant we know as machine production and has realized that wages paid by a corporation are very much the concern of all, because they have a direct bearing on your financial well-being and mine. Man has long since abandoned the idea that he is the helpless victim of gods and we are ready to cease believing that we must be blown here and there by the economic forces that prevailed in the past. If we cannot meet new conditions with new applications, we are stupid and deserve any fate that may befall us. It is agreed that what we need is a widely diffused purchasing power and we cannot secure it if we continue to look upon workingmen as "tools with life in them." It is heartening to see that some of our most successful corporations are those who have the most advanced and enlightened attitude toward employees.

You cannot and will not place a proper measuring rod on the Roosevelt program unless you realize that the whole world is now in transition and that many of the old formulas simply will not apply. Go back to the old order and you are breeding revolution. Evolve, go forward cautiously and fearlessly, and America will save democracy for future generations. In one of the European countries big-business men were among the chief backers of fascism. In our own country the plot to have a dictator "ride a white horse" into Washington was traced to the boys with the big money bags. The so-called "grass roots" conference in Georgia, the dissemination of literature designed to engender religious and racial prejudice "where it would do the most good", and other undercover tactics were traced to the same sources. This group of wrong-minded wealthy men represents the real underworld of today in America. It works with that deadliest of weapons—propaganda. Considering the wholesale manner in which blood has been spilled elsewhere, we must protect these very wealthy dissenters from themselves. As they clutch the vast sums which America gave them the opportunity to earn, they may lose all if we allow our Nation to turn back in its march of progress. As Pearl Buck said in the Good Earth, "When the rich get too rich and the poor get too poor, something always happens."

Franklin Delano Roosevelt captured my imagination and catapulted me into a congressional seat. My enthusiasm for the great leader is not one whit less than when he first appeared on the Presidential horizon. So that all may know and all may read, I say now that I am in this war for duration, too, come what may. We have the leader that Providence has given us. Let us honor this and following generations by following him.

FARM RELIEF—AN APPRECIATION OF HON. W. C. LANKFORD

Mr. WHITE. Mr. Speaker, when I came to Washington as a new Member of Congress nearly 4 years ago, I found a good friend of my people and of the common folks everywhere, as well as my good personal friend, Judge Lankford of Georgia, serving his last days as a Member of this body, unless his people should elect him again. I had met him out in the good State of Idaho, when he was endeavoring to help my people solve their problems, and where Mr. Lankford showed himself to be the friend of the farmers and common people, not only of his own district, but of the whole Nation.

I was very much impressed by the last speech Judge Lankford made as a Member of Congress on March 3, 1933, in which he discussed practically every phase of the numerous problems of the farmer, the laboring man, and the common people, pointing out that these good people must be saved if this Nation is to long endure. He said the solution of their problems and the problems of their children will at once bring about the solution of all the problems of all the people and of the whole Nation. Judge Lankford's every sentence, as he pleaded for the children of the Nation, showed that he felt with Hans Christian Andersen that—

> The best love man can offer
> To a God of Love, be sure,
> Is mercy to God's little ones
> And kindness to God's poor.

Having met Judge Lankford in my home State of Idaho, I was especially impressed when, in his last speech in Congress, he said:

> I had the privilege of visiting the great West on three occasions during my service here as a Member of Congress and once prior thereto, and learned to love those people who live out there on the wonderful, magnificent Pacific coast. I found that out there they have great mountains, great trees, and great men and women.

Further along in his discourse Judge Lankford said:

> I learned to love those people out West, and I found that they have the same kind of problems that we in the South have.

In speaking of his love for this country and for country folks, Judge Lankford said:

> The best people in all the world live out in the country, away from the big cities. Out in the woods the birds sing more sweetly, the flowers are prettier, the sunrise and sunset are more entrancing. The skies are bluer, the stars are brighter, and heaven and earth are nearer. Out there are men and women and children and God.

While Judge Lankford is now out of Congress, he is still very much interested in his folks in his district, especially the farmers and average folks. Only the other day, while I was discussing the farm problem with him, he said:

> The trouble with the present farm program is that it provides too much for the land and not enough for the man.

Further discussing the farmer and his troubles, Judge Lankford said:

> I am very much opposed to all forms of taxes on production, and especially do I object to processing taxes.

Judge Lankford pointed out that under the A. A. A. program the large landowner was rewarded for discharging tenants and for grabbing up little farms, forcing small country home owners from the farms and into abject poverty by taking large areas out of cultivation.

No farm-relief plan—

Said Judge Lankford—

> will be a success which does not have a strong tendency to stop ownership of large areas of land by single individuals and bring

about more small farms owned, operated, and occupied by happy, prosperous, average farmers and their families.

Mr. Lankford let it be known that he is opposed to crop allotments unless there is coupled with them guaranty of farm prices and crop insurance. He further said:

If crop allotments are justified at all, they should be made to the man and not the land.

I am calling attention to these ideas on farm relief to show Mr. Lankford's special interest in this respect and in order that his suggestions may be preserved in the RECORD and receive careful consideration in connection with the farm problem. Regardless of whether Judge Lankford is right or wrong in these views, he is sincere in his effort to do the very best thing, not only for his district but for the whole Nation.

CONGRESSMAN TONRY'S REPORT TO THE PEOPLE OF THE EIGHTH CONGESSIONAL DISTRICT, WHICH EMBRACES THE SECOND, SIXTEENTH, AND NINTH ASSEMBLY DISTRICTS IN KINGS COUNTY

Mr. TONRY. Mr. Speaker, I believe the people of the Eighth Congressional District are entitled to know my complete record of achievement as their representative in the Halls of Congress during the years 1935 and 1936, so that they may judge for themselves whether I have served them faithfully and also that they may determine whether they desire to return me to Congress that I may serve them in the future as I have in the past.

This has been a most strenuous session. It has flayed the nerves of everyone. During this Seventy-fourth Congress, 11 of my colleagues in the House, including our beloved Speaker, and 5 Senators have prematurely passed away, largely caused through nerve-racking overwork. It has been most trying and exacting on us all.

I have worked in my Washington office on Sundays, holidays, and at least four evenings in each week until midnight in order to attend to my official duties, and to keep up with the growing demands of my district, which is the largest in the entire United States. I am not a doctor, nor a lawyer, nor a professional man, and I have spent my every hour in an endeavor to be of service to the people of my district. I have not belonged to any club, or played any golf, or attended any game of baseball, or gone to any races, or to any of the numerous entertainments in and around nearby Washington that are a constant attraction. And this in spite of the fact that being 42 years of age, I could derive a great deal of enjoyment from any of the aforementioned pastimes.

I have been so busy, Mr. Speaker, I have not had time to think of a campaign for reelection. I have assumed that if I would stay on the job and would actively and conscientiously perform my work well, my constituents would take care of me on primary and election days. I have diligently worked with but a single purpose, and that was to be of some real, lasting benefit to my constituents and my country. I have shirked no responsibility. I have even paid office help from my own pocket in an endeavor to keep abreast of the avalanche of mail which I receive daily in my Washington office from the people of my district.

My belief in social security was put into action when I worked for and voted for the following measures in Congress:

First. The banking act. Only four failures, as compared with some 1,300 under Hoover's administration.

Second. The Home Owners' Loan Act. Saving thousands of homes from falling under the sheriff's hammer.

Third. The Tonry bill, introduced and sponsored by myself, to help relieve the unemployment situation and to create a greater purchasing power for Mr. and Mrs. Citizen without inflating the currency or increasing taxation.

Fourth. National Securities Exchange Act, an act designed to keep the swindlers from gold bricking the people.

Fifth. Currency system. An act that prevents international bankers and the like from cornering the money market and creating depressions and panics.

Sixth. Enlarging the Reconstruction Finance Corporation which now also gives assistance to the little fellow.

Seventh. The Old Age Security Act—makes provisions for pensioning the old.

Eighth. Acts providing for the operation of various agencies, such as the C. C. C. camps, Public Works Administration activities, home building and repairs, and so forth.

Ninth. Guffey-Snyder Stabilization Act which gives labor certain rights in collective bargaining and wage adjustments.

Tenth. The Railroad Pension Act.

Eleventh. The Wagner-Connery Labor Act.

Twelfth. Legislation adjusting tariff to the effect that we now have a greater tariff income.

Thirteenth. The work-relief bill.

Fourteenth. Immediate cash payment of the adjusted-service certificates, commonly called the "bonus."

Fifteenth. To prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense, and promote peace.

Sixteenth. To repeal the Pink Slip Act.

Seventeenth. The National Youth Administration program.

As a veteran who served in the World War, I have diligently labored to secure justice wherever possible for the veterans of all wars, and voted for the bill restoring to the Spanish-American War veterans and their dependents rights taken away from them by the so-called Economy Act.

Mr. Speaker, my training, derived from 8 years as an assemblyman, from 5 years as an alderman, and from 2 years as a Congressman, compels me to be a supporter of our constitutional form of Government. I cannot and will not support any of these communistic or other "istic" phases of so-called government.

The people in my district want an opportunity to work for a living. My people do not want doles or hand-outs. My record in Congress indelibly stamps me as fighting for legislation that will give every man an opportunity to go out and make an honest living and earn an honest wage. I stand for legislation that does not discriminate when it comes to race, creed, religion, or condition of servitude. In fact, this Roosevelt administration has done more to break down the barriers that for years caused class distinction than any other administration.

The home owners, the laborers, the little-business man have received real, substantial help through the measures enacted by this Congress. These groups received promises for years and years, but never very much actual help until the Roosevelt administration started to function.

Youth—the young men and young women—has received substantial help during this administration. At the beginning of 1933 some 4,000,000 boys and girls were walking the streets and highways and byways. Today the number walking the streets is no longer in the millions.

In the Good Book it is written, "By their works ye shall know them."

My record as a Democrat and a Congressman is an open book, and I hope my record here in the Halls of Congress has met with the approval of the electorate in the second, ninth, and sixteenth assembly districts.

CELLER ANTILYNCHING BILL

Mr. CELLER. Mr. Speaker, I have introduced in the House of Representatives H. R. 148, a bill to assure persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching. In the next Congress I shall strive with might and main to have favorable action taken on this measure, to the end that it may be placed on the statute books of our country; for lynching is the most dreadful of all threats to our public and private safety; it is a death blow to our most sacred institutions.

The members of a lynching mob, as well as those who condone the action of the mob, violate many if not all of the rights guaranteed to each and every one of us by the Constitution. Unlawfully, the mob seizes and imprisons its victim, who is ordinarily taken from the custody of peace officers. Accusation is conviction. All rights of fair hearing and trial are brutally and summarily dismissed and denied. Usually by torture, the victim is driven to self-indictment.

And finally he is put to death, often with the community of young and old looking on, under circumstances hardly to be found in the annals of ancient savagery. Full of real meaning are the words of a great statesman, Senator COSTIGAN, of Colorado, who terms lynching "open and boastful anarchy."

Lynchings are popularly supposed to result from the outraged public feeling following a criminal assault upon white women. A careful study of the circumstances surrounding lynchings proves that this is not so. Thus, out of 224 lynchings of the past 9 years, only 70 of the victims were accused of rape or attempted rape, 77 were accused of murder, and in at least 20 cases no definite accusation appeared. In other cases, accusations resulted from "not knowing his place" to "improper conduct and insulting language"; or from "acting as a witness against two white men charged with crime" to "insisting on eating in a restaurant when refused service."

We must accept this challenge of mob violence, and strip from the lyncher his false mask of being the "guardian of the chastity of womanhood" or of anything else. We must remember that public enemy number one is the lyncher and the lynching mob. The wave of mob hysteria that has resulted in many lynchings in our country has brought contempt upon America, its dignity, its good name, and its authority, and has discredited us the world over. We must call upon our public officials to use every power at their disposal to protect from mob anarchy the laws they are sworn to defend. We must call upon our religious leaders to cry aloud against this crime until it ceases to exist. We must call upon parents and teachers and upon all right-thinking men and women to do their utmost so that this crime may be completely eradicated.

It is often argued that lynching tends to deter irresponsible and criminal classes from further crime. This is not correct. What it does do is to destroy inevitably all respect for law and order. It represents a complete break-down of government and the triumph of anarchy. It brutalizes children who frequently witness its orgies, and particularly the youth, who are usually conspicuous participants. In its indiscriminative haste for revenge, the mob ofttimes takes the lives of innocent persons, and not infrequently inflicts death for very minor offenses.

Those who condone lynching, and even attempt to defend it, argue that its motive is a basic sense of justice, an outraged community arising in arms, and so forth. It is nothing of the kind. The lynching spirit has little of anything to do with justice, basically or otherwise. A lynching mob does not want justice; it wants blood. It is ofttimes composed of petty cowards bent on killing another human being, but who have not the courage to carry out their desires until they are collected en masse.

One of the chief difficulties in the way of passing a Federal antilynching law is the attitude of many Members of Congress in regard to the constitutionality of such a measure. These Congressmen either hold or hide behind the opinion that lynching is murder, and, therefore, they reason, the Federal Government has no more constitutional right to step into a State and punish lynching than it has to do likewise and punish murder. This analogy, however, between murder and lynching is not a true one. In murder, one or more individuals take life, generally for some personal reason. In lynching, a mob sets itself up in place of the State and acts in place of the processes of law to mete out death as a punishment to a person accused of a crime. The mob sets itself up as judge, jury, and executioner. In murder, the accused violates the law of the State. In lynching, the mob arrogates to itself the powers of the State and the functions of the Government. It is, therefore, not only against the act of killing that the Federal Government should exercise its powers, but also the act of the mob in arrogating to itself the functions of the State and substituting its actions for the due processes of law.

Some Members of Congress are opposed to antilynching legislation because of their views on States' rights. Whatever may be our views in this regard, we must recognize the fact that under present-day conditions, in the solution of national questions, State boundaries are becoming less and less distinct. This change is due to social development, to science and invention, and rests upon the closer relations of trade and amity which exist between communities and the different States. More and more the national resources are called upon for the making of local improvements within the several States and for the relief of their population from economic and physical distress. The National Government, therefore, should not be denied an interest and a voice in preventing, in any part of the country, recurrence of mob insurrection which destroy the security of the National Government and which undermine the strength of the national credit and of the national institutions. Ofttimes lynching mobs cross State lines. In such cases there should be no doubt of Federal jurisdiction. Certain it is, the mind of Congress, in the face of this menace, should not be helpless. Something should and must be done.

Of course, legislation alone cannot quench the fires of intolerance and of hate; and passage of the bill which I have introduced will not of itself put an end to the wave of banditry, lynching, and kidnaping that has threatened our security. It is my hope and belief, however, that the speedy passage of a Federal antilynching bill will rally and sustain all the forces of enlightenment in the United States and will arouse public opinion amongst right-thinking people in their courageous battle against the scourge of lynching in their midst. My bill may not be perfect. It may have constitutional flaws. It can at least serve as a basis of discussion and hearings before my Judiciary Committee.

That there has been some progress in the determination of an aroused citizenry to rid itself of this evil is to be found in the fact that, although lynching and mob violence under the common law had no technical significance, nevertheless statutes have made lynching a crime sui generis in six States—Alabama, Indiana, Kansas, Kentucky, Virginia, and North Carolina. The same is true of mob violence in four States—Illinois, Pennsylvania, New Jersey, and West Virginia. Four States have provisions for accessorial liability—Alabama, Indiana, Kansas, and Kentucky. Kentucky also provides penalties for attempted lynching.

So great is the national concern as regards lynching that the President has felt called upon to denounce this "vile form of collective murder" and to berate its apologists. Thus, about 14 months ago, following the lynching of two youths at San Jose, Calif., when the Nation was shocked and indignant over the endorsement by the then Governor of that State of mob ruthlessness, President Roosevelt unreservedly denounced lynching as "collective murder" and declared: "We do not excuse those in high or low places who condone lynch law."

Let us follow the lead of our enlightened leader in the White House. Let us urge upon Congress the vital importance of this legislation. Let us once and for all times do away with this horrible lynching blot on the pages of American history.

PARTIAL REVIEW OF ACCOMPLISHMENTS OF THE ROOSEVELT ADMINISTRATION AND SOCIAL-SECURITY LEGISLATION

Mr. DINGELL. Mr. Speaker, if I were to review the record of the Roosevelt administration and present the facts to people of my district, I could easily enough pick out any one of a score of major measures which are now law and on this basis alone appeal to the people of my district for their support in the coming campaign.

To think, Mr. Speaker, that under the H. O. L. C. more than a million homes were saved for our distressed citizens; that countless farms were saved from foreclosure; the low interest rate of 3½ percent was made available to the farmers; 15,000 impaired banks were put on a sound basis, reopened, and again made available for two score or more millions of depositors. Following the bank crash of the Hoover administration the pay-off in full of millions of depositors became the problem which was satisfactorily solved by the Roosevelt administration. Enactment of the

social-security law and its provisions for the care of the aged, the blind, and the handicapped, and assistance to the widows and orphans; unemployment insurance; payment of the soldiers' bonus; reciprocal trade agreements; guarantee of bank deposits; and too many other important measures to discuss at length, all of which were intended for the benefit of the great mass of our people and for the restoration of prosperity, were made law.

However, Mr. Speaker, I want to say clearly and definitely that I am not satisfied with our accomplishment thus far. Above all else it is our hope and prayer that we may amend the social-security law in such a way as to increase the Federal allowance to the States from $15 to at least $20 per month. This in turn would increase the average paid to the individual pensioner by the Federal Government and the State to double that amount. I am hopeful that the old-age pension law can be further amended to reduce the 65-year limit to 60 years so as to include within the provisions of the law more of our worthy aged citizens.

I intend to advise with members of the State legislature and the gubernatorial candidates with the hope that we may liberalize the law in the State of Michigan which, as it now stands, is grossly inadequate in that it bars from participation many who in all fairness should be on the pension rolls.

One of the pressing needs of the Nation, as I see it, is the reduction of interest rates on home loans. I realize that we are confronted with possible constitutional objections, but insofar as it is possible, the problem of bringing about reduced interest rates to distressed home owners is the problem of the incoming Seventy-fifth Congress.

The most vexing and pressing problem of the hour, as I see it, is the question of unemployment. Since machinery has replaced millions of men and women in industry, it appears to me that the only solution of overcoming unemployment lies in a sharp reduction of working hours without reducing the pay of the worker. In other words, we must provide the worker with a saving wage. The rights of labor too must be protected to the fullest possible extent. In the development of machinery and mass production the worker as well as the employer is entitled to his fair share. The Robinson-Patman bill, which passed the House but is not as yet a public law, was intended to protect the consumer and the independent merchant. It is without a doubt a step in the right direction. However, it will be necessary to correct and strengthen the law as soon as experience points to the flaws and weaknesses of the measure. I am in hearty accord with the principles set forth in this bill. I was privileged to serve with Mr. PATMAN as a member of the steering committee.

In conclusion, Mr. Speaker, let me state that I have been an advocate of liberal old-age pensions long before it became popular to do so. I feel that it is not only a matter of moral obligation for us to make ample provision for our worthy aged citizens, but I insist that the old folks of this country, the builders of this Nation, have a right to expect security in old age and all that it means in happiness and contentment. I pledge myself to work continuously for the liberalization of such progressive laws as have been enacted by this administration, and for the enactment of such further laws as will complete the plans of this administration.

I am certain that the people of this Nation understand the difficulty of correcting the sins of the past 12 years in less than one-third of that time. This work, well started under Roosevelt, must be finished by direction of and under President Roosevelt.

REMARKS CONCERNING AN EFFORT TO UNDERMINE CONGRESSIONAL SUPPORT FOR THE ADMINISTRATION

Mr. TONRY. Mr. Speaker, there are some within the Democratic Party who seek to undermine the remarkable work undertaken by our President by boring from within. A typical example of this treachery has come forward in the district I am privileged to represent.

The Eighth Congressional District, New York, has more voters than any other congressional district in the United States. By depriving the administration of this support it is possible to embarrass the President during the coming election. The leader of the ninth assembly district, Mr. McGee, is endeavoring to do this by preventing the administration from receiving the support I am able to give it. Mr. McGee has designated his tool, Mr. O'Toole, as nominee for Congress.

No one can criticize my record in Congress without attacking the policies of President Roosevelt. I have consistently voted to support the President's program to create a new era for the poor and middle classes. The movement to supplant me in Congress is prompted by motives unworthy of a true Democrat.

For the past 15 years I have been an elected legislator acting for the best interests of my constituents. I have been free to cast my vote where I thought it would be of most benefit to those I represent. Petty local politics never influenced my voting for measures to further enrich the privileged few.

Mr. Speaker, I desire to warn the Democratic Members of Congress to beware of those wearing the cloak of Democracy but at heart aiming to unseat worthy Democratic Congressmen who wholeheartedly supported our President and the administration and have every right to expect to be returned to office.

EXPLANATION OF THE TWENTIETH AMENDMENT TO THE CONSTITUTION

Mr. GUYER. Mr. Speaker, having received many inquiries relative to the twentieth amendment to the Constitution—"lame duck" amendment—as it will affect the time and method of the election of President and Vice President, I am making a statement which will make clear the change of time and method of electing and inaugurating Presidents and Vice Presidents of the United States. In doing this, I am quoting the Federal statutes relative thereto, in the hope that I will be able to answer many questions which have arisen in the minds of the people relative to this question.

One of the very substantial possible changes which might affect the election of a President is that whereas prior to the ratification of the twentieth amendment the old House of Representatives, elected 2 years before, would have the privilege of electing the President should it go to the House; while under the new twentieth amendment the House of Representatives elected next November 3 would elect the President.

The twentieth amendment to the Constitution, which became effective on October 15, 1933, is the third constitutional provision relating to the term of the President and the selection of the person to hold that high office.

Section 1 of article II of the Constitution, as originally adopted, fixed the term of President at 4 years, provided that the selection of the President should be by electors chosen in each of the several States in such manner as the respective legislatures should direct, and by the third clause of this section defined in the following language how the electors should proceed in making their selection:

> The electors shall meet in their respective States and vote by ballot for two persons, of whom one at least shall not be an inhabitant of the same State with themselves. And they shall make a list of all the persons voted for, and of the number of votes for each; which list they shall sign and certify and transmit sealed to the seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates, and the votes shall then be counted. The person having the greatest number of votes shall be the President, if such number be a majority of the whole number of electors appointed; and if there be more than one who have such majority, and have an equal number of votes, then the House of Representatives shall immediately choose by ballot one of them for President; and if no person have a majority, then from the five highest on the list the said House shall in like manner choose the President. But in choosing the President, the votes shall be taken by States, the representation from each State having one vote. A quorum for this purpose shall consist of a member or members from two-thirds of the States, and a majority of all the States shall be necessary to a choice. In every case, after the choice of the President, the person having the greatest number of votes of the electors shall be the Vice President. But if there should remain two or more who have equal votes, the Senate shall choose from them by ballot the Vice President.

It is obvious from this that it was not in the minds of the persons who drafted this original clause that the voters of the Nation should express a choice for President but that they should delegate to electors chosen by them the power and responsibility of naming the person to fill the highest office in the land.

When it became necessary in 1801 for the House of Representatives to choose the President under this clause of the Constitution it is apparent that confusion arose as to the Vice President, for, while the House made its selection from among the five highest on the list of candidates for whom electors had voted, the person having the second highest number of votes, in the absence of a tie for second place on the list, was the choice for Vice President. This was immediately corrected, for an amendment was proposed on December 12, 1803, which was proclaimed as the twelfth amendment to the Constitution on September 25, 1804, reading as follows:

The electors shall meet in their respective States and vote by ballot for President and Vice President, one of whom at least shall not be an inhabitant of the same State with themselves; they shall name in their ballots the person voted for as President and in distinct ballots the person voted for as Vice President, and they shall make distinct lists of all persons voted for as President and of all persons voted for as Vice President, and the number of votes for each, which lists they shall sign and certify and transmit sealed to the seat of the Government of the United States, directed to the President of the Senate; the President of the Senate shall, in presence of the Senate and House of Representatives, open all the certificates and the votes shall then be counted.

The person having the greatest number of votes for President shall be the President if such number be a majority of the whole number of electors appointed; and if no person have such majority, then from the persons having the highest numbers not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President the votes shall be taken by States, the representation from each State having one vote; a quorum for this purpose shall consist of a Member or Members from two-thirds of the States, and a majority of all the States shall be necessary to a choice. And if the House of Representatives shall not choose a President, whenever the right of choice shall devolve upon them, before the 4th day of March next following, then the Vice President shall act as President, as in the case of the death or other constitutional disability of the President. The person having the greatest number of votes as Vice President shall be the Vice President if such number be a majority of the whole number of electors appointed, and if no person have a majority, then from the two highest numbers on the list the Senate shall choose the Vice President; a quorum for the purpose shall consist of two-thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a choice. But no person constitutionally ineligible to the office of President shall be eligible to that of Vice President of the United States.

While this amendment permits the present practice which pledges the appointed electors to a previously nominated candidate for President and a candidate for Vice President, giving each the same number of electoral votes, it seems that for some years after its adoption the electors were not so pledged, for in 1825 the House was called upon to select a President even though a Vice President was duly elected in the electoral college, and in 1837 the Senate named a Vice President after the votes of the electors named the President.

Although there was no mention prior to the adoption of the twelfth amendment of the date for the commencement of the President's term, the "two Houses of the first Congress, after examination, found that by provisions made in the Federal Convention and by the Continental Congress, the term of the first President began March 4, 1789." Up to this time, therefore, each fourth anniversary of that date has been the recognized date for the inauguration of a new President.

In the early days of the new Government, because of the uncertainty of the mails, the practice was established of having a messenger from each State, usually one of the electors in that State, carry to the seat of the Government and deliver in person to the President of the Senate the certified lists of the ballots cast by the electors at their regular meeting. These certificates were counted in the hall of the House of Representatives at 1 p. m. on the second Wednesday of February succeeding every meeting of electors. This is a special joint session of the two Houses of Congress for the purpose of making the electoral count, and up to the present time this has been the date observed in making the electoral count and declaring the election of each President since Washington. There have from time to time been changes in the law prescribing the details of procedure in transmitting the certificates and the procedure at the county, which at this time are immaterial.

The twentieth amendment was proposed by the Congress on the 3d day of March 1932, and was declared a part of the Constitution of the United States by the Secretary of State on February 6, 1933. It reads:

SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President-elect shall have failed to qualify, then the Vice-President-elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President-elect nor a Vice-President-elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

It will be noted that the prime effect of this amendment is to change the dates for the commencement of the terms of President, of Vice President, and of Senators and Members of the House of Representatives. By the action of the Continental Congress and the Federal Convention, which fixed the beginning of the term of the President under the new Constitution as March 4, 1789, the commencement of the terms of Senators and Representatives was also fixed. By reason of this and of the constitutional provision that the Congress should meet on the first Monday in December of each year, there existed what was known as a "lame duck" session in each Congress, in which Members defeated at the previous election served. It was, therefore, the old Congress which would participate in the choosing of President and Vice President should that right devolve upon the House and the Senate, respectively.

President Roosevelt was the first President to be elected subject to the provisions of the twentieth amendment, so that, in fact, he is the first President to serve a full term which will be less than 4 full years, for his term which began on March 4, 1933, will end on January 20, 1937. Members of Congress served a shorter term than 2 years in the Seventy-third Congress from March 4, 1933, to January 3, 1935.

The existing Federal statutes prescribing the procedure for the choosing of a President and a Vice President provide:

1. That the electors shall be appointed in each State on the Tuesday next after the first Monday in November, in every fourth year succeeding every election of a President and Vice President.

2. That the number of electors shall be equal to the number of Senators and Representatives to which the several States are by law entitled.

3. The electors in each State shall meet and give their votes on the first Monday after the second Wednesday in December next following their appointment.

4. Contests concerning the appointment of electors shall be determined at least 6 days prior to the time of their meeting.

5. The executives of each State, as soon as practicable after the conclusion of the appointment of electors, shall communicate by registered mail under the seal of the State to the Secretary of State of the United States a certificate setting forth the names of the electors, and shall deliver to the electors on or before the date of their meeting six duplicate originals of

this certificate under the seal of the State. The Secretary of State of the United States shall transmit copies of all certificates received at the State Department to both Houses of the Congress at the first meeting of the Congress thereafter.

6. The electors shall vote for President and Vice President, respectively, in the manner directed by the Constitution.

7. The electors shall make and sign six certificates of all the votes given by them, each of which certificates shall contain two distinct lists, one of the votes for President and the other of the votes for Vice President, and shall annex to each of the certificates one of the lists of the electors which shall have been furnished to them by direction of the executive of the State.

8. The electors shall seal up the certificates so made by them and certify upon each that the lists of all the votes of such State given for President and of all the votes given for Vice President are contained therein.

9. The six certificates so made shall be disposed of as follows:

(a) One shall be sent by registered mail to the President of the Senate.

(b) Two shall be deposited with the secretary of state of the State, one to be held subject to the order of the President of the Senate, the other to be kept for 1 year as a public record.

(c) Two shall be forwarded by registered mail on the day after the meeting to the Secretary of State of the United States, one to be held subject to the order of the President of the Senate, the other to be kept for 1 year as a public record.

(d) One shall be delivered to the Federal judge of the district in which the electors assembled.

10. If no certificate has been received from any State by the President of the Senate or by the Secretary of State of the United States by the fourth Wednesday in December after a meeting of electors, the copy deposited with the secretary of state of the State shall be called for by the President of the Senate or by the Secretary of State of the United States, and shall be forwarded forthwith by registered mail.

11. If no certificate has been received at the seat of government from any State by the fourth Wednesday in December after a meeting of electors, the President of the Senate, or, in his absence, the Secretary of State, shall despatch a special messenger to the Federal judge in that district with whom a certificate has been lodged, who shall transmit the certificate by the messenger sent.

This procedure for effecting the transmission of the results of votes cast by electors to the seat of government was established by the act of March 29, 1928, and was first followed in the election that year.

Under the twentieth amendment and the statute enacted pursuant thereto, the two Houses of Congress meet in joint session to count the electoral votes on January 6, following a meeting of electors, at the hour of 1 p. m. The President of the Senate presides. The tellers, after listing the votes, shall deliver the result to the President of the Senate, who shall announce the state of the vote, and such announcement shall be sufficient declaration of the persons, if any, elected President and Vice President of the United States.

CONGRESS SHOULD PROTECT THE INDEPENDENT OIL MEN OF THE UNITED STATES AND THE OIL INDUSTRY OF PENNSYLVANIA

Mr. DRISCOLL. Mr. Speaker, the Ways and Means Committee has now under consideration H. R. 10483, introduced by Hon. W. E. DISNEY. To the provisions of that bill and the necessity of its enactment I wish to call the attention of the House.

I speak particularly on behalf of the people of my own district, the Twentieth Pennsylvania, and on behalf of the people in what is known as the Pennsylvania oil field, which includes 18 counties of western Pennsylvania, a small area of southwestern New York, and extends into eastern Ohio and the northwestern part of West Virginia. The oil industry in this territory centers in my district. In each of my six counties the production of oil is an important industry, and in four of them it is the major industry. In Venango and Warren Counties the largest manufacturing industry is the refining of oil. My district has been the center of oil production and oil refining of the world since the oil business began 75 years ago. Wherever oil is produced and processed the people know and have heard of Oil City, Franklin, Emlenton, Warren, Titusville, and Bradford, and from all points of the world the oil industry looks to those towns for the guidance and leadership which through all the years have never failed.

In the Pennsylvania oil counties we have one-third of the population of my State.

The Pennsylvania oil producers and oil refiners are known as independents. Many thousands of small farmers and landowners in Pennsylvania derive an income from the royalties on the oil pumped from their premises. This oil comes from about 80,000 oil wells. The amount produced from each well is so small that they have to be pumped, yet the oil is of superior quality, and we are proud to think that Pennsylvania grade fixes the standard of quality on which price classifications are based throughout the world.

In Pennsylvania we have about 30 independent refineries, which are in competition with the large refineries of the United States and many of the refineries of the world.

While the amount of oil produced from any well is small, the total amount in the year means in many instances the one certain ready-cash income that our small mountain farmers have. In many sections the average production of a well is less than one-third of a barrel a day. The royalty has always been one-eighth of the value of the oil produced. With oil selling at $2.25 or $2.40 a barrel—remembering that it takes from 4 to 8 days to produce a barrel from a single well—you can readily see that the amount the landowner receives is small, but he is sure of that much money. Many of our farmers look today to oil royalties as the source from which to pay their taxes.

When the price of oil is lowered and the producer in my territory has to face foreign competition, that meager income of the landowner is cut off, and frequently the oil has to be produced at a loss to the operator for the reason that if the wells are not regularly pumped the subterranean salt water soaks through and holds the oil back and ruins the wells.

I am advised that we have 30,000 men employed in the production and refining of oil in Pennsylvania—about two-thirds in the production. These are the men to whom the continued prosperity of the oil industry means something. While the few dollars a month the farmer receives in royalties does not affect materially the economic structure of our communities, the amount of money spent for wages is most important. Three years ago the pay rolls for the men out in the oil fields of Pennsylvania were $562,000 a month. In July 1934, under the workings of the Petroleum Code, the monthly pay roll had increased to $898,100—an annual pay roll in 1934 in that territory of almost $11,000,000. The 30 independent refiners in our field employ about 4,300 men. In 1934 they paid out in wages $30,000,000.

Here is the trouble our independent oil producers must face: The large producers control four branches of the oil industry. They control production in the world's great fields, transportation through pipe lines, refining, and marketing through the world's financial centers. We have the production, and we have the refining, but we do not have the transportation or the marketing in our field. A larger company interested heavily in foreign oil fields and in transportation may lose on production and yet make money in transportation through its pipe lines, and so control the market that at the end of the year it has a profit, and by manipulating the part of the business in which the independents cannot successfully compete they may entirely wipe out the independents.

For the reasons I have indicated the people in my district and in the 18 counties of Pennsylvania for which I speak, as well as the people of the adjacent parts of Ohio, New York, and West Virginia, want the Disney bill, H. R. 10483, enacted. We should be protected by an excise tax of 1 cent a gallon on imported oil and particularly we feel that the limitation of imports provided in section 3 of the bill should be written into the law of the United States.

This bill if enacted would enable the domestic petroleum industry to employ an increased number of workers whose pay is much higher than the average rate paid in many other industries. It would enlarge the consuming power of the oil-producing regions and we could thus continue to be important and more profitable customers of the industrial and manufacturing communities of our own and other States.

Section 1 of the Disney oil bill repeals the exemption from payment of excise tax of 1 cent a gallon now enjoyed by importers of oil for fuel purposes on ships, or what is known

as "bunker oil." Through this exemption the Federal Treasury lost over $2,000,000 in 1935, and over $1,600,000 in 1934, and about half that sum in the last 6 months of 1933, the period when it first became effective. The consumers of this fuel oil have not benefited from this exemption. The price of bunker oil has risen steadily and it is apparent that the large concerns engaged in this importation are making that much more profit, for we do not learn that the cost of production has increased in any of the foreign oil fields from which they import it. Three years ago bunker oil was sold in New York at 75 cents a barrel. It steadily increased month by month until it reached the price of $1.20 per barrel in December 1933, and in March 1934 the price was $1.30. For the last year it has been selling at about $1.05. The purchasers of oil "for supplies of vessels" are paying 40 percent more for their oil than they were paying when oil "for supplies of vessels" was subject to the same tax as fuel oil imported for other purposes.

These giant importers of bunker oil are not subjected to the taxes which are carried today by every branch of the petroleum industry. They make no contribution whatever to the expenses of government, although they enjoy our market and take an undue proportion of the business, leaving on the domestic producer the burden of local, State, and Federal taxes.

Wages of labor constitute a large proportion of the cost of the oil industry. These importers pay nothing to the American workingman. They enjoy an exemption of tax and they deprive the American producer of his share of the market.

These are some of the reasons, Mr. Speaker, why this measure should be enacted into law.

CELLER'S PROTEST AGAINST GERMAN PERSECUTION OF CATHOLICS AND JEWS

Mr. CELLER. Mr. Speaker, the present intolerable persecution of the Catholics in Hitlerland dismays and frightens all liberty-loving and fair-minded people. With seemingly unabated strength, the Nazi misgovernment continues its fiendish attack on those religious minorities within its borders who have committed the "grave sin" of espousing a faith other than the pagan faith of the Nazis.

To reach their final goal, one people, one Reich, one faith, based on a dictum of blood, race, soil, and the deification of the state, those who now rule in Germany are attempting to stamp out and to crush all religious freedom of their compatriots.

This reversion to medieval methods and a supposedly outworn point of view forces us to the discouraging, but none the less inescapable, conclusion that in some parts of the world little real progress has been made since the Dark Ages.

To us, here in America, intolerance of any kind is especially obnoxious. The United States was founded essentially as a free country, based on principles of complete personal freedom in all phases of daily life. This is an integral part of our American birthright. It is therefore with great horror that we witness the reversion to barbarism that now exists in Germany.

The present Nazi attack on the Roman Catholic clergy of that country, in which charges of immorality have been made against a large number, is another brutal assault on an innocent people. It is but another step which began in 1933, June 4, when the Nazis dissolved the Catholic Center Party. During the same year of 1933 many Catholics were victims of the Nazi terror. Members of the Catholic group were constantly molested by the Hitler youth group and their activities curtailed; priests criticizing the Hitler youth movement were jailed; Catholic priests, nuns, and monks were persecuted and prosecuted on charges of smuggling foreign exchange out of the Reich. It is estimated that the total fines imposed on Catholic charitable and monastic orders for such smuggling amounted to about 5,000,000 marks. Moreover, the Nazis have purposely made great issue of the trials and have endeavored to discredit Catholicism and to prove to the German people that Catholic priests and leaders are enemies of the Third Reich. Surely we cannot, we should not, remain silent in the face of such rapine, plunder, and cruelties inflicted upon the Catholics by the Nazis.

The Catholic Church in Germany is denied juridical personality. It cannot freely determine who shall be its representatives. No land or endowments can be held. No schools for training priests are permitted, nor popular schools of primary, secondary, or normal grade allowed. Appointments to the ministry may be made only to the number permitted by the state. Representatives of the church cannot vote, hold office, participate in political meetings, or seek publicly or privately the modification of the religious clauses of the constitution. The right of assembly, freedom of speech, and freedom of the press are abridged. Papers defending the church are denied use of the mails. Except for limitations such as these—and the list is not complete—the church is "free." What irony! What a tragedy!

Sadder still is the plight of the Jew in Germany. An outcast in the land of his birth, the German Jew today lives in a veritable ghetto. If he was in the service of the state, he has been dismissed. If he was a member of the liberal professions, his privileges have been taken, his practice ruined. If he was an artisan, he has been cast out of the guild and goes begging for a master. If he is a worker of hand or brain, he is denied admission to the labor front and thus can hardly find a day's work. If he is a student, he is segregated, "Jim Crowed", denied accommodation altogether. Attempts to turn to agriculture are not permitted. Jewish agricultural schools have been closed. Even trade is no longer fully open to the German Jew. Not only will no good German traffic with him, but a recent decree forbids renewal of the licenses of Jewish traveling salesmen, depriving about 30,000 additional Jews of a livelihood. Administrative regulations define the extent to which Jews are to be permitted to engage in every economic activity. Herr Hitler has already warned that should this administrative process fail of "satisfactory" results, the "Jewish question" will be entirely "turned over" to the Nazi Party. It is not difficult to surmise what this will mean.

Only where the Jew is indispensable do the Nazis still tolerate him. Dr. Theodor Lewald, for example, a gentleman of mixed Aryan and Jewish origin, continues as president of the Olympic Games Committee. Doubtless he will last no longer than is necessary to fulfill his task of making sure the Olympic Games are held in Germany. Perhaps, too, under the protecting wings of Dr. Schacht there is still to be found a man of Jewish descent. And it is not impossible that the army itself hides an officer who has not yet been dismissed for the sin of having a Jewish grandmother. One privilege only has been left to the German Jew, that of serving in the army of his Nazi benefactors, of entering the labor battalions, and one day, perhaps, dying for the glory of the Third Reich.

One of the most pathetic aspects of the Nazi Jewish program is the plight of the non-Aryan children. Westbrook Pegler, outstanding correspondent, sets forth the tragedy of the Jewish child in the following vivid language:

> It will be impossible for the Nazi Germans of the present time to deny the atrocities which are being perpetuated on the children of the Jews under the orders of Adolf Hitler as a policy of the German Government. * * * It is absolutely certain that their (Jewish) childhood, the few hours of innocence which are given to all of us and which civilized people try to invest with beauty and joy, have been destroyed by a man with a mustache who has been seriously nominated by some of his followers not for king, not merely for ruler, but for God, the redeemer of the German race. It would be a mistake to call him a baby killer. You can't torture a dead child.

In another article Mr. Pegler calls the Jewish children "the most pathetic victims of Hitler's Nazi regime."

> Their souls—
>
> He writes—
>
> will be crossracked with a thousand cuts, for they will never know anything in childhood but insults to themselves and the foulest aspersions on the only adults to whom they can turn for comfort—their parents and other relatives.

The disgraceful anti-Catholic and anti-Jewish campaign in Germany is indeed a black spot in the history of Germany. Hitler and his gang of savages apparently overlook the fact that all countries that harass any religious group finally come to grief. Civilizations that have arisen by attacking minorities finally crumble to the dust. The Caesars tortured and burned Christians at the stake. They are no more. The Russian czars pillaged the Jew and encouraged pogroms. The czars are no more. The Hapsburgs lent a deaf ear to the pleas of the oppressed, and they are no more. For, as has been proved by history in the past, unfair and unwarranted persecution merely serves to stimulate and increase the natural ardor for freedom and religion; it strengthens and spurs on the oppressed until the tyrant is destroyed. Likewise will it be with the present regime in Germany.

In the meantime, however, the goings-on in Germany we may regard as a definite threat to the security of our own freedom, not merely where religion is concerned, but personal liberty of every kind; for it is an established fact that hate or prejudice or intolerance never remains limited to a small portion of existence—either it is overthrown completely and liberalism takes its place, or it grows and strengthens its hold until it has choked liberty everywhere and from every possible angle.

For this reason I have introduced in the House of Representatives House Joint Resolution 381, to prohibit the allotment of funds for the participation of American athletes in the Olympic Games to be held in Germany, and House Resolution 368, to authorize the Judiciary Committee of the House to make an appropriate investigation so that remedial legislation might be devised to protect American investors with reference to German credits and debits, and in regard to the arbitrary conversion of dollar debts into blocked mark credits in Germany.

There are two weapons to use against Germany; one is the boycott. The people of the world—of all races, creeds, and colors—must unite in a boycott of Germany and German products. The nations of the world must unite in a program of economic sanctions against the Reich. The second is insistence that Germany repay American holders of German obligations, with refusal of any extensions and renewals of loans or any new loans. Upon failure (after peremptory demand) to pay the loans in a reasonable time all moneys or assets in this country due Germany or German subjects shall be seized and applied to payment of German debts.

ACCOMPLISHMENTS OF THE FEDERAL HOUSING ADMINISTRATION

Mr. SISSON. Mr. Speaker, the Congress passed the National Housing Act less than 2 years ago with a two-fold expectation; that, on the one hand, it would contribute to recovery of employment and business in the building trades and the heavy-goods industries; and that, on the other hand, it would aid the families of America to achieve better homes and better living standards for themselves and their children. The situation at that time was urgent. Millions of unemployed workers were praying for work, that they might once more have jobs and be able to provide decently for their wives and children. The housing of vast numbers of our families had been disgracefully bad even in 1929, and with the shutting off of new building during the depression it was rapidly becoming worse. Millions of families that had been striving for years to find wholesome surroundings in which to give their children a fair start in life found themselves frustrated and had to retreat. The National Housing Act aimed to reinforce the Home Owners' Loan Corporation in stemming the tide of defeat and to rally the forces of recovery.

The Federal Housing Administration was established to accomplish these great purposes, through a temporary measure, the modernization credit insurance plan and a permanent measure, the mutual mortgage insurance system. These measures are bringing private capital into direct use, right here and now. The Federal Housing Administration lends no money, it acts by insuring private lending institutions against loss.

Mr. Speaker, I have been requested by many Members of the House to inquire into the operations and results of this great undertaking, and to give them a brief outline of my findings. At all points I have endeavored to penetrate behind the statistics to determine what effect the activities of the Federal Housing Administration are having upon the lives of the people. One million modernization loans insured by April 30 last, having a total value of $365,000,000, may seem like a dry statistic when stated in that way, but what it really means is that a million families are living in better homes, that millions of workers have received jobs or have brought home fatter pay envelopes, and that countless families in every community throughout the length and breadth of our Nation have had a boost and are looking forward to the future with renewed hope and energy. Sixty-four thousand mortgages accepted for insurance for a total of $260,000,000 under the mutual mortgage insurance plan is an impressively large figure. Most of the loans have been granted on more liberal terms, as to percentage of the value loaned and term in years, than have ever been granted before by the private lending institutions making the loans. But these figures alone do not begin to tell the story. You all know the good effects of vigorous, clean-cut competition, and that a business concern does not have to capture the entire trade in its field in order to benefit consumers generally. Just so the insuring of these mortgages has thawed out and successfully eased the whole home mortgage market, and has been a major factor in the revival in home building activity that is now one of the most conspicuous and wholesome features of present day business.

As evidence of accomplishment, we may first consider the recovery already made in the building and allied industries. In addition to the modernization work directly financed through Federal Housing Administration insured loans, a large volume of work has been stimulated by local better-housing campaigns and other voluntary activities carried out in cooperation with the Federal Housing Administration. The total work so generated has amounted to at least $1,500,000,000. Building permits for residential construction increased 172 percent during the 12 months ending March 30, 1936, as compared with the preceding 12 months. Such an increase during the first full year during which the mutual mortgage insurance plan was in effective operation is certainly outstanding. Shipments of construction materials in March 1936 were 42 percent higher than in March 1935, and were the highest for any corresponding month since 1930; employment in the production of six major construction materials was 16 percent higher in March 1936 than a year earlier, and was the highest for any March since 1930. Despite some falling off in certain other types of building, employment in the building trades was 15 percent higher in March this year than in March last year. From scores of communities throughout the Nation reports come in that all available skilled building-trades workers are employed and that home owners and others are having to wait their turn to employ them.

Mr. Speaker, this all means that men who have not had jobs for 1, 2, 3, and 4 years are now back in the ranks of the employed, back at the counters of stores buying merchandise, back in the market for all manner of goods and services. It means that millions of families, instead of living in houses that were progressively running down, are improving their homes. It means that once more, after a lapse of 6 or more years, the people of many of our cities are beginning to build enough houses to take care of the yearly increase in population and that the still larger programs required to better our standards are coming into view.

A second objective was to aid and encourage private capital investments in the home-mortgage field. The long-term, high-percentage home mortgage has been made a more suitable form of investment for banks, building and loan associations, insurance companies, and other financial institutions. More than 8,700 such institutions have sought and been granted approval as mortgagees under the mutual mortgage insurance plan. Of these, nearly half have submitted mortgages for insurance. The very fact that 47

States have enacted legislation permitting State-chartered financial institutions to invest in insured mortgages, coupled with similar provisions embodied in the National Housing Act applying to banks under Federal supervision, shows that sources of funds for amortized home mortgages have been greatly increased.

For 52 percent of the mortgages accepted on new construction, the ratio of principal to valuation is from 76 to 80 percent, and the ratio is 66 percent or greater in 83 percent of the cases. In view of the fact that prior to the passage of the National Housing Act, many classes of financial institutions were not permitted to make real-estate mortgage loans for more than 50 to 66 percent of the value, this record indicates a notable development. It shows definite progress away from the vicious types of second mortgage.

Some 71 percent of the mortgages on new construction are for terms from 17 to 20 years, and 92 percent of such mortgages are for terms of 13 or more years. Prior to the passage of the National Housing Act it was unusual to find home mortgages written for a term of more than 12 years.

In view of the low monthly payments required to amortize a long-term mortgage, the insured mortgage plan has brought new homes within reach of many families previously unable to acquire them. Thus the system is providing a definite impetus to new home building.

The term of insured mortgages for refinancing existing properties tends to be somewhat shorter, since old houses on the whole have a shorter expectancy of useful life than new houses. However, as many as 49 percent have terms from 17 to 20 years, and 78 percent have terms from 13 to 20 years.

It is especially significant that many of the life-insurance companies have returned actively to the mortgage-lending field during the past 12 or 14 months. The new investments of 45 such companies in urban real-estate mortgages during the first 4 months of 1936 were nine times as great as in the same period of 1934 and over three times as large as in the same period of last year. Loans made by building and loan associations during the first quarter of 1936 are estimated to have amounted to approximately $207,000,000 compared with about $126,000,000 in the same period of last year.

Third, there has been a more uniform flow and wider distribution of home-mortgage funds. Insured mortgages are now discountable at Federal Home Loan banks and may be used in part as collateral for advances at the Federal Reserve banks. Insured mortgages for new construction may be sold to the R. F. C. Mortgage Co., and Federal Reserve member banks are permitted under the Banking Act of 1935 to purchase and hold mortgages on properties other than in a restricted local area. Already the greater liquidity which mortgage insurance has given to home mortgages has created an active market for them.

Fourth, a lower and more uniform rate on home-mortgage securities has been effected through the Nation-wide maximum interest rate prescribed by the President for insured mortgages. Hitherto there have been wide differences in rates, explicable only on the basis of local custom and restricted mortgage markets. Home-mortgage funds may now be secured at an interest rate consistent with rates in the general money market and with the special considerations involved. In several States where home-mortgage interest rates averaged 8 percent or more, the administration has insured loans amounting to many millions of dollars, carrying an interest rate of 5 percent plus one-half of 1 percent service charge and one-half of 1 percent insurance. Several life-insurance companies have announced home-mortgage financing plans involving the reduction in interest rates from 6 to 5 percent since the inauguration of the Federal Housing Administration plan.

Fifth, the administration is effecting widespread improvements in home-mortgage lending practice. Its standards of procedure for appraisal and for analyzing the elements of risk in mortgages have been embodied in a widely circulated manual and are being utilized not only by the staff appraisers but by all types of mortgage-lending institutions throughout the country.

Sixth, building standards are being raised through an inspection of construction methods and materials. Houses upon which mortgages are insured must conform to reasonable standards of convenience, liveability, quality of construction, and even the subdivision and planning of the neighborhood. This contribution is most timely, for in the past the building of houses of poor quality has flourished most extensively during the years immediately succeeding a period of slack building.

Seventh, the owners of small homes are receiving an increasing measure of protection. Mr. Speaker, it is recognized that the purchase of a home is an epochal step for most families. It is a step that must be safeguarded insofar as possible, and the Federal Housing Administration is being administered so as to assure the fullest possible protection to persons buying, building, or refinancing the homes which they occupy or hold as landlord. Under the insured-mortgage plan the borrower does not start with inflated costs. Even though he may borrow up to as much as 80 percent of the value, the monthly payments are relatively small owing to the allowance of up to 20 years for amortization. The mortgage does not have to be renewed and this means no renewal fees. The borrower is assured of a sound plan of amortization. Taxes and insurance are included as part of the monthly payments, so that there is less danger of failing to make provision for these items.

All this procedure helps borrowers to avoid buying beyond their means or at inflated prices on a narrow margin. It helps to insure that the dwelling is in good condition and that the neighborhood is not particularly vulnerable to rapid deterioration. In general, the Federal Housing Administration plan is designed to help stabilize the whole real-estate market; and to maintain an orderly home real-estate market during periods of depression.

Eighth, the creation of private limited-dividend corporations which finance large-scale housing developments is becoming an active element in the present-day residential building field. Through its power to insure mortgages on such projects, the Administration is encouraging private capital to enter the field of housing on a large scale and to establish standards of planning and construction of large groups of dwellings well in advance of customary practice. Particular emphasis is given to the matter of community and neighborhood planning.

Generally speaking, each project is large enough to constitute a new neighborhood of its own, or at least to affect very favorably an existing neighborhood. To date 21 projects involving a total cost of nearly $42,000,000, and mortgages amounting to $33,000,000, have been approved and commitments to insure mortgages have been issued. In addition, proposals are under consideration for insurance of underlying mortgages amounting to $104,000,000 on 52 projects, all of which have undergone preliminary examination. They range in amount from mortgages of around $100,000 up to $10,000,000, the limit allowed by the law, with the average around $2,000,000. Additional applications indicate the possibility of construction running into several hundred million dollars per year.

Ninth, essential statistics and economic data on real estate and housing are being obtained in connection with the mortgage-insurance program. These are being focused upon the central problem of mortgage instability. Instability not only creates the need for mortgage insurance but is the ever-menacing foe of progress in housing. As witness to that fact, there are the blighting of neighborhoods; the tearing down of new and serviceable buildings to make way for still newer ones; the heartbreaks of those families who buy at the top of a booming real-estate market only to find themselves later with their resources and equities gone; and the appalling fluctuations in home-building activity which make that industry one of the most unstable and inefficient.

During the past few years the repercussions of a major downswing in real-estate values and building activity reached the proportions of a national calamity.

Even in the best of times individual houses by the thousands fall into decay and become worthless because they were badly planned or badly located, and successive owners have felt that it would not pay to keep them in repair and to keep them modernized. Even neighborhoods of well-built and well-kept-up homes may gradually yield to blight and become a liability. Hence the Federal Housing Administration is obtaining data that will aid in safeguarding not only its own mortgage-insurance operations, and the interests of those home owners who are paying premiums into the mutual mortgage-insurance fund, but the security of home owners, mortgage-lending institutions, the building industry, and the public generally.

Mr. Speaker, the successful activities of the Federal Housing Administration have met with the most widespread recognition. Spokesmen of organized labor, bankers, building and loan associations, and the Chamber of Commerce of the United States have all freely voiced their commendations.

All in all, the Members of the House of Representatives may rest assured that the organization set up under the National Housing Act to establish new and improved relationships between borrowers and lenders in the home real-estate field is handsomely fulfilling its promise. The record of accomplishment of the Federal Housing Administration already constitutes an impressive tribute to the wisdom of the legislators who created it.

Mr. Speaker, it was my privilege to have had no small part in the framing and passing of this legislation. In the second session of the Seventy-third Congress considerable opposition developed to the passage of the National Housing Act, particularly to the provisions designed to effectuate low-cost housing and slum clearance. This opposition was engendered by certain groups of building and loan associations, notably in Chicago and other parts of the Middle West and also in certain of the Southern States. Invariably it came from sections where high rates of interest were secured by mortgage lenders whose money went into mortgages on homes. The part which I took in putting this plan into law and in protecting it against the attacks upon it by these same interests in the first session of the Seventy-fourth Congress and again in the present session is a part of the record of this legislation. We were told back in 1934 and again in 1935 by the opponents, who were sniping at this legislation, both from outside and from within Congress, that it would not amount to anything. During the past several months mortgage loans on homes have amounted to over $10,000,000 a week or at the rate of one-half billion dollars a year. About 45 percent of this has gone into the building of new homes. The prediction of those who had the vision to project and plan and prepare this act have already been fulfilled.

I FOLLOW THE PRESIDENT

Mr. CELLER. Mr. Speaker, on March 4, 1933, when Franklin Delano Roosevelt was inaugurated President of the United States, a tremendous and overwhelming task confronted him. The country was in an alarming and critical condition. Very many of our citizens, through no fault of their own, were unemployed and in dire straits. The bankruptcy courts were overcrowded. The financial institutions of our country faced ruin. Banks had closed their doors. Business and commerce everywhere was blocked, unable to move. Hopelessness and helplessness and fear gripped the people.

Our President was determined to raise the American people from the sloth of despair and depression into which they had fallen; and he therefore asked of Congress and was given greater powers than have ever been granted a President of the United States. And Congress, alarmed by the condition in which the country found itself and spurred on by the popular President, passed more important legislation in a few months than in any similar period in our history. Important measures were given life in a determined effort by those at the helm of Government to give to each of us the greatest amount of personal, financial, and social protection and aid.

Under the New Deal, in the short space of time that elapsed since President Roosevelt called a special session, Congress enacted into law legislation to bring about the repeal of prohibition, the stabilization of tottering banks, the abolition of child labor. The civil-works program was established under the Federal Emergency Relief Administration, providing food, clothing, and shelter for millions of needy people. Under this program, more than 250,000 miles of roads were built or repaired, 60,000 public buildings were repaired or rebuilt, 1,000 airports built or completed, and many other worth-while white-collar projects completed. In addition thereto, under this program, more than 3,000,000 unemployed persons on relief rolls have been given work and many important projects have been carried forward. Almost 3,000 projects aimed toward flood control and other conservation have been begun; hundreds of airports and airway markers have been built or improved; almost 5,000 parks and playgrounds have been constructed or improved; 130 electric utilities systems have been installed or repaired. The Civilian Conservation Corps was brought into being. Hundreds of thousands of young men from the slums of our cities and the waste places of our land have been placed in these C. C. C. camps, where they will be given a chance to find health and to make of themselves happy and useful citizens. This is the very first time that our Government has taken formal notice of the obligation it owes to the youth of our country. Nor has it stopped with the C. C. C.; instead it has established the national youth movement, whereby hundreds of thousands of young people are receiving N. Y. A. wages for many kinds of work useful both to themselves and to the communities in which they live. As has previously been stated, by virtue of the funds provided for in the public-works building program, millions have secured employment. But in addition thereto the projects under the P. W. A. will have a lasting social and economic value. Many thousands of schools have been built in which to educate the youth of the land. Many thousands of sewers and waterworks to protect the health of our citizens have been erected. Thousands of hospitals and sanitariums, public buildings, bridges, and power plants, as well as other first-class improvements to add to the moral and physical strength and comfort of American citizens have been made a part of the great American Commonwealth. Furthermore, under this administration, crime and racketeering are being legislated out of existence. The adjustment of differences between employer and employee has been made possible. Through the establishment of the Home Owners' Loan Corporation thousands of home owners have been able to save their homes against foreclosure proceedings. Loans made by the H. O. L. C. aggregate three and one-half billions of dollars. Second mortgages and short-term mortgages are replaced by the Federal Housing Administration. Thus have millions of American homes been saved through this beneficent administration. Loans to the States for unemployment relief; loans to cities and States for construction projects; farm relief; Muscle Shoals legislation—all these are but a few of the many splendid accomplishments of the Roosevelt administration during its first 2 years.

Since that time, much additional of a worth-while nature has been enacted into law. Thus, for the first time in the history of our Government, due recognition has been taken of the Nation's obligation to the aged and the infirm. Consequently, there was enacted into law such epochal legislation as the Social Security Act, to remove from the aged and the infirm the hazards of economic insecurity. Under the same measure, a program of unemployment insurance has been begun to care for our working-class people in times of low business activity.

One of the most helpful measures of the New Deal has been the law guaranteeing bank deposits. The benefits of this act, its stabilizing influence are acknowledged by all. Great progress has been made, under this Administration, to make more secure the lot of the laboring man. Trade agreements have been concluded with 14 countries and

are now in operation in 10. The results have indeed been most encouraging. In enlarging the powers and functions of the Reconstruction Finance Corporation, there has been placed at the disposal of legitimate business the credit of the Nation to be used in a vast reconstruction and stabilizing effort.

Through the medium of the Securities and Exchange Commission, the Administration has taken an important step in doing away with the evils existing in the stock exchanges and in the private manipulation of securities.

The Wheeler-Rayburn Act regulating public-utility holding companies is a long needed reform for the protection of utility stockholders as well as consumers.

Under the provisions of the act creating the Tennessee Valley Authority, waterpower rights have been preserved, electric utility rates have been reduced, and a great plant of inestimable value in time of war has been maintained.

The banking laws have been strengthened and improved.

The Neutrality Act makes it unlawful to export arms, ammunition, or implements of war from any place in the United States or its possessions to any port of a belligerent state, or to any neutral port for transshipment to, or for the use of, a belligerent country, and so forth.

The Railroad Retirement Act establishes a system of retirement annuities for railroad workers who have reached the age of 65 years, and for any under that age who have had 30 years' service with the rail carriers and who either make application for retirement or are retired because of physical or mental disability.

These are but a few of the many important measures that have been placed on the statute books of our country during this administration.

It can be seen from all of the above that the great social objective of this administration has been to try to increase the security and the happiness of a larger number of people in all occupations of life and in all parts of the country; to give them greater distribution of not only wealth in the narrow term, but of wealth in its wider term; to give them the assurance that they will not starve in their old age; to give honest business a chance to progress and to make fair and reasonable profits; and to give everyone a chance to earn an honest and comfortable living.

We who champion the New Deal and have studiously supported the administration well realize that the hoped-for utopia and the goal of an economic millennium cannot be created by acts of Congress. But we do feel that the true path toward this goal has been carved out by this administration under President Roosevelt's leadership—a leadership that has been courageous, effective, humane, and wise. Under our President's guidance we have begun to eliminate the evils of financial centralization and to replace this with the blessings of economic freedom. Business is returning to normalcy. The values of securities have increased in an amount five times as great as the total amount spent for relief purposes. Real estate has again become a thing of value. Our banks are in a very sound condition. Corporation earnings have shown a tremendous increase. Agriculture is gradually finding its place in the sun, and now it is practically on a basis of equality with industry. Farm incomes have increased from the low of approximately four and one-half billions of dollars at the beginning of 1933 to a present high of approximately eight and one-half billions of dollars. Bank deposits are larger today than they were even at the peak of the so-called paper prosperity period of 1929. In a word, there are millions whose lives have been permanently blessed by the New Deal.

Thus shall we continue in our endeavors to build for a future in which we will have both material and social prosperity. And because this administration has taken the great steps to make possible such prosperity—all the while keeping intact our fundamental heritage of liberty of action, equality of opportunity, freedom of speech, of public assembly and of religious worship—the name and record of Franklin Delano Roosevelt will shine forth in everlasting greatness and inspiration.

PENNSYLVANIA FARMERS COMING OUT OF THE RED

Mr. SNYDER of Pennsylvania. Mr. Speaker, the Pennsylvania farmer does not have to be reminded of his condition in 1932 to realize now how much better off he is under the Democratic administration of President Roosevelt. He does not have to search his memory to recall that in 1932 he was getting 57 cents a bushel for his wheat, 49 cents for his corn, 29 cents for oats, $4.75 a hundred for his hogs, and 18 cents a dozen for eggs. He remembers those dark days when he did not know whether he was going to get enough for his crops to pay the interest on his mortgage. He had an old automobile and was figuring that he would have to make it do for a long time. Back in those days under the Hoover administration, farmers in Pennsylvania and all over the country were wondering whether they would ever again be able to make a living off the farm. They had lost confidence; hope was rapidly vanishing.

Then came along the election of Franklin Delano Roosevelt. Hope almost instantly revived. Pennsylvania farmers began to see the dawn of a new day. Within a year the Pennsylvania farmer, taking stock, found that prices for his products had steadily climbed upward, and he found also that he had some surplus cash over and above all expenses.

But let us go back just for a moment. The Republicans had been in power for 12 long years. They had made repeated experiments to aid the farmer. The Hoover Farm Board's efforts to increase and stabilize farm prices had resulted only in further decline and it cost the taxpayers of the Nation nearly half a billion dollars. The cash income of farmers in the Nation had gone down to a low of $4,300,000,000 in 1932; and farmers, representing more than 25 percent of the population, got only a pitiful 7½ percent of the national income. Farm prices, as a group, in March of 1933 had sunk to the lowest level since prior to the Civil War.

That was the record of 12 long years of Republican control of the Federal Government.

Now, let us look at the record of the Democratic administration under President Roosevelt. Farm prices immediately started to advance. In 1935 wheat had gone from 57 cents a bushel in 1932 to 80 cents a bushel; the price of corn went up from 49 cents to 70 cents; oats from 29 to 42; potatoes from 48 cents a bushel to 60; hogs from $4.75 to $9.10; eggs from 18 to 26 cents; and the cash receipts of Pennsylvania farmers had increased from $151,590,000 in 1932 to $211,763,000 in 1935, including $1,663,000 in rental and benefit payments under agricultural adjustment programs. And in the Nation as a whole farm cash income had risen from $4,300,000,000 in 1932 to $6,900,000,000 in 1935.

That is not all. Farmers under Republican administrations had seen the value of their farm lands go steadily downward, until in March of 1933 the value of farm real estate in Pennsylvania had reached a low of 78, the State average value from 1912 to 1914 being 100. But with the coming of the Roosevelt administration the decline was halted, and there has been a steady increase ever since.

The farmers of Pennsylvania under Republican administrations saw their purchasing power steadily decline. They had no money to buy new farm machinery, let alone automobiles. Just to show how their purchasing power has increased: In 1932 new-car registrations in Pennsylvania were 111,000; in 1933 they had gone up to 141,000; in 1934 they reached 177,000; and in 1935 there were 234,000 new-car registrations, or an increase of 111 percent over 1932. According to Automobile Facts and Figures, a publication of the Automobile Manufacturers' Association, sales of new automobiles were greatest in small towns and on farms. From 1933 to 1934 new passenger automobile registrations on farms and in towns under 10,000 population showed an increase of 24 percent.

Let us see how this increased purchasing power of Pennsylvania farmers has helped other industries. A recent study of railroad freight waybills on carlot shipments of industrial products over five railroads from Pennsylvania shows an increase from 197,110,698 pounds to 375,605,989 pounds, a gain of 90.6 percent.

Individual bank deposits in Pennsylvania aggregated $3,816,967,000 for the year ending June 30, 1935, an advance of $540,058,000, or 16 percent, over deposits in the year ending June 30, 1933. The number of commercial failures in the State dropped from 2,152 in 1932 to 831 in 1935, a decrease of 61 percent.

THE TRUTH ABOUT THE CANADIAN TRADE TREATY

Mr. SISSON. Mr. Speaker, early this year, and even before that, I began to receive letters asking me if the Canadian trade agreement would not ruin this country, particularly its dairy farmers. Lately I have heard increasing rumors that it was sure to do that. Naturally, being vitally concerned in the matter, I looked into it.

The gist of the rumor is that Canada now is being allowed to flood this country with fluid cream in almost unrestrained competition with our own American dairy farmers.

That is very far from the truth. The persons originating this rumor are seeking opportunity again to betray our farmers and our milk producers on the altar of high tariff for their own favored industries, the same special interests that made a mockery of our domestic form of government in the hectic twenties.

The total amount of cream which Canada is allowed to ship into this country under the trade pact figures out to slightly more than one-tenth of a gallon per capita. A little over one-tenth of a gallon a year per consumer.

And on each and every gallon Canadian producers send here they must pay a tariff rate almost twice as high as the rate they paid until 1930.

Furthermore, the present quota permits them to sell us only about one-third as much fluid cream as they sold us each year between 1923 and 1928.

The story behind these little-known facts is simple. Until 1909 there was not any such thing as a tariff on Canadian cream; that year we established a 5-cent duty on each gallon. Two years later, though, that was rescinded, and from 1911 until 1921 Canadian cream was shipped in duty free. In 1921 the 5-cent tariff was reestablished, and a year later it was raised to 20 cents a gallon. In 1930, however, the cream tariff was jacked up to no less than fifty-six and a half cents a gallon.

Now, some of us thought that that would be a fine thing for the dairy farmers, a very fine thing, indeed. But subsequent developments proved quite the opposite. A cream tariff was needed, but 56 cents was too high, as it turned out.

Between 1922 and 1928 Canadians shipped into this country an average of 4,400,000 gallons of cream each year. Now, under the new trade pact, they must pay a tariff of 35 cents a gallon and their quota is only 1,500,000 gallons. On all cream over that figure they must pay the 56½-cent rate. This rate has proved to be virtually prohibitive, so the "flood" in the light of these facts dwindles down to a mere trickle, only enough to lubricate the vastly important machinery of Canada-American trade.

It so happens that Canada is Uncle Sam's very best customer, and usually buys more than she sells. Naturally when we hiked our tariffs, some of them by more than 100 percent, in 1930 our Canadian trade immediately dropped to less than half of its previous volume. Between 1922 and 1930 Canadians bought about $5,000,000,000 worth of goods per year from America. When our high tariffs went into effect the Canadians cut their buying from us sharply; the figure for 1932 was only a little more than a billion and a half.

Uncle Sam was trying to charge his best customer admission to his store.

Naturally, coming almost simultaneously with the general depression, the huge reduction in Canadian purchases from this country hurt each and every one of us more than we shall ever be able to realize. When the million-dollar orders stopped coming from our cousins to the north, American workmen were thrown out of jobs by the hundreds and thousands. Grass could not grow in our streets because of the jobless men tramping up and down them in search of work. And as our unemployment lists mounted toward the twenty-million mark, our American dairy farmers found themselves able to dispose of less and less cream each week at lower and lower prices.

It is all too obvious now that we were trying to eat our Canadian cake and have it, too. To the surprise of some, we shortly began to realize that we could not do that. We had climbed up to the top of the tariff ladder and found that we were much too high to be able to reach the fruits of international trade. So, the reciprocal trade treaty policy was evolved as the most natural, if not the only practical, solution to our pressing problem.

The figures show that less than a pint of cream per person is allowed to come in from Canada under the 35-cent tariff rate. To this rate add the additional transportation costs, and we find our own dairy farmers more than adequately protected from Canadian imports. Now let us see about the matter of cheese.

I have heard it rumored that Canadian cheese is about to ruin our American cheese industry. As a matter of fact we eat almost no imported cheese, Canadian or otherwise. And here's how the tariff situation on cheese stands under the new trade treaty:

If Canadian producers are willing to sell their cheese to us for 20 cents per pound or less, then they can ship it in but they must pay a 5-cent tariff on each and every pound of it. If they want more than 20 cents, they must pay a higher tariff. This rate leaves little if any profit for the importer, so we can still expect almost no cheese from Canada. The minimum cheese tariff of 5 cents represents a reduction of only 2 cents from the 7-cent rate which was effective from 1930 through 1935.

As I previously mentioned, our cheese imports are negligible. Of all the cheese consumed in this country, only 2 percent is made elsewhere, and many years we export more than we import. So it becomes apparent that our cream producers—whether their cream is to be sold as such or made into cheese—have absolutely nothing to fear from the Canadians, and there can be no doubt as to the material benefits from the much-maligned trade treaty.

The figures on this matter are available to everyone, and are quite worthy of the attention of those interested in the welfare of the American dairy farmer.

And these figures inescapably indicate that the Canadian trade pact, with its 35-cent tariff and its low cream quota, cannot fail to aid our dairymen as well as the Nation as a whole.

NATIONAL HIGH SCHOOL DEBATING CHAMPIONS

Mr. KELLER. Mr. Speaker, it becomes the pleasant duty of a Member of Congress from time to time to call the attention of this body to outstanding achievements of the young men and women of America, particularly in view of the splendid effort made by this Congress in restoring to the youth of this country, in a degree at least, the opportunity which America in bygone years has held out proudly and justifiably to the youth of the world.

Much has been said in just tribute to the youth of yesterday. Not enough, in my judgment, is said in tribute of the youth of today. I can in no sense agree with the cynicism of some who in glowing terms point out the struggle, the sacrifice, and the success of the young men and women of "my day" and in the same breath observe that the younger generation today is not made of the same material. That youth has changed there is little doubt, but that change has been a natural progressive change that is the result of intelligent application and healthy response to a greater change in conditions. Speaking as one just as greatly interested and proud of the youth of yesterday, as I am of the youth today, I am compelled to observe that the change has been for the better.

It is with genuine pleasure that I now call to your attention the great honor that has recently come to the city of Du Quoin, a splendid Midwestern community, located in the heart of the great Soft Coal Belt in southern Illinois, in the congressional district which I have the honor to represent.

The Du Quoin High School debating team, made up of four outstanding young Americans, coached by Mr. Paul Hibbs,

overcame all opposition in the recent National Forensic League meet held in Oklahoma City and established themselves as the champion high-school debaters of America. It is a signal honor, and we in southern Illinois have recognized it as such and invite you to share with us in our pride.

The four members of this team, namely, James Harper and Dwight Croessmann, of the affirmative; Ruth Weltge and Richard Dunn, of the negative, debated the question, "*Resolved,* That the several States should enact legislation providing for a complete system of medical care available to all citizens at public expense." Their victory came after they had defeated the splendid teams of Paducah, Ky.; Waynesburg, Pa.; Nashville, Tenn.; Britton High School, Oklahoma City, Okla.; Rapid City, S. Dak.; Topeka, Kans.; Springfield, Mo.; and, in the final round, the great team of Carrollton, Mo. Three of these champions are native sons and daughters of southern Illinois, while the fourth, Mr. Dunn, received most of his education there. The other members of the team are John Brummet, Billy Case, Wilma Rains, Ruth Lee, and Virginia Allen.

Until this year no team in the national contest had ever used four debaters, but had selected their best two as the rules permit and allowed them to argue both sides of the question. Du Quoin used four debaters, however, and in winning became the first team east of the Mississippi River to ever win the national contest.

In addition to the debating championship, all of the Du Quoin debaters were entered in the individual speaking contests and became the first team to attain as great success in this phase of the work while under the strain of debating at the same time as a team. Mr. Harper reached the final round in oratorical declamation, finishing third in the Nation. Mr. Croessmann worked his way to the final round in the extempore speaking, and finished third. Mr. Dunn survived six rounds in the oratorical declamation, losing only in the semifinals; while Miss Weltge reached the final round in original oratory, finishing fourth. Mr. Harper had tied for first place in his event the year before in the national contest while speaking as a junior, and Mr. Croessmann in the same contest, as a sophomore, won fourth in his event. Du Quoin has won the State championship of Illinois the past 4 successive years, and won all but one of the 16 speech tournaments in which it participated the last year, placing second in that event.

From that record it appears that the people of Du Quoin, like their neighbors in Egypt have done for so many years in being able to take care of themselves in any forensic encounter, have developed a most unusual interest in public speaking, and that a great part of this success is due to that interest and the careful work of Mr. Paul Hibbs, the high-school director of public speaking in Du Quoin.

May I not further, in closing, suggest it has been my great pleasure on many occasions to call the attention of many people to the fact that from our own "little Egypt" has come John A. Logan, soldier, statesman, lawyer, and orator; Robert G. Ingersoll, soldier, lawyer, and one of the greatest orators of all times; Senator William E. Borah, lawyer, and statesman par excellence; and finally William Jennings Bryan, lawyer, humanitarian, orator, and political leader. In addition, "little Egypt" has produced many others equally great whom lack of opportunity alone failed to give fame which these properly received.

In commenting on these men I have made this statement: No country in the world, considering its area, population, and length of time, has produced so many men whom the world has considered great as our own "little Egypt." "Little Egypt" is, indeed, the land of ability, oratory, and humanity.

LEGISLATION FOR THE BENEFIT OF THE FARMER

Mr. SISSON. Mr. Speaker, this Congress has enacted several measures of major significance, some good, some which probably will have to be revised. Among the most important have been the measures pertaining to the improvement of farm conditions. It is an oft-repeated story, but none the less true, that, as a national economic unit, we stand or fall by the farmer.

I believe that the most profitable thing we, as Members of Congress, can do during the coming months is to go out into our respective districts and learn from our own farmers just how the legislation we have enacted is affecting them.

Now, this may sound surprising to some, coming from me, for my district is composed of two important counties of New York State. But I have the honor to represent one of the Nation's greatest farming areas. Though New York is not usually considered among the traditional agricultural States, it has only 7,000 fewer farmers than Kansas and by far more milk cows. New York has 18,000,000 acres in farm land—farms worth more than a billion and a quarter dollars. It is one of America's mammoth dairy sections, with 1,350,000 cows. Its production of hay is exceeded only by that of our second largest State, California.

Because of the importance of dairy farming in my own district I want to say before we adjourn that I am not altogether satisfied with the farming legislation passed during this session of Congress. And I propose to work toward the end that some of the inequities can be rectified as soon as possible if I remain a Member of this House next year.

As the record will show, certain omissions in it—namely, the lack of protection of dairy farmers—forced me to oppose the recently enacted Soil Conservation Act. It should be amended as soon as is practicable to provide that none of the land retired from active production under the act shall be used for the grazing of dairy cows. Unless this safeguard is established there is no reason why farmers not primarily dependent upon the sale of milk cannot graze sizable herds on this subsidized land in unfair competition to the regular dairy farmers.

By the next session of Congress the Federal Trade Commission undoubtedly will have completed its current investigation into the several large corporations which buy and distribute milk produced in my district, composed of Oneida and Herkimer Counties. I have reason to believe that results of this investigation will show the necessity for measures to guarantee milk producers an honest deal from the distributing companies, which now have the sole control of the price the dairy farmer gets for his product. I am glad that I was able to be instrumental in the ordering of the F. T. C. inquiry into the milk companies, and I am confident that both producers and consumers will gain ultimate profit by it.

If the findings of the F. T. C. in New York prove the need for Federal safeguards to protect America's hundreds of thousands of dairy farmers from unfair trade practices, I for one will fight to establish them.

A reform which should certainly be enacted next session is the passage of a measure to exempt farm cooperatives from taxation on their capital stock. This is urgently needed because of a recent ruling that the cooperatives are to be exempt only if all of their common stock is held by member producers.

This proposal, which I have introduced as a bill in the House, would exempt the cooperatives when 75 percent or more of their voting stock is "owned by producers who market their products or purchase their equipment and supplies through the association."

In many cases all of the initial stock is issued exclusively to active members, but through various transactions, estate transfers, and so forth, part of it passes into the hands of nonproducers. At present all of the stock of any cooperative is taxable even if 90 percent of it is held by member producers. For example, the Little Falls (N. Y.) Dairy Co., one type of cooperative, is taxable even though three-fourths of the stock is held by active members. My proposal will rectify such situations.

Needless to say, I am proud to have been a Member of the Congresses which have passed so much legislation to promote rural electrification. This program undoubtedly has been one of the major factors in aiding recovery and its benefits to the millions of American farmers cannot be measured.

The Government's rural-electrification agencies have called upon me to aid in their legislative program. I have come

into close contact with them and consider them among the finest in our Federal system. It is my sincere hope that they will be retained for many years, until the needed power is available to practically every farm family in the Nation.

I also have been able to aid in the movement to firmly establish the Farm Credit Administration, and that agency should also be continued as needed.

Among the most important farm measures likely to come up at the next session will be several to encourage the establishment of more cooperatives. It is my firm conviction that anything that the Congress can do to promote the welfare and growth of these agencies should be done without hesitancy.

All of us, surely, realize that prosperity cannot be legislated into reality, but it has been shown beyond a reasonable doubt that the congressional enactments of the past 4 years have aided the Nation's producers in gaining their present degree of recovery.

To cite but one instance of the recovery, a total of 208,000 previously jobless workmen found work on our farms in a single month, April, this year. This represents the largest agricultural employment gain for April since the depression really started. Our total farm income has increased more than 40 percent in the past 3 years.

Such facts are encouraging, but we will do well to bear this in mind: Our farm recovery is not keeping pace with gains being made in industry and commerce. And when these run too far ahead of the farmers—well, all of us know what happened in 1929 and the 4 succeeding years.

I do not desire to appear pessimistic but facts of the matter force me to remind you that unless the present rate of farm recovery continues or increases, we are certain to be face to face with another national economic crisis within a few short years. America has got to enable the farmer to keep up with industry and commerce by safeguarding his right to a fair return for this work.

Despite our experience of recent years, not everyone realizes this fact, but I for one am convinced that enough of us are aware of it to continue our vigilance against the recurrence of circumstances which led to the maelstrom of the depression. Surely this generation has learned through bitter experience not to allow exploitation of farmers to go unheeded.

Business and industry, organized as they are for their own protection, are better able to battle for their rights. Unless or until America's farmers also are able to unite in common cause, the National and State legislatures must help them in their fight for a rightful living. To those who charge that this is "interference with individualism", I reply: So is lifesaving.

There is little need for me to point to what the Government's farm-loan agencies have done in the last 3½ years. One of them alone has saved 150,000 farm homes, and others have saved additional thousands. Permanent agricultural improvements through Federal loans have been of inestimable value. In addition, interest rates on farm mortgages have been reduced in almost every section of the country.

Let me repeat that I am not altogether satisfied with the measure recently enacted as a substitute to the A. A. A.—it should furnish more protection for the dairy farmers, and will be altered to do that within 2 years if such is at all possible. But I want to go on record as believing that we are on the right road. We as a nation have begun to recognize our obligation to the farmer, the man who feeds us all.

WHAT SHOULD BE OUR POLICY WITH REGARD TO NATIONAL DEFENSE?

Mr. SISSON. Mr. Speaker, for the next fiscal year Congress has appropriated a sum in excess of $1,200,000,000 for military and naval purposes. This tremendous sum, the largest ever set aside in peacetime, to furnish an adequate national defense has as its immediate task the building up of a military and naval machine ostensibly to keep us out of war. The admirals and generals have requested even more funds as necessary to protect the people of the United States from war.

There is no need to go into the old arguments regarding preparedness, its cost, its usefulness, or its psychological results. In the present temper of the world there is no arguing with the fact that the people of the world feel they must place some reliance upon the armies and navies of their respective countries in order that they may be protected in case of a diplomatic break-down. Granting that this feeling exists in the world, it behooves us as Members of Congress to examine the program and the policies of our national-defense system to see, first, that it furnishes the maximum amount of protection; second, that its status is not that which encourages fear on the part of other nations; third, that it is part of a well-planned national policy placing the emphasis on the peaceful solution of disputes between our Nation and other nations; fourth, that in these times of dire social and economic need the cost of our program is kept at the lowest figure consonant with our needs.

I have said on the floor of this House that I am in favor of an adequate Army and Navy, an Army and Navy which will protect our Nation against invasion but not an Army and Navy which is based upon a system of fighting foreign wars for the profits of the Standard Oil Co. or other financial interests in any part of the world. I have consistently fought those items in our military and naval budgets which I felt were opposed to this principle. I shall continue to oppose such expenditures in the future. In doing so, however, I will work on every occasion for the development of a program and policies which are conducive to our protection against invasion from overseas.

The Nye Committee has revealed, in its far-reaching investigation into our munitions industry and our national defense system, that at the present time the principles and policies of our naval and military leaders are not based upon defense against invasion but rather upon the premise that we as a Nation shall be engaged in a war overseas. The War Department has in keeping with this doctrine, while disclaiming any attempt to build a military machine, created an organization which, upon a moment's notice, could be set into motion not to mobilize for defending our country but to mobilize for the transportation of 3,000,000 officers and men overseas. Such is the policy of our War Department.

Our Navy in official statements has declared that its policy is based upon the following points:

To maintain the Navy in sufficient strength to support the national policies and commerce, and to guard the continental and overseas possessions of the United States.

To create, maintain, and operate a navy second to none and in conformity with treaty provisions.

To develop the Navy to a maximum in battle strength and ability to control the sea in defense of the Nation and its interests.

To organize the Navy for operations in either or both oceans so that expansion only will be necessary in the event of war.

To maintain the Marine Corps in strength sufficient to furnish detachments to vessels of the fleet, guards for shore stations, garrisons for outlying positions, and to provide expeditionary forces in immediate readiness * * *

To protect American lives and property.

To support American interests, especially the development of American foreign commerce and the merchant marine.

To encourage civil industries and activities useful in war * * *.

A careful reading of this official statement from the General Board of the Navy reveals the real purpose of the Navy as being that of protecting our economic interests all over the world.

While the Army and Navy have been developing their plans which, if carried out, can result almost in the development of a military dictatorship in the event of war, our Congress has been attempting to deal with the problem of helping to keep the United States out of war and to cooperate in the prevention of war in the event that conflicts become dangerous. We have fought for the past 2 years for the enactment of a strong neutrality law. Such a law would by itself be powerless to keep the United States out of war but it would help discourage situations leading to war. We have not been able to enact the complete neutrality policy

which is necessary to do what little neutrality, itself, can accomplish.

I am reminded of the fact that our Nation is a signatory of the Pact of Paris in which we have renounced war as an instrument of national policy and pledged ourselves to seek a peaceful solution of international disputes. I am aware that we have attempted to achieve an international agreement for the limitation of our naval armaments. The administration has been slowly but surely carrying out its policy of the "good neighbor." This policy has been especially successful in Latin America and in keeping with this doctrine the President of the United States has declared that we as a nation have no interest in aggression.

While Congress and the President have been cooperating in the above policy, the Army and the Navy have continued to ignore this policy and concentrate their attention upon their old program of fighting, not against an invader, but against a foreign foe on foreign soil. Such, I am convinced, is not the policy nor the desire of the American people.

It is not the desire of those veterans of the last war to shed their own blood or the blood of their comrades in France. It is not the policy of the women of the Nation, whose homes will be broken up if war comes. It is not the policy of the youth of the land, the young people who will be the cannon fodder in the next war. The young people, with whom we have been so concerned in this depression, trying to find them jobs, trying to provide them with economic security, trying to create a system of social and economic security which will mean something to the coming generation. It is not the policy of the farmers of the country, who will find themselves in the throes of another tremendous depression after such a war takes place. The farmers of the Nation realize that the temporary prosperity of wartime brings with it economic destitution a few years afterward. It is not the policy of the laboring people of the country. Organized labor knows that war means fascism and under fascism labor's rights are lost. In other words, war is denounced by the vast majority of the American people. They do not want war; they do not want governmental policies which lead toward a misunderstanding and possible armed conflict with other nations; they do not want to pay $1,200,000 a year to support a program which is dangerous. They are willing to pay for a program which will protect our Nation against invasion.

The time has come, in my judgment, when an inventory of our needs, our resources, and our program must be taken. I feel that our military and naval leaders should no longer be given a free hand to commit the United States to a policy which will lead toward war and economic bankruptcy. I have endorsed all positive constructive developments for protecting our Nation. I am happy to endorse the principles of the resolution introduced in the Senate of the United States by Senator BENSON, of Minnesota, and in the House by Congressman LUCKEY, of Nebraska. This resolution provides for a civilian survey of our national-defense establishment and a recommendation to the Congress of the United States of a policy of national defense that shall be—

In harmony with our agreement to renounce war as an instrument of our national course in international affairs;

Designed only to defend the boundaries of the Nation against invasion;

Actually as well as theoretically in keeping with our neutrality laws;

Instrumental in insuring our peaceful relations with other nations of the world;

Conducive to the elimination from the defense establishments of all agencies designed or primarily useful for aggressive purposes; and

Determinative of a basic policy to guide expenditures for national defense so that people in time of peace may not be burdened in the future by war appropriations fast exceeding $1,000,000,000 annually.

To accomplish this purpose the resolution instructs the President of the United States to appoint a committee of civilians—

And that the committee is hereby authorized and directed to make a survey of all the facts affecting the existing establishments of the Army and the Navy, to hold public hearings, and to recommend to the Congress of the United States—

the foregoing policy of national defense.

If such a resolution is enacted into law by the Congress of the United States, we shall have a fair-minded, impartial judgment of our needs and of the equipment and program necessary to carry out that policy.

I am aware of the fact that we are one of the few nations of the world which has an uncoordinated system of national defense. Almost every other important nation has coordinated its army and navy under one head. Such a program does away with a great deal of costly duplication and provides a smaller, integrated defense establishment. A system of this type serves to curb competition between the Army and Navy for access to the Public Treasury and results in a much lower tax bill.

At a time when practically every man, woman, and child of the Nation is interested in decreasing taxes, it is well to remember that every person living within the United States pays an annual tax bill of approximately $10 a year to support our Army and Navy. Military and naval experts could, if they wanted to, reduce this tax burden and provide a better system of protection against invasion. Gen. Douglas McArthur, formerly Chief of Staff of the United States Army, now retired, has been engaged by the government of the Philippine Islands to establish a national defense program for the islands.

According to recent statements emanating from Manila, General MacArthur has decided that for the sum of $8,000,000 a year for a period of 10 years the Philippine Islands can be protected against the invasion of any foreign foe. It is astounding to contrast this finding with what our War and Navy Departments claim is necessary by way of expenditure for our national defense. The Philippine Islands are nearer by 4,000 miles to a potential enemy than is the United States. Her coast line is almost as long as that of the United States and up to the present time they have little or no defense establishment.

If the Philippine Islands, situated as they are, can, by the development of a policy based upon defense against invasion, pay for such a program at a total cost of $80,000,000, there seems to me little reason why the people of the United States should be burdened with an expenditure in 1 year of 15 times that sum.

What we need to do is to have such an impartial survey conducted by civilian leaders as that proposed by the Benson-Luckey resolutions. Such a survey and the development of a policy of coordination of our Army and Navy, combined with neutrality legislation to keep our country out of war and supplemented by a policy of international cooperation for the peaceful settlement of disputes, should ensure a greater degree of safety and a much lower cost to the American people. The size of our military and naval budgets, large as they are, does not mean that we are being adequately protected. Protection comes in quality, not quantity. Peaceful relations with other nations comes with the enunciation of a clear-cut, decisive policy of cooperation in peace and the readiness to defend ourselves against invasion in the event of war. The American people know what they want. Such a policy would answer their wishes and ensure ourselves against misunderstandings, whether they be in the Far East or in Europe.

THE BENEFITS OF THE ROOSEVELT AGRICULTURAL PROGRAM

Mr. UTTERBACK. Mr. Speaker, 147 years ago, in his first message to Congress, the first President of the United States recommended to Congress that it give consideration to the welfare of agriculture. Eight years later, in his eighth annual message, President Washington uttered these words:

With reference to either individual or national welfare, agriculture is of primary importance.

I think it should be noted here that the great Washington referred to agriculture in connection with national welfare. Similar expressions and recommendations were made subsequently by Thomas Jefferson, Andrew Jackson, and Grover

Cleveland, but very little legislative action dealing directly with agriculture was taken by Congress until the present generation. I would like to discuss briefly some of the steps that have been taken.

Twenty-four years ago this month, in June 1912, the Democratic Party, in conference at Baltimore, Md., wrote in its platform a plank proposing a study of agricultural credits and endorsing legislation permitting national banks to loan a reasonable proportion of their funds on real-estate security. Woodrow Wilson was nominated for President by that convention, and his election in November 1912 was the birth of legislation for real financial benefit to American farmers. Under his direction the first step was taken to set up a system of Federal farm credits to relieve American farmers of high interest rates and overhead charges in connection with farm loans. Prior to that time agriculture laws passed by Congress related almost entirely to the dissemination of information, the suppression of disease and pests, the compilation of statistics, and the distribution of seeds and plants.

The Federal Farm Loan Act of 1916 proposed to meet the demand for rural credit at reasonable interest rates. It was the first law which dealt with the major financial problem of millions of American farmers, and it brought to farm people the realization that Federal legislation for the assistance of agriculture was possible.

The World War interrupted President Wilson's agriculture program, and in the last 2 years of his administration a Republican Congress, dominated by high-tariff industrialists, refused to follow the President's leadership, and passed the Fordney Tariff Act of 1920. One of President Wilson's last official acts was to veto that bill. If his three Republican successors in the White House had followed his example they would have done much to have prevented the decline of agriculture that followed March 4, 1921, and that reached a climax in the economic collapse of the Hoover administration.

President Wilson had no illusion about the effect of tariffs on agriculture. He analyzed the situation clearly and read the answer accurately. He vetoed legislation to revive the War Finance Corporation to loan money to European countries. He understood that buyers could not always be buyers or borrowers. He knew that borrowed money must be repaid or that the lenders must stop lending sooner or later. The war changed us from a debtor to a creditor nation, and every loan we made abroad increased the debt burden upon our former creditors who are now our debtors. President Wilson realized that these debtors had no money. He knew that they could repay our loans in only one way and that was by selling us enough of their products or their services to pay interest on their debts and something on the principal.

The foreign market for the products of 40,000,000 acres of American farm lands that were brought into production during the World War ceased to exist when the war ended, and the soldiers of Europe returned to their farms. The foreign market for many of the products of American factories ceased to exist theoretically at the same moment, because Europe was financially bankrupt, but American manufacturers in cooperation with American and international bankers supported the foreign market for the products of American factories upon a false and unsound foundation for 10 years by loaning $15,000,000,000 of American money abroad.

The Republican Congress in the last 2 years of President Wilson's administration and during three successive Republican administrations thereafter, either could not see or would not admit that self-evident fundamental commonsense business situation. More foreign loans and higher tariffs were the only answers they had to the problem.

New York international bankers who made most of the foreign loans made them in support of sales of products of factories in which they were interested. The money they loaned was drained in a large part from the banks of the agricultural areas of the country. At the same time, prices of agricultural products were declining almost steadily, and as a result of this unsound post-war industrial boom the disparity between agricultural products and industrial products increased year after year.

The depression for agriculture began in 1920. There were no foreign loans to support exportation of agricultural products. Our international bankers and three successive Republican administrations left the American farmer to shift for himself. During practically the entire period from 1921 to 1929, farm prices were below the cost of production and farmers were being crushed financially between the millstones of debt and insufficient income. While three successive Republican administrations did nothing to help or to prevent the economic debacle that was approaching, the cash reserves of farmers and Midwest businessmen in banks of the Midwest area were being siphoned off to New York and loaned to Europe.

Twice in this period, Democrats in Congress joined Progressive Republicans and gathered sufficient votes to force a bill through Republican Congresses designed to enable the farmers to help themselves. That bill was the McNary-Haugen bill. It proposed to finance the export of agricultural surpluses by the export-debenture plan. Farmers of the United States asked for that plan. They were able to muster sufficient strength between Democrats and Progressive Republicans to pass it through Congress twice, but it was vetoed each time by Republican Presidents and could not be passed over their vetoes.

The American farmer produces the new wealth upon which most of the Nation does business. For many years after the war, despite a steady decline in prices of agricultural products, his reserves were drawn upon to support billions of dollars of foreign loans so our international bankers and their industrial plants might continue to fatten on rich foreign business. While farm prices were going down, the prices of the things the farmer bought were going up. American agriculture was strangled ruthlessly and heartlessly, and those who did it gradually cut away the principal support of American industry. They destroyed the jobs of millions of American workingmen.

Ultimate collapse of the entire economic structure was as certain as that night follows day. As agriculture's distress grew, bank failures spread over the agricultural area. Hundreds of banks in the agricultural area closed under the strain of those trying years of 1921 to 1929. Thousands of farm mortgages were foreclosed. When agriculture reached the exhaustion point, the source of foreign loans dried up, farm and foreign buying ceased, thousands of factories closed, and millions of workingmen became idle.

The agricultural depression began in 1920. The industrial depression began in 1929, when a weakened and exhausted agriculture could not carry the load any longer. Then industrial unemployment swept over the land; then the American farmer and the American laboring man stumbled on, hand in hand, to the brink of economic chaos and social revolution as the whole house of cards, built on the unsound economic practices of three Republican administrations crumbled in the greatest economic collapse in history—the panic of 1932–33.

The gross agricultural income in the United States was estimated at about $17,000,000,000 in 1929. It ranged between $11,000,000,000 and $12,000,000,000 from 1923 to 1929. In 1930 the gross farm income was $9,454,000,000. In 1931 it was $6,968,000,000, and in 1932 it was $5,337,000,000, a decline of almost 70 percent from the high point in 1919 and of more than 50 percent in 12 years from 1921. In the 3 years from 1921 to 1923 available cash income from farming operations, that is, cash income minus cash production expenses, declined from $5,000,000,00 to barely a billion and a half dollars.

This decline in farm income had far-reaching effects on the flow of business and the credit structures in agricultural areas. Farmers were forced to economize in the purchase of fertilizer, seed, and other products and to defer replacement of machinery. This led to sharp contraction of industrial sales of such products. It is significant that the great-

est decline in any single industrial group occurred in the manufacture of agricultural implements.

Moreover, farmers were unable to readjust their tax and debt burdens to correspond with reduction in farm income. Widespread mortgage defaults, unpaid taxes, and bankruptcies followed. These undermined the financial solvency of States and local governments. Forced sales of farms tripled between 1929 and 1932.

I would like to review briefly the legislative record on the tariff and farm relief of the three Republican administrations from 1921 to 1933.

The Fordney Tariff Act of 1921 became a law when President Harding signed it on June 27, 1921. According to our Republican friends, this act was to solve the agricultural problem. Speeches made in Congress in support of the bill indicated the Republican administration believed it would. A higher tariff was the Harding administration's proposed solution of the farm problem, but the entire country knows now that the Fordney Tariff Act did not solve the problem. It made the condition of Agriculture worse.

Several months later, Secretary of Agriculture Henry C. Wallace, father of our distinguished Secretary of Agriculture, Henry A. Wallace, insisted that President Harding call a national agricultural conference to discuss the situation. At that time farm mortgage foreclosures were increasing, a wave of bank failures was sweeping over the agricultural areas of the country, and land values and farm prices were declining steadily.

The conference sat during the winter of 1922. It was the first time in the history of the country that farmers were asked to assist in planning for agriculture. More than 300 farmers and 90 other persons representing various agricultural interests attended the conference. A total of 39 legislative recommendations were made to Congress and the President.

Among other things, the farmers asked Congress and the President to take steps immediately to reestablish a fair exchange value for all farm products. The Republican administration answered that request by enacting another tariff bill raising the rates established in 1921. The Tariff Act of 1923 merely increased the farmer's distress by increasing the price of things he bought on the protected and controlled industrial market, while his products sold at the world price, because of uncontrolled surpluses.

Farmers could not prevent or correct the foreign or domestic demand situation. After the World War, wheat and other exportable products were superabundant due to the general inability of farmers to reduce their expanded acres as Europe restored her farm production. By 1925 Europe had generally restored her agriculture to its pre-war productivity. At the same time the wartime expansion in overseas exporting countries continued to press unwanted surpluses on European markets. This situation, coupled with extremely high tariffs in the United States, resulted in the erection of trade barriers in European countries that wanted to restrict the use of foreign products and to protect their domestic agriculture. As agricultural prices declined in world markets, restrictive measures in Europe became more and more prohibitive embracing not only tariffs, import quotas, and domestic consumption restrictions, but numerous other devices—all reducing the volume of foreign trade.

Europe increased her output of wheat from 1,050,000,000 bushels in 1931 to 1,500,000,000 bushels in 1932. In the same period American exports of wheat to Europe declined from 150,000,000 bushels in 1922 to 15,000,000 bushels in 1932. Our exports of hog products, which had exceeded the equivalent of 10,000,000 hogs a year at the close of the World War, declined to barely half that amount by 1932. Our tobacco exports and our cotton exports were reduced sharply as foreign production increased and as European nations turned to sources of supply where high Republican tariffs against European products did not exist. It should be apparent that our foreign market for agricultural products contracted almost to the point of disappearance before 1933 and not since 1933, as many opponents of the Roosevelt administration assert.

The doctrine of the McNary-Haugen bill was in the air in 1923. In 1924 the first McNary-Haugen bill was introduced in Congress. It failed to pass by 40 votes and as if to hide the rising tide of agricultural strength, our rugged Republican individualists handed farmers another meaningless sop in the shape of a 12-cent increase in the tariff on wheat; but although the tariff on wheat was fixed at 42 cents a bushel and on corn at 25 cents a bushel, farm prices continued to decline, farm-mortgage foreclosures continued to increase, and the wave of bank failures remained unabated in the agricultural areas. It is significant, I believe, that with such tariffs in effect, wheat sold for less than 30 cents a bushel in 1932 and corn sold for less than 8 cents a bushel.

Again in 1925, the McNary-Haugen bill was before Congress, but friends of the farmers were unable to get sufficient strength to force a vote in the Republican Congress controlled by the Coolidge administration. In March 1925, President Coolidge addressed the annual convention of the American Farm Bureau Federation. He condemned the McNary-Haugen bill as price fixing, defended the tariff system as a boon to agriculture, and asserted that agriculture was nearly back to normal. However, it took more than words of a Republican President to stop farm foreclosures and bank failures.

A new McNary-Haugen bill appeared in 1926, but it was defeated in the Republican Congress. Finally in that year, businessmen in the country began to show some interest in the farmers' plight. The National Industrial Board representing farming and business interests took note of the business situation and urged stronger legislation for the relief of agriculture. Farm groups became insistent, but the Republican administration did nothing.

In 1927 the McNary-Haugen bill was ushered in again. This time the bipartisan agricultural strength of Democrats and Progressive Republicans was sufficient to push it through Congress, but the bill incurred a veto at the hands of a Republican President, Calvin Coolidge.

The McNary-Haugen bill was passed again in 1928. Again it was vetoed by President Coolidge and from 1928 to 1932 the farmers of America sank deeper and deeper into the mire of the depression. In 1930, after the collapse of industry and with unemployment spreading over the land, the Republicans raised the tariff again. Under the leadership of President Hoover, the Republican Congress passed the infamous Smoot-Hawley Tariff Act. In the next 12 months the annual gross income of the American farmer declined from $9,414,000,000 to $6,911,000,000, or more than 25 percent.

In an attempt to save themselves, the farmers raised every bushel of grain and every pound of fiber possible, and produced every possible pound of meat and animal products. Their efforts to meet fixed charges of taxes, interest, and living costs in this way were defeated by still further decline of prices and still lower gross incomes.

During the period of 1916 to 1920, when food prices were high, the farmer gained and held a slight economic advantage over industry. Farm prices advanced faster than the price of the things the farmer buys. The farmer lost this advantage in 1921 and his disadvantage increased steadily until March 4, 1933, when Franklin D. Roosevelt became President of the United States.

During three successive Republican administrations, the American farmer engaged in a losing fight against the effects and results of a high protective tariff policy that finally caused over 40 foreign nations not only in Europe but including Canada and the South American Republics as well to pass retaliatory tariff laws, fix import quotas, and establish embargoes which destroyed almost the last bit of foreign market for our agricultural and industrial products.

Canada raised a high tariff wall against all American products—both manufactured and agricultural, put a tariff of 25 cents a bushel on corn and similar tariffs on other

agricultural products; yet they cannot raise corn profitably in Canada. In the fall of 1932, Iowa corn was selling in Iowa for 7 to 12 cents per bushel. Corn was being used as fuel to heat Iowa farm homes and public buildings. At the same time, Canada was paying 35 cents a bushel for inferior corn imported from South Africa and South America. Iowa corn should and would have been purchased by Canada except for the retaliatory tariffs raised by Canada against the tariff enacted by Republican Congresses.

The big manufacturers of America had a way to meet the situation. They simply took some of the millions of dollars they had accumulated under the special-privilege, high-tariff policy of the Republican administrations, went to Canada and other foreign countries, built branch factories, installed new machinery, used foreign raw materials, employed foreign labor, and manufactured the identical products they had formerly manufactured in the United States with American raw materials and American labor. In that way, they avoided the payment of foreign retaliatory tariffs and escaped the limitations of quotas and embargos. This industrial policy brought about the discharge of thousands of American workers from factories and mines. It made it impossible for these workers to purchase the products of farms and to pay a fair price for them. As a result, the American farmer lost a large part of his former domestic market in addition to losing all of his foreign market.

The agricultural record of the Republican Party has been written. It was written during the years 1921 to 1933 in indelible facts that the people of this country, particularly the American farmers, will not forget soon. It is a record of neglect and failure, deceit, and double dealing. The harvest of that record was hundreds of thousands of farm foreclosures, the collapse of farm values, thousands of bank failures, incalculable financial distress and suffering among millions of farm people, utter discouragement and despair in the agricultural areas of the country, and in a large measure the industrial and financial collapse of the country from 1929 to 1932.

Yet, in the face of all that, the Republican Party wrote into its platform in 1932 the following statement:

> Under Republican administration, the position of agriculture was gradually improved.

In accepting the nomination for a second term, President Hoover said:

> The farmer was never so dependent upon its tariff protection for recovery as he is at this time. We shall hold to that.

Franklin D. Roosevelt was inaugurated President of the United States on March 4, 1933. At that time farm products were selling at the lowest price in 40 years. Iowa farmers were burning corn in their stoves. Public buildings in Iowa were being heated by corn that officials had purchased at 10 cents or less a bushel.

For more than 6 months before President Roosevelt took office, farmers of the United States were on the verge of revolt against economic conditions that had been imposed upon them by Republican administrations. Farm strikes, farm-holiday movements, and open resistance to farm foreclosure sales occurred throughout the country. Distressed farmers organized to keep their homes in the face of steadily increasing distress and hardship. The belief that President Roosevelt and the Democratic Congress in cooperation with newly elected Democratic governors and Democratic State legislatures would do something to help them was the only hope of millions of farm people in those dark days when the powerful forces of depression were tightening around them.

President Roosevelt and his fellow Democrats did not fail the farmers. The President promised action, and he kept his promise. He summoned farm leaders to Washington for conferences with him and with Secretary of Agriculture Henry A. Wallace. Three Republican Presidents had denied the farmers what they asked, but President Roosevelt said to the farmers: "Tell us what you want done, and we will do it."

The Agricultural Adjustment Act was written to conform with the ideas of farm leaders and was presented to a special session of Congress in 1933 by the Roosevelt administration.

The Agricultural Adjustment Act became a law May 12, 1933. In that act, Congress declared that an economic emergency existed in part because of the breaking down of farm prices and the resultant disparity between the price of agricultural commodities and other commodities. Congress declared its policy to reestablish prices to farmers at a level that would give agricultural commodities purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the prewar period of 1909–14.

The inability of farmers to adjust production within the limits of effective demand was clearly stated by the Federal Farm Board in its second annual report:

> There are more than 6,000,000 farmers in this country producing according to their own personal decisions. It is without effect to base appeals on what American farming might do if it were all organized as a single unit for it is not so organized. Until farmers are organized for production planning, it is useless to expect them to act as if they were.

The Agricultural Adjustment Act provided a way for millions of farmers to cooperate; to adjust production to demand through voluntary contract between individual producers and the Government. Under these contracts, cooperating farmers agreed to adjust acreage or marketings of farm products for rental or benefit payments.

The principles of the act were tested in the cotton program of 1933, the wheat program of 1934 and 1935, and the corn-hog program of 1934–35. In each of these programs the great majority of producers voluntarily accepted the necessary adjustment and cooperated. Acreage and production were adjusted and export surpluses were reduced.

In view of the known facts regarding the relation of supply of farm products to farm prices and farm income and the relative stability of retail prices of manufactured products as compared with farm prices, it was reasonable to expect that with adjustment of production, farm prices and incomes would rise and would do so much more sharply than retail prices. This expectation was fulfilled by the events. The drought, the Administration's monetary policy, and other conditions played a part, but the adjustment of production was without doubt a major factor in producing the marked rise in farm prices, the increase in farm income and the reduction in disparity between the farm price level and the industrial price level.

This readjustment of farm income was not complete when the Agricultural Adjustment Act was destroyed by the Supreme Court, but a comparison of prices in the winter of 1932–33 and the winter of 1935 shows how well the program succeeded. In December 1932 the price of wheat was 32 cents a bushel. In December 1935 it was $1 a bushel. In December 1932 the farm price of corn was 19 cents a bushel. Corn actually sold as low as 10 and 12 cents, and even 7 cents a bushel. In December 1935 it sold at 53 cents a bushel.

In December 1932 the price of cotton was 5 cents a pound. In December 1935 it was 11 cents a pound and prosperity was returning to the southern cotton districts.

At the close of 1932 the farmer was receiving the lowest price in 54 years for his hogs. The Chicago hog market was $2.73 per hundred pounds. Many farmers in Iowa, where more hogs are raised than in any other State, sold hogs for less than 2 cents a pound. At the close of 1935, the Iowa farmer was getting $9 a hundred for his hogs.

Prices of other farm products advanced in comparison. In addition to all this, under the provisions of the Agricultural Adjustment Act, hundreds of millions of dollars were paid in benefits to agricultural adjustment contract signers. On March 31, 1936, the total rental and benefit payments to contract signers amounted to $1,135,929,072.23. The total cost of administration of all divisions of the Agricultural Adjustment Administration in Washington and throughout the country totaled only $84,953,267.23 up to March 1935.

Rental and benefit payments to farmers in the State of Iowa through March 31, 1936, were $93,389,410.13. The general administrative expense chargeable directly to the State of Iowa was only $935,126.40 or less than 1 cent for each dollar of payments to farmers. Iowa payments were

distributed as follows: $1,187,703.40 to wheat growers, $244,823.54 to sugar-beet growers, $91,956,883.19 to producers of corn and hogs.

Iowa, which has long been the leading corn- and hog-producing State of the Union, received $41,000,000 more in benefits from corn-hog contract payments than the next highest State.

In Iowa and throughout the country every farmer has received approximately $2 more in price increases for every dollar agricultural adjustment contract signers received in rental and crop benefits. All farmers, whether they signed the crop-adjustment contracts or not, shared in the price increases that were brought about by the agricultural-adjustment program.

In 1932 the gross farm income of the United States was $4,328,000,000.

In 1933, the first year of the agricultural-adjustment program, the gross income of American farmers was $5,051,000,000, an increase of 17 percent over 1932.

In 1934, the second year of our agricultural-adjustment program, the gross income of American farmers was $6,100,000,000, an increase of 41 percent over 1932.

In 1935 the gross income of American farmers was $6,900,000,000, and every farmer in the United States was expecting it to increase still further when the Supreme Court handed down its unfortunate decision on the Agricultural Adjustment Act.

I did not believe then, and I do not believe now, that this decision was well taken. I have always agreed with the minority opinion. The majority decision of the Court was based upon the premise that in a Government of delegated powers, all powers that are not delegated are prohibited. In 1857 the Supreme Court used exactly the same reasoning in the famous Dred Scott decision to deny the power of Congress to regulate slavery in the Territories. No power to regulate slavery in the Territories was given in the Constitution; therefore, legislation for that purpose was prohibited, said the Court. Yet, today, virtually every student of American history agrees that the Constitution granted implied power to regulate slavery and that the judicial denial of it was the most calamitous act of the Supreme Court in American history, helping to bring on the Civil War.

The great Abraham Lincoln took the view that the Dred Scott decision was a tragic abuse of judicial power.

In the decision on the Agricultural Adjustment Act the majority of the Court asserted a principle which the Supreme Court has reversed every time it has come up since the Nation was founded, namely, the right of the Supreme Court to judge whether an appropriation is for the general welfare or whether it may be declared unconstitutional on the ground that it is for local benefit. Always before the Supreme Court has stated that it rests with Congress alone to decide what use of money is for the general welfare. The majority of the Court reversed that historic policy and declared boldly that the farmers' problems are unrelated to the general welfare.

Six Justices said they can see no connection between agricultural prostration and the flow of interstate commerce, yet almost every school child in the Nation knows that the collapse of American agriculture, due to overproduction and disordered marketing, was a major factor in the economic collapse of 1929–33 and brought about the closing of thousands of factories and the dismissal of millions of workmen.

In all the years during which the Federal Government, acting through the Department of Agriculture by virtue of acts of Congress and appropriations by the Congress, has used its power to increase the production of agricultural commodities, that power has never been questioned. The courts have never interfered in the use of those powers. No one has ever suggested that the Federal Government was violating State rights, but on January 6, 1936, the Supreme Court of the United States, by a vote of 6 to 3, declared that an act which provided for adjustment of agricultural production through voluntary cooperation of farmers with the assistance of the Federal Government is unconstitutional because it invaded the rights of the States.

It is evidently the opinion of the Court, as now constituted, that the Federal Government has the power to stimulate production but not to help farmers obtain balanced production in the interest of the general welfare and that the States only have the power to control production.

Not only do I think that the decision of the Court on the Agricultural Adjustment Act was wrong but I believe the Court's peremptory order for the refund of $300,000,000 of impounded processing taxes was indefensible. There is no doubt in my mind but that the processors of agricultural products upon which taxes were levied either collected these taxes from the producers by reducing the price to the farmers or from the consumer by increasing the retail price. In the first months after the Agricultural Adjustment Act was passed a substantial part of the processing tax was probably paid by the producer because large surpluses then existing produced a buyer's market. However, after the Agricultural Adjustment Act became fully effective, these surpluses were reduced and brought within reasonable limits. Then the processor was forced to pay higher prices to the farmers, but he protected himself by passing the tax along to the consumer.

It is to the credit of some processors, perhaps with the major exception of the great meat-packing corporations of the country, that they do not look upon these impounded processing taxes as their rightful property and will welcome any fair method of dealing with them.

It is obviously impossible ever to return to the consumers or the producers the processing taxes that were collected from them under the Agricultural Adjustment Act, but it is possible to reclaim that money, or a large percent of it, for the Federal Government's use and indirectly for the benefit of the consumers and the producers who paid it. This is to be accomplished under the provisions of the "windfall" tax of the Revenue Act of 1936.

Fortunately for the farmers of America they had a true friend in the White House, a sympathetic Democratic Party in control of both Houses of Congress on Capitol hill, and a distinguished agricultural administrator at the head of the Department of Agriculture.

Immediately after the Supreme Court handed down its decision on the Agricultural Adjustment Act, President Roosevelt, members of the Agriculture Committees of the Senate and the House of Representatives, and Secretary Wallace and his assistants in the Department of Agriculture and Agricultural Adjustment Administration conferred on steps they might be able to take to overcome the situation which endangered the farmers of America and the entire economic recovery program. In those days every Member of Congress from the agricultural districts of the country received many letters and telegrams from farmers who realized the import of the Court's decision and who understood the disaster awaiting agriculture unless some new remedy could be provided by Congress to avert it.

President Roosevelt, Secretary Wallace, and their assistants did in 1936 what they did in 1933. They summoned representatives of agricultural organizations and of the agricultural press to Washington for a conference. From this conference and from studies of the Agricultural Adjustment Administration and the Agriculture Committees of the Senate and House of Representatives the Soil Conservation Act was evolved. This act was passed by Congress in a form which every friend of agriculture hopes will meet any test that may be made of it in the courts. I hope it will, and I hope and believe that it will successfully take the place of the Agricultural Adjustment Act and insure steady prosperity to the American farmer and stability to the food supply of the Nation through its long-range provisions.

Briefly, the plan provides for grants by the Federal Government to the States, which, in turn, may reward farmers who follow practices of soil conservation on their farms. Since some time will necessarily elapse before a sufficient number of States can enact laws to take advantage of this Federal act, provision is made for the grants to go from the Federal Government direct to individual farmers who make

application and who show by their records that they have met conditions laid down by the Department of Agriculture.

Not only will this plan help protect and conserve the land that is still productive, but it should go a long way toward maintaining a healthy supply and demand situation in the export commodities. The plan should assist farmers in practicing the kind of good farming that they have long wanted to follow but were unable because of the necessity from month to month and year to year of making both ends meet. When assisted by the Government in producing the soil-building crops and practicing the soil-conservation methods which are needed both for the present-day welfare of agriculture and the welfare of the Nation in the future, farmers will be under less pressure to produce surpluses of crops which are not needed. If fair prices for farm products are thus achieved and maintained the present level of farm income will be maintained and I hope improved.

Not only did this Congress take immediate steps to pass new legislation to take the place of the Agricultural Adjustment Act, but it recognized the moral obligations to farmers who had signed agricultural-adjustment contracts. It appropriated $256,000,000 by a special act to pay those contracts in full.

During the World War farmers were encouraged to plow up land which never should have been plowed in order to produce food for our Allies. Surely now the Federal Government is justified in encouraging the return of that land to grass and trees and to make it worth the farmers' while to improve the soil's fertility by planting soil-building crops. This generation owes a duty to generations yet unborn to hand down to them an agricultural heritage which will supply this country in the future and on which those generations may make a living Could anything be more squarely in line with the words of the preamble of the Constitution:

To promote the general welfare.

Only those who are unsympathetic to the welfare of the farmer and the country as a whole can logically oppose the agricultural program of the Roosevelt administration. This program has brought order out of chaos. It has enabled millions of farmers to retain their homes and to gradually regain financial independence. The increased buying power of agriculture is reflected today in higher factory pay rolls, increased factory production, remarkable increases in sales of manufactured products, and an improvement in all general business conditions. Over a long period of years from 1920 to 1935, farm income and labor income have been practically equal in this country. They rise and fall together. When farm income is high, labor income is high; when farm income is low, labor income is low. It is to the interest of workers in the cities that farm income increase because the income of workers will increase also.

The financial pages of any newspaper tell the story today of what has happened in America in the last 3 years. Once more millions of men are back at work in factories. These factories are using material raised on the farms of the United States or lumber from our forests or metal from our mines. Millions of men are transporting these raw materials to the factories, and millions of men are transporting the finished products to every part of our country, and the American farmer, with his renewed buying power, is again taking his place as leading consumer.

Action to increase the income of farmers was quick and effective under the Agricultural Adjustment Act. Under authority granted in the act, the Secretary of Agriculture approved an emergency hog-marketing program and a corn-loan program. The Government purchased 7,000,000 pigs that would have flooded the market later as mature fat hogs. These pigs were killed and the edible meat was used for unemployment relief. Farmers benefited therefrom by an increase in the price of marketable hogs. Corn that would have been fed at a loss to growing pigs was conserved on the farms, where it was available to feed livestock during the severe drought of 1934. Had it not been for this wise conservation measure, millions of surplus hogs would have been fed in 1933 at tremendous financial loss to farmers and millions of hogs would have died of starvation in 1934 because there would have been no feed for them.

The corn-loan program made it unnecessary for the farmers to sell their corn to get money. There was an abundant supply of corn in most of the Corn Belt during the winter of 1933–34. In connection with the effort the Agricultural Adjustment Administration was making to advance the price of corn, it was desirable to keep surpluses of corn off the market not only to prevent the market price from being depressed but also to keep the grain out of the hands of speculators and on the farms so that farmers might continue to receive the full increase in price that was to result from the Agricultural Adjustment program.

With corn selling at 8 cents to 15 cents a bushel in November 1932 and at approximately 35 cents a bushel in November 1933, the Secretary of Agriculture announced the corn-loan plan. Corn was sealed on farms and 45 cents a bushel was loaned to the owners. In the fall of 1934 corn loans were made on the basis of 55 cents a bushel. During the past winter they have been made on the basis of 45 cents a bushel.

The corn-loan program kept millions of bushels of corn off a depressed market. Farmers who needed money to pay their taxes, interest, and living expenses were loaned 10 cents more a bushel than the market price when the corn-loan program was first put into effect, and they have loaned an amount reasonably comparative to the market price in the last 2 years. All these loans have been paid before or when they came due. Not a dime has been lost by the Government.

With Iowa farmers suffering from the financial distress brought on by 12 long years of Republican Party misrule, the Roosevelt administration, under the provisions of the Agricultural Adjustment Act, loaned $57,150,000 on corn in the State of Iowa during the winter of 1933–34. At the time the loan was announced, the farm price of corn in Iowa was 35 cents a bushel. At the announced expiration of the loan, July 15, 1934, the price of corn had reached 51 cents a bushel, but in the meantime, thousands of farmers had paid their loans and sold their corn at prices as high as 75 cents a bushel.

Millions of bushels of corn sealed on farms under the corn-loan program were in the hands of farmers in the drought area when needed. The sun burned the corn and other crops in the fields, but corn on which the Government had loaned 45 cents or 55 cents a bushel was available in the cribs. Thus, these farmers had feed for their livestock at a reasonable cost when otherwise they would have had to pay grain speculators upward of $1 per bushel.

Many farmers did not seal all their corn; some farmers sealed none; but all farmers benefited by the price increase that followed not only in the price of corn but of livestock and other farm products. The corn-loan program has been justly acclaimed a great success. It never could have been possible except for the Agricultural Adjustment program under the Agricultural Adjustment Act. I hope it may be continued equally as successfully under the Soil Conservation Act of 1936.

A discussion of the farm program of the Roosevelt administration would not be complete without referring to the farm credit measures that have been enacted. The best available statistics indicate that on March 4, 1933, more than 2,500,000 farms in the United States were mortgaged. Of this number, more than 500,000 were subject to foreclosure. The old Farm Board had been in charge of the credit activities of the Government for farmers. It had become stagnant with maladministration. In 1932, when foreclosures were every-day occurrences in farming areas, the Farm Board loaned only $28,000,000 on farms. In several middle-western States farmers assumed control of their own destinies by preventing foreclosure sales through force.

In convention in 1932 the Democratic Party gave assurance to the American farmers that constructive efforts would be made to cope with the problem of agricultural credit.

The Democratic Congress in 1933 in setting up the Farm Credit Administration, changed the situation. Maladmin-

istration had become so deeply imbedded in the organization taken over by the Farm Credit Administration that immediate progress was greatly impeded, but the number of loans increased rapidly. Farmers' homes were saved. To show how serious the farm credit situation had affected the national credit situation, it is almost necessary to review some facts concerning general agricultural credit.

It was inevitable that the sudden and tremendous decrease in farm incomes should have caused a serious strain on the farm-credit agencies which had already been weakened by the long price decline and general liquidation which had characterized agriculture since 1920. A gross income which had been estimated at about 17 billions of dollars in 1919, and which had varied between eleven and twelve billions from 1923 to 1929, had suddenly dropped, in 3 years, to less than half of that amount—to $5,337,000,000 in 1932. Local credit agencies were largely dependent for their leading power on the flow of income into their communities, and when farm prices went down, this flow decreased or dried up. By the beginning of 1933, demand deposits of country banks, following closely the decrease in farm prices, had fallen to about 50 percent of the average for 1923–25. As farm prices advanced, and gross farm income increased to $6,406,000,000 for 1933 and $7,300,000,000 for 1934, demand deposits rose correspondingly.

Thus, when the flow of farm income was diminished, old loans could not be collected and new loans were not made. What in ordinary times was actually a very large revolving fund of short-term credit had ceased to revolve. Non-real-estate loans, upon which farmers and banks alike had relied heavily for general short-term financing, decreased sharply as farmers became unable to pay their old loans or to offer adequate security for new ones. Moreover, the pressure upon rural credit institutions was disproportionately high, because payments of a fixed nature, such as taxes, interest on mortgages, and necessary supplies, many of which had to be made outside the community, showed only a slight decrease.

The decrease in the values of farm products had an equally serious effect both upon the supply of long-term farm-mortgage credit and upon the institutions by which it was furnished. The average per-acre value of farm real estate, which had been slowly declining since 1920, dropped abruptly from 1930 to 1933 with the fall in farm prices, and commercial banks and insurance companies, as well as the Federal agencies which had been set up to supply mortgage credit to agriculture, were faced with a serious decline in the value of the collateral securing their advances.

In 1920 the index number for the average value per acre of all farm real estate in the United States reached the high point of 170 percent of the average 1912–14 value. It dropped to 157 percent in 1921, and from then until 1930 the decline was gradual. However, between 1930 and 1933 the index dropped from 115 percent to 73 percent.

Actually the outstanding mortgage contracts were, with the drastic reduction of farm incomes, impossible of fulfillment. The prevailing type of mortgage was for a comparatively short term, averaging 4.7 years for other than land-bank loans, which comprised less than one-fifth of the total. Approximately $1,250,000,000 of farm mortgages were normally falling due each year and required refinancing. Decreased real-estate values and widespread delinquency in 1932 and 1933, however, disqualified many loans for renewal by their creditor agencies and other sources for refunding were not available. Collection of loans and of current interest due on them became generally impossible. On January 1, 1933, 45.2 percent of a representative group of 12,000 mortgaged farms, and 52.2 percent of the mortgage debt upon them, were reported delinquent.

The result of these combined factors was a wave of commercial bank failures in the rural areas, increasing in numbers as farm prices continued to decline, until the whole banking structure had collapsed. Many agricultural communities were left without credit facilities of any sort, and even those banks which survived found it necessary to make radical changes in their investment policies, which even further curtailed the credit available. It was apparent that a more stabilized farm income with which to offset the fixed payments required to enable these institutions to keep their credits in manageable condition was essential to preserve the financial institutions and to keep the credit structure generally intact. During the decade ending December 31, 1932, bank failures had largely been confined to the agricultural areas, 56 percent of the total having occurred in the North Central States and 31 percent in the South.

The Federal credit agencies, particularly the Federal land banks and the joint-stock land banks, were in a correspondingly dangerous condition. In 1932 these two groups of institutions held farm-mortgage loans amounting to $1,536,000,000, or about 18 percent of the total farm-mortgage debt. The delinquent loans of the Federal land banks increased from $48,000,000 in 1925 to $594,000,000 in 1932, and the percentage of their loans which were delinquent increased from 4.8 percent to 53.2 percent during the same period.

The "distress assets" of these institutions had also been increasing rapidly. By 1932 they equaled 8.3 percent of the amount of outstanding loans of the Federal land banks and 13.4 percent of the amount of the outstanding loans of the joint-stock land banks. In December 1931 the Federal land banks owned land valued at $24,347,681.11 and held sheriffs' certificates, and so forth, on $13,734,819.44 more. By the end of the following year the land owned had increased to $35,608,099.76, and the sheriffs' certificates, and so forth, to $25,492,411.84, increases of 46 percent and 86 percent, respectively. The land owned by the joint-stock land banks, excluding those in liquidation through receivership, increased from $15,856,986.13 in 1931 to $29,963,691.49 in 1932, an increase of 87 percent, and sheriffs' certificates, and so forth, increased from $4,163,016.79 at the end of 1931 to $13,169,125.66, an increase of 214 percent. Three of the latter banks had been forced into receivership and many of the others were actually in voluntary liquidation because of the necessity of purchasing their own bonds at a discount in order to show a profit.

Moreover, these institutions were becoming less able to furnish the credit which they were intended to supply. The price at which their bonds could be sold fell to a point where they could not relend at a rate high enough to meet operating expenses. The annual amount of new loans by the Federal land banks decreased from an average of approximately $133,000,000 in the 3-year period ending in 1927 to $28,000,000 in 1932, and those by the joint-stock land banks decreased from $112,000,000 to $2,181,000 during the same period.

The effect of decreased farm income and depressed real-estate values on the lending of life-insurance companies had an equally serious effect on the credit supply. These agencies have supplied or held a greater amount of long-term mortgage credit to agriculture than any other single class of institutions; 40 of the largest of them in September 1932 had outstanding $1,433,000,000 in farm-mortgage loans. However, the catastrophic decline in the value of farm products and farm real estate and the high percentage of delinquencies had caused many of them to withdraw their lending from this field and had caused others to curtail their investments drastically. The volume of new investments in farm-mortgage loans reported by 25 insurance companies which had averaged $3,130,000 per week in the last half of 1928 dropped to $2,827,000 in 1930; $2,111,000 in 1931; $904,000 in 1932; and to $600,000 in the early part of 1933. The percentage of total new investments which these companies placed in farm mortgages averaged over 9 percent from 1928 to 1932, but fell sharply in the late months of 1933 to 2.2 percent. Their farm holdings, in consequence, decreased from 17.7 percent of their total assets in 1925 to 8.9 percent in 1932.

This decreased supply of credit could be supplemented in part by increased Federal emergency advances, and such advances on a large scale were made. The Emergency Farm Mortgage Act of May 12, 1933, authorized $2,000,000,000 of bonds by the Federal land banks and provided a sum of $200,000,000 for land bank commissioner loans for cases in

which special risks were involved or for refinancing indebtedness too large to be covered by Federal land-bank loans. The Farm Credit Act of June 16, 1933, established a revolving fund of $120,000,000 in addition to setting up 12 production credit corporations, each with an initial capital of $7,500,000 subscribed for by the United States, and 1 central and 12 regional banks for cooperatives. By December 31, 1933, the total volume of outstanding credit of the various lending institutions under the jurisdiction of the Farm Credit Administration amounted to $1,856,110,403.

When it is recognized, however, that, in the absence of an improvement in farm incomes, such advances can be essentially only palliative, the direct and intimate relationship between the increase in the prices of agricultural products and the stability of the credit structure becomes even more clearly evident. Unquestionably, emergency refinancing by direct Federal loans was necessary to prevent absolute bankruptcy throughout large parts of the country and the tremendous losses which that would entail; but the essential problem, that of increasing the farmers' incomes to a point where the ordinary credit system could again be able to function properly, could never be solved by such means. Borrowing is not and cannot be a substitute for income. The tremendous relative increase in fixed charges and the decreased returns per acre from 1920 on had in reality forced large numbers of farmers to live on their capital, actually operating their farms at a loss. Only by increasing the purchasing power of the farmer could the stability of the financial system be restored and the large investments which the Federal Government had made in this field ever be liquidated.

More important insofar as inaugurating agricultural recovery was the passage of the Agricultural Adjustment Act.

The title of the Agricultural Adjustment Act stated that its first purpose was "to relieve the existing national economic emergency by increasing agricultural purchasing power." The mechanism provided by the act to promote adjustment of production of basic products was based upon a voluntary contract between individual producers and the Government. Under these contracts cooperating farmers agreed to adjust acreage or marketings in return for rental or benefit payments.

The principles of the act were tested in the cotton program in 1933, the wheat program in 1934 and 1935, and the corn-hog program in 1934 and 1935. In each of these programs the great majority of producers voluntarily accepted the necessary adjustment and cooperated in the program; the acreage was readjusted; production was likewise readjusted; and the export surpluses were markedly reduced.

In view of the known facts regarding the relation of supplies of farm products to farm prices and farm income, and the relative stability of retail prices as compared with farm prices, it was entirely reasonable to expect that with adjustment of production farm prices and incomes would rise and would do so much more sharply than retail prices. This expectation was borne out by the events. It is recognized that the drought, the monetary policy, and other conditions also influenced developments, so that the rise in farm prices and farm incomes has been greater than might have been expected from the operations of the adjustment program alone. The adjustment of production and consequent reduction of surpluses, however, was no doubt a major factor in producing the accompanying marked rise in farm prices, the increase in farm income from the products concerned, and the greater relative increase in farm prices than in retail prices.

Although the receipt of cash benefit payments contributed materially to the increasing farm income since the act was passed, the major increase in farm income was due to the resulting improvement in the market situation and the consequent better prices for farm products. Of the increases in farm income in 1933 and 1934 over the low level of 1932, more than two-thirds was due to the improved market position and less than one-third to direct cash payments as such.

In view of the known facts concerning the relation between farm income and expenditures, it was entirely reasonable to expect that an increase in farm income would be accompanied by economic recovery in related industries. From 1929 to 1932, as gross income to farmers declined, their expenditures for farm supplies such as feed, fertilizer, and implements had likewise fallen. Registrations of automobiles in farm States fell 73 percent from 1929 to 1933. Their funds for purchases of products for family consumption had fallen even more sharply. Mail-order sales—largely sales to farmers—had declined 37 percent, and department-store sales, in cities located in several agricultural regions, had declined 30 to 43 percent. Farm machinery and buildings were badly run down; purchases and repairs in 1931 and 1932 had replaced less than half the depreciation during those years.

Since 1932, the level of mail-order sales increased 54 percent; sales of department stores in predominately agricultural regions expanded from 13 to 21 percent; farmers' expenditures for machinery and buildings increased 90 percent; and new-car registrations in typical agricultural States more than doubled. Shipments of industrial products from industrial States to agricultural States increased 39 percent from 1932 to 1934, and shipments of goods used by farmers in their farm operations increased 75 percent. In automobiles, the expansion in sales in rural areas was much more than in industrial areas. In the first half of 1935, new-car registrations in agricultural States were 147 percent larger than in the first half of 1933, whereas in predominately industrial States, the increase was 97 percent.

During the decline from 1929 to 1932, industrial activity, employment, and pay rolls in industries producing these products had fallen off as sales had declined. It was reasonable to expect that restored farm income and purchases would lead to renewed production and employment in these industries. This expectation, likewise, was borne out by the subsequent developments. From 1932 to 1934 the purchasing power of employees in the farm machinery industry increased 136 percent; in automobiles, 77 percent; in fertilizer, 56 percent; in cotton goods, 61 percent.

It was logical to expect that the recovery in agriculture and in related industries would be reflected broadly in other industries, due to the direct and indirect effects of renewed spending both by farmers and by workers in industries related to farming. A major proportion of the industrial unemployed were out of work directly or indirectly because of farmers' reduced ability to buy. While by no means all the recovery in pay rolls and employment from 1932 to date can be ascribed to the increased income in agriculture, it is significant that marked increases in the buying power of factory pay rolls occurred in industries directly affected by farm buying power; that similar marked increases occurred in related industries, such as iron and steel products, 62 percent; general machinery, 58 percent; rubber, 40 percent; chemicals, 25 percent. This improvement was reflected generally through other industries. The physical volume of industrial production expanded 24 percent from 1932 to 1934; the volume of car loadings increased 11 percent; and factory employment increased 24 percent.

During the period of declining farm prices, credit institutions collapsed generally in rural regions. It was reasonable to believe that increases in farm incomes would enable farmers to meet their taxes and interest payments, and to cease their drains on rural bank balances, and that the higher prices of farm products would raise land values, increase the security behind farm loans, and so stabilize rural credit conditions. These expectations have been confirmed by subsequent experience. Improvement in business began in the Cotton Belt, as the first adjustment program got under way. Commercial failures in farm regions have shrunk to a small fraction of their previous level; deposits in country banks have risen sharply, and values of farm land have recovered materially.

That the increase in farm income was a very important factor in the business recovery which has taken place since

1933 is now generally recognized by economists and financiers.

It is generally conceded that the impetus to the general business improvement originated on the farms, in the improved relationship between farm and industrial prices, which gave farmers greater ability to purchase the products of industry.

The increase in farm prices and income was calculated to expand incomes of industrial workers to a greater extent that it would increase living costs. The foregoing facts make it clear, I believe, that the provisions of the Agriculture Relief Acts, under discussion, were soundly constructed to promote not only the welfare of agriculture but that of industry generally.

By way of summary, this conclusion can be made even more plain. The exceedingly low prices of farm products prevailing in 1932 did not mean simply that consumers could secure goods at low cost. On the contrary, such prices meant that farmers had lost in large measure their ability to buy industrial products; that industrial workers were without employment; and that the production and exchange of products between city and country was rapidly coming to a standstill. The expectation that increased prices and higher incomes to farmers would result in expanded production and employment in industry was supported by the experience in the last preceding depression. An expansion in agricultural purchasing power in 1921 to 1922 was a large factor in bringing about subsequent expansion in purchasing power of other groups and emergence from the first phase of the 1920–21 industrial depression. That expectation was further supported by the fact that the decline in farm income from 1929 to 1932 had been accompanied by a corresponding decline in the income of factory workers. It has been confirmed by the fact that the increase in farm income from 1932 to date has been accompanied by an almost exactly corresponding increase in the income of industrial workers.

Briefly, this is the record of the agricultural program of the Roosevelt administration from March 4, 1933, to now, with particular reference to benefits that have accrued to farmers of the Central West. The agricultural program of the Roosevelt administration has been popular with the farmers. It has been a Democratic program from the start. The farmers told President Roosevelt and Congress what they wanted. It was given to them. Insofar as possible, farmers have administered the program through local associations in their own counties. Before the Agricultural Adjustment Act was declared unconstitutional, almost 3,000,000 farmers voted in four referendums to continue the program. More than 86 percent of the votes were favorable. It is my opinion that the farmers of the United States will go to the polls in November and record an overwhelming majority for the reelection of President Roosevelt and his administration who have enacted into law and have administered this program.

AGRICULTURE IN WISCONSIN, 1932–35

Mr. REILLY. Mr. Speaker, cash receipts from the sale of principal farm products in Wisconsin increased from $158,016,000 in 1932 to $251,152,000 in 1935, including $7,077,000 in rental and benefit payments. This is an increase of 59 percent. Cash receipts represent approximately 97 percent of the total farm cash income from production.

Price changes during the period from 1932 to 1935 on certain selected commodities, which brought about a considerable share of the increased cash receipts indicated above, were as follows: Wheat, bushel, 53 cents in 1932, and in 1935, 95 cents; rye, bushel, 34 cents in 1932 and 43 cents in 1935; corn, bushel, 36 cents in 1932, and in 1935, 65 cents; oats, bushel, 20 cents in 1932, and 30 cents in 1935; barley, bushel, 35 cents in 1932 and 55 cents in 1935; buckwheat, bushel, 45 cents in 1932, and 52 cents in 1935; flaxseed, bushel, 93 cents in 1932, and $1.40 in 1935; potatoes, bushel, 24 cents in 1932, and 50 cents in 1935; apples, bushel, 64 cents in 1932, and 66 cents in 1935; hogs, hundredweight, $3.30 in 1932, and $8.60 in 1935; beef cattle, hundredweight, $3.05 in 1932, and $5.10 in 1935; veal calves, hundredweight, $4.06 in 1932 and $6.90 in 1935; sheep, hundredweight, $1.75 in 1932, and $3.10 in 1935; wool, pound, 10 cents in 1932, and 21 cents in 1935; chickens, pound, $0.096 in 1932, and $0.144 in 1935; and eggs, dozen, $0.138 in 1932, and $0.230 in 1935.

BUTTER, MILK, AND CHEESE

The farm price of butterfat during the first 4 months of this year, 1936, was 74 percent higher than that for 1933. The wholesale price of milk was 45 percent higher; the wholesale price of cheese was 40 percent higher than in 1933. Comparing the present price situation with what it was in March 1933, we find the farm price of butterfat for the first 4 months of 1936 was 117 percent higher than in March 1933; the farm price of milk at wholesale was 72 percent higher than in March 1933; the wholesale price of cheese was 72 percent higher than in March 1933; and the wholesale price of 92-score butter at Chicago was 84 percent higher than in March 1933.

Farm prices for the country as a whole increased from 65 to 108 percent of the pre-war level during the period of 1932–35. In 1935, farm prices averaged 74 percent of their 1929 level. The low point occurred in March 1933, when prices were only 55 percent of pre-war, whereas in December 1935, they averaged 110 percent of that level.

These figures do not include rental and benefit payments. The gain in exchange value of farm products per unit was somewhat less than the gain in farm prices, since prices farmers pay for commodities used in living and production also advanced about 17 percent during the period. The exchange value, per unit of farm products, increased from 61 percent of the pre-war level in 1932 to 86 percent in 1935, a gain of about 41 percent.

FARM LAND UP IN VALUE

A new appreciation of farm real estate in Wisconsin has been one result of increased farm income. For the first time in several years, the number of voluntary farm sales and trades showed an upturn for the year ending in March 1935. The number of forced farm sales declined from 40.4 per thousand for the year ending March 15, 1933, to 24.5 per thousand for the year ending March 15, 1935. For the first time since 1920, the decline in value of farm real estate per acre halted in the year ending March 1, 1933, when it stood at a low of 80, the State average value from 1912 to 1914 being 100. From this low of 80 in 1933, the estimated value per acre rose to 82 for the year ending March 1, 1935. Further improvements in these respects are indicated for the current year.

SOIL CONSERVATION UNDER A. A. A.

The programs of agricultural adjustment, from their launching in the spring of 1933, were concerned with good use of the land of cooperating farmers, as well as with adjustment of crop acreage in line with effective demand. Farm leaders and administration officials recognized from the start that relieving a proportion of farm land from the soil-exhausting burden of major crop production created an unprecedented opportunity for putting this land to the soil-conserving uses which farm specialists had been advocating for many years. The first corn-hog contract—that for the 1934 crop year—authorized use of the rented acreage only—

For planting additional permanent pasture, for soil-improving and erosion-preventing crops not to be harvested, for resting or fallowing the land, for weed eradication, or for planting farm woodlots.

The first wheat contract contained similar provisions regarding the rented acreage. The cotton contract for 1934–35 specified use of the rented acres only for—

Soil-improving crops, erosion-preventing crops, food crops for consumption by the producer on his farm; feed crops for the production of livestock or livestock products for consumption or use by the producer on his farm, or fallowing, or such other uses as may be permitted by the Secretary of Agriculture or his authorized agent.

Food and feed crops for home use were authorized on rented acres in the South, as it was recognized that the standard of farm living in that region might thereby be improved. The tobacco contracts further specified that the total acreage planted to commercial crops on a given farm

be not increased over the acreage during the base period less the amount of the rented acreage.

These provisions meant a real net increase in the proportion of land on a given farm that would be put to less intensive uses through the adjustment contract.

In the 1934 crop year, the first in which the adjustment programs were in full swing, farmers agreed to shift their production on nearly 36,000,000 acres. These shifted acres represented 1 out of every 9 acres of cultivated land in the country. Farmers in Wisconsin in 1934 shifted more than 194,000 acres from the production of corn, tobacco, and wheat.

CATTLE-DISEASE ERADICATION

Milk has been the most important single source of farm income in Wisconsin for several years. Since 1932 the annual cash income from it has averaged nearly $100,000,000; milk producers are, consequently, interested in measures for the health of their herds.

Approximately $50,000,000 of Agricultural Adjustment Administration funds have been made available for use in the United States in eradicating cattle diseases, primarily bovine tuberculosis, Bang's disease, and mastitis. This work is being done in cooperation with the Bureau of Animal Industry. As of December 31, 1935, some 1,133,000 cattle in Wisconsin had been given the tuberculin test and approximately 1,112,000 the agglutination test for Bang's disease. Of the $150,000 allocated for the eradication of bovine tuberculosis in this State, $130,998.49 had been expended in operating expenses and indemnities as of December 31, 1935. Wisconsin was allocated $4,000,000 for the eradication of Bang's disease, more than was received by any other State, and of this amount indemnities and operating expenses as of December 31 last, totaled $2,907,468.

EXTENT OF FARMER PARTICIPATION IN PROGRAMS

From the inauguration of the adjustment programs in 1933 through January 6, 1936, a total of 111,070 crop-adjustment contracts, signed by Wisconsin farmers, had been accepted by the Agricultural Adjustment Administration. Of this number of contracts, 78,090 were corn-hog, 3,225 were wheat, 24,682 were cigar tobacco, and 5,073 were sugar beet.

Four important referenda among producers were held in Wisconsin during the continuation of the adjustment programs. During the first 2 weeks of October 1934 corn-hog producers were asked whether they favored an adjustment program for 1935. In this referendum, returns showed that 16,401 producers favored a 1935 program, while 3,260 opposed. A Nation-wide wheat referendum was held on May 25, 1935, in which farmers were asked: "Are you in favor of a wheat-production adjustment program to follow the present one which expires with the 1935 crop year?" In Wisconsin 868 votes were cast by producers, of which 614, or about 71 percent, favored a program and 254 votes opposed. In the early summer of 1935 cigar-tobacco producers voted upon a continuation of an adjustment program after the ending of the current crop year. In Wisconsin approximately 8,483 producers voted in this referendum, of whom 8,107, or 96 percent, favored the program's continuation. The last referendum in this State was that conducted on October 26, 1935, in which corn-hog producers were asked whether they favored a corn-hog program for 1936. Official returns indicated that 19,162 producers favored such a program, while 2,190 opposed.

SURPLUS REMOVAL OF DAIRY PRODUCTS

In addition to surplus reduction through adjustment programs, surpluses of several farm products have been purchased by the Government and removed from the market in order to support prices for these products. These commodities have for the most part been distributed through relief channels.

The program for removing surplus agricultural products from commercial channels was begun late in 1933. It was coordinated with the drought-relief activities during the drought of 1934. The program included purchases for relief distribution, of hogs and pork products, dairy products, and sugar.

The expenditures by the Agricultural Adjustment Administration for the removal of surplus dairy products in the United States and Wisconsin amounted to $23,261,673.62 down to April 30, 1936. Of this sum $1,831,359.19 went to purchasing surplus Wisconsin cheese; $965,144 went to purchasing surplus Wisconsin evaporated milk; and $233,974.47 went to purchasing Wisconsin surplus dry skim milk.

These surplus-removal activities in Wisconsin undoubtedly had some effect in the increase of prices of dairy products. The price of wholesale milk rose from 88 cents per hundredweight in 1932 to $1.30 per hundredweight in 1935; that of farm butter, from 21 to 29 cents per pound; and that of butterfat from 22 to 31 cents per pound.

THE DROUGHT EMERGENCY

Wisconsin was one of the States that suffered from the drought of 1934, 19 counties of the State being within the emergency area. In this emergency, A. A. A. rental and benefit payments, calculated on the farmers' production during a previous base period rather than upon the current year's production, served as a form of crop insurance. For their 1934 corn crop, reduced to 73,904,000 bushels by the drought, Wisconsin farmers received only $280,000 at the market; but their rental and benefit payments, acting as crop-income insurance, brought their cash income from that crop to $1,979,000. The 1934 wheat crop in Wisconsin was reduced to 1,647,000 bushels by the drought. Without crop income insurance payments, wheat producers would have received a cash return at the market of only $294,000, or $27,000 less than they received for the 1932 wheat crop of 2,109,000 bushels. With their crop income insurance payments, however, they received $335,000 for this 1934 wheat crop, or $14,000 more than for their 1932 crop.

The drought threatened Wisconsin farmers with the loss of thousands of cattle by thirst and starvation. On June 19, 1934, the Emergency Appropriation Act was approved. It allotted $525,000,000 to the Agricultural Adjustment Administration for financing a drought program to relieve distress in certain areas of the United States. The object of the program was (1) to maintain the foundation for a balanced or diversified farming system in the drought areas, (2) to preserve animals or herds of high-producing quality, (3) to relieve some of the financial load carried by both borrower and lender, and (4) to perform these tasks quickly, efficiently, and economically. The purchases and disposition of cattle was conducted jointly by the Agricultural Adjustment Administration, the Bureau of Animal Industry, the Federal Surplus Relief Corporation, and the Federal Emergency Administration through the local emergency relief agencies. In Wisconsin approximately 57,000 head of cattle were purchased under the emergency livestock purchase program at a cost to the Federal Government of about $866,100.

In the seed-conservation program the A. A. A. acquired about 18,000,000 bushels of grain for seed in the Nation's drought-stricken areas. The cost to the Government of purchasing and selling these seeds amounted to about $19,000,000. The seed, later offered for sale, was accumulated to meet an emergency and was intended to supplement rather than supplant locally obtainable supplies. In Wisconsin alone more than $263,000 were spent in this work.

FARMERS AT THE BUYING COUNTERS

The extent to which increased farm income during the past 3 years enabled farmers to increase their purchases of city-made goods is reflected in several ways.

New automobile registrations in Wisconsin during the period 1932–35 were approximately as follows: 29,932 in 1932; 33,719 in 1933; 50,321 in 1934; and 85,686 in 1935. The increase from 1932 to 1935 was 186 percent.

According to Automobile Facts and Figures, a publication of the Automobile Manufacturers' Association, the 1934 retail automobile sales gain in Wisconsin was greatest in small towns and on farms. From 1933 to 1934 new passenger-car registrations on farms and in towns under 10,000 increased 50 percent, whereas in towns over 10,000 the increase was 41 percent.

New automobile purchases, among other things, meant an increased gasoline consumption. According to the American Petroleum Institute, consumption rose from 387,490,000 gallons in 1933 to 442,444,000 gallons in 1935, an increase of 14 percent.

Sales of new, ordinary, paid-up life insurance in Wisconsin increased 14 percent, from $112,947,000 in 1933 to $129,019,000 in 1935.

Along with these indexes of increased business activity, resulting in part from renewed farm purchasing power, there has been another. Monthly statements issued by the Federal Reserve System indicate that debits to individual accounts increased greatly from 1933 to 1935. For 1933, the debits in the Chicago Federal Reserve district amounted to $32,129,366,000, but in 1935, according to preliminary figures, they totaled $49,643,653,000, an increase of about 55 percent over the 1933 figures. In the Minneapolis district, where debits for 1933 amounted to $5,079,027,000, by 1935 they had increased to $6,471,445,000, according to preliminary figures.

All of these facts and figures tell the story of the farmers' return to the buying counters of the Nation, as a result of the increased prices received for their farm products in the past 3 years. In 1932 when the farmers harvested a crop that was only worth about $5,000,000,000 they did not have any money to buy automobiles with or to buy even what might be considered as the necessities of life. The fact of the matter is they could not even pay their taxes and their interest. But when they raised a crop in 1935 that was worth about $3,000,000,000 more than their crop for 1932, the farmers again became important factors in bringing about a revival of industry in this country and the putting of their city cousins to work.

THE TRUTH ABOUT THE RELIEF EXPENDITURES REFUTES THE FALSE POLITICAL PROPAGANDA

Mr. SISSON. Mr. Speaker, a million headlines are telling us what is wrong with the Roosevelt relief policy. A million words flow over the ether to find fault with the things the President has done during these "3 long years."

Now, let us not defend him as a great and kindly Executive. Let us not defend anything he has done in regard to relief. As the President's mother so aptly put it: "The people already know whether they want Franklin to stay in the White House."

Let us, you and I, simply try to analyze his administration's record of relief spending and, to borrow a phrase, let us try to see how it got that way.

We start with the knowledge that our national debt now is much larger than it was 3 years ago. It has mounted rapidly and a great deal of it has gone for relief purposes. Of course, let us remember that a huge percentage of this money has been loaned by the Government to our towns and cities, our factories, and to individual home owners. This portion of the debt is to be repaid to the Government, but let us just leave the entire total on the debit side of the ledger for the time being.

Money is always an interesting subject, and while we are on this particular branch of it, let us see where our Government got what it has expended and loaned during these 3 years.

We did not borrow a cent of it from foreign nations. They owe us; we do not owe them. Our Government, acting for the people as a whole, borrowed what was needed from those of its citizens who had the money to invest in United States securities. When we are talking about what the Government owes, let us not confuse that with the mortgage on the old homestead. Nobody is going to try to foreclose on the post office here or on the White House in Washington—this is all in the family. The Government simply has given part of its people fully secured notes and bonds for money they all voluntarily invested and which Uncle Sam needed for purposes we shall now explore.

Few of us like to recall the early part of 1933, particularly the latter weeks of February and the first of March. But that period is a necessary part of our survey.

All of us were scared—we did not know what was going to happen, or whether anything could save us from complete chaos. Banks were crashing in every part of the Nation. Business was at a virtual standstill. Fear had paralyzed our leaders as well as the rest of us. Our economic system was barely breathing.

Some try to tell us now that the worst of the depression was already over on March 4, 1933, but you and I know all too well that any such statement is poppycock and nothing else. Never has our Nation experienced such a crisis as that one.

In the midst of that the Roosevelt administration took office. And there was not a man in the country that envied him. He was, as they say, on a spot. Good, bad, or indifferent, he had to pull through. He faced not only the question of straightening out the banks but also of preventing a relapse and strengthening our entire economic system if there was to be any such thing as recovery.

The first group of administration laws were drafted and rushed to Congress. They were emergency measures. We in Congress felt pretty sure they were not perfect, and we knew that the men who had drafted them felt the same way. But we also realized that immediate action was absolutely necessary to prevent a serious if not fatal relapse of our economic system.

That is how the first of the Roosevelt relief laws got on the books and into action in an amazingly short time.

Unemployment—the family without any way to feed itself—was our big problem. It has not been entirely solved yet, but let us see what else happened.

After the first laws got into action, there was a spurt of false recovery. Our ailing economic system raised its head from its sickbed pillow but found itself still too weak for anything more than mild exertion. A few of our twenty-odd million then jobless began to find regular work and many others were given temporary jobs on work relief.

Naturally there were not nearly enough work-relief jobs to go around at that time, so a system of direct relief had to be established temporarily. That type of relief—actually a dole—has been criticized most severely, mainly on the charge that it was wasteful and the relief checks much too high. I heard that assertion time and again, and was inclined to suppose it must be true until just recently I obtained the figures on direct relief.

Here is what I learned:

Direct relief had cost the Government exactly $10 per month for each relief client, as of the first of this year. By that date direct relief was virtually discontinued as far as the Federal administration was concerned. Ten dollars a month was the figure—33⅓ cents per person per day.

Perhaps that is high, but few of us would want our aged parents or anyone else in America to have to subsist on less.

Work relief: There is a term to make some of the administration's critics fighting mad. But let us, you and I, act as though we did not know about that tendency. Let us walk right up and have a look at work relief, look it right in the eye.

We, the American people, did not like the idea of the dole before we tried it, and liked it even less after we had tried it. We still do not like it. I was once told that the difference between a bum and a genuine hobo was that the hobo had enough self-respect to offer to do some sort of work for his food.

That may not be 100 percent accurate, but that is the general idea. Few of us, mighty few of us, want to be bums. Therefore, it was the most natural thing in the world that our Government should evolve plans for work relief rather than for continuing the dole to the able-bodied unemployed.

So the Federal Government offered to help the States, cities, and townships finance public projects to furnish jobs to the jobless, to take the people off the dole. The Government's offer was to make an outright grant of part of the necessary funds and to lend the municipalities their share. Project plans were hastily drafted and operations soon began.

Naturally, a good many cities and some States expended their share of these funds on projects in which almost all of the money could go for wages and little of it for materials for permanent improvements. This Nation had had almost no experience with work relief, nobody knew much about it, there simply were no trained directors.

The miracle of it all is that more than 75 percent of the money spent for work relief has gone into lasting improvements, into investments in permanent public assets, into our national welfare.

Seventy-five percent. Well, that is pretty good, but what of the other 25 percent? I have looked into that matter and, as an attorney, a home owner, and a taxpayer, I approached it in a critical frame of mind. They had to show me. I had heard that my money was being frittered away, and if that is going to be done at all, I want to be the one to do it.

So I looked into the records and I have traveled about a bit to see just what boondoggles really were. I found some; not many, but a few. I chose Baltimore as a typical eastern city and visited one of the places where I had been told they were squandering the public's money. It was a large old building, once used as a church, and in it I found several types of relief activities usually termed boondoggling.

I did not say I was a Congressman, but merely told the lady who appeared to be in charge that I was FRED SISSON, a taxpayer, and would like to see what they were doing there.

She seemed to think I looked honest and detailed one of her assistants, a middle-aged woman, to show me around. Most of the various activities in this particular relief center were for women, I learned. First we went to a huge sewing section, but all of the women in it were busy making men's shirts, women's dresses, and clothing for children, so I asked to go on to other departments.

In the next large room a number of young women were being taught how to cook economically, to keep house properly, and how to care for babies. In fact, they were learning by experience, tending the young children of the women in the sewing room. However, I remarked to my guide that it seemed to me the girls should have been taught such things at home. She smiled and explained.

Like most girls in needy city families, these young women quit high school to take jobs before the crash, and now had to continue to help support their parents in any way they could.

That was all right for the cooking class, but I was still suspicious, so we moved on into what seemed to be a five-teacher classroom, except that all the pupils were grown persons. Again I questioned my guide sharply, and again she replied. She told me that the pupils were illiterates, but most of them were employed at other hours and attended these grammar-school classes in the afternoon. Immediately I asked how such a school could be classed as a relief project, but my guide explained that it furnished employment for the teachers, and that 5 other previously unemployed instructors taught similar classes in the same room each evening, thus giving work for 10 teachers in all, as well as benefiting over 200 adult pupils.

The last room was one where some twenty-odd crippled men were being taught to make furniture. By that time I was beginning to feel slightly ashamed of my suspicions, so I thanked my guide and departed.

In New York City, I understand, they started some dancing classes at one relief center, but after my experience at Baltimore and hearing some of my friends tell of similar experiences elsewhere, I decided I had had almost enough sleuthing of that sort.

I did ask one park official to tell me about the much-disputed leaf-raking projects. He laughed, said everyone asked the same thing. It seems he had been ordered to put so many men to work in his parks, paying them $40 a month for it. But his allocation of funds covered only the pay roll, with nothing for materials. Some of the men even brought their own rakes. The parks official said further that the men were able to rake the leaves away considerably faster than they were falling from the trees throughout the park, so he purposely had them take it easy.

Well, that is boondoggling for you, and it does not bite. That other 25 percent of work-relief appropriations has gone for wages.

Now there is just one other point I want to touch on in regard to this problem of relief, and that is the dispute over "prevailing pay." That term did not appeal to me when I first heard it, so I investigated that too, and here is what I found.

Let us take an example. Say there is some hauling to be done on a W. P. A. project in a certain town, and the prevailing wage for truck driving there is $2.50 a day. The jobless truck drivers point out that if the W. P. A. pays them any less, private employers are likely to lower wages of the employed truckmen and that once reduced, wages usually remain reduced for a long, long time.

The prevailing wage is $2.50, but the W. P. A. proposes to pay its truck drivers a total of $40 a month. The way that is arranged is for the W. P. A. to pay $2.50 a day—but furnish only 16 days' work per month, for a total of the $40 work-relief wage. The same arrangement holds true for all types of workers given employment on the work relief projects where the prevailing wage issue is a factor.

And there are few to dispute that wages for work of some sort—wages and not the dole—constitute the American way of furnishing our people with necessary relief until they can find regular, permanent jobs.

THE WASTE AND EXTRAVAGANCE OF THE PRESENT ADMINISTRATION IS A NATIONAL SCANDAL

Mr. JENKINS of Ohio. Mr. Speaker, ladies and gentlemen of the House, the waste and extravagance of the present administration is a national scandal and a political crime. The last New Deal Congress has been the most extravagant in all history. It provided expenditures of $20,000,000,000, and this in the face of vastly curtailed national income and in the face of the fact that the administration's policy of scarcity is preventing any increase in the national wealth. Generations yet unborn will ponder upon what manner of men they were that they could hold up honesty and thrift as national virtues and at the same time in a cowardly way saddle upon those generations debts which were contracted by them with a mental reservation that they never expected to pay them.

To obligate themselves to spend $20,000,000,000 when not half that amount, at the very most, could reasonably be expected to be collected by the Government, is their record for the Seventy-fourth Congress. It is astonishing to think that any man would seek to justify such a colossal financial piracy. For any administration to boldly spend $15,000,000 per day more than its receipts must make its followers hang their heads in disgust and feel in constant political discomfort. None but those like Jim Farley, whose consciences have become calloused through long resistance to the chidings of the still small voice of conscience will attempt to justify such a course. They must believe that a public treasury is a public trough at which the political animals must be fed at all hazards.

This extravagant saturnalia is due to the desire of the President to be reelected and to the desire of his faithful cohorts to be continued in office, all regardless of expense. Another reason is the fact that the Democratic Party is, as it always is, in control of southern Democracy. It would appear that to some of these Southern States their most important reason for maintaining their statehood is to be able to extract from the Federal Government by far a greater amount of money than they contribute. Year after year we are confronted with the spectacle of many of these States drawing from the Federal Government millions of dollars more than they contribute. That the Southern States are so successful in this financial harvest is due to the fact that they plant their political seed carefully by

selecting intelligent men for places in Congress. And after making such selection they exert every influence to continue these men in Congress so that they might grow into places of prominence and power. Northern Democrats rally to elect Democratic Presidents only to find that Southern Democracy gets all the places of importance.

At the present time the chairman of the Ways and Means Committee of the House of Representatives is from North Carolina, while the chairman of the Committee on Finance of the Senate is from Mississippi. At the present time the great State of Texas boasts of the fact that from its congressional delegation have been selected the chairmen of five of the major committees of the House. That gives them the practical working control of the Committee on Agriculture, Committee on Appropriations, Committee on Interstate and Foreign Commerce, the Rivers and Harbors Committee, and the Judiciary Committee. Practically every other important committee is controlled by men who come from the Solid South. One exception is the Immigration Committee, which is controlled by a Tammanyite.

The CONGRESSIONAL RECORD of the last session of Congress contains many speeches where Members have boasted of the millions upon millions of dollars that they have been able to bring into their districts. Yet not a word is said by most of them as to the small pitiful amount that their districts have contributed toward the maintenance of the Republic.

The present administration has been operating since March 4, 1933. Previous to the advent of the present administration practically all money appropriated was appropriated by Congress for a special purpose. Very little was given to the President for distribution as he saw fit. More than $12,000,000,000 has been placed in his hands for distribution according to his own discretion. When this money was appropriated, it was intended that it should be used for relief and recovery purposes, but, judging from the manner in which it has been spent, it would seem that those who furnished the enthusiasm and the votes to carry such a program through evidently expected to be rewarded by its great expenditures in their respective States and districts. The President himself has come forward with many projects that are unbelievably unreasonable and visionary. In fact, millions upon millions of dollars have been spent under the orders of the President for projects so unreasonable as to shock the conscience and challenge the judgment of many who themselves had gone about as far as they thought the public conscience would permit.

Without any special authority from Congress the President has expended millions upon millions of dollars wastefully and without any justification whatsoever.

THE FLORIDA SHIP CANAL

The Florida ship canal is probably the most shining example of Presidential extravagance. The President, upon his own volition, allocated $5,400,000 from the P. W. A. funds for the construction of this canal, which did not meet the approval of any competent engineers anywhere. Congress has intervened and rejected further expenditures by the President on this project. Without such intervention, the President, no doubt, would have proceeded until he would have spent $142,000,000, which was the intended cost of the canal when completed. Congress, by its refusal to approve the President's reckless course, compelled a saving of $137,000,000 on this wild and fanciful scheme, which emanated largely from the brain of the President.

PASSAMAQUODDY

The Passamaquoddy project carrier the most unusual name. In view of the unusual aspect of the project it must be an appropriate name. The President allocated $7,000,000 for the completion of this project. After spending a large proportion of this amount of money, Congress called a halt, and Passamaquoddy was stopped. There, in the Bay of Fundy, will probably rest a mass of cement and stone which will be a silent monument to the wastefulness of the most extravagant administration in the history of the Republic.

THE SHELTERBELT

Some of the administration's fanciful plans were too fanciful even for the most extravagant of all Congresses. The shelterbelt was a product of the fertile imagination of the President and his "brain trusters." It is probable that if all the shelterbelt was to be constructed in the Southland it might have met with congressional approval, but since most of the money was to be spent in the Northern States it did not meet with congressional approval. The idea was to construct a belt of forests 100 miles wide and 1,000 miles long, extending from the Canadian line down to Texas. This would have involved the purchase of a great stretch of land and the planting of millions upon millions of trees at a total cost of nearly $300,000,000. Although the President persisted in his wish to have this foolish project carried forward and although he had a servile Congress ready to do his bidding, it refused to follow him with this project. The refusal of Congress to do this was one of the few instances where the Seventy-fourth Congress showed that it had any virility and any capacity to act upon its own volition. It is entitled to credit for having thwarted the President in his purpose to inflict upon us this monstrous mistake at this terrific expense.

PARADISE PARK

The name of Paradise Park is original with me. I know of no other name that would be appropriate for the parkway which the last Congress provided to be constructed from the Shenandoah National Park in Virginia to the Smoky Mountains Park in North Carolina. This is the most gigantic and stupendously extravagant and unreasonable expenditure of the last Congress. A few years ago Congress established the Shenandoah National Park in Virginia. It comprises 160,000 acres. Through it for about 40 miles the United States Government has constructed a beautiful driveway known as the Skyline Drive. Millions of dollars are yet to be spent in extending this roadway and in further beautifying the park. It is a beautiful park and its establishment might be reasonably justified in view of its proximity to millions of people who live in the congested eastern sections of the country.

The Smoky Mountains Park, located principally in North Carolina, is also a new park taken over by the Government in the last few years. It comprises 400,000 acres. This is also a beautiful park and although not immediately accessible to any great congested section, it could probably be justified as an effort on the part of the Government to retain in its control one of the beautiful spots of the Southland. These two parks taken by themselves, located as they are, would have been sufficient to furnish outdoor retreats to our people in the eastern and southern portions of the United States.

But to him who conceived the idea of building a parkway 800 feet wide and 477 miles long from the Shenandoah Park in the north to the Smoky Mountains Park in the south should get the prize for having outdone the President and his visionary "brain trusters" in finding the most unnecessary projects of all, and the most extravagant and unreasonable opportunity to increase the already unbearable load of debt under which the Nation is staggering. The expense of constructing Passamaquoddy and the Florida canal would reasonably be expected to come to some end at some time, but the expense of this project will continue as long as the Republic stands. A driveway 200 feet wide and a parkway 800 feet wide for 477 miles up and down the hills and hollows of the backwoods of Virginia and the mountain lands of North Carolina would involve the expenditure of untold millions and would call for a continual annual upkeep that would probably exceed the upkeep of the Secretary of State's office and all the expenditures connected therewith.

It is estimated that the initial expense would be $48,000,000. This would only be the entering wedge. There is no more reason for the construction of this parkway than there would be to build a parkway connecting Niagara Falls

with Yellowstone National Park. The principal reason for the establishment of this parkway is that all this money would be spent in two or three States where only Democratic Senators and Democratic Congressmen are elected and where history does not record the selection of any Republican Congressman or Senator in the whole territory.

The maintenance of this extravagant undertaking will be terrific. The constant stream of money will be flowing from the Federal Treasury into that territory as long as the Republic exists.

We Republicans made a galant fight to defeat this project. We did defeat it when it came up on the Consent Calendar. We defeated it again when it came up under a motion to suspend the rules. Not to be outdone, the influential Members from the sections that would be immediately benefited by this unwise extravagance, succeeded in having a special rule brought in from the Rules Committee, which provided for the immediate consideration of this legislative monstrosity. We made a gallant fight on the final passage and were able to win to our side many Democrats who would not approve such unreasonable extravagance. This bill passed the House, however, by a few votes in spite of our efforts, and it is little short of a shame that such unreasonable legislation should have been passed. The principal impetus that carried this bill through came from the fact that the President tacitly approved it and those who benefited by it were powerful enough to force it through. The final vote was yeas 145 and nays 131. Many Members changed their votes under last-minute pressure; otherwise the bill would have been defeated.

To my notion, this is the most high-handed and unreasonable extravagance of the most extravagant administration in the history of the Republic.

THE TENNESSEE VALLEY PROJECT

Another instance of the profligacy with which the administration has poured its money into the Southland is the Tennessee Valley project. Already this project has cost millions of dollars, and from all indications it will require one thousand million to complete this whole project. Whole communities have been moved. Dense forests have been transformed into modern cities at Government expense. Beautiful homes are now occupied by Government employees under a purely socialistic set-up. The Government owns a whole town and controls all its social, religious, and educational activities.

MISSISSIPPI VALLEY FLOOD CONTROL

The legislative program for the continuance of the Mississippi Valley flood control was probably the smoothest and best thought out program of the last session of Congress. This was a program whereby the Government would again be called upon to provide untold millions to be expended in the Southern States of Arkansas, Mississippi, and Louisiana. Probably no section of the South is more effectively represented in the United States Senate than is Mississippi, with PAT HARRISON, the chairman of the Finance Committee; and Arkansas, with JOE ROBINSON, the Democratic floor leader; and Louisiana, with Senator OVERTON, the successor of the famous Huey Long. These distinguished gentlemen have won their distinction not by inaction and inactivity but on the contrary. No one questions their loyalty to their own States, for the proof is overwhelmingly to the contrary.

The Government has heretofore appropriated and spent some $300,000,000 for the improvement of the lower Mississippi Valley. In the last session of Congress the Overton bill was passed in the Senate and sent to the House. It provided for the expenditure of $272,000,000, most of which was to be used for the construction of additional spillways in the States of Mississippi and Louisiana, and for the construction of some reservoirs in that section also. The bill provided that all of the expense of this gigantic improvement should be borne by the Government and that all lands necessary should be purchased and paid for by the Government, and all resulting damages should be compensated for by the Government. The local subdivisions were not required to contribute in any way. When the bill came to the House it was amended so as to provide for the additional construction of some 26 reservoirs in the States of Arkansas and Oklahoma and in the waters of the Arkansas River and the White River. These reservoirs would have added an additional cost of $126,000,000. The local subdivisions were not required to furnish any money or to do any matching of any kind in this program. This total amount of $126,000,000 would therefore be a voluntary contribution on the part of the Government into these States, whose contribution to the maintenance of the Government was probably as slight as almost any other States in the Union.

While this bill was being speeded toward its final passage, a similar bill, known as the Copeland bill, which had originated in the Senate and was well on its way toward passage, provided for the construction of reservoirs on the headwaters of the Ohio, the Connecticut, and other northern rivers. The President had indicated that in order for that bill to become a law it would be necessary for it to carry a provision for contribution by the territory to be benefited. It was therefore very evident that, while the lower Mississippi was about to be handed the colossal sum of $398,000,000 without any contribution by the people of that territory, the sections in which the Copeland bill would operate would be required to furnish all rights-of-way and to assume all damages resulting from changes of highways and railroads, and so forth. The responsibilities which the local subdivisions that would be benefited under the Copeland bill would have to assume amounted practically to matching dollar for dollar with the Federal Government. There is no question but that these two bills would have passed under their original momentum had it not been for the interference of Republican Members of the House of Representatives. It is palpably plain that the spending of so many millions in one section of the country without any contribution on the part of local authorities and the expenditure of a similar but smaller number of millions in another section of the country and requiring local contribution by practically matching the amounts was unfair and should not be tolerated. The Republicans of the House of Representatives figuratively went out to meet this situation. They met the Overton bill on the threshold of the House of Representatives after it had passed the Senate. We met it by an amendment, known as the Jenkins amendment, which sought to place into the Overton bill the same restrictions and regulations with reference to local contributions as that which had been required by orders of the President to be included in the Copeland bill. After a hard fight and only upon a vigorous appeal made upon the floor of Congress to the honesty and integrity of American Congressmen were we able to amend the Overton bill so as to carry this principle of fair-dealing into all sections of the country. This battle resulted in a saving to the American people of at least $150,000,000, for many of the reservoirs provided for in the Overton bill will never be constructed if the local communities are compelled to contribute anything themselves toward their construction.

To have defeated this well-planned program engineered by some of the most brilliant men in Congress and encouraged by the administration itself is an accomplishment of which the Republican membership may well be proud.

OTHER EXTRAVAGANCES

The extravagances of the present administration reach out into every conceivable direction. The administration sought to provide in many places homesteads for poor people. Many of these undertakings have been abandoned after costing the Federal Government millions of dollars. In a project at Sioux Falls, S. Dak., the cost to the Government per family unit was $20,320. At Arthurdale, in West Virginia, the cost was $10,370 per house. In several so-called suburban green belt developments, the cost per family unit has been nearly $10,000. These units are supposed to be constructed for the benefit of poor people and to be sold

to poor people with small incomes. The inevitable outcome is that the Government will soon be the heaviest real-estate owner in many communities. Likewise, millions upon millions have been spent on the Indian Service and reclamation projects of various kinds. Probably the largest of these is the Central Valley project in California, which, if completed, will cost $170,000,000, and the Grand Coulee in the State of Washington, which will cost probably sixty-five millions. Each of these projects has been started without congressional authorization. Because of this Presidential profligacy, the last bill passed by Congress, which provided that the President be given $1,425,000,000 additional money, carried this saving clause:

No Federal project shall be undertaken or prosecuted under the foregoing appropriation unless and until an amount sufficient for its completion has been allocated and irrevocably set aside for its completion.

RELIEF

I repeat that it behooves the taxpaying States of the Nation to look carefully into the manner in which the present administration has been spending the money. No one denies that the Federal Government as well as the State governments should hold itself in readiness to relieve human suffering. Under our theory of Government, it was well-considered that the States themselves should first be required to exhaust every reasonable means for the care and maintenance of their poor before the Federal Government should be called upon. It is very interesting to note the difference between some of the States of the Union in the efforts which they have taken toward carrying their own burden of relief. It is quite singular that the States which pay the largest contribution to the maintenance of the Federal Government are the ones which ask the least by way of support to their poor from the Federal Government. The following table will show the percentage of relief from Federal relief funds required by 10 of the States requiring the highest percentage and by 10 of the States requiring the lowest percentage. It will be noted that those requiring the lowest percentage are all located in cold countries where relief is more expensive and in sections of the country where contributions to the maintenance of the Government is large from a per-capita standpoint.

The percentages of relief in the various States are as follows:

Percentage of relief from Federal funds

	Percent
Southern States:	
South Carolina	98.0
Louisiana	96.9
North Carolina	96.8
Arkansas	96.5
New Mexico	96.5
Mississippi	96.2
Florida	95.3
Alabama	94.7
Georgia	94.7
Tennessee	93.4
Northern States:	
Rhode Island	39.4
Delaware	40.5
Connecticut	43.9
New Hampshire	44.7
Maine	50.6
Massachusetts	52.3
New York	53.0
Vermont	56.6
Iowa	57.8
Indiana	64.6

I might add that the 10 Southern States above mentioned paid approximately 5 percent of the total Federal income-tax collections in the fiscal year 1935, while the 10 Northern States referred to paid over 42 percent of the total.

So far as the matter of political projects is concerned, it seems to be an established fact that even relief expenditures are largely political. Recently the American Institute of Public Opinion took a poll throughout the country on the following question:

In your opinion does politics play a part in the handling of relief in your locality?

In every State a majority of those polled answered in the affirmative. A portion of the tabulation is as follows:

Does politics play a part in the handling of relief?

States	Yes	No	No opinion
	Percent	Percent	Percent
Arkansas	83	14	3
New Jersey	78	12	10
West Virginia	77	13	10
Louisiana	76	9	15
Rhode Island	76	14	10
Connecticut	75	14	11
Mississippi	75	15	11
Washington	73	12	15
Massachusetts	72	14	14
Oklahoma	71	19	10

Separating those polled by political parties, it was found that even Democrats voted 2 to 1 in the affirmative on the question asked. The Republicans voted in the affirmative by 10 to 1, and the Socialists by 8 to 1.

In separating those polled by groups, it was found that those actually on relief voted 2 to 1 in the affirmative on the question asked, while farmers voted nearly 4 to 1 in the affirmative. Thus in every State, among persons of different political parties and different groups, the people are decidedly of the opinion that the relief agencies, as set up under the New Deal, are a part of a vast political machine to continue the new dealers in office.

It is very unfortunate that under the guise of relief to the poor the present administration has wasted billions of dollars and has saddled upon the American people the most stupendous debt under which any nation has ever struggled, and that beyond any question much, if not most, of this money has been squandered with a constant purpose in mind, to wit, the reelection of Roosevelt and the perpetuation in office of the greatest horde of Government employees that ever inflicted a nation. There is no question but there are millions of honest Americans who believe in the doctrine of Thomas Jefferson and yet who refuse to sanction this wild and useless extravagance. Every American who has the best interest of his country at heart must conclude that it is impossible for us to continue long as a nation if we persist in piling up the national debt at the rate of $15,000,000 per day. The good sense of the American people has always manifested itself. It is bound to assert itself at every opportunity. Farley and his blustering prize-fight tactics cannot take the place of Andrew Jackson and Thomas Jefferson in the affection of the Democrats of the country. They will record their protests at the November election.

FEDERAL GOVERNMENT PROVIDES HUGE SUMS FOR ROAD AND STREET IMPROVEMENTS IN PENNSYLVANIA

Mr. SNYDER of Pennsylvania. Mr. Speaker, it has been my belief all through this depression that one of the most constructive procedures that the Government can engage in along the line of putting men to work, is building farm-to-market roads and a system of Federal highways adequate to take care of future highway transportation.

I knew the administration was doing much along the line of helping the several States and the counties within the States in giving Federal aid toward building such roads as I have just referred to. However, I did not realize that we had done so well by the States and the counties, until I checked up on my own district. After checking in my own district, I discovered that other districts in the United States were receiving just as much attention.

To say nothing of the State money that has been expended for roads in my two counties, Fayette and Somerset, Pa., I find that Federal money in the following amounts has gone into these two counties for the building of highways, roads, and bridges. Most of this work has been completed and some of the projects are still under way.

Fayette County road projects

(1)	Route 26008, Woodside to Smithfield	$40,000.00
(2)	Route 26081, Nicholson, Springhill Township	39,500.00
(3)	Route 26028, Franklin Township	24,786.70
(4)	Route 26015, Lower Tyrone Township	28,950.00
(5)	Route 26055, Saltlick Township	30,850.00
(6)	Route 26008, German Township	17,756.07
(7)	Route 26046, Bullskin Township	26,949.00
(8)	Route 26021, North Uniontown	22,922.68
(9)	Route 26397, Wharton, North Uniontown	36,053.00
(10)	Route 26450, Lower and Upper Tyrone	24,558.18
(11)	Route 50, sec. 3, Somerfield	246,379.01
(12)	Route 288, sec. 10, Uniontown	21,483.50
(13)	Route 117, sec. R1, Uniontown	6,375.35
(14)	Route 1022, Masontown Borough	11,078.54
(15)	Route 50, sec. 2, Summit, east	176,291.16
(16)	Route 50, east of Uniontown	6,521.00
(17)	Route 50, sec. 4, Wharton Township	118,389.86
(18)	Route 50, Summit, east	2,500.00
(19)	Proposed project, route 26428, East Fairchance	9,197.70
(20)	Route 288, north of Uniontown	189,510.23
(21)	Route 26113, Wharton Township	20,871.35
(22)	Route 247, bridge, south of Fayette City Borough	10,577.96
(23)	Road project to Richview School	33,500.00
	Total	1,163,901.23

This amounts to a total of $1,163,901.23 of Federal money granted to the Pennsylvania State Highway Department, and by it allotted to Fayette County.

In addition to this amount made available through road projects in the two counties, sponsored by the highway department, the sum of $3,420,275.61 of Federal money was allotted to Fayette County for road projects undertaken directly by the Works Progress Administration.

Moreover, the sum of $608,468.20 came to Fayette County for W. P. A. projects other than roads.

Thus, a total amount of $4,637,212.01—$1,163,901.23 plus $3,420,275.61 plus $608,468.20—has come to Fayette County from the Federal Government.

When you stop to think what it means to the taxpayers of Fayette County to have these funds allotted for road building, then you begin to appreciate what Congress and the Roosevelt administration are doing to take the tax burden off the local community.

In other words, it is simple to calculate. If the valuation of Fayette County is $80,000,000, in order for Fayette County to raise $1,163,901.23 for road building it would be necessary for them to increase their road millage approximately 14 mills. Imagine the citizens of Fayette County being taxed 14 additional mills for road construction at this time. They are near enough now to the poorhouse because of past blunders in county and State management of financing.

The Works Progress Administration, in order to keep men, women, and children in Fayette County from going hungry, and the men from becoming loafers, has allotted to Fayette County since its inception the enormous sum of $3,420,275.61. This is being spent in the construction of highways and bridges.

Still another way to get a clear picture of this splendid lift the citizens and taxpayers of Fayette County are getting from the Federal Government—if you had to raise the millage on the $80,000,000 valuation of Fayette County sufficiently to get $4,028,743.81, you would have to raise your millage 50 mills plus.

Of course, the fellow who stands around and tells you on a nice bright day that it is going to rain tomorrow, or it is going to snow, as the case may be, will tell you that we—he means the little farmers and home owners—will have to pay this all back. However, you are in a position to tell him that he is all wrong. That is, as far as the little farmer and home owner are concerned they will not be paying back more than a few percent of this total that comes to our community or district.

This Roosevelt administration has set up a tax procedure that is requiring and will require the fellows in the higher financial brackets who have escaped taxation under former administrations to pay their just share, which will be the 80 or 90 percent, or whatever it is, of this sum that comes to our district.

Likewise in Somerset County, the other county in my district, a total of $905,381.18 has gone into road projects sponsored by the State highway department, as follows:

Somerset County road projects

(1)	Route 808, Berlin to Wellersburg	$41,000.00
(2)	Route 119, sec. 4, Jennerstown, west	227,903.94
(3)	Route 52, Benson Borough line, bridge	19,805.72
(4)	Route 52, Berlin	13,923.30
(5)	Route 119, sec. 4, Jennerstown Borough	19,724.47
(6)	Route 547, sec. 3, Rockwood Borough	27,009.72
(7)	Route 269, sec. 1, Somerset Borough	14,160.72
(8)	Route 55, 321, New Lexington	15,500.00
(9)	Route 49, sec. 2	59,229.00
(10)	Route 186, sec. 4, Westmoreland County line, east	67,187.15
(11)	Route 119, sec. 5, Jennerstown to Jenners Cross Roads	58,759.69
(12)	Route 119, sec. 6, Stoyestown, east	250,000.00
(13)	Route 808, Wellersburg, Berlin	5,771.84
(14)	Route 222, southeast of Windber	524.48
(15)	Southeast Shanksville	224.64
(16)	Route 55, 049, Fayette County, east	36,748.25
(17)	Route 269–317, Somerset Borough, north	47,905.26
	Total	905,381.18

For road projects under the Works Progress Administration the amount is $963,179.73.

W. P. A. projects other than roads received $452,534.13.

Thus, Somerset County received a total of $2,321,094.94 ($905,381.18, plus $903,179.73, plus $452,534.13).

Therefore, in my congressional district, composed of Fayette and Somerset Counties, a grand total of $6,958,306.95 of Federal money has been applied for the benefit of the farmer, the laborer, and the little-business man.

Mr. Speaker, we can make the same comparisons in any district in the United States, but I am using my own congressional district as a unit for measuring the splendid service this administration, through the W. P. A., the P. W. A., and all the other Government agencies, are rendering to the people of the several districts in the United States.

DEATH OF REPRESENTATIVE A. PIATT ANDREW

Mr. TREADWAY. Mr. Speaker, again the Grim Reaper has visited this House and taken from our membership a scholar, a soldier, a financier, a statesman—truly a marvelous record. In addition to that he was a warm friend and a genial gentleman. It is my sad duty at this time to announce the peaceful passing away of our friend and colleague, A. PIATT ANDREW, at an early hour this morning at his home in Gloucester, Mass. At some later time more extended and suitable memorials to him will be offered. I present the following resolution and ask for its immediate adoption.

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. A. PIATT ANDREW, a Representative from the State of Massachusetts.

Resolved, That a committee of four members of the House, with such members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The Chair appointed the following committee: Mr. GIFFORD, Mr. CONNERY, Mrs. ROGERS of Massachusetts, Mr. HOLMES.

The SPEAKER. The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That, as a further mark of respect, this House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 2 o'clock and 54 minutes p. m.) the House, in accordance with the order heretofore adopted, adjourned until tomorrow, Thursday, June 4, 1936, at 11 o'clock a. m.

COMMITTEE HEARING

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will meet Thursday, June 4, 1936, at 10 o'clock a. m., to consider H. R. 12913.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

861. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 29, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Chetco Cove, Oreg., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

862. A letter from the legislative representative of the Veterans of Foreign Wars of the United States, transmitting, pursuant to the provisions of Public Resolution No. 126, Seventy-first Congress, approved March 2, 1931, the proceedings of the Thirty-sixth National Encampment of the Veterans of Foreign Wars of the United States, held at New Orleans, La., September 15–20, 1935 (H. Doc No. 349); to the Committee on Military Affairs and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. House Joint Resolution 619. Joint resolution to modify and extend the act entitled "An act to include sugar beets and sugar cane as basic agricultural commodities under the Agricultural Adjustment Act, and for other purposes", approved May 9, 1934; without amendment (Rept. No. 2929). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. H. R. 12681. A bill to amend section 1 of the act of Congress entitled "An act to fix the salaries of officers and members of the Metropolitan Police force, the United States Park Police force, and the Fire Department of the District of Columbia", approved May 27, 1924, and for other purposes; without amendment (Rept. No. 2937). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 12494. A bill to provide for the establishment of a Coast Guard station on Lake St. Clair, Mich.; without amendment (Rept. No. 2938). Referred to the Committee of the Whole House on the state of the Union.

Mr. McLAUGHLIN: Committee on the Judiciary. House Joint Resolution 114. Joint resolution directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; with amendment (Rept. No. 2939). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 12924. A bill validating certain conveyances by Kickapoo Indians of Oklahoma made prior to February 17, 1933, providing for actions in partition in certain cases; without amendment (Rept. No. 2936). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KENNEY: A bill (H. R. 12950) to provide that the proceeds of adjusted-compensation bonds shall be exempt from claims of creditors; to the committee on Ways and Means.

By Mr. BLAND: A bill (H. R. 12951) to extend the laws governing inspection of vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. JONES: Joint resolution (H. J. Res. 619) to modify and extend the act entitled "An act to include sugar beets and sugar cane as basic agricultural commodities under the Agricultural Adjustment Act, and for other purposes", approved May 9, 1934; to the Committee on Agriculture.

By Mr. FISH: Joint resolution (H. J. Res. 620) to amend the Constitution empowering each State to fix minimum rates of wages of persons employed in industry; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts opposing legislation relative to the price fixing of coal; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND: A bill (H. R. 12952) for the relief of Grant H. Pearson, G. W. Pearson, John C. Rumohr, and Wallace Anderson; to the Committee on Claims.

By Mr. ELLENBOGEN: A bill (H. R. 12953) for the relief of Adolph Lipschitz; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

11035. By Mr. JOHNSON of Texas: Petition of Dr. I. R. McCollough, of Hillsboro, Tex., favoring House bill 12139, McSwain bill; to the Committee on Military Affairs.

11036. Also, petition of Hon. J. P. Bounds, mayor, Tehuacana, Tex., favoring bill providing for appropriation of additional fund for Public Works Administration; to the Committee on Appropriations.

11037. By Mr. KENNEY: Petition of the Madonna Parent-Teachers' Association, endorsing the adult-education program and requesting its continuance during the next scholastic year; to the Committee on Education.

11038. Also, petition of the State of New Jersey State Housing Authority, favoring the Wagner-Ellenbogen bill, setting up a United States Housing Authority and providing for certain grants, forms of subsidies, and long-term loans for low-rent housing projects; to the Committee on Banking and Currency.

11039. Also, petition of the Camden County Branch of the American Association of University Women, favoring an amendment to the food and drug bill giving the Food and Drug Administration the enforcement of the advertising provisions and requesting the passage of a bill no weaker than the present one; to the Committee on Interstate and Foreign Commerce.

11040. By Mr. KRAMER: Resolution of the Los Angeles City Planning Commission, relative to favorable endorsement of the Wagner bill (S. 4424), etc.; to the Committee on Banking and Currency.

11041. Also, resolution of Lieutenant Kenneth Bell Post, No. 1053, relative to the veterans' hospital at San Fernando,

Calif., etc.; to the Committee on World War Veterans' Legislation.

11042. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the Commonwealth of Massachusetts, opposing certain pending legislation relative to price fixing of coal; to the Committee on Ways and Means.

11043. By Mr. WIGGLESWORTH: Petition of the Senate of Massachusetts, memorializing Congress in opposition to certain pending legislation relative to price fixing of coal; to the Committee on Ways and Means.

11044. By the SPEAKER: Petition of the National Association for the Advancement of Colored People, Newark branch; to the Committee on the Judiciary.

11045. Also, petition of the city of Springfield, Ill.; to the Committee on Banking and Currency.

11046. Also, petition of the Federal Labor Union, Local No. 19367; to the Committee on Banking and Currency.

11047. Also, petition of the city of Milwaukee, Wis.; to the Committee on Education.

SENATE

THURSDAY, JUNE 4, 1936

(Legislative day of Monday, June 1, 1936)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until called to order by the Chair.

The motion was agreed to; and the Senate took a recess subject to the call of the Vice President.

At 11 o'clock and 45 minutes a. m., having been called to order by the Vice President, the Senate reassembled.

DEATH OF THE SPEAKER OF THE HOUSE OF REPRESENTATIVES—MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, communicated to the Senate the intelligence of the death of Hon. JOSEPH W. BYRNS, of Tennessee, late Speaker of the House of Representatives, and transmitted the resolutions of the House thereon.

The message also informed the Senate that Hon. WILLIAM B. BANKHEAD, a Representative from the State of Alabama, was today elected Speaker of the House of Representatives.

The VICE PRESIDENT. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The legislative clerk read as follows:

House Resolution 544

IN THE HOUSE OF REPRESENTATIVES,
June 4, 1936.

Resolved, That the House has learned with profound sensibility and sorrow of the death of Hon. JOSEPH W. BYRNS, Speaker of the House of Representatives for the Seventy-fourth Congress.

Resolved, That a committee of four Members of the House be appointed to take order for superintending the funeral of Mr. BYRNS in the House of Representatives at such time as the said committee shall fix.

Resolved, That as a further mark of respect the remains of Mr. BYRNS be removed from Washington to Nashville, Tenn., in charge of the Sergeant at Arms, attended by the committee, who shall have full power to carry these resolutions into effect, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That a committee of 60 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral at Nashville, Tenn.

Resolved, That, as a further mark of respect, this House do now adjourn to such time on tomorrow, June 5, 1936, as the Speaker shall fix.

Mr. McKELLAR. Mr. President, I send to the desk resolutions which I ask to have read and immediately considered.

The VICE PRESIDENT. The resolutions will be read.

The resolutions (S. Res. 318) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Senate Resolution 318

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOSEPH W. BYRNS, late Speaker of the House of Representatives.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed by the House of Representatives to take order for superintending the funeral of the deceased, and that a committee of 14 Senators be appointed by the Vice President to join the committee on the part of the House to attend the funeral of the deceased at Nashville, Tenn.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The VICE PRESIDENT. Under the second resolution the Chair appoints as the committee on the part of the Senate to take order for superintending the funeral of the deceased the Senators from Tennessee, Mr. McKELLAR and Mr. BACHMAN.

The Chair will subsequently appoint the committee to attend the funeral of the deceased at Nashville, Tenn.

Mr. McKELLAR. Mr. President, as a further mark of respect to the memory of the late Speaker of the House of Representatives, I move that the Senate do now take a recess until tomorrow at 11:30 o'clock a. m.

The motion was unanimously agreed to; and (at 11 o'clock and 50 minutes a. m.) the Senate took a recess until tomorrow, Friday, June 5, 1936, at 11:30 o'clock a. m.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 4, 1936

The House was called to order at 11 o'clock a. m. by Hon. South Trimble, Clerk of the House.

The CLERK. Gentlemen of the House of Representatives, it becomes my sad and painful duty to announce to the House the sudden death of your beloved Speaker, the Honorable JOSEPH W. BYRNS, a Representative from the State of Tennessee.

Speaker BYRNS presided over the House on yesterday, presumably in his accustomed good health, but shortly after his arrival at his apartment he was stricken and soon thereafter passed away. In his death this House has suffered the loss of an able, fair, and impartial presiding officer; the country a legislator of long experience, a statesman of courage and marked ability; and his State of Tennessee a noteworthy citizen.

The duty of selecting one to preside over the deliberations of the House now rests upon you.

Mr. O'CONNOR. Mr. Clerk, in view of the unfortunate circumstance in which we find ourselves, and with no disrespect to our beloved Speaker who has left us, it becomes necessary, in order that the House may function and the machinery of government may not stop, that the House proceed to the election of a Speaker.

I present the following resolution and move its adoption.

The Clerk read as follows:

House Resolution 543

Resolved, That Hon. WILLIAM B. BANKHEAD, a Representative from the State of Alabama, be, and he is hereby, elected Speaker of the House of Representatives.

Resolved, That the President and the Senate be notified by the Clerk of the election of Hon. WILLIAM B. BANKHEAD as Speaker of the House of Representatives.

The CLERK. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The CLERK. The Clerk appoints the gentleman from New York [Mr. O'CONNOR], the gentleman from New York [Mr. SNELL], and the gentleman from Colorado [Mr. TAYLOR] to escort the gentleman from Alabama [Mr. BANKHEAD] to the chair.

The committee escorted Mr. BANKHEAD into the Chamber, and he assumed the chair. The oath of office was administered to the Speaker-elect by Mr. SABATH.

The SPEAKER. Prayer will be offered by the Reverend Allen A. Stockdale, formerly pastor of the First Congregational Church, Washington, D. C.

Rev. Allen A. Stockdale, D. D., formerly pastor, First Congregational Church, Washington, D. C., offered the following prayer:

Sunset and evening star,
And one clear call for me!
And may there be no moaning of the bar,
When I put out to sea.

But such a tide as moving seems asleep,
Too full for sound and foam,
When that which drew from out the boundless deep
Turns again home.

Twilight and evening bell,
And after that the dark!
And may there be no sadness of farewell,
When I embark.

For though from out our bourne of time and place
The flood may bear me far,
I hope to see my Pilot face to face
When I have crossed the bar.

Gracious Father of all men, Thou who dost understand the mysteries too deep for human understanding and the problems too big for the mastery of men, look down upon us this morning as we sit in the shadows of an unexpected providence of death. Master the fear in our trembling hearts and comfort our disturbed souls. By Thy gracious fatherly spirit we acknowledge the weakness of man's body as we accept the certainty of the immortality of his soul.

As children go to their parents with broken toys, disturbed plans, and bruised fingers, so we, Thy children, not yet grown up, come to Thee with the interrupted plans of our days and the disturbed procedures of our lives.

Let Thy gracious comfort come to us as we are subdued by the thoughts and feelings that come from the sudden death of our beloved Speaker. Bend Thine ear to the silent tributes of love and friendship. Increase our courage and faith to do the unfinished tasks of our day.

Be near to the wife and loved ones, who mourn the sudden passing of one held so dear. Help us to know that in the midst of life we are in death, and may our hope be firmly founded in a God that never fails and a life that never ends. Amen.

THE JOURNAL

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the reading of the Journal be dispensed with, and that the Journal stand approved.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION OF HOUSE TO TAKE RECESS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 538

Resolved, That during the remainder of the second session of the Seventy-fourth Congress it shall be in order for the majority leader or the chairman of the Committee on Rules to move that the House take a recess, and said motion is hereby made of the highest privilege; and it shall also be in order at any time during the remainder of the second session of the Seventy-fourth Congress to consider reports of the Committee on Rules, as provided in clause 45, rule XI, except that the provision requiring a two-thirds vote to consider such reports is hereby suspended during the remainder of the second session of the Seventy-fourth Congress.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. O'CONNOR. Mr. Speaker, if I may be permitted to make an announcement, in view of the circumstances the special session to be held this evening on the Private and Consent Calendars will, of course, not be held.

The SPEAKER. The Chair recognizes the gentleman from Tennessee [Mr. McREYNOLDS].

Mr. McREYNOLDS. Mr. Speaker, I am about to offer what to me is the saddest resolution it has ever been my duty to offer on the floor of the House. It relates to the death of our very much beloved Speaker, JOE BYRNS.

I have been with him in every fight for years. I was by his side when he passed away, but could be of no assistance. JOE BYRNS was true and loyal to his friends. He loved the Members of this House, and they loved him. He always tried to be fair to both political parties and to all individuals. He was just in his rulings. The influence he exercised in this House was demonstrated many times. He went through one of the most trying times any Speaker of the House has ever had to face, and, in my opinion, when history is written he will go down as one of the great Speakers of this assembly.

In the passing of JOE BYRNS we not only lose him as a friend and as the Speaker but his death has left a vacancy in his district which cannot be filled. Not only will his constituents miss him but the Nation will miss his influence and wise advice. He was one of the leading sons of Tennessee, the only one who has graced the Speaker's chair for 100 years, and the people of his State today mourn his loss.

Mr. Speaker, I cannot say more at this time. I trust I may have the opportunity later of speaking in reference to the life, character, and public service of JOE BYRNS.

Mr. Speaker, I send the following resolution to the desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 544

Resolved, That the House has learned with profound sensibility and sorrow of the death of Hon. JOSEPH W. BYRNS, Speaker of the House of Representatives for the Seventy-fourth Congress.

Resolved, That a committee of four Members of the House be appointed to take order for superintending the funeral of Mr. BYRNS in the House of Representatives at such time as the said committee shall fix.

Resolved, That as a further mark of respect the remains of Mr. BYRNS be removed from Washington to Nashville, Tenn., in charge of the Sergeant at Arms, attended by the committee, who shall have full power to carry these resolutions into effect, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That a committee of 60 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral at Nashville, Tenn.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

The SPEAKER. The Chair announces the appointment of the following committee of four under the resolution to superintend the order for the arrangement of the funeral: Mr. O'CONNOR, Mr. TAYLOR of Colorado, Mr. McREYNOLDS, and Mr. SNELL.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That, as a further mark of respect, this House do now adjourn to such time on tomorrow, June 5, 1936, as the Speaker shall fix.

The SPEAKER. The Chair desires to announce that the Chair will advise the press later in the afternoon of the time arranged for the funeral in the House of Representatives.

The question is on the adoption of the resolution.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 11 o'clock and 18 minutes a. m.) the House adjourned subject to the call of the Speaker.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

863. A letter from the Chairman of the Securities and Exchange Commission, transmitting another part of the Commission's study and investigation of the work, activities, personnel, and functions of protective and reorganization committees, in pursuance to section 211 of the Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

864. A letter from the Chairman of the Federal Trade Commission, transmitting the fourth report of the Federal Trade Commission, regarding the distribution and sale of milk and milk products, entitled "Report of Federal Trade Commission on Milk Market Regulation and Practices of Distributors in Relation to Margins, Costs, and Profits of Distributors in Boston, Baltimore, Cincinnati, and St. Louis" (H. Doc. No. 501); to the Committee on Interstate and Foreign Commerce and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. NORTON: Committee on the District of Columbia. S. 4511. An act to amend section 641 of the Code of Law for the District of Columbia; without amendment (Rept. No. 2940). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on the District of Columbia. S. 4512. An act to amend section 641 of the Code of Law for the District of Columbia; with amendment (Rept. No. 2941). Referred to the Committee of the Whole House on the state of the Union.

Mr. FADDIS: Committee on Military Affairs. S. 4699. An act to provide a commissioned strength for the Corps of Engineers, United States Army, for the efficient performance of military and other statutory duties assigned to that corps; with amendment (Rept. No. 2942). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on the District of Columbia. House Joint Resolution 612. Joint resolution for the purpose of increasing and financing employment in the District of Columbia; without amendment (Rept. No. 2943). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. NORTON: Committee on the District of Columbia. H. R. 11695. A bill to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ralph Charles Stuart; without amendment (Rept. No. 2944). Referred to the Committee of the Whole House.

SENATE

FRIDAY, JUNE 5, 1936

(Legislative day of Monday, June 1, 1936)

The Senate met at 11:30 o'clock a. m., on the expiration of the recess.

MESSAGES FROM THE PRESIDENT OF THE UNITED STATES

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following concurrent resolutions, in which it requested the concurrence of the Senate:

House Concurrent Resolution 53

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Monday, June 8, 1936, they stand adjourned until 12 o'clock meridian Monday, June 15, 1936.

House Concurrent Resolution 54

Resolved by the House of Representatives (the Senate concurring), That, notwithstanding any recesses of the Senate or House of Representatives or the adjournment of the second session of the Seventy-fourth Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

The message also announced that the House had agreed to the following resolutions:

House Resolution 545

Resolved, That the Clerk of the House is hereby directed to invite the Vice President and the Senate to attend the funeral of the late Speaker, the Honorable JOSEPH W. BYRNS, in the House of Representatives at 12 o'clock meridian on Friday, June 5, 1936.

Resolved, That invitations be extended to the President of the United States and the members of his Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the Diplomatic Corps (through the Secretary of State), the Chief of Staff of the Army, the Chief of Naval Operations of the Navy, the Major General Commandant of the Marine Corps, and the Commandant of the Coast Guard to attend the funeral in the Hall of the House of Representatives.

FUNERAL OF THE LATE SPEAKER BYRNS

Mr. ROBINSON. Mr. President, I ask the Chair to lay before the Senate the resolution of the House of Representatives inviting the Senate to attend the funeral of the late Speaker BYRNS.

The VICE PRESIDENT. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The Chief Clerk read as follows:

House Resolution 545

Resolved, That the Clerk of the House is hereby directed to invite the Vice President and the Senate to attend the funeral of the late Speaker, the Honorable JOSEPH W. BYRNS, in the House of Representatives at 12 o'clock meridian on Friday, June 5, 1936.

Resolved, That invitations be extended to the President of the United States and the members of his Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the Diplomatic Corps (through the Secretary of State), the Chief of Staff of the Army, the Chief of Naval Operations of the Navy, the Major General Commandant of the Marine Corps, and the Commandant of the Coast Guard to attend the funeral in the Hall of the House of Representatives.

Mr. ROBINSON. I move that the Senate accept the invitation, and that at 11:50 a. m. the Senate proceed in a body to the Hall of the House of Representatives, and that at the conclusion of the services there it return to its Chamber.

The VICE PRESIDENT. Without objection, the motion of the Senator from Arkansas is agreed to.

COMMITTEE TO ATTEND THE FUNERAL OF THE LATE SPEAKER BYRNS AT NASHVILLE, TENN.

The VICE PRESIDENT, under the terms of Senate Resolution 318 (submitted by Mr. MCKELLAR and unanimously agreed to yesterday), appointed as the committee on the part of the Senate to attend the funeral of the late Speaker JOSEPH W. BYRNS at Nashville, Tenn., Mr. MCKELLAR, Mr. BACHMAN, Mr. ROBINSON, Mr. GUFFEY, Mr. CLARK, Mr. SHIPSTEAD, Mr. FRAZIER, Mr. DIETERICH, Mrs. CARAWAY, Mr. BURKE, Mr. MINTON, Mr. DUFFY, Mr. GIBSON, and Mr. O'MAHONEY.

ADJOURNMENT OVER REPUBLICAN CONVENTION PERIOD

The VICE PRESIDENT laid before the Senate the following concurrent resolution from the House of Representatives:

House Concurrent Resolution 53

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Monday, June 8, 1936, they stand adjourned until 12 o'clock meridian Monday, June 15, 1936.

Mr. ROBINSON. I ask unanimous consent for the present consideration of the concurrent resolution.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. ROBINSON. I move that the Senate agree to the concurrent resolution.

The motion was agreed to.

SIGNING OF BILLS, ETC., DURING RECESS OR ADJOURNMENT

The VICE PRESIDENT laid before the Senate the following concurrent resolution from the House of Representatives, which was considered by unanimous consent and agreed to:

House Concurrent Resolution 54

Resolved by the House of Representatives (the Senate concurring), That, notwithstanding any recesses of the Senate or House of Representatives or the adjournment of the second session of the Seventy-fourth Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 11:50 o'clock a. m.

The motion was agreed to; and (at 11 o'clock and 35 minutes a. m.) the Senate took a recess until 11 o'clock and 50 minutes a. m.

FUNERAL OF THE LATE SPEAKER BYRNS

At the expiration of the recess the Senate reassembled.

Mr. ROBINSON. Mr. President, I move that the order entered earlier today be modified so as to provide that the Senate shall proceed to the Hall of the House of Representatives at 6 minutes to 12 o'clock.

The VICE PRESIDENT. Without objection, the order will be modified as requested by the Senator from Arkansas.

At 11 o'clock and 54 minutes a. m. the Senate, headed by the Sergeant at Arms, the Vice President, the Chaplain, and the Secretary, proceeded to the Hall of the House of Representatives.

At 12 o'clock and 50 minutes p. m. the Senate returned to its Chamber and resumed its session.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar days of June 3 and June 4, 1936, was dispensed with, and the Journal was approved.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 2 o'clock this afternoon.

The motion was agreed to; and (at 12 o'clock and 52 minutes p. m.) the Senate took a recess until 2 o'clock p. m.

At the expiration of the recess the Senate reassembled.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bilbo	Burke	Clark
Austin	Black	Byrd	Connally
Bachman	Bone	Byrnes	Coolidge
Bailey	Borah	Capper	Copeland
Barbour	Brown	Caraway	Couzens
Barkley	Bulkley	Carey	Davis
Benson	Bulow	Chavez	Dieterich
Donahey	Keyes	Murray	Smith
Duffy	King	Neely	Steiwer
Fletcher	La Follette	Norris	Thomas, Okla.
Frazier	Lewis	Nye	Thomas, Utah
George	Loftin	O'Mahoney	Townsend
Gerry	Lonergan	Overton	Truman
Gibson	Long	Pittman	Tydings
Glass	McAdoo	Pope	Vandenberg
Guffey	McGill	Radcliffe	Van Nuys
Hale	McKellar	Reynolds	Wagner
Hastings	McNary	Robinson	Walsh
Hatch	Maloney	Russell	Wheeler
Hayden	Minton	Schwellenbach	White
Holt	Moore	Sheppard	
Johnson	Murphy	Shipstead	

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], and the Senator from Nevada [Mr. MCCARRAN] are absent because of illness, and that the Senator from Oklahoma [Mr. GORE], the Senator from Kentucky [Mr. LOGAN] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from Rhode Island [Mr. METCALF] are necessarily absent.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

DAMAGE CLAIMS FROM OPERATION OF GOVERNMENT VESSELS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3818) authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service, which were to strike out all after the enacting clause and insert:

That the Secretary of the Treasury may consider, ascertain, adjust, and determine any claim accruing after the approval of this act, on account of damages occasioned by collisions or incident to the operation of vessels of the United States Coast Guard or of the United States Public Health Service, and for which damage the said vessels shall be found to be responsible, and such amount as may be ascertained and determined to be due any claimant, not exceeding $3,000 in any one case, shall be certified to Congress as a legal claim for payment out of appropriations that may be made by Congress therefor, together with a brief statement of the character of each claim, the amount claimed, and the amount allowed: *Provided*, That no claim shall be considered under this act unless presented to the Secretary of the Treasury within 1 year from the date of the accrual of said claim: *Provided further*, That acceptance by any claimant of the amount determined to be due under the provisions of this act shall be deemed to be in full and final settlement of such claim against the Government of the United States.

And to amend the title so as to read: "An act to provide for the adjustment and settlement of certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service."

Mr. BAILEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

REPORT ON MILK AND MILK PRODUCTS IN CERTAIN AREAS

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting, pursuant to House Concurrent Resolution 32 (73d Cong., 2d sess.), a fourth report of the Commission regarding the distribution and sale of milk and milk products, entitled "Report of Federal Trade Commission on Milk Market Regulation and Practices of Distributors in Relation to Margins, Costs, and Profits of Distributors in Boston, Baltimore, Cincinnati, and St. Louis", which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Louisiana, which was referred to the Committee on Finance:

Whereas the loss of income due to the loss of work by reason of unemployment, old age, or disability has resulted in the unparalleled destitution of millions of workers throughout the United

States, lowered the living standards of all workers, and seriously jeopardized the welfare of all the people; and

Whereas it is impossible for individual workers to secure themselves against such loss of work because mass unemployment and the other factors responsible for such loss primarily due to the operation of social and economic forces which are beyond the control of individuals or private bodies, and because the earnings of most workers during employment are barely sufficient to provide for more than immediate living expenses; and

Whereas it is in the interest of protecting the living standards and general welfare of the people that Government shall insure every worker against loss of income due to unemployment, old age, or other disability, and this obligation must be recognized by each State government; and

Whereas a fully adequate system of social insurance can best be created and administered on a national basis, since industry is predominantly national in scope, since the Federal Government, with its vast resources and imponderable taxing power, can best provide the necessary funds to administer such a system, since State systems cannot adequately provide for workers who necessarily change residence from State to State, and since, finally, there are unquestionable administrative advantages in a uniform and integrated Federal system as against the contradiction and chaos of different systems in different States; and

Whereas the Federal workers' social insurance bill, introduced in the United States Senate by Senator LYNN J. FRAZIER and the House of Representatives by Representative ERNEST LUNDEEN, and identified as S. 3475 and H. R. 9680, provides for the establishment of an adequate Federal system of social insurance, providing for compensation for the unemployed, the aged, the disabled, and others: Now, therefore, be it

Resolved, That the Legislature of the State of Louisiana hereby memorializes the United States Congress to enact the Federal workers' social insurance bill, S. 3475 and H. R. 9680, without further delay; and be it further

Resolved, That a copy of this resolution be immediately transmitted to the President of the United States, United States Senator LYNN J. FRAZIER, Representative ERNEST LUNDEEN, the Secretary of the United States Senate, the Clerk of the House of Representatives, and to each Member of Congress of the United States, and that the Members of Congress be urged to use their best offices to procure the speedy enactment of this bill.

The VICE PRESIDENT also laid before the Senate a resolution of the Senate of the State of Massachusetts protesting against the enactment of legislation relative to price fixing of coal, which was referred to the Committee on Interstate Commerce.

(See resolution printed in full when presented today by Mr. WALSH.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Newark, N. J., branch of the National Association for the Advancement of Colored People, favoring the prompt enactment of antilynching legislation, which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by the mayor and Common Council of the City of San Bernardino, Calif., and the Council of the City of Springfield, Ill., favoring the prompt enactment of Senate bill 4424, known as the Wagner-Ellenbogen low-cost housing bill, which were ordered to lie on the table.

Mr. COPELAND presented memorials of sundry citizens, being members of New York Sign Writers Local Union 230, of New York City, and of citizens of New York State, remonstrating against the passage of the so-called Russell sedition bill, which were referred to the Committee on the Judiciary.

He also presented memorials of citizens of the State of New York remonstrating against the enactment of legislation to suppress efforts to incite members of the enlisted forces of the Army and Navy to disobedience of orders, which were ordered to lie on the table.

Mr. WALSH presented a letter in the nature of a memorial from the Worcester, Mass., Laundry Owners Club, remonstrating against the adoption of the so-called Bailey amendment imposing a tax on tallow or soap-making materials, which was ordered to lie on the table.

Mr. WALSH. Mr. President, I present and ask to have printed in the RECORD and appropriately referred resolutions of the Massachusetts State Senate memorializing Congress in opposition to certain pending legislation relative to price-fixing of coal.

There being no objection, the resolutions were referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

Resolutions memorializing Congress in opposition to certain pending legislation relative to price-fixing of coal

Whereas there is now pending before the Congress of the United States a bill to provide for Government price-fixing of coal; and

Whereas the enactment of said bill would inevitably be followed by a substantial increase in the cost of coal to American homes and industries; and

Whereas it would be contrary to the public interests for the Congress to pass laws to compel our citizens to pay higher prices for coal than competitive conditions really warrant; and

Whereas there is grave doubt that Congress has power to fix the price of coal, particularly in view of the decision of the Supreme Court of the United States in the recent Guffey Coal Act case, so-called; and that if any such power does exist in Congress it should be used for the protection of the people against excessive charges for coal and not for the purpose of establishing a monopoly for the benefit of a privileged group of coal operators; and

Whereas the Senate of Massachusetts believes that the enactment of any such measure to fix prices for coal would be but the first step in the enactment of laws to similarly regulate prices of innumerable articles shipped in interstate commerce and that the exercise of any such power would tend to weaken or destroy the power of the States: Therefore be it

Resolved, That the Senate of Massachusetts respectfully urges the Congress of the United States to reject the aforesaid bill; and be it further

Resolved, That the secretary of the Commonwealth be directed to send forthwith copies of these resolutions to the presiding officers of both branches of Congress and to the Members of Congress from this Commonwealth.

REPORTS OF COMMITTEES

Mrs. CARAWAY, from the Committee on Commerce, to which was referred the bill (S. 3958) to prevent the pollution of the navigable waters of the United States, and for other purposes, reported it with amendments and submitted a report (No. 2224) thereon.

She also, from the same committee, to which was referred the bill (S. 3959) to amend section 13 of the act of March 3, 1899, relating to the deposit of refuse in the navigable waters of the United States, and section 3 of the Oil Pollution Act, 1924, reported it with an amendment and submitted a report (No. 2225) thereon.

She also, from the same committee, to which was referred the bill (S. 4342) to create a Division of Stream Pollution in the Bureau of the Public Health Service, and for other purposes, reported it without amendment and submitted a report (No. 2226) thereon.

Mr. ADAMS, from the Committee on Irrigation and Reclamation, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 3957. A bill granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River (Rept. No. 2227); and

H. R. 6773. A bill to deepen the irrigation channel between Clear Lake and Lost River, in the State of California, and for other purposes (Rept. No. 2228).

Mr. NORRIS, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 4723) to authorize cooperation in the development of farm forestry in the States and Territories, and for other purposes, reported it without amendment and submitted a report (No. 2229) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (H. R. 11643) to amend certain provisions of the act of March 7, 1928 (45 Stat. L. 210–212), reported it without amendment and submitted a report (No. 2230) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 177) to define the term of certain contracts with Indian tribes, reported it with an amendment and submitted a report (No. 2231) thereon.

He also, from the same committee, to which was recommited the bill (H. R. 8588) to authorize the deposit and investment of Indian funds, reported it with amendments and submitted a report (No. 2232) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

H. R. 8759. A bill to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930, as amended (Rept. No. 2233); and

H. J. Res. 444. Joint resolution to amend the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally", approved August 27, 1935 (Rept. No. 2284).

He also, from the same committee, to which was referred the bill (S. 4740) to provide a graduated scale of reduction of payments under section 8 of the Soil Conservation and Domestic Allotment Act, reported it with an amendment and submitted a report (No. 2234) thereon.

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 7743. A bill for the relief of Mrs. David C. Stafford (Rept. No. 2235);

H. R. 10677. A bill for the relief of Cora Fulghum and Ben Peterson (Rept. No. 2236);

H. R. 11262. A bill for the relief of Brooks-Callaway Co. (Rept. No. 2237);

H. R. 12522. A bill for the relief of Grier-Lowrance Construction Co., Inc. (Rept. No. 2239); and

H. R. 12311. A bill for the relief of the P. L. Andrews Corporation (Rept. No. 2238).

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (H. R. 3160) for the relief of Irene Magnuson and Oscar L. Magnuson, her husband, reported it without amendment and submitted a report (No. 2240) thereon.

He also, from the same committee, to which was referred the bill (S. 2976) for the relief of John Edgar White, a minor, reported it with amendments and submitted a report (No. 2241) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H. R. 5870) for the relief of K. S. Szymanski, reported it without amendment and submitted a report (No. 2242) thereon.

Mr. BLACK, from the Committee on Claims, to which was referred the bill (H. R. 300) for the relief of F. P. Bolack, reported it without amendment and submitted a report (No. 2243) thereon.

Mr. BURKE, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 4699. A bill for the relief of Estelle M. Gardiner (Rept. No. 2244);

H. R. 8671. A bill for the relief of R. H. Quynn, lieutenant, United States Navy (Rept. No. 2245); and

H. R. 10916. A bill for the relief of Carl Hardin, Orville Richardson, and W. E. Payne (Rept. No. 2246).

Mr. BURKE also, from the Committee on Claims, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 1790. A bill for the relief of Margaret Murphy (Rept. No. 2305);

H. R. 237. A bill for the relief of the Rowesville Oil Co. (Rept. No. 2301);

H. R. 254. A bill for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C. (Rept. No. 2300); and

H. R. 3866. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Emanuel Bratses (Rept. No. 2289).

Mr. BURKE also, from the same committee, to which was referred the bill (S. 4456) for the relief of the estate of Charles White, reported it with amendments and submitted a report (No. 2247) thereon.

Mr. COOLIDGE, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 2262. A bill for the relief of William H. Locke (Rept. No. 2248);

H. R. 4219. A bill for the relief of John J. Ryan (Rept. No. 2249);

H. R. 4955. A bill for the relief of the estate of Jennie Brenner (Rept. No. 2250);

H. R. 8028. A bill for the relief of the Great Northern Railway Co. (Rept. No. 2251);

H. R. 8033. A bill for the relief of Juanita Filmore, a minor (Rept. No. 2252); and

H. R. 8200. A bill for the relief of the seamen of the steamship *Santa Ana* (Rept. No. 2253).

Mrs. LONG, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4362. A bill for the relief of Rufus C. Long (Rept. No. 2254);

S. 4363. A bill for the relief of B. W. Winward (Rept. No. 2255);

H. R. 2495. A bill for the relief of Thomas Berchel Burke (Rept. No. 2256);

H. R. 2496. A bill for the relief of Thomas J. Moran (Rept. No. 2257);

H. R. 2497. A bill for the relief of William H. Hildebrand (Rept. No. 2258);

H. R. 3388. A bill for the relief of Jessie D. Bowman (Rept. No. 2259); and

H. R. 7270. A bill for the relief of Clara Imbesi and Domenick Imbesi (Rept. No. 2260).

Mr. SCHWELLENBACH, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 796. A bill for the relief of A. E. Clark (Rept. No. 2261);

H. R. 993. A bill for the relief of Frank A. Boyle (Rept. No. 2285);

H. R. 2259. A bill for the relief of Addie I. Tryon and Lorin H. Tryon (Rept. No. 2262);

H. R. 2400. A bill for the relief of Blanche Knight (Rept. No. 2263);

H. R. 3907. A bill for the relief of James L. Park (Rept. No. 2286);

H. R. 4373. A bill for the relief of Albert Gonzales (Rept. No. 2264);

H. R. 4619. A bill for the relief of Joseph Salinghi (Rept. No. 2265); and

H. R. 5752. A bill for the relief of May Wynne Lamb (Rept. No. 2266).

Mr. SCHWELLENBACH also, from the Committee on Claims, to which was referred the bill (H. R. 2619) for the relief of R. E. Sutton, Lula G. Sutton, Grace Sutton, and Mary Lou Drinkard, reported it with amendments and submitted a report (No. 2267) thereon.

Mr. LOFTIN, from the Committee on Claims, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon:

H. R. 5635. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation (Rept. No. 2268);

H. R. 11203. A bill for the relief of Andrew Smith (Rept. No. 2269);

H. R. 11461. A bill for the relief of the estates of N. G. Harper and Amos Phillips (Rept. No. 2270); and

H. J. Res. 522. Joint resolution for the relief of William W. Brunswick (Rept. No. 2271).

Mr. LOFTIN also, from the Committee on Claims, to which was referred the bill (S. 4724) for the relief of Henry C. Anderson, reported it with an amendment and submitted a report (No. 2272) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

S. 4204. A bill for the relief of Winifred E. Hester (Rept. No. 2273);

S. 4478. A bill for the relief of Joseph N. Wenger, lieutenant, United States Navy, and for other purposes (Rept. No. 2275); and

S. 4591. A bill for the relief of the children of Rees Morgan (Rept. No. 2274).

Mr. BENSON, from the Committee on Claims, to which was referred the bill (H. R. 10527) for the relief of Harris Bros. Plumbing Co., reported it without amendment and submitted a report (No. 2276) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

S. 3484. A bill for the relief of Edward Y. Garcia and Aurelia Garcia (Rept. No. 2277);

S. 4160. A bill for the relief of F. M. Loeffler (Rept. No. 2278);

H. R. 1695. A bill for the relief of Margaret Grace and Alice Shriner (Rept. No. 2279); and

H. R. 8220. A bill for the relief of Helen Mahar Johnson (Rept. No. 2290).

Mr. McNARY, from the Committee on Commerce, to which was referred the bill (S. 4695) to authorize completion, maintenance, and operation of certain facilities for navigation on the Columbia River, and for other purposes, reported it with amendments and submitted a report (No. 2280) thereon.

Mr. POPE, from the Committee on Agriculture and Forestry, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

S. 4392. A bill to add certain lands to the Sawtooth National Forest (Rept. No. 2281); and

S. J. Res. 171. Joint resolution providing for the establishment of a game-management supply depot and laboratory, and for other purposes (Rept. No. 2282).

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (S. 4737) to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes, reported it without amendment and submitted a report (No. 2283) thereon.

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 10591) to authorize the Secretary of Agriculture to investigate and report on traffic conditions, with recommendations for corrective legislation, reported it without amendment and submitted a report (No. 2287) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 11819. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo. (Rept. No. 2288);

H. R. 11820. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo. (Rept. No. 2295);

H. R. 12006. A bill to authorize a preliminary examination of the Kennebec River, Maine, and its tributaries, with a view to the control of their floods (Rept. No. 2296);

H. R. 12202. A bill to provide for a preliminary examination of Six Mile Creek in Logan County, Ark., with a view to flood control and to determine the cost of such improvement (Rept. No. 2308);

H. R. 12240. A bill to authorize a preliminary examination of the tributaries, sources, and headwaters of the Allegheny and Susquehanna Rivers in the State of Pennsylvania, where no examination and survey has heretofore been made, with a view to the control of their floods and the regulation and conservation of their waters (Rept. No. 2309);

H. R. 12514. A bill authorizing the Chesapeake Bay Authority to construct, maintain, and operate a toll bridge across the Chesapeake Bay from a point in Baltimore County, Md., over Hart Island and Millers Island to a point near Tolchester, Kent County, Md. (Rept. No. 2310); and

H. R. 12685. A bill granting the consent of Congress to the county of Horry, S. C., to construct, maintain, and operate a free highway bridge across the Waccamaw River at or near Red Bluff, S. C. (Rept. No. 2311).

Mr. SHEPPARD also, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 10712. A bill to authorize the transfer of land from the War Department to the Territory of Hawaii (Rept. No. 2291); and

H. R. 11916. A bill to authorize the transfer of a certain piece of land in Muhlenberg County, Ky., to the State of Kentucky (Rept. No. 2292).

Mr. WHITE, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 12007. A bill to authorize a preliminary examination of the Penobscot River, Maine, and its tributaries, with a view to the control of their floods (Rept. No. 2297); and

H. R. 12008. A bill to authorize a preliminary examination of the Androscoggin River, in Maine and New Hampshire, and its tributaries, with a view to the control of their floods (Rept. No. 2298).

Mr. WALSH, from the Committee on Education and Labor, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

H. R. 7293. A bill to amend the act approved June 16, 1934, entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes" (Rept. No. 2293); and

H. R. 12599. A bill to provide more adeqate protection to workmen and laborers on projects, buildings, constructions, improvements, and property wherever situated, belonging to the United States of America, by granting to the several States jurisdiction and authority to enter upon and enforce their State workmen's compensation, safety, and insurance laws on all property and premises belonging to the United States of America (Rept. No. 2294).

Mr. GUFFEY, from the Committee on Commerce, to which was referred the bill (H. R. 12002) to authorize a preliminary examination of the Lackawanna River with a view to the control of its flood, reported it without amendment and submitted a report (No. 2299) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (H. R. 12056) authorizing the State of Iowa, acting through its State Highway Commission, and the State of Nebraska, acting through its Department of Roads and Irrigation, to construct, maintain, and operate a free or toll bridge across the Missouri River at or near Dodge Street in the city of Omaha, Nebr., reported it without amendment and submitted a report (No. 2306) thereon.

Mr. BARKLEY, from the Committee on Interstate Commerce, to which was referred the bill (S. 1288) to promote the safety of employees and travelers on railroads by requiring common carriers engaged in interstate commerce to install, inspect, test, repair, and maintain block-signal systems, interlocking, highway grade-crossing protective devices, automatic train stop, train control, cab-signal devices, and other appliances, methods, and systems intended to promote the safety of railroad operation, reported it without amendment and submitted a report (No. 2307) thereon.

Mr. GIBSON, from the Committee on Claims, to which was recommitted the bill (H. R. 8824) for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually, reported it without amendment and submitted a report (No. 2302) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the following bills, reported them each without amendment and submitted reports thereon:

S. 4182. A bill to authorize the city of Chamberlain, S. Dak., to construct, equip, and maintain tourist cabins on American Island, S. Dak., to operate and maintain a tourist camp and certain amusement and recreational facilities on such island,

to make charges in connection therewith, and for other purposes (Rept. No. 2304); and

H. R. 12033. A bill authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Calif., certain public lands in California; and granting rights-of-way over public lands and reserve lands to the city of Los Angeles in Mono County in the State of California (Rept. No. 2303).

MUNITIONS INDUSTRY—REPORT OF SPECIAL COMMITTEE ON INVESTIGATION OF THE MUNITIONS INDUSTRY (REPT. NO. 944, PT. 5)

Mr. CLARK. By direction of the Special Committee on Investigation of the Munitions Industry, I ask unanimous consent to submit a report on the subject of existing legislation and treaties having to do with the munitions industry.

The VICE PRESIDENT. Without objection, the report will be received and printed.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on June 3, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 2243. An act relating to the allocation of radio facilities;

S. 2303. An act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented;

S. 3043. An act for the relief of the State of Maine;

S. 3452. An act to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes";

S. 3477. An act relating to the jurisdiction of the judge for the northern and middle districts of Alabama;

S. 3885. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 3945. An act to extend the times for commencing and completing the construction of certain free highway bridges across the Red River, from Moorhead, Minn., to Fargo, N. Dak.;

S. 3989. An act to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries;

S. 4184. An act to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925;

S. 4230. An act to amend section 28 of the enabling act for the State of Arizona, approved June 20, 1910;

S. 4298. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1936;

S. 4326. An act granting the consent of Congress to the Department of Public Works of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass.;

S. 4340. An act to authorize the President to designate an Acting High Commissioner to the Philippine Islands;

S. 4354. An act to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration at Little Rock, Ark., the Texas Centennial at Dallas, Tex., and the National Confederate Reunion at Shreveport, La., between the dates from June 6 to June 16, 1936, inclusive;

S. 4549. An act authorizing the State Highway Board of the State of Georgia to replace, reconstruct, or repair the free highway bridge across the Savannah River at or near the city of Augusta, Ga.; and

S. 4655. An act relative to limitation of shipowners' liability.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GUFFEY:

A bill (S. 4750) to amend section 3244 of the Revised Statutes relating to special taxes on wholesale and retail dealers in liquors; to the Committee on the Judiciary.

By Mr. LEWIS:

A bill (S. 4751) to revive certain patents; to the Committee on Patents.

By Mr. McGILL:

A bill (S. 4752) to increase the pension to certain veterans of the Regular Establishment on the rolls March 19, 1933; to the Committee on Pensions.

By Mr. BARBOUR:

A bill (S. 4753) for the relief of Enoch Maholtsky; to the Committee on Military Affairs.

By Mr. BLACK:

A bill (S. 4754) to waive any exclusive jurisdiction over premises of resettlement of rural rehabilitation projects; to authorize payments to States, political subdivisions, and local taxing units in lieu of taxes on such premises; and for other purposes; to the Committee on Education and Labor.

By Mr. SHEPPARD:

A bill (S. 4755) for the relief of Ernest S. Frazier; to the Committee on Military Affairs.

Mr. COPELAND. Mr. President, I ask consent to introduce a joint resolution and request that it be referred to the Committee on Appropriations. It proposes an emergency appropriation for flood control.

The VICE PRESIDENT. Without objection, the joint resolution will be received and referred, as requested by the Senator from New York.

By Mr. COPELAND:

A joint resolution (S. J. Res. 282) making appropriations for works of flood control; to the Committee on Appropriations.

A joint resolution (S. J. Res. 283) directing the Interstate Commerce Commission to make certain investigations concerning air-mail contracts; to the Committee on Interstate Commerce.

HOUSE BILL PLACED ON THE CALENDAR

The bill (H. R. 11072) authorizing the appointment of an additional district judge for the eastern district of Pennsylvania was read twice by its title and ordered to be placed on the calendar.

STUDY OF PUERTO RICAN INDEPENDENCE—AMENDMENT

Mr. WALSH submitted an amendment intended to be proposed by him to the joint resolution (S. J. Res. 270) to provide for the appointment of a committee to study the question of Puerto Rican independence, which was referred to the Committee on Territories and Insular Affairs and ordered to be printed.

FACILITIES FOR NAVIGATION ON COLUMBIA RIVER—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (S. 4695) to authorize completion, maintenance, and operation of certain facilities for navigation on the Columbia River, and for other purposes, which was ordered to lie on the table and to be printed.

POLITICAL AND CIVIL RIGHTS OF WOMEN—PRINTING OF STATEMENT

Mr. PITTMAN submitted the following resolution (S. Res. 319), which was referred to the Committee on Printing:

Resolved, That the manuscript of the statement interpreting the laws of the United States with respect to the political and civil rights of women compared to the political and civil rights of men, compiled for action by the Seventh International Conference of American States, be printed as a Senate document.

INVESTIGATION OF SO-CALLED BOOK TRUST

Mr. McKELLAR submitted the following resolution (S. Res. 320), which was referred to the Committee on the Library:

Whereas it has been openly published and charged for a period of years that the American Book Co. and other textbook concerns, commonly known as the Book Trust, all dealing in textbooks and

school books, throughout the country have been engaged in unlawful practices in obtaining of contracts for furnishing school books through State legislation, and from public officials in States, and that, in the obtention of these contracts to furnish textbooks, it is charged that they have used large sums of money for entertainment and use of various officials; and

Whereas it was published in the newspapers on Saturday, May 5, 1934, that, in a secret N. R. A. code hearing held in Washington, D. C., in April 1934, it was disclosed that $500,000 had been paid out by the textbook manufacturers for "meals" and other gratuities to public officials having to do with the purchase of school textbooks for the children and the youth of our country; and

Whereas these books are sold in interstate commerce: Now, therefore, be it

Resolved, That the Committee on the Library be, and it is hereby, authorized and directed to appoint a subcommittee, which subcommittee is authorized and directed, during the session of the Senate or during the recess of the Congress, to examine into such charges made concerning the book manufacturers selling books in interstate commerce and report its findings to the next Congress.

For the purpose of this resolution the Committee on the Library, or any subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable.

IMPROVEMENTS BETWEEN SHORE AND BULKHEAD LINES—CONFERENCE REPORT

Mr. COPELAND submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to bill (S. 3071) providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment, and agree to the same.

ROYAL S. COPELAND,
DUNCAN U. FLETCHER,
CHAS. L. MCNARY,
Managers on the part of the Senate.

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
WM. L. FIESINGER,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

The report was agreed to.

AMENDMENT OF COASTWISE LOAD-LINE ACT, 1935—CONFERENCE REPORT

Mr. COPELAND submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11915) to amend the Coastwise Load Line Act, 1935, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 3, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

Before the word "tugs" in said amendment insert "steam colliers" and a comma; and the Senate agree to the same.

ROYAL S. COPELAND,
MORRIS SHEPPARD,
WALLACE H. WHITE, Jr.,
Managers on the part of the Senate.

S. O. BLAND,
WM. I. SIROVICH,
ROBERT RAMSPECK,
FREDERICK R. LEHLBACH,
RICHARD J. WELCH,
Managers on the part of the House.

Mr. LA FOLLETTE. May I ask the Senator from New York what happened in conference on that bill? Were the amendments which were adopted by the Senate retained by the conferees?

Mr. COPELAND. The House accepted the Senate amendments and asked also that colliers be included.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF EMERGENCY FARM MORTGAGE ACT—CONFERENCE REPORT

Mr. GLASS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: "That the terms of this Act shall not permit additional or new land to be brought into production outside of the present boundaries of any established or reorganized irrigation district"; and the Senate agree to the same.

CARTER GLASS,
FREDERICK STEIWER,
W. G. MCADOO,
ROBERT D. CAREY,
Managers on the part of the Senate.

R. M. KLEBERG,
AUG. H. ANDRESEN,
FRED C. GILCHRIST,
E. M. OWEN,
WALTER M. PIERCE,
Managers on the part of the House.

The report was agreed to.

ADMINISTRATION OF RELIEF MEASURES IN NEVADA

Mr. PITTMAN. Mr. President, I desire to submit a brief statement concerning the administration of relief measures in the State of Nevada, and to include in the RECORD an article published in the New York Sun of May 13, 1936. I shall set forth the facts, which are taken from the official records here in Washington.

The facts disclose that the alleged facts set out in the New York Sun article are absolutely incorrect and misleading. The most charitable construction to place upon the Sun's article is that in the writer's desire to attack President Roosevelt and belittle relief projects he was criminally negligent in ascertaining the facts. His negligence, however, resulted in gross exaggerations, as will be seen from a comparison of the official statement of facts with such alleged facts.

The writer says, "In 1935 the Federal Government spent $1,086 on each relief family in Nevada." The fact is that the Federal Government spent exactly $539.18 on each family. The writer does not take into consideration that Nevada is almost solely dependent upon mining and stock raising. Both mining and stock raising have been at the lowest ebb in history during the last 3 or 4 years, and the price of cattle was the last to feel the revivifying effect of general recovery. Added to this, Nevada, together with several other Western States, has for several years, reaching its peak in 1934, experienced the most disastrous drought in the history of the State.

As to the answer to the question, "Who keeps them out of work, industry or Roosevelt?" Industry refused to put men to work until there was an advanced consumptive demand for its products. Roosevelt put men to work because industry would not put them to work. Roosevelt created the consumptive power of these laborers, thus creating a demand for further production, which is the only cause for the increased production of manufactures from around an average of 20 percent to around an average of 60 percent.

This controversy demonstrates that newspapers in many cases are no longer news papers, but organs of private propaganda of their owners.

I ask unanimous consent that the article to which I have referred and the statistics in answer thereto may be printed in the RECORD at this point.

There being no objection, the newspaper article and the statistics were ordered to be printed in the RECORD, as follows:

[From the New York Sun of May 13, 1936]

WHO KEEPS THEM OUT OF WORK, INDUSTRY OR ROOSEVELT?

Consider the State of Nevada:

State: Nevada.

Relief cases, November 1933	1,400
Relief cases, year 1935	2,400
W. P. A. workers, 1936	5,894
Federal relief, 1935–36	$12,103,165

Franklin D. Roosevelt has bought $2,118,000,000 worth of (useless) silver and one reason for so doing was to help the State of Nevada and his ally, Senator PITTMAN of that State. The population of Nevada is 94,000. It is a mining and farming State.

In 1929 Nevada had only 123 manufacturing establishments with 2,200 wage earners, whose wages for the year amounted to $3,585,425.

In 1936 Nevada has 5,894 workers on W. P. A.; that is, 1 out of every 6 workers in the State. In 1935 the Federal Government spent $1,086 on each relief family in Nevada. In New York it spent $373 on each family.

Despite the silver purchases and $150,000 in A. A. A. checks, Nevada's relief rolls are four times what they were in November 1933.

In per capita wealth Nevada is the richest State in the Union.

STATE OF NEVADA—OFFICIAL STATISTICS RELATIVE TO FEDERAL RELIEF

Average number of relief cases, State of Nevada, from May 1934 through October 1935	3,678
Under the general relief program for this same period the average relief cost per family was	$539.18
The average relief cost per case was	$425.64
W. P. A. workers for the State of Nevada as of week ending Feb. 29, 1936,[1] was	3,067

[1] This was the peak period of the works program; that is, when the maximum number of workers were employed.

The figure of 5,894 given in the newspaper article as W. P. A. workers for 1936 was the figure released as the total number of workers under the Government works program at this same peak period. It is worth nothing that this includes in all 44 agencies. While it is true that not all of these agencies function in Nevada, some of those which do are: C. C. C. camps, Public Works Administration, public road work through the Highway Department, Resettlement Administration, Rural Electrification Administration, and numerous others under the Department of Agriculture such as Extension Service, Forest Service, Public Roads, and Soil Conservation. There are employed in emergency-conservation work such as C. C. C. camps, wherein most of the men come from other States, and chiefly from Eastern States, 1,072. Other agencies, exclusive of W. P. A. and Emergency Conservation Work, employ 1,755.

Total expenditures to Feb. 29, 1936, under the Emergency Relief Appropriation Act of 1935 were	$4,685,216.44
Of these, the W. P. A. expenditures were	482,995.79
The total Federal Emergency Relief Administration grants from May 1934 through October 1935 were	4,893,232.00

Included in the Federal emergency-relief grants for this period were all incidental programs other than State relief to State residents. Chief among these was $1,010,000 for drought-relief work, $316,000 for cattle buying and processing, $147,000 for rural-rehabilitation program, and $747,000 for transient relief wherein a monthly average of nearly 5,000 other than State residents were cared for in work camps or otherwise.

Allocations and expenditures to the State of Nevada from funds appropriated under the Emergency Relief Appropriation Act of 1935, as of Feb. 29, 1936

Allocations:	
All agencies[1]	$9,502,559.81
W. P. A.	1,381,262.06
Expenditures:	
All agencies[1]	4,685,216.44
W. P. A.	482,995.79

[1] Exclusive of F. E. R. A. and W. P. A.

Federal Emergency Relief Administration grants to the State of Nevada, May 1934 through October 1935

Total, all grants[1]	$4,893,232
General relief	2,109,950
Drought relief	1,010,000

[1] Includes grants made for general and drought-relief purposes.

General relief program for Nevada, year 1935

Average relief cost per family	$539.18
Average relief cost per case	425.64

THE PUBLIC LANDS—ARTICLE BY P. H. SHALLENBERGER

Mr. CAREY. Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD an article entitled "Our Federal Provinces." This article was published in the Wyoming Stockman-Farmer, and its author, Mr. Percy H. Shallenberger, of Lysite, Wyo., has been a resident of the State for many years and has been engaged in the livestock business. He not only is thoroughly conversant with that industry but with all questions affecting public lands.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR FEDERAL PROVINCES

By Percy H. Shallenberger, of Lysite, Wyo.

The cautious framers of our National Government decreed that the only purely Federal area should be the small District of Columbia, with a few square miles of territory to contain a Federal capital city with its necessary congressional and departmental buildings and a Presidential mansion.

Properly set apart from any State jurisdiction, it is the only territory in the United States where the Federal power has hitherto been absolute.

But so amazing has been the growth of Federal authority and departmental assumption of still further sovereignty that an average of 53 percent of the area of 11 Western States is now placed beyond private ownership and taxation.

Prior to the passage of the Taylor Act in June 1934, 30 percent of these States was federally controlled. The total is now increased to 400,000,000 acres, or an average of 53 percent of their total area.

The State of Nevada is more than 80 percent under Federal control.

In this great domain the law of the land is not an act of Congress, but that tyrannous substitute known as the discretion of the Secretary.

In many ways the Congress has lately delegated its right and duty to legislate, but never in a larger degree than in this gift of absolute power to appointive officials.

The Secretaries of the Interior and Agriculture have been made omnipotent dictators in this great domain, yet citizens of these 11 States, irritated by long-range mandates, can cast no votes for or against these department heads.

We still make impassioned claims to being a Republic, yet we here have the spectacle of a group of allegedly sovereign States governed in matters most vital to them by officials in whose selection they have no vote or voice.

President Coolidge put a very plain truth in very plain language when he said: "When authority is located afar off, it is necessarily less well informed, less sympathetic, and less responsive to public requirements. When it is close at hand, it is more likely to be executed, and in the public interest.

"Having a personal contact, it is more humane and more charitable."

These Western States are now forever deprived of sovereignty, settlement, growth, and taxation. Their hope of augmented strength in Congress, as the years might increase their populations and representation, is destroyed.

Several of them have but one Member in the House of Representatives.

By secretarial annulments of the several homestead acts further settlement is made impossible.

Many of these States are in the great region cursed by summer aridity and arctic winters, by alkaline waters and ceaseless winds. Yet allowed possession of but half their area they must endeavor to maintain a State government, courts, roads, schools, and police.

During President Hoover's administration, Ray Lyman Wilbur, as Secretary of the Interior, suggested a new land policy which would transfer to the States the control of the surface rights on the public domain.

Mineral rights were to be reserved to the Federal Government.

President Hoover then appointed a public-lands committee of 22 members to consider the whole matter of conservation and administration of the public domain.

The chairman was Hon. James A. Garfield, of Ohio.

Ex-officio members were the Secretaries of the Interior and Agriculture.

Members nationally known as avowed conservationists were Mary Roberts Rinehart, author; George H. Lorimer, editor, Saturday Evening Post; Col. W. B. Greeley, former Chief of the United States Forest Service; and Hon. Huntley N. Spaulding, former Governor of New Hampshire.

In their report they recommended cession to such States as desired it.

The States interested were to have the long period of 10 years in which to determine their choice.

After these lands had lain on the counter for 10 years, such as were not claimed by the States were to be put under Federal control and subject to lease and fees.

Nothing could have been more fair. It was approved by the Conference of Western Governors at Portland, Oreg., and gratefully accepted throughout the entire West as a complete solution of the problem.

The only opposition voiced was that of Governor Dern, of Utah, now Secretary of War.

Unfortunately, the depression came on with its greater problems, President Hoover went out of office, and the labors of this committee were set at naught.

A bill was pending which bore the name of Representative Colton, of Utah, placing all public lands under Federal control and a fee system, but it also contained the feature of local option.

Later the same bill was introduced by Congressman TAYLOR at departmental request, and it was known as the Taylor bill. It still gave State legislatures the right to refuse or accept its provisions.

Immediately upon taking office, Secretary Ickes, in an article written for the Saturday Evening Post, announced that he would urge the passage of the Taylor bill but would oppose the feature of local option.

He asserted that nothing would satisfy but complete and absolute control, regardless of State and local sentiment or pleaded rights.

He said, "These lands must be removed from the sinister influence of State governments."

These words were considered by many to be offensive and unsupported by facts.

The record of his own Department of the Interior is much more sinister than that of any State government in the West.

There hangs over it the Ballinger land scandals and trial and the later Teapot Dome affair, which left us the sorry picture of Secretary Fall walking out of the oil magnate's office with his $100,000 in a suit case.

There are cavilers in the shadows of the Rockies who feel that the Navy's oil might have been safer in the clutches of some sinister State government than in the conserving pockets of the Interior Department.

A politically important State like Ohio or Massachusetts, with its large electoral vote, need not fear that a Cabinet member or a President will speak of its State government as exerting a sinister influence which must be curbed.

No more would a King of England or a Duke of York use a sentence casting an aspersion on Australia or Canada.

The irritation of the arid States is intensified by the thought that their political insignificance makes them a constant target for bureaucratic artillery.

When President Roosevelt signed the Taylor Act of June 28, 1934, he returned it to Congress with a congratulatory note lauding its provisions.

One sentence in that note was remarkable: "It confers broad powers on the Secretary of the Interior * * * the authority to exercise these powers is carefully safeguarded against impairment by State or local action."

When the President was Governor of New York he said:

"The preservation of this home rule is a fundamental necessity if we are to remain a truly united country."

But now there is apparent determination that home rule or local interference in secretarial management of these vast Federal provinces is not going to be tolerated.

The United States Supreme Court in its A. A. A. decision said that agricultural production was a State and local matter, not to be regulated by Federal laws.

The hog and corn contracts are invalidated for the Middle West, but in the western principality of 11 States production will be restricted by a much simpler and more Hitlerlike method.

At a grazing conference in Casper, Wyo., in January 1935 the director of grazing explained that hog production had been regulated by a very intricate and vexatious system of personal contracts with the individual farmer. He stated that the number of these contracts reached one and a half million and that each one required inspections, appraisals, and enumerations, both frequent and costly.

He then explained that in the public-land States the number of cattle and sheep would be annually regulated by secretarial order, calling for perhaps a 10-percent cut on cattle and a 20-percent cut on sheep. If, at a later date, conditions in the Nation seemed to require it, there might be another czarist ukase calling on each man to make an additional cut.

Stockmen present were asked to rejoice that matters were to be thus simplified.

It is daily made more evident that the hand of the Washington planner is to be heavily laid on the stock growers of the semidesert States.

These lands can produce little but grass, and the only marketable crop has been feeder cattle and sheep, which are shipped to the Corn Belt to be fattened. Such were Mother Nature's plans and orders, but they are to be superseded by Father Planner's superior rules.

A maglet called Cow Country is the organ of the Wyoming Stock Growers' Association. It has lately made the following comment on the new soil-conservation program:

"The greater part of the land area of Wyoming, in common with that of most of the arid Western States, is nonmineral, untimbered, and unfit for farming. Its only product is the grass and other herbage that grows upon it, and so it is fit only for grazing livestock, for which purpose it is admirably adapted. Livestock production is, therefore, the foundation industry which supports our people. Should that industry be destroyed, entire communities would become 'ghost towns', just as the cessation of mining in a small way depopulated former mining towns.

"The suggested plan would create millions of acres of hay and pasture within the farm belt, heavily subsidized by the National Government at the expense of taxpayers. Inevitably there would occur a great increase in livestock production upon these heavily subsidized farms. The surplus of livestock thus created would seriously cripple the entire livestock industry and surely defeat the declared purpose of the administration to promote parity prices unless western stockmen are to be forced to reduce production to compensate for this increase in the farm belt."

The Corn Belter has been accused by the ubiquitous experts of having overproduced, overplowed, overborrowed, and overbought, but it appears that he is to be trusted not to overgraze.

That is a purely western delinquency.

Government agencies, to impress the Nation with the need of their salaried supervision, irritate westerners by their constant assertions that something of value in the way of natural resources has been destroyed in the processes of settlement and development.

The native is ready with quotations from Parkman, Bonneville, our old geographies, and journals of the forty-niners and Mormons to prove that there was nothing to destroy.

There was little grass, less water, and little timber for fuel outside of the almost inaccessible mountains.

The man from Utah, Idaho, or Arizona is proud of what has been accomplished with most meager resources. He does not like to be called an exploiter, a scavanger, a looter of the public domain, or a destroyer of wildlife and scenic beauty.

He may tell you that when he travels to old haunts in Indiana or Illinois he hears at pioneer's picnics much praise for hardy fathers and grandfathers who developed the resources of those States. The picnic orators make much use of the words "development" and "sacrifice."

Everyone seems proud of descent from those who changed a wilderness into fields rich with homes and harvests.

But in the public-land States official Washington calls the same urge and determination "exploitation."

Federal press bureaus are fond of such words as "devastation" and "looting." The rancher on his little desert oasis has outraged the soil conservationists by plowing and irrigating land that never previously knew a forage cover of any sort. Not since Tertiary upheavals spread these grassless lands before the scowling face of the sun.

Sons of Idaho and Arizona fathers are not to be allowed to boast as do those of the Corn Belt.

The mountain-born can only look at the alfalfa fields, the haystacks, the sugar-beet factories, the city parks, and the farm orchards, and as Secretary Wallace framed it, "glory in their shame."

The Secretary of Agriculture paid his initial visit to Wyoming in June 1934. He came by plane from Salt Lake City to Cheyenne. In that flight his opportunities for study of range conditions were certainly limited.

He was then driven in an auto to Douglas, Wyo., where he had been invited to address a cattlemen's convention. This is a distance of about 165 miles. In this speech he said: "You have destroyed your pastures and ranges and appear to glory in your shame."

Washington officials too often come to their western principality with misconceptions and prejudices which even an aerial inspection cannot soften or dissipate.

In February 1935, western stockmen were summoned to Denver to confer on plans for administering the Taylor Act, which, in the previous June, had placed the public lands under Federal control and possible lease.

It was announced that Secretary Ickes would make a hurried trip from Washington to address the gathering.

The day before his arrival a statement was given to the Denver press by F. R. Carpenter, director of grazing, in which he said:

"The Secretary will address the conference tomorrow afternoon, and what he will say will spell happiness or unhappiness for the western stockman."

It is disturbing to a citizen of a great republic to know that an appointive official can hurry across the continent to regions and people with whom he has had no previous contacts and, in a speech of less than an hour, spell happiness or unhappiness for the citizens of 11 States.

Yet Director Carpenter was absolutely correct in his statement.

Such autocratic authority is actually in the Secretary's hands.

He issues rules and regulations for this vast area which have all the force and dignity of law.

If his subordinates offended the citizen, or some ruling seems unfair, the only appeal lies to the honorable Secretary, in whose office the rules were made, and whose appointees have acted under his written instructions.

The State courts are denied jurisdiction, and the cost of recourse to a Federal court is prohibitive.

The Secretary makes the law and then sits as defendant, judge, and jury.

At Washington the novels of Zane Grey and the biography of Wild Bill are still considered essential textbooks for those asked to familiarize themselves with western conditions.

Secretary Ickes is too close to the realities, too thirsty for facts, to give much heed to the high flavors of fiction, yet in his speech at Denver he put in a level teaspoonful of this official vanilla.

He emphasized his Department's determination to end range wars, range monopolies, and strong-arm stuff throughout the West.

He would arouse such shepherds as he found abiding in the fields and announce to them the gospel of "peace on earth."

Only in the story books and the outworn cant of the bureaucrat does the cattle baron and the mutton monarch exist. But to admit that the West is well behaved and well intentioned might lead to a suggestion that expensive surveillance is unnecessary.

It can be said with truth and pride that in no part of the United States of America has the young man, the "little fellow", the penniless and the deserving, found more of opportunity and assistance than in the range livestock country of the far West.

When a faithful herder had no money to buy sheep of his own, his employer gave him a band on shares. If the cowboy was both competent and sober, the cow man took him in as a partner. No one is seeking a monopoly of hardships.

One band of sheep usually brings a man all the grief that nature equipped him to endure.

Politicians in all times and climes have been found marching to the rescue of the little fellow and the under dog.

But it is a saddening truth that laws are usually made by the strong and to benefit the strong. If the weak organize to protect themselves the strong men of the organization seek their own personal profit and the weak go down again.

But to extol the weak and to utter determined vows of immediate assistance is an oratorical device which withstands much repetition and wear.

Too much of what is being done for the farmer and for industry is based on an assumption of ignorance and incapacity in the individual owner.

It smacks of the scientific and intellectual to fault the farmer for all the calamities which befall him, and assert that his great need is intelligent leadership and wise supervision.

The possible leaders and supervisors are in the anteroom discussing salaries.

The unusual dust storms west of the Missouri River are said to be due to the cultivation of lands which should never have been plowed. Six successive years of drought is not a sufficient explanation.

We are told that the wrong crops were planted and the furrows were run to windward when they should have run to leeward.

Assertions are made that erosion by wind and water, coupled with vicious farming practices, will in 50 years make a sterile desert of the great Mississippi Valley. The hunger for Government jobs makes this tide of pessimism and accusation run alarmingly high.

There was a time when the pioneer was applauded for his course, tenacity, and endurance of hardship. But today his every victory over nature is branded as a mistake. He has either overproduced, overexpanded, or overgrazed.

But it is very calming and reassuring to look at the history of agriculture in Europe. Lands in Italy, France, Germany, and England have been ceaselessly tilled by untaught, unscientific farmers since 2,000 years before Christ.

If there be truth in the startling tales of erosion losses and soil depletion, there would not today be one fertile acre left on the continent of Europe.

Yet those fields are more productive today than in the time of Julius Caesar. The soils have been given no analysis or protection by government experts or saviors.

There was no department of agriculture to put the bull in the bulletins.

No parliaments or kings attempted to tell the farmer how to conduct the business to which he was born. They did not fear that the toiler would destroy his own source of livelihood.

They trusted him as an individual to check such dangers as might threaten. They considered erosion, manures, and cultural methods the farmer's own problems, and wisely left him to solve them.

It is government's only duty to see that the farmer gets fair play in the public markets and an income which enables him to care for his lands and his family as his intelligence shall prompt him.

When Hannibal wished to cheer his soldiers, toiling over the Alps to Italy, he told them of the rich wheat fields of Apulia, of the oil and the wine.

That was 2,100 years ago, yet those Apulian fields are today producing better wheat than Hannibal ever saw.

President Roosevelt has lately said that we must not ship our fertility abroad. The most analytical minds of the New Deal appear puzzled over the exact meaning of this statement.

If we are to ship any agricultural products to other lands we are, in a sense, shipping our fertility.

Humans have been eating up the world's fertility for a million years, and yet it is still there.

The Democratic Party has always stood for liberal trade relations with the outside world, as opposed to the Republican stress on a home market.

Every sack of wheat and bale of cotton shipped abroad represents some measure of soil fertility.

All commerce of the world is an exchange of fertility; the fertility of Colorado for that of Japan; the fertility of India for that of Canada; the fertility of the brain for that of the soil.

So it has ever been, yet there is no waste. It is another proof of the indestructibility of matter.

A milk cow returns to the field 85 percent of the fertility she consumes.

Is it the soil that is in danger of being robbed, or is it the tax victims?

A Montana stockman, irritated by accusations of overgrazing made by Federal agents, exclaims:

"The national pay roll is overgrazed. Let us try to check the erosion of public funds. I am told that the grass is badly trampled out around the United States Treasury Building. Those Federal feed lots are getting pretty dusty."

Conservation is a good word and a good doctrine, but a serious menace rears its head when there is more money for those who conserve than for those who operate.

We cannot have more than 50 percent of our people in Federal uniforms, supervising the other half who are doing the work.

It is getting to be a close count as between the overseers and the overalls. This cancer of too much Government will soon eat out the Nation's heart.

Shall we give heed to all this criticism of the world's workers by experts and supervisors, seeking new worlds to admonish, or will we be calm enough to look over the record of human accomplishment in both America and Europe and say again that the average man can be trusted to do his own work well?

Citizens of the Federal provinces have been recently given a remarkable proof of how utterly bureaucratic and executive authority has superseded congressional action and time-honored laws.

This example is in the nullification of the various homestead acts, all of which stand unrepealed by Congress, and so far as legislative action by elected Representatives may affect them, are still in full force and effect.

Yet the Secretary of the Interior says that they have served their purpose, and they now lie on the large but still mounting scrap pile.

The reason given is that the lands left subject to entry are too poor to guarantee the applicant a living.

That has, for 75 years, been considered the entryman's business. He is on the ground, experienced in agriculture and accustomed to hardships.

Shall we continue to permit him to make the effort or shall we beckon him to the relief rolls as a Government foundling?

The original homestead act, signed by Abraham Lincoln in 1862, was perhaps the most beneficent piece of legislation ever passed by the Congress.

It has given homes to millions. It has passed into private ownership and taxable status almost the entire area of Minnesota, Nebraska, Kansas, Oklahoma, Colorado, the two Dakotas, Washington, and Oregon.

Iowa and Missouri were in process of settlement at the time of its passage, but they owe, perhaps, half of their taxable real estate to the homestead acts.

Yet an honorable Secretary is permitted to nullify it all by one flourish of his potent pen.

The following colloquy brightens the pages of the CONGRESSIONAL RECORD for March 11, 1935. Mr. Poole, of the Interior Department, was testifying before the Public Lands Committee of the House.

"Mr. POOLE. There was a basic reason for the issuance of the Executive order of November 26. It was felt by the President and by the National Resources Board, which has gone into this homestead question very fully, that practically all lands that were economically sufficient to support a family—which is the guiding standard, you might say, or rod of measurement to determine what lands should go into private ownership—had been patented and that the homestead laws had served their purpose."

"Mr. WHITE. That was the opinion of whom, that it had served its purpose?

"Mr. POOLE. The National Resources Board, the Secretary of the Interior, and the President.

"Mr. LEMKE. I certainly am amazed at that statement. I think that is a question for Congress to determine, whether the homestead law has served its purpose or not, not any executive, or even the Chief Executive."

In none of the homestead acts did Congress demand that a man make a living on his tract. Very few did more than exist. The whole history of homesteading is a record of poverty, hardship, and tenacity.

People worked on them, starved on them, and died on them; for in the beginnings of the now populous States of Iowa, Nebraska, and Missouri crops were too often complete failures.

Congress, in all its homestead legislation, never enacted anything but residence and improvements.

Success or failure was the entryman's affair. He had to testify that he was familiar with the tract, its soil, and vegetation; he knew what he was buying and was asking to assume the obvious risks.

Although the Department of the Interior puts commendable emphasis on its regard for the little fellow, its first act, after the passage of the Taylor bill, which made its rule absolute, was to cancel all homestead entries made prior to the passage of the act which were still in such a preliminary status as to be affected by a retroactive Executive order.

There were 500 of these in the State of Wyoming and proportionate numbers in the other public-land States.

The total of canceled entries ran into thousands.

The majority of these entries had been made by the cherished little man, by sons and daughters of pioneers, just reaching their filing age.

These were young men, eager for a start in business, and asking for their first foothold, and daughters who thought to add 640 acres to the scanty pastures of a debt-ridden father.

But no diminution of secretarial acreage was to be permitted.

Presidential ukase and secretarial discretion waved the impoverished thousands back and opened the gates of livelihood and comfortable salaries to more Federal guardians, rangers, graziers, surveyors, and appraisers, who will soon form a helpful army of political rooters and organizers for the home folks on Pennsylvania Avenue.

In several Western States the great host of appointees in these federalized areas have organized themselves into a holding company, comprising groups in green uniforms, some in blue, and others in khaki.

They hold annual meetings to devise ways and means to perpetuate their jobs.

They include as members postal clerks and postmasters, Federal court members, United States district attorney's retainers, the income-tax collectors and instructors, the Biological Survey, United States forest supervisors and rangers, and the personnel of the Bureau of Mines, which controls production of ore and oil.

Now will come the grazing administration, with its superintendents, surveyors, appraisers, and graziers.

It will take larger buildings at Helena, Boise, Cheyenne, and Salt Lake to house Federal administration than is now required for State officials and legislatures.

New Federal buildings will overshadow the State capitols. The young man seeking secure position and ample salary will know on which side of the street to make his bow and solicitation.

Such organization of strangers, anchored to good positions, create much ill will in the minds of the native born on whose backs alone is laid the burden of taxation.

Alien rule has always been detested.

The southerner hated the carpetbagger sent at the close of the Civil War to reconstruct him.

The Irish came to hate the name and uniform of England's black-and-tan constabulary. The German people of the Saar Valley voted 90 percent to lower the French flag which had been floating over them.

As these numerous Federal agencies are granted augmented personnels and broader powers there will be an increase of sectional bitterness.

Conflicts between sheepmen and cattlemen belong to a forgotten day. They belong to the movies and the pages of lurid fiction.

But strife between western people and bureaucratic overseers will be an enduring animosity until that day when high-powered Federal control gives place to those equal rights and that complete sovereignty promised in the deeds of cession to all new States upon their admission to the Union.

OPINION OF SUPREME COURT ON MINIMUM-WAGE LAW

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD the majority opinion of the Supreme Court holding the New York minimum-wage law unconstitutional; also the dissenting opinion delivered by Mr. Chief Justice Hughes and the minority opinion delivered by Mr. Justice Stone. With those opinions I ask also to have inserted in the RECORD editorial comments upon the decision which were published in the New York Times, in the Washington Post, and in the Washington Daily News.

There being no objection, the opinion and editorials were ordered to be printed in the RECORD, as follows:

MAJORITY OPINION OF THE SUPREME COURT HOLDING WAGE LAW UNCONSTITUTIONAL

Supreme Court of the United States. No. 838, October term, 1935

Frederick L. Moorehead, as warden of the city prison of the Borough of Brooklyn, petitioner, v. *People ex rel. Joseph Tipaldo.* On writ of certiorari to the Supreme Court of the State of New York.

Mr. Justice Butler delivered the opinion of the Court.

This is a habeas corpus case originating in the Supreme Court of New York. Relator was indicted in the county court of Kings County and sent to jail to await trial upon the charge that as manager of a laundry he failed to obey the mandatory order of the State industrial commissioner prescribing minimum wages for women employees.

The relator's petition for the writ avers that the statute, ch. 584 of the Laws of 1933 (Cons. Law, ch. 31, art. 19), under which the commissioner made the order, insofar as it purports to authorize him to fix women's wages, is repugnant to the due-process clause, article I, section 6, of the constitution of the State, and the due-process clause of the fourteenth amendment to the Constitution of the United States.

FEDERAL STATUTE CONDEMNED

The application for the writ is grounded upon the claim that the State statute is substantially identical with the minimum-wage law enacted by Congress for the District of Columbia (40 Stat. 960) which in 1923 was condemned by this Court as repugnant to the due-process clause of the fifth amendment (*Adkins* v. *Children's Hospital*, 261 U. S. 525).

The warden's return, without disclosing the commissioner's order, the prescribed wages, the findings essential to his jurisdiction to establish them, things done in pursuance of the act, or the allegations of the indictment, merely shows that under an order of the county court he was detaining relator for trial. The case was submitted on petition and return. The court dismissed the writ (156 Misc. 522).

Relator took the case to the Court of Appeals. It held the act repugnant to the due-process clauses of the State and Federal Constitutions (270 N. Y. 233). The remittitur directed that the order appealed from be reversed, the writ sustained, and the prisoner discharged; it certified that the Federal constitutional question was presented and necessarily passed on. The Supreme Court entered judgment as directed. We granted a writ of certiorari.

The act extends to women and minors in any "occupation", which "shall mean an industry, trade, or business, or branch thereof, or class of work therein in which women or minors are gainfully employed, but shall not include domestic service in the home of the employer or labor on a farm" (sec. 551 (6)).

NOT EMERGENCY LAW

It is not an emergency law. It does not regulate hours or any conditions affecting safety or protection of employees. It relates only to wages of adult women and minors.

As the record is barren of details in respect of investigation, findings, amounts being paid women workers in laundries or elsewhere prior to the order, or of things done to ascertain the minimum prescribed, we must take it as granted that, if the State is permitted, as against employers and their women employees, to establish and enforce minimum wages, that power has been validly exerted.

It is to be assumed that the rates have been fairly made in accordance with the procedure prescribed by the act and in full compliance with the defined standards.

If, consistently with the due-process clause, the State may not enter upon regulation of the sort undertaken by challenged enactment, then plainly it cannot by diligence to insure the establishment of just minima create power to enter that field (*cf. St. Joseph Stock Yards Co.* v. *United States*, U. S. —, — (pamphlet, p. 6); *Baltimore & Ohio R. R.* v. *United States*, — U. S. —, — (pamphlet, pp. 13–14)).

COURT RESTRICTS ITS ACTS

The Adkins case, unless distinguishable, requires affirmance of the judgment below. The petition for the writ sought review upon the ground that this case is distinguishable from that one. No application has been made for reconsideration of the constitutional question there decided.

The validity of the principles upon which that decision rests is not challenged. This Court confines itself to the ground upon which the writ was asked or granted (*Alice State Bank* v. *Houston Pasture Co.*, 247 U. S. 240, 242; *Clark* v. *Willard*, 294 U. S. 211, 216). Here the review granted was no broader than that sought by the petitioner (*Johnson* v. *Manhattan Railway Co.*, 189 U. S. 479, 494).

He is not entitled and does not ask to be heard upon the question whether the Adkins case should be overruled. He maintains that it may be distinguished on the ground that the statutes are vitally dissimilar.

The District of Columbia Act provided for a board to ascertain and declare "standards of minimum wages" for women in any occupation and what wages were "inadequate to supply the necessary cost of living to any such women workers to maintain them in good health and to protect their morals" (sec. 9).

Violations were punishable by fine and imprisonment (sec. 18). The declared purposes were to protect women from conditions detrimental to their health and morals resulting from wages inadequate to maintain decent standards of living (sec. 23).

NEW YORK ACT QUOTED

The New York act declares it to be against public policy for any employer to employ any woman at an oppressive and unreasonable wage (sec. 552), defined as one which is "both less than the fair and reasonable value of the services rendered and less than sufficient to meet the minimum cost of living necessary for health" (sec. 551 (7)).

"A fair wage" is one "fairly and reasonably commensurate with the value of the service or class of service rendered" (sec. 551 (8)). If the commissioner is of opinion that any substantial number of women in any occupation are receiving oppressive and unreasonable wages, he shall appoint a wage board to report upon the establishment of minimum fair-wage rates (sec. 554). After investigation the board shall submit a report, including its recommendations as to minimum fair-wage standards (sec. 555).

And for administrative guidance, the act declares: "In establishing a minimum fair wage for any service or class of service under this article the commissioner and the wage board, without being bound by any technical rules of evidence or procedure, (1) may take into account all relevant circumstances affecting the value of the service or class of service rendered, and (2) may be guided by like considerations as would guide a court in a suit for the reasonable value of services rendered where services are rendered at the request of an employer without contract as to the amount of the wage to be paid, and (3) may consider the wages paid in the State for work of like or comparable character by employers who voluntarily maintain minimum fair-wage standards" (sec. 551 (8)).

ACTS ARE COMPARED

If the commissioner accepts the report, he shall publish it, and a public hearing must be held (sec. 556). If, after the hearing, he approves the report, he "shall make a directory order which shall define minimum fair-wage rates" (sec. 557).

Upon hearing and finding of disobedience, the commissioner may publish the name of an employer as having failed to observe the directory order (sec. 559). If, after a directory order has been in effect for 9 months, the commissioner is of opinion that persistent nonobservance is a threat to the maintenance of the prescribed standards, he may, after hearing, make the order mandatory (sec. 560). Violation of a mandatory order is a misdemeanor, punishable by fine, imprisonment, or both (sec. 565 (2)).

Thus it appears: The minimum wage provided for in the District act was one not less than adequate "to supply the necessary cost of living to any such women workers to maintain them in good health and to protect their morals."

The New York act defines an oppressive and unreasonable wage as containing two elements. The one first mentioned is "less than the fair and reasonable value of the services rendered." The other is "less than sufficient to meet the minimum cost of living necessary for health."

POWER BASED ON FINDING

The basis last mentioned is not to be distinguished from the living wage defined in the District act. The exertion of the granted power to prescribe minimum wages is by the State act conditioned upon a finding by the commissioner or other administrative agency that a substantial number of women in any occupation are receiving wages that are oppressive and unreasonable,

i. e., less than value of the service and less than a living wage. That finding is essential to jurisdiction of the commissioner.

In the State court there was controversy between the parties as to whether the "minimum fair-wage rates" are required to be established solely upon value of service or upon that value and the living wage. Against the contention of the attorney general, the court of appeals held that the minimum wage must be based on both elements.

Speaking through its chief judge, the court said: "We find no material difference between the act of Congress and this act of the New York State Legislature. The act of Congress, it is said, was to protect women from conditions resulting from wages which were inadequate to maintain decent standards of living."

The opinion then quotes from the brief of the attorney general: "The purpose of the statute in the Adkins case was to guarantee a wage based solely upon the necessities of the workers. The statute did not provide for the wages to have any relationship to earning power; was applicable to all vocations and not to the character of the work."

LAW SET WAGE STANDARD

As contrasted with this statute, the New York minimum-wage law provides a definite standard for wages paid. It provides that the worker is to be paid at least the value of the services rendered. The opinion continues:

"This is a difference in phraseology and not in principle. The New York act, as above stated, prohibits an oppressive and unreasonable wage, which means both less than the fair and reasonable value of the services rendered and less than sufficient to meet the minimum cost of living necessary for health.

"The act of Congress had one standard, the living wage; this State act has added another, reasonable value. The minimum wage must include both.

"What was vague before has not been made any clearer. One of the elements, therefore, in fixing the fair wage is the very matter which was the basis of the congressional act. Forcing the payment of wages at a reasonable value does not make inapplicable the principle and ruling of the Adkins case. The distinctions between this case and the Adkins case are differences in details, methods, and time; the exercise of legislative power to fix wages in any employment is the same."

The petitioner does not suggest and reasonably it cannot be thought that, so far as concerns repugnancy to the due-process clause, there is any difference between the minimum-wage law for the District of Columbia and the clause of the New York act, "less than sufficient to meet the minimum cost of living necessary for health."

Petitioner does not claim that element was validated by including with it the other ingredient, "less than the fair and reasonable value of the services rendered."

BACKS STATE COURT

His brief repeats the State court's declaration: "The act of Congress had one standard, the living wage; this State act has added another, reasonable value. *The minimum wage must include both.* What was vague before has not been made any clearer. *"One of the elements, therefore, in fixing the fair wage is the very matter which was the basis of the congressional act."*

Then he says: "The italicized lines carry the court's misconception of the statute. It is a basic conception. From it flows the erroneous conclusion of the court of appeals that there exists no material difference between the two statutes.

"Those two factors do not enter into the determination of the minimum 'fair wage' as in the statute defined nor as determined in this case. The only basis for evaluating and arriving at the 'fair minimum wage' is the fair value of the services rendered."

There is no blinking the fact that the State court construed the prescribed standard to include cost of living or that petitioner here refuses to accept that construction. Petitioner's contention that the court of appeals misconstrued the act cannot be entertained. This Court is without power to put a different construction upon the State enactment from that adopted by the highest court of the State.

ACCEPTED AS LEGISLATURE'S AIM

We are not at liberty to consider petitioner's argument based on the construction repudiated by that court. The meaning of the statute as fixed by its decision must be accepted here as if the meaning had been specifically expressed in the enactment (*Knights of Pythias* v. *Meyer*, 265 U. S. 30, 32).

Exclusive authority to enact carries with it final authority to say what the measure means (*Jones* v. *Prairie Oil Co.*, 273 U. S. 195, 200).

The standard of "minimum fair-wage rates" for women workers to be prescribed must be considered as if both elements, value of service and living wage, were embodied in the statutory definition itself (*International Harvester Co.* v. *Kentucky*, 234 U. S. 216, 220).

As our construction of an act of Congress must be deemed by State courts to be the law of the United States, so this New York act, as construed by her court of last resort, must here be taken to express the intention and purpose of her lawmakers (*Green* v. *Lessee of Neal*, 6 Pet. 291, 295–298).

The State court rightly held that the Adkins case controls this one and requires that relator be discharged upon the ground that the legislation under which he was indicted and imprisoned is repugnant to the due-process clause of the fourteenth amendment.

The general statement in the New York act of the fields of labor it includes, taken in connection with the work not covered, indicates legislative intention to reach nearly all private employers of women. The act does not extend to men. It does extend to boys and girls under the age of 21 years, but there is here involved no question as to its validity in respect of wages to be prescribed for them.

TWO QUESTIONS RAISED

Relator's petition for the writ shows that the charge against him is that as manager of a laundry he "disobeyed a mandatory order prescribing certain minimum wages for certain adult women employees of the said laundry." The rights of no other class of workers are here involved.

Upon the face of the act the question arises whether the State may impose upon the employers State-made minimum-wage rates for all competent experienced women workers whom they may have in their service.

That question involves another one. It is: Whether the State has power similarly to subject to State-made wages all adult women employed in trade, industry, or business other than house and farm work. These were the questions decided in the Adkins case.

So far at least as concerns the validity of the enactment under consideration, the restraint imposed by the due-process clause of the fourteenth amendment upon legislative power of the State is the same as that imposed by the corresponding provision of the fifth amendment upon the legislative power of the United States.

EQUAL BARGAINING DEFENDED

This Court's opinion shows (pp. 545, 546): The right to make contracts about one's affairs is a part of the liberty protected by the due-process clause. Within this liberty are provisions of contracts between employer and employee fixing the wages to be paid.

In making contracts of employment, generally speaking, the parties have equal right to obtain from each other the best terms they can by private bargaining. Legislative abridgement of that freedom can only be justified by the existence of exceptional circumstances. Freedom of contract is the general rule and restraint the exception.

This Court has found not repugnant to the due-process clause statutes fixing rates and charges to be exacted by business impressed with a public interest, relating to contracts for the performance of public work, prescribing the character, methods, and time of payment of wages, fixing hours of labor.

Physical differences between men and women must be recognized in proper cases, and legislation fixing hours or conditions of work may properly take them into account, but (p. 553) "we cannot accept the doctrine that women of mature age, sui juris, require or may be subjected to restrictions upon their liberty of contract which could not lawfully be imposed in the case of men under similar circumstances.

HEALTH ISSUE RAISED

"To do so would be to ignore all the implications to be drawn from the present-day trend of legislation, as well as that of common thought and usage, by which woman is accorded emancipation from the old doctrine that she must be given special protection or be subjected to special restraint in her contractual and civil relationships. * * * (p. 554).

"Enough has been said to show that the authority to fix hours of labor cannot be exercised except in respect of those occupations where work of long-continued duration is detrimental to health.

"This Court has been careful, in every case where the question has been raised, to place its decision upon this limited authority of the legislature to regulate hours of labor and to disclaim any purpose to uphold the legislation as fixing wages, thus recognizing an essential difference between the two. It seems plain that these decisions afford no real support for any form of law establishing minimum wages."

The decision and the reasoning upon which it rests clearly show that the State is without power by any form of legislation to prohibit, change, or nullify contracts between employers and adult women workers as to the amount of wages to be paid.

OBJECTIONS ARE CITED

Then the opinion emphasizes objections specifically applicable to the requirement that the minimum wages to be prescribed under the District act shall be adequate "to supply the necessary cost of living to any such women workers to maintain them in good health and to protect their morals."

Some of them were: The price fixed by the board need have no relation to earning powers, hours, or place or character of work; it is based wholly on opinion of the board as to what amount will be necessary to comply with the standard; it applies to every occupation without regard to the kind of work; the standard is so vague as to be impossible of practical application; the act takes account of the necessities of only the employee; to the extent that the sum fixed exceeds fair value of service rendered, it amounts to a compulsory exaction for the support of a partially indigent person for whose condition there rests upon the employer no peculiar responsibility; the statute exacts from the employer an arbitrary payment for a purpose and upon a basis having no causal connection with his business or the contract or the work the employee engages to do; the declared basis is not the value of the service rendered but the extraneous circumstance that the employee needs to get a prescribed sum of money to insure her subsistence, health, and morals.

The Court said: "The ethical right of every worker, man or woman, to have a living wage may be conceded. The fallacy of the proposed method of attaining it is that it assumes that every

employer is bound at all events to furnish it. The moral requirement, implicit in every contract of employment, viz, that the amount to be paid and the service to be rendered shall bear to each other some relation of just equivalence, is completely ignored."

EMPLOYEE ALONE CONSIDERED

The necessities of the employee are alone considered, and these arise outside of the employment and are as great in one occupation as in another.

Illustrating particular constitutional difficulties encountered by the enactment then before us, the opinion proceeds (p. 559):

"Should a statute undertake to vest in a commission power to determine the quantity of food necessary for individual support and require the shopkeeper, if he sell to the individual at all, to furnish that quantity at not more than a fixed maximum, it would undoubtedly fall before the constitutional test. The fallacy of any argument in support of the validity of such a statute would be quickly exposed.

"The argument in support of that now being considered is equally fallacious, though the weakness of it may not be so plain. A statute requiring an employer to pay in money, to pay at prescribed and regular intervals, to pay the value of the services rendered, even to pay with fair relation to the extent of the benefit obtained from the service, would be understandable.

"But a statute which prescribes payment without regard to any of these things, and solely with relation to circumstances apart from the contract of employment, the business affected by it, and the work done under it, is so clearly the product of a naked, arbitrary exercise of power that it cannot be allowed to stand under the Constitution of the United States."

PETITIONER'S CLAIM REJECTED

Petitioner does not attempt to support the act as construed by the State court. His claim is that it is to be tested here as if it did not include the cost of living and as if value of service was the sole standard.

Plainly, that position is untenable. If the State has power to single out for regulation the amount of wages to be paid women, the value of their services would be a material consideration. But that fact has no relevance upon the question whether the State has any such power.

And utterly without significance upon the question of power is the suggestion that the New York prescribed standard includes value of service with cost of living, whereas the District of Columbia standard was based upon the latter alone.

As shown above, the dominant issue in the Adkins case was whether Congress had power to establish minimum wages for adult women workers in the District of Columbia. The opinion directly answers in the negative. The ruling that defects in the prescribed standard stamped that act as arbitrary and invalid was an additional group of subordinate consequence.

The dissenting opinion of Mr. Chief Justice Taft (in which Mr. Justice Sanford concurred) assumes (p. 564) "That the conclusion in this (Adkins) case rests on the distinction between a minimum of wages and a maximum of hours."

That is the only point he discussed; he did not refer to the validity of the standard prescribed by the act.

HOLMES FINDING QUOTED

The dissenting opinion of Mr. Justice Holmes begins (p. 567): "The question in this case is the broad one whether Congress can establish minimum rates of wages for women in the District of Columbia with due provision for special circumstances, or whether we must say that Congress has no power to meddle with the matter at all."

And after assuming that women would not be employed at the wages fixed unless they were earned or unless the employer could pay them, the opinion says (p. 570): "But the group on which the law is held to fall is fundamental and therefore it is unnecessary to consider matters of detail."

If the decision of the Court turned upon the question of the validity of the particular standard, that question could not have been ignored by the Justices who were in favor of upholding the act. Clearly they understood, and rightly, that by the opinion of the Court it was held that Congress was without power to deal with the subject at all.

To distinguish this from the Adkins case, petitioner refers to changes in conditions that have come since that decision, cites great increase during recent years in the number of women wage earners and invokes the first section of the act, called "factual background."

ACT A PERMANENT POLICY

The act is not to meet an emergency; it discloses a permanent policy; the increasing number of women workers suggests that more and more they are getting and holding jobs that otherwise would belong to men. The "factual background" must be read in the light of the circumstances attending its enactment.

The New York Legislature passed two minimum-wage measures and contemporaneously submitted them to the Governor. One was approved; it is the act now before us. The other was vetoed and did not become law.

They contained the same definitions of oppressive wage and fair wage and in general provided the same machinery and procedure culminating in fixing minimum wages by directory orders. The one vetoed was for an emergency; it extended to men as well as to women employees; it did not provide for the enforcement of wages by mandatory orders.

It is significant that their "factual backgrounds" are much alike. They are indicated in the margin. (2) These legislative declarations, in form of findings or recitals of fact, serve well to illustrate why any measure that deprives employers and adult women of freedom to agree upon wages, leaving employers and men employees free so to do, is necessarily arbitrary.

MEN EQUALLY SUBJECT TO EVILS

Much, if not all, that in them is said in justification of the regulations that the act imposes in respect of women's wages apply with equal force in support of the same regulation of men's wages. While men are left free to fix their wages by agreement with employers, it would be fanciful to suppose that the regulation of women's wages would be useful to prevent or lessen the evils listed in the first section of the act.

Men in need of work are as likely as women to accept the low wages offered by unscrupulous employers. Men in greater numbers than women support themselves and dependents and because of need will work for whatever wages they can get and that without regard to the value of the service and even though the pay is less than minima prescribed in accordance with this act.

It is plain that, under circumstances such as those portrayed in the "factual background", prescribing of minimum wages for women alone would unreasonably restrain them in competition with men and tend arbitrarily to deprive them of employment and a fair chance to find work.

This Court, on the authority of the Adkins case and with the acquiescence of all the Justices who dissented from the decision, (3) held repugnant to the due-process clause of the fourteenth amendment statutes of Arizona and Arkansas (4), respectively, fixing minimum wages for women (*Murphy* v. *Sardell*, 269 U. S. 530; *Donham* v. *West-Nelson Mfg. Co.*, 273 U. S. 657). We have adhered to the principle there applied and cited it as a guide in other cases (*Meyer* v. *Nebraska*, 262 U. S. 390, 399; *Wolff Co.* v. *Industrial Court*, 262 U. S. 522, 534; *Ribnik* v. *McBride*, 277 U. S. 350, 356; see *Near* v. *Minnesota*, 283 U. S. 697, 707–708). States having similar enactments have construed it to prevent the fixing of wages for adult women (*Topeka Laundry Co.* v. *Court of Industrial Relations*, 119 Kan. 12; *Stevenson* v. *St. Clair*, 161 Minn. 444; see *Folding Furniture Works* v. *Industrial Commission*, 300 Fed. 991; *People* v. *Successors of Laurnaga & Co.*, 32 P. R. 766).

ADKINS RULING DECLARED SOUND

The New York court's decision conforms to ours in the Adkins case, and the later rulings that we have made on the authority of that case. That decision was deliberately made upon careful consideration of the oral arguments and briefs of the respective parties and also of briefs submitted on behalf of States and others as amici curiae. In the Arizona case the Attorney General sought to distinguish the District of Columbia Act from the legislation then before us and insisted that the latter was a valid exertion of the police power of the State.

Counsel for the California commission submitted a brief amicus curiae in which he elaborately argued that our decision in the Adkins case was erroneous and ought to be overruled. In the Arkansas case the State officers, appellants there, by painstaking and thorough brief presented arguments in favor of the same contention.

But this court, after thoughful attention to all that was suggested against that decision, adhered to it as sound. And in each case, being clearly of the opinion that no discussion was required to show that, having regard to the principles applied in the Adkins case, the State legislation fixing wages for women was repugnant to the due-process clause of the fourteenth amendment, we so held, and upon the authority of that case affirmed per curiam the decree enjoining its enforcement. It is equally plain that the judgment in the case now before us must also be affirmed.

BRIEFS IN CASE LISTED

(1) Briefs amici curiae in support of the application were filed by the city of New York and the State of Illinois. Briefs on the merits supporting the New York act were filed by the State of Ohio and by the States of Conecticut, Illinois, Massachusetts, New Hampshire, New Jersey, and Rhode Island. Briefs for affirmance were filed by the New York State Hotel Association, National Woman's Party, National Association of Women Lawyers, et al.

(2) Omitting the words in brackets, the following is the factual background in the first section of the act before us. Adding the words in brackets and omitting those in italics, there is indicated the background in the bill that was not approved.

"The employment of [men and] women and minors in trade and industry in the State of New York at wages unreasonably low and not fairly commensurate with the value of the services rendered is a matter of grave and vital public concern. Many [men and] women and minors employed for gain in the State of New York are not as a class upon a level of equality in bargaining with their employers in regard to minimum fair-wage standards, and 'freedom of contract' as applied to their relations with their employers is illusory.

"Since a very large percentage of such workers are obliged from their week-to-week wages to support themselves and others who are dependent upon them in whole or in part they are, by reason of their necessitous circumstances, forced to accept whatever wages are offered them.

WAGES FIXED BY CHANCE

"Judged by any reasonable standard, wages are in many cases fixed by chance and caprice and the wages accepted are often found to bear no relation to the service rendered. Women and minors employed for gain are peculiarly subject to the overreaching of inefficient, harsh, or ignorant employers and under unregulated competition where no adequate machinery exists for the effective regulation and maintenance of minimum fair-wage standards, [and] the standards such as exist to be set by the least conscionable employers.

"In the absence of any effective minimum fair-wage rates for women and minors, the constant lowering of wages by unscrupulous employers constitutes a serious form of unfair competition against other employers, reduces the purchasing power of the workers [a large proportion of the population of the State], and threatens the stability of industry. The evils of oppressive, unreasonable, and unfair wages as they affect women and minors employed in the State of New York are such as to render imperative the exercise of the police power of the State for the protection of industry and of the [men and] women and minors employed therein and of the public interest of the community at large in their health and well-being and in the prevention of the deterioration of the race. In the considered judgment of the legislature this article is constitutional."

ARIZONA ACT IS QUOTED

(3) Mr. Justice Brandeis took no part in the consideration of the Adkins case. He noted dissent without more in the Arizona case and Arkansas case.

(4) The Arizona act declared: "No person * * * shall employ any female in any store, office, shop, restaurant, dining room, hotel, rooming house, laundry, or manufacturing establishment at a weekly wage of less than $16 per week; a lesser amount being hereby declared inadequate to supply the necessary cost of living to any such female, to maintain her health, and to provide her with the common necessities of life" (Laws of Arizona, 1923, c. 3, sec. 1).

The Arkansas act declared: "It shall be unlawful for any employer * * * to pay any female worker in any establishment or occupation less than the wage specified in this section, to wit, except as hereinafter provided: 'All female workers who have had 6 months' practicable experience in any line of industry or labor shall be paid not less than $1.25 per day. The minimum wage for inexperienced female workers who have not had 6 months' experience in any line of industry or labor shall be paid not less than $1 per day'" (sec. 7108, Crawford & Moses Digest).

MINORITY OPINION OF JUSTICE STONE IN NEW YORK MINIMUM WAGE CASE

Mr. Justice Stone:

While I agree with all that the Chief Justice has said, I would not make the differences between the present statute and that involved in the Adkins case the sole basis of decision. I attach little importance to the fact that the earlier statute was aimed only at a starvation wage and that the present one does not prohibit such a wage unless it is also less than the reasonable value of the service. Since neither statute compels employment at any wage, I do not assume that employers in one case, more than in the other, would pay the minimum wage if the service were worth less.

The vague and general pronouncement of the fourteenth amendment against deprivation of liberty without due process of law is a limitation of legislative power, not a formula for its exercise. It does not purport to say in what particular manner that power shall be exerted. It makes no fine-spun distinctions between methods which the legislature may and may not choose to solve a pressing problem of government.

It is plain, too, that unless the language of the amendment and the decisions of this court are to be ignored, the liberty which the amendment protects is not freedom from restraint of all law or of any law which reasonable men may think an appropriate means for dealing with any of those matters of public concern with which it is the business of government to deal.

There is grim irony in speaking of the freedom of contract of those who, because of their economic necessities, give their service for less than is needful to keep body and soul together. But if this is freedom of contract, no one has ever denied that it is freedom which may be restrained, notwithstanding the fourteenth amendment, by a statute passed in the public interest.

PUBLIC PURPOSE ACTS SUSTAINED

In many cases this court has sustained the power of legislatures to prohibit or restrict the terms of a contract, including the price term, in order to accomplish what the legislative body may reasonably consider a public purpose. They include cases which neither have been overruled nor discredited in which the sole basis of regulation was the fact that circumstances, beyond the control of the parties, had so seriously curtailed the regulative power of competition as to place buyers or sellers at a disadvantage in the bargaining struggle, such that a legislature might reasonably have contemplated serious consequences to the community as a whole and have sought to avoid them by regulations of the terms of the contract. (*Munn* v. *Illinois*, 94 U. S. 113; *Brass* v. *Stoeser*, 153 U. S. 391; *German Alliance Insurance Co.* v. *Kansas*, 233 U. S. 389, 409; *Terminal Taxicab Co.* v. *District of Columbia*, 241 U. S. 252; *Block* v *Hirsch*, 256 U. S. 135; *Marcus Brown Co.* v. *Feldman*, 256 U. S. 170; *Levy Leasing Co.* v. *Siegel*, 258 U. S. 242; *Nebbia* v. *New York*, 291 U. S. 502; see also *Frisbie* v. *United States*, 157 U. S. 160; *Knoxville Iron Co.* v. *Harbison*, 183 U. S. 13; *McLean* v. *Arkansas*, 211 U. S. 539; *Mutual Loan Co.* v. *Martell*, 222 U. S. 225.)

No one doubts that the presence in the community of a large number of those compelled by economic necessity to accept a wage less than is needful for subsistence is a matter of grave public concern, the more so when, as has been demonstrated here, it tends to produce ill health, immorality, and deterioration of the race.

NOT AN UNREASONABLE REMEDY

The fact that at one time or another Congress and the legislatures of 17 States, and the legislative bodies of 21 foreign countries, including Great Britain and its 4 Commonwealths, have found wage regulation is an appropriate corrective for serious social and economic maladjustments growing out of inequality in bargaining power, precludes, for me, any assumption that it is a remedy beyond the bounds of reason.

It is difficult to imagine any grounds, other than our own personal economic predilections, for saying that the contract of employment is any the less an appropriate subject of legislation than are scores of others, in dealing with which this Court has held that legislatures may curtail individual freedom in the public interest.

If it is a subject upon which there is power to legislate at all, the fourteenth amendment makes no distinction between the methods by which legislatures may deal with it any more than it proscribes the regulation of one term of a bargain more than another if it is properly the subject of regulation. No one has yet attempted to say upon what basis of history, principles of government, law or logic, it is within due process to regulate the hours and conditions of labor of women, see *Muller v. Oregon* (208 U. S. 412); *Riley* v. *Massachusetts* (232 U. S. 671, 679); *Hawley* v. *Walker* (232 U. S. 718); *Miller* v. *Wilson* (236 U. S. 373); *Bosley* v. *McLaughlin* (236 U. S. 385); and of men, *Bunting* v. *Oregon* (243 U. S. 426), and the time and manner of payment of the wage, *McLean* v. *Arkansas*, supra; *Knoxville Iron Co.* v. *Harbison*, supra; *Patterson* v. *Bark Eudora* (190 U. S. 169); Compare *New York Central Railroad Co.* v. *White* (243 U. S. 188); *Arizona Employers Liability cases* (250 U. S. 400), but that regulation of the amount of the wage passes beyond the constitutional limitation; or to say upon what theory the amount of a wage is any the less the subject of regulation in the public interest than that of insurance premiums, *German Alliance Insurance Co.* v. *Kansas*, supra, or of the commissions of insurance brokers, *O'Gorman & Young, Inc.*, v. *Hartford Fire Insurance Co.* (282 U. S. 251), or of the charges of grain elevators, *Munn* v. *Illinois*, supra; *Brass* v. *Stoeser*, supra, or of the price which the farmer receives for his milk, or which the wage earner pays for it, *Nebbia* v. *New York*, supra.

OTHER DECISIONS CITED

These considerations were developed at length in *Tyson* v. *Banton* (273 U. S. 418, 447, et seq.) and in *Ribnik* v. *McBride* (277 U. S. 350, 359, et seq.), and need not be further elaborated now. It is true that the Court rejected them there; but it later accepted and applied them as the basis of decision in *O'Gorman & Young, Inc.*, v. *Hartford Fire Insurance Co.*, supra; *Nebbia* v. *New York*, supra; *Hegeman Firms Corporation* v. *Baldwin* (293 U. S. 163); *Bordens Farm Products Co.* v. *Ten Eyck* (no. 597), decided February 10, 1936. Both precedent, and, what is more important, reason requires their acceptance now. See *Burnet* v. *Coronado Oil & Gas Co.* (285 U. S. 393, 405). In upholding State minimum price regulation in the milk industry, in *Nebbia* v. *New York*, supra, the Court declared, page 537:

"So far as the requirement of due process is concerned, and in the absence of other constitutional restriction, a State is free to adopt whatever economic policy may reasonably be deemed to promote public welfare, and to enforce that policy by legislation adapted to its purpose. The courts are without authority either to declare such policy or, when it is declared by the legislature, to override it. If the laws passed are seen to have a reasonable relation to a proper legislative purpose, and are neither arbitrary nor discriminatory, the requirements of due process are satisfied, and judicial determination to that effect renders a court functus officio."

SHOULD CONTROL PRESENT CASE

That declaration and decision should control the present case. They are irreconcilable with the decision and most that was said in the Adkins case. They have left the court free of its restriction as a precedent, and free to declare that the choice of the particular form of regulation by which grave economic maladjustments are to be remedied is for legislatures and not for the courts.

In the years which have intervened since the Adkins case we have had opportunity to learn that a wage is not always the resultant of free bargaining between employers and employees; that it may be one forced upon employees by their economic necessities and upon employers by the most ruthless of their competitors. We have had opportunity to perceive more clearly that a wage insufficient to support the worker does not visit its consequences upon him alone; that it may affect profoundly the entire economic structure of society and, in any case, that it casts on every taxpayer, and on government itself, the burden of solving the problems of poverty, subsistence, health, and morals of large numbers in the community.

Because of their nature and extent these are public problems. A generation ago they were for the individual to solve; today they are the burden of the Nation. I can perceive no more objection, on constitutional grounds, to their solution by requiring an industry to bear the subsistence cost of the labor which it employs

than to the imposition upon it of the cost of its industrial accidents. (See *New York Central Railroad Co.* v. *White*, supra; *Mountain Timber Co.* v. *Washington*, 243 U. S. 119.)

WOULD LEAVE LEGISLATURE FREE

It is not for the courts to resolve doubts whether the remedy by wage regulation is as efficacious as many believe, or is better than some other, or is better even than the blind operation of uncontrolled economic forces. The legislature must be free to choose unless government is to be rendered impotent. The fourteenth amendment has no more embedded in the Constitution our preference for some particular set of economic beliefs than it has adopted, in the name of liberty, the system of theology which we may happen to approve.

I know of no rule or practice by which the arguments advanced in support of an application for certiorari restrict our choice between conflicting precedents in deciding a question of constitutional law which the petition, if granted, requires us to answer. Here the question which the petition specifically presents is whether the New York statute contravenes the fourteenth amendment. In addition, the petition assigns as a reason for granting it that "the construction and application of the Constitution of the United States and a prior decision" of this Court "are necessarily involved", and, again, that "the circumstances prevailing under which the New York law was enacted call for a reconsideration of the Adkins case in the light of the New York act and conditions aimed to be remedied thereby."

Unless we are now to construe and apply the fourteenth amendment without regard to our decisions since the Adkins case, we could not rightly avoid its reconsideration even if it were not asked. We should follow our decision in the Nebbia case and leave the selection and the method of the solution of the problems to which the statute is addressed where it seems to me the Constitution has left them—to the legislative branch of the Government.

Mr. Justice Brandeis and Mr. Justice Cardozo join in this opinion.

TEXT OF CHIEF JUSTICE HUGHES' DISSENTING OPINION ON MINIMUM WAGE LAW

Mr. Chief Justice Hughes, dissenting:

I am unable to concur in the opinion in this case. In view of the difference between the statutes involved, I cannot agree that the case should be regarded as controlled by *Adkins* v. *Children's Hospital* (261 U. S. 525). And I can find nothing in the Federal Constitution which denies to the State the power to protect women from being exploited by overreaching employers through the refusal of a fair wage as defined in the New York statute and ascertained in a reasonable manner by competent authority.

First. Relator in his petition for habeas corpus raises no question as to the fairness of the minimum wage he was required to pay. He does not challenge the regularity of the proceedings by which the amount of that wage was determined. We must assume that none of the safeguards of the statute was ignored and that its provisions for careful and deliberate procedure were followed in all respects.

It is important at the outset to note the requirements of that procedure, as they at once dispose of any question of arbitrary procedural action.

OBJECTIVES OF STATUTE

The statute states its objectives. It defines an "oppressive and unreasonable wage" as one which "is both less than the fair and reasonable value of the services rendered and less than sufficient to meet the minimum cost of living necessary for health."

It defines a "fair wage" as one "fairly and reasonably commensurate with the value of the service or class of service rendered." It relates to an industry, trade, or business other than domestic service or labor on a farm.

The industrial commissioner is authorized to investigate and ascertain the wages of women and minors. If he is of the opinion that any substantial number of women or minors are receiving "oppressive and unreasonable" wages, he must appoint a wage board to make report. That board is to be composed of not more than three representatives of employers, and equal number of representatives of employees, and not more than three disinterested persons representing the public.

The wage board is fully equipped with authority to conduct a comprehensive investigation. It may differentiate and classify employments in any occupation according to the nature of the service rendered. It may recommend minimum fair wage rates varying with localities. It may recommend a suitable scale of rates for learners and apprentices which may be less than those recommended for experienced women or minor workers.

REHEARING PROVIDED FOR

The wage board may take into account all relevant circumstances affecting the value of the service or class of service. It may be guided by such considerations as would guide a court in a suit for the reasonable value of services rendered. It may consider the wages paid in the State for work of like or comparable character by employers who voluntarily maintain minimum fair wage standards.

The commissioner may approve or disapprove the report of the wage board. If the commissioner disapproves, he may resubmit the matter to the same or a new board. In case the report is approved, the commissioner is to make a "directory order" which defines minimum "fair wage rates" and is to include appropriate administrative regulations.

The latter may embrace regulations governing learners, apprentices, piece rates or their relation to time rates, overtime or part-time rates, bonuses or special pay for special or extra work, deductions for board, lodging, and other items or services supplied by the employer, and other special conditions.

Special licenses authorizing employment at lower rate may be issued to a woman or minor whose earning capacity is impaired by age or physical or mental deficiency or injury.

PROCEDURE IS REVIEWED

If the commission has reason to believe that an employer is not observing the provisions of the "directory order", he may, upon notice, summon the employer to show cause why his name should not be published as having failed to comply with the order. And, after hearing and in case of a finding of nonobservance, the commissioner may cause the name of the employer to be published.

After a "directory minimum fair wage order" has been in effect for 9 months, if it appears that there has been persistent nonobservance, notice may be given of the intention to make the order mandatory and of a public hearing at which all persons in favor of or opposed to such a mandatory order may be heard. And it is after such hearing that the commissioner may make the previous directory order, or any part of it, mandatory and publish it accordingly.

It is disobedience to such a mandatory order which is punished by fine or by imprisonment. It is the violation of such an order, made after the inquiries, report, the tentative order, and the hearings which the statute enjoins, that is the basis of the prosecution in the case at bar.

CONSTRUCTION NOT BINDING

Second: In reaching its conclusion the State court construed the opinion in the Adkins case and deemed that ruling applicable here. That, however, is a construction of the decision of this court. That construction is not binding upon us.

When the opinion of the State court is examined in order to ascertain what construction was placed upon the statute, we find little more than a recital of its provisions. The State court says:

"The New York act, as above stated, prohibits an oppressive and unreasonable wage, which means both less than the fair and reasonable value of the services rendered and less than sufficient to meet the minimum cost of living necessary for health."

This is a repetition of the words of the statute in subdivision 7 of section 551 defining an "oppressive and unreasonable wage." The court adds: "The act of Congress (in the Adkins case) had one standard, the living wage; this State act has added another reasonable value. The minimum wage must include both.

"What was vague before has not been made any clearer. One of the elements, therefore, in fixing the fair wage is the very matter which was the basis of the congressional act."

ASSUMES STANDARD IS SET

But the court expressly recognizes that a wage is not denounced by the New York act as "oppressive and unreasonable" unless it is less than the fair and reasonable value of the services rendered. The statute also provides in explicit terms that the "fair wage" which is to be prescribed is one that is "fairly and reasonably commensurate with the value of the service or class of service rendered."

I find nothing in the opinion of the State court which can be taken to mean that this definite provision of the statute is not obligatory upon the authorities fixing a fair wage. Certainly, the court has not said so, and I think that we must assume that the standard thus described is set up by the New York act.

And there is no suggestion that the "fair wage", as prescribed in the instant case, was not commensurate with the reasonable value of the service rendered by the employees.

When the opinion of the State court goes beyond the statement of the provisions of the act, and says that the setting up of such a standard does not create a material distinction when compared with the act of Congress in the Adkins case, the State court is not construing the State statute. It is passing upon the effect of the difference between the two acts from the standpoint of the Federal Constitution. It is putting aside an admitted difference as not controlling. It is holding, as the State court says, that "forcing the payment of wages at a reasonable value does not make inapplicable the principle and ruling of the Adkins case."

That, it seems to me, is clearly a Federal and not a State question, and I pass to its consideration.

LIKE CASE NOT HEARD BEFORE

Third. The constitutional validity of a minimum-wage statute like the New York act has not heretofore been passed upon by this court. As I have said, the required correspondence of the prescribed "fair wage" to the reasonable value of the service which the employee persons stands out as an essential feature of the statutory plan.

The statute for the District of Columbia, which was before us in the Adkins case, did not have that feature. That statute provided for a minimum wage adequate "to supply the necessary cost of living to women workers" and "to maintain them in health and to protect their morals" (40 Stat. 963).

The standard thus set up did not take account of the reasonable value of the service rendered. As this court said, it compelled the employer "to pay at least the sum fixed in any event, because the employee needs it but requires no service of equivalent value from the employee."

In the cases of *Murphy* v. *Sardell* (260 P. S. 530) and *Donham* v. *West-Nelson Co.* (273 U. S. 657), the statutes of Arizona and Arkansas, respectively, were of a similar character, and both these cases were decided upon the authority of the Adkins case.

LAW CORRECTED OLD ERRORS

New York and other States have been careful to adopt a different and improved standard, in order to meet the objection aimed at the earlier statutes, by requiring a fair equivalence of wage and service.

That the difference is a material one, I think is shown by the opinion in the Adkins case. That opinion contained a broad discussion of State power, but it singled out as an adequate ground for the finding of invalidity that the statute gave no regard to the situation of the employer and to the reasonable value of the service for which the wage was paid. Upon this point the court said (261 U. S. pp. 558, 559):

"The feature of this statute which, perhaps more than any other, puts upon it the stamp of invalidity is that it exacts from the employer an arbitrary payment of a purpose and upon a basis having no casual connection with his business or the contract or the work the employee engages to do.

"The declared basis, as already pointed out, is not the value of the service rendered, but the extraneous circumstances that the employee needs to get a prescribed sum of money to insure here subsistence, health, and morals.

EFFECTS OF UNIONS CITED

"The ethical right of every worker, man or woman, to a living wage may be conceded. One of the declared and important purposes of trade organizations is to secure it. And with that principle and with every legitimate effort to realize it in fact, no one can quarrel; but the fallacy of the proposed method of attaining it is that it assumes that every employer is bound at all events to furnish it.

"The moral requirement implicit in every contract of employment, viz, that the amount to be paid and the service to be rendered shall bear to each other some relation of just equivalence, is completely ignored.

"A statute requiring an employer to pay in money to pay at prescribed and regular intervals, to pay the value of the services rendered, even to pay with fair relation to the extent of the benefit obtained from the service, would be understandable. But a statute which prescribes payments without regard to any of these things and solely with relation to circumstances apart from the contract of employment, the business affected by it, and the work done under it is so clearly the product of a naked, arbitrary exercise of power that it cannot be allowed to stand under the Constitution of the United States."

CASE HAS NEW ASPECT

As the New York act is free of the feature so strongly denounced, the question comes before us in a new aspect. The Court was closely divided in the Adkins case, and that decision followed an equal division of the Court, after reargument, in *Stettler* v. *O'Hara* (243 U. S. 629), with respect to the validity of the minimum-wage law of Oregon.

Such divisions are at times unavoidable, but they point to the desirability of fresh consideration when there are material differences in the cases presented. The fact that in the Adkins case there were dissenting opinions maintaining the validity of the Federal statute, despite the nature of the standard it set up, brings out in stronger relief the ground which was taken most emphatically by the majority in that case, and that there would have been a majority for the decision in the absence of that ground must be a matter of conjecture. With that ground absent, the Adkins case ceases to be a precise authority.

We have here a question of constitutional law of grave importance, applying to the statutes of several States, in a matter of profound public interest. I think that we should deal with that question upon its merits, without feeling that we are bound by a decision which on its facts is not strictly in point.

JUDGE LEHMAN QUOTED

Fourth. The validity of the New York act must be considered in the light of the conditions to which the exercise of the protective power of the State was addressed.

The statute itself recites these conditions, and the State has submitted a voluminous factual brief for the purpose of showing from various official statistics that these recitals have abundant support.

Judge Lehman, in his dissenting opinion in the court of appeals, states that the relator "does not challenge these findings of fact by the legislature, nor does he challenge the statements in the 'factual brief' submitted by the respondent to sustain and amplify these findings."

The majority opinion in the court of appeals have nothing to the contrary. Nor is the statement of the conditions which influenced the legislative action challenged, or challengable, upon the record here (*Lindsley* v. *Natural Carbonic Gas Co.*, 220 U. S. 61, 78–80; *Radice* v. *New York*, 264 U. S. 292, 294; *Clarke* v. *DeKebach*, 274 U. S. 392, 397; *O'Gorman & Young* v. *Hartford Insurance Co.*, 282 U. S. 251, 258; *Nebbia* v. *New York*, 291 U. S. 502, 530; *Borden's Farm Products Co.* v. *Baldwin*, 293 U. S. 194, 209).

FREEDOM OF CONTRACT "ILLUSORY"

The legislature finds that the employment of women and minors in trade and industry in the State of New York at wages unreasonably low and not fairly commensurate with the value of the services rendered is a matter of vital public concern; that many women and minors are not as a class upon a level of equality in bargaining with their employers in regard to minimum fair wage standards, and that "freedom of contract" as applied to their relations with employers is illusory; that, by reason of the necessity of seeking support for themselves and their dependents, they are forced to accept whatever wages are offered, and that judged by any reasonable standard, wages in many instances are fixed by chance and caprice and the wages accepted are often found to bear no relation to the fair value of the service.

The legislature further states that women and minors are peculiarly subject "to the overreaching of inefficient, harsh, or ignorant employers" and that in the absence of effective minimum fair wage rates, the constant lowering of wages by unscrupulous employers constitutes a serious form of unfair competition against other employers, reduces the purchasing power of the workers, and threatens the stability of industry.

PAY VARIATIONS FOUND

The legislature deemed it essential to seek the correction of these evils by the exercise of the police power "for the protection of industry and of the women and minors employed therein and of the interest of the community at large in their health and well-being and in the prevention of the deterioration of the race" (sec. 550).

In the factual brief, statistics are presented showing the increasing number of wage-earning women, and that women are in industry and in other fields of employment because they must support themselves and their dependents. Data are submitted from reports of the Women's Bureau of the United States Department of Labor, showing such discrepancies and variations in wages paid for identical work as to indicate that no relationship exists between the value of the services rendered and the wages paid.

It also appears that working women are largely unorganized and that their bargaining power is relatively weak.

The seriousness of the social problem is presented. Inquiries by the New York State Department of Labor in cooperation with the emergency relief bureau of New York City, disclosed the large number of women employed in industry whose wages were insufficient for the support of themselves and those dependent upon them. For that reason they had been accepted for relief and their wages were being supplemented by payments from the emergency relief bureau.

Thus the failure of overreaching employers to pay to women the wages commensurate with the value of services rendered has imposed a direct and heavy burden upon the taxpayers. The weight of this burden and the necessity for taking reasonable measures to reduce it, in the light of the enormous annual budgetary appropriation for the Department of Public Welfare of New York City, is strikingly exhibited in the brief filed by the corporation counsel of the city as an amicus curiae.

MUST NOT DISREGARD FACTS

We are not at liberty to disregard these facts. We must assume that they exist and examine respondent's argument from that standpoint. That argument is addressed to the fundamental postulate of liberty of contract. I think that the argument fails to take account of established principles and ignores the historic relation of the State to the protection of women.

Fifth. We have had frequent occasion to consider the limitations of liberty of contract. While it is highly important to preserve that liberty from arbitrary and capricious interference, it is also necessary to prevent its abuse, as otherwise it could be used to override all public interests, and thus in the end destroy the very freedom of opportunity which it is designed to safeguard.

We have repeatedly said that liberty of contract is a qualified and not an absolute right. "There is no absolute freedom to do as one wills or to contract as one chooses. Liberty implies that absence of arbitrary restraint, not immunity from reasonable regulations and prohibitions imposed in the interests of the community" (*Chicago, Burlington & Quincy R. R. Co.* v. *McGuire*, 219 U. S. 549, 567).

LISTS RESTRAINTS SUSTAINED

The numerous restraints that have been sustained have often been recited (Ill., p. 568; *Nebbia* v. *New York*, supra, pp. 526–528). Thus we have upheld the limitation of hours of employment in mines and smelters (*Holden* v. *Hardy*, 169 U. S. 366); the requiring of redemption in cash of store orders or other evidences of indebtedness issued in payment of wages (*Knoxvill Iron Co.* v. *Harbison*, 183 U. S. 13); the prohibition of contracts for options to sell or buy grain or other commodities at a future time (*Booth* v. *Illinois*, 184 U. S. 425); the forbidding of advance payments to seamen (*Patterson* v. *Bark Eudora*, 190 U. S. 169); the prohibition of contracts to pay miners employed at quantity rates upon the basis of screened coal instead of the weight of loaves of bread (*Schmidinger* v. *Chicago*, 226 U. S. 578; *Peterson Baking Co.* v. *Bryan*, 290 U. S. 579); the regulation of insurance rates (*German Alliance Insurance Co.* v. *Lewis*, 233 U. S. 389; *O'Gorman & Young* v. *Hartford Insurance Co.*, supra); the regulation of the size and character of packages in which goods are sold (*Armour & Co.* v. *North Dakota*, 240 U. S. 510); the limitation of hours of employment in manufacturing establishments with a specified allowance of overtime payment (*Bunting* v. *Oregon*, 243 U. S. 426); the regular sales of stocks and bonds to prevent fraud (*Hall* v. *Geiger-Jones Co.*, 242 U. S. 539); the regulation of the price of milk (*Nebbia* v. *New York*, supra).

UPHOLDS PROTECTION OF WOMEN

The test of validity is not artificial. It is whether the limitation upon the freedom of contract is arbitrary and capricious or one reasonably required in order appropriately to serve the public interest in the light of the particular conditions to which the power is addressed.

When there are conditions which specially touch the health and well-being of women, the State may exert its power in a reasonable manner for their protection, whether or not a similar regulation is, or could be, applied to men.

The distinctive nature and function of women, their particular relation to the social welfare, has put them in a separate class. This separation and corresponding distinctions in legislation is one of the outstanding traditions of legal history.

The fourteenth amendment found the States with that protective power and did not take it away or remove the reasons for its exercise. Changes have been effected with the domain of State policy and upon an appraisal of State interests. We have not yet arrived at a time when we are at liberty to override the judgment of the State and decide that women are not the special subject of exploitation because they are women and as such are not in a relatively defenseless position.

FICTITIOUS EQUALITY DENIED

More than 40 years after the adoption of the fourteenth amendment we said that it did not interfere with State power by creating "a fictitious equality" (*Quong Wing* v. *Kirkendall*, 223 U. S. 59, 63). We called attention to the ample precedents in regulatory provisions for a classification on the basis of sex. We said:

"It has been recognized with regard to hours of work. It is recognized in the respective rights of husband and wife in land during life, in the inheritance after the death of the spouse. Often it is expressed in the time fixed for the coming of age. The particular points at which that difference shall be emphasized by legislation are largely in the power of the State."

1D. Not long before the decision in the Quong Wing case the question had received elaborate consideration (*Muller* v. *Oregon*, 208 U. S. 412), where the regulation of the working hours of women was sustained. We thought that the disadvantage at which woman was placed in the struggle for subsistence was obvious, and we emphasized the point that she "becomes an object of public interest and care in order to preserve the strength and vigor of the race."

WOMEN IN CLASS ALONE

We added that "though limitations upon personal and contractual rights may be removed by legislation", woman will still be in a situation "where some legislation to protect her seems necessary to secure a real equality or right."

She therefore still may be "properly placed in a class by herself, and legislation designed for her may be sustained, even when like legislation is not necessary for men and could not be sustained" (*Muller* v. *Oregon*, supra, pp. 421, 422).

This ruling has been followed in *Riley* v. *Massachusetts* (232 U. S. 671); *Miller* v. *Wilson* (236 U. S. 373); and *Bosley* v. *McLaughlin* (236 U. S. 385), with respect to hours of work, and in *Radice* v. *New York*, supra, in relation to night work.

If liberty of contract were viewed from the standpoint of absolute right, there would be as much to be said against a regulation of the hours of labor of women as against the fixing of a minimum wage. Restriction upon hours is a restriction upon the making of contracts and upon earning power. But the right being a qualified one, we must apply in each case the test of reasonableness in the circumstances disclosed.

WOULD UPHOLD ACT

Here the special conditions calling for the protection of women, and for the protection of society itself, are abundantly shown. The legislation is not less in the interest of the community as a whole than in the interest of the women employees who are paid less than the value of their services. That lack must be made good out of the public purse.

Granted that the burden of the support of women who do not receive a living wage cannot be transferred to employers who pay the equivalent of the service they obtain, there is no reason why the burden caused by the failure to pay that equivalent should not be placed upon those who create it.

The fact that the State cannot secure the benefit to society of a living wage for women employees by any enactment which bears unreasonably upon employers does not preclude the State from fixing its objective by means entirely fair both to employers and the women employed.

In the statute before us no unreasonableness appears. The end is legitimate and the means appropriate. I think that the act should be upheld.

I am authorized to state that Mr. Justice Brandeis, Mr. Justice Stone, and Mr. Justice Cardozo join in this opinion.

[From the New York Times of June 2, 1936]

THE MINIMUM WAGE CASE

The 5-to-4 decision of the Supreme Court declaring the New York minimum wage law for women and children unconstitutional is unfortunate in more than one respect. It was reached by a majority of only one, as was the 4-to-3 decision of the New York Court of Appeals against the act. That decision in turn was based on a 5-to-3 decision of the Supreme Court 13 years ago holding a District of Columbia minimum wage law unconstitutional. In each case the minimum wage law missed validation by the closest possible margin.

The New York minimum wage law was carefully drawn and admirably administered. Unlike the N. R. A., it was not rushed through hastily and put into effect emotionally, to the accompaniment of parades and noisy "crack-down" threats. The minimum wages in the laundry and in the hotel industries were not adopted until after a board had carefully investigated the relevant facts. The minimum wages in the laundry industry, for example, were desired by the employers themselves, in order to put a competitive "bottom" to wage competition. Under the law, the wages paid to more than 22,000 women and minor employees in the laundry industry in New York State were raised from an average of $10.41 a week to $13.42.

In the case decided by the Supreme Court in 1923, Justice Sutherland, in writing the majority decision, remarked:

"The feature of this statute which perhaps more than any other puts upon it the stamp of invalidity is that it exacts from the employer an arbitrary payment for a purpose and upon a basis having no causal connection with his business or the contract or the work the employee engages to do. * * * A statute requiring an employer to pay * * * the value of the services rendered * * * would be understandable."

The New York State minimum wage law was drawn with this criticism in mind. It declared "a fair wage" to be a wage "fairly and reasonably commensurate with the value of the service or class of service rendered", and directed the industrial commissioner and the wage board, in fixing minimum wages for women in a given industry, to "take into account all relevant circumstances affecting the value of the service or class of service rendered."

The majority decision now holds the New York State minimum wage unconstitutional on the ground that it violates the "due process" clause of the Constitution in that it deprives persons of the right to make contracts. Justice Butler, speaking for the majority, contends that "in making contracts of employment, generally speaking, the parties have equal right to obtain from each other the best terms they can by private bargaining." To this Chief Justice Hughes, in his dissenting opinion, replies that while it is important to protect liberty of contract, "it is also necessary to prevent its abuse. * * * The test of validity is not artificial. It is whether the limitation upon the freedom of contract is arbitrary and capricious or one reasonably required in order appropriately to serve the public interest." The Chief Justice holds the New York law to be reasonable. Justice Stone adds that a wage is "not always the resultant of free bargaining between employers and employees"; that "it may be one forced upon employees by their economic necessities and upon employers by the most ruthless of their competitors."

The majority decision will leave the States at sea regarding how they are to deal with the exploitation of women in industry.

[From the Washington Post of June 2, 1936]

AN UNFORTUNATE DECISION

The implications of the Supreme Court opinion invalidating New York's minimum-wage law for women are far reaching indeed. Two weeks ago the Court decided, in its opinion on the Guffey Coal Act, that Congress has no authority to regulate wages in "purely local" undertakings. Now, by invoking the "due process of law" clause in the fourteenth amendment, it has denied to the States even the right to prescribe minimum wages for women and children.

In the first place, the decision is weakened by the vigorous dissent of Chief Justice Hughes along with Justices Stone, Brandeis, and Cardozo. Justice Stone virtually accuses the majority of injecting its own "personal economic predilections" into its opinion on a legal question. And the basis on which the decision was rendered seems to give substance to his complaint.

That phrase in the Constitution on which the opinion of the majority is based reads as follows: "Nor shall any State deprive any person of life, liberty, or property without due process of law." The majority held that the right of employees to bargain with their employer is part of the liberty so guaranteed. "Legislative abridgement of that freedom," the opinion held, "can only be justified by the existence of exceptional circumstances." But to arrive at this opinion the Court was forced to read a very broad interpretion into the meaning of four words—"due process of law."

It is difficult to escape the conclusion that the Court has gone out of its way to restrict legislative powers of the State. As Justice Stone points out, a contract of employment seems to be no "less an appropriate subject of legislation than are scores of others, in dealing with which this Court has held that legislatures may curtail individual freedom in the public interest." For the Court to reject this reasoning by a bare majority of one vote, and to draw new restrictions upon the States from the uncertain meaning of the "due-process" clause, seems very questionable.

Aside from its probable effect upon legislation to control minimum wages for women and minors within the States, the most important result of the decision will probably be the reaction against the Court itself. In a great majority of the opinions by which the Court has annulled New Deal statutes its action has been based upon positive and clear-cut logic deeply imbedded in the Constitution. But in this case, as well as in the decision which knocked out the Municipal Bankruptcy Act, the majority seems to have taken its stand on much more precarious ground.

The powers of the States are not specifically limited as are those of the Federal Government. Since four of the Justices could "find nothing in the Federal Constitution which denies to the State the power to protect women from being exploited by overreaching employers through the refusal of a fair wage", it does seem strange for the majority to wrench such a meaning from a vague phrase.

Such an attitude will give unfortunate encouragement to those critics of the Court who are seeking to curb its powers.

[From the Washington Daily News of June 2, 1936]

AND NOW WHAT?

The public's power to deal with economic and social problems is now impaled upon two horns of a legalistic dilemma. Or, as the saying goes, "it's damned if you do and damned if you don't."

Last week that power could not be exercised by the Federal Government because that would interfere with States' rights.

This week the power cannot be exercised by State government because it runs afoul of another kind of constitutional barrier.

The first case was the Guffey coal decision. The second, the New York minimum-wage law.

Since both Federal and State Governments are thus made impotent by judicial decree, more sharply than ever rises the question: Now what?

We are living in an increasingly complex civilization. These problems arise, such as saving a sick and far-flung industry and preventing the exploitation of labor and the evils of cutthroat competition through wage slashing. They aren't just academic problems. They are so serious and so real that the whole future of an intricate industrial system is at stake. But government, the only force through which a people can deal, finds itself paralyzed.

Striking comment on the situation comes from the four dissenting justices. Said Mr. Justice Stone, speaking for himself and Justices Cardozo and Brandeis:

"There is grim irony in speaking of the freedom of contract if those who, because of their economic necessity, give their services for less than is needful to keep body and soul together. But if this is freedom of contract, no one has ever denied that it is freedom which may be restrained, notwithstanding the fourteenth amendment, by a statute passed in the public interest. * * *

"It is difficult to imagine any grounds other than our own personal economic predilections for saying that the contract of employment is any less than an appropriate subject of legislation than are scores of others in dealing with which this Court has held the legislatures may curtail individual freedom in the public interest. * * *

"It is not for the courts to resolve doubts whether the remedy by wage regulation is as efficacious as many believe or is better than some other, or is better than the blind operation of uncontrolled economic forces. The legislature must be free to choose unless the Government is to be rendered impotent."

Said Chief Justice Hughes: "I can find nothing in the Federal Constitution which denies the State the power to protect women from being exploited by overreaching employers through the refusal of a fair wage as defined in the New York statute and ascertained in a reasonable manner by competent authority."

But, after all, that was comment only from the minority, and in terms of effect the minority doesn't count. So we have the impasse—a situation made worse than that described last Thursday night by Senator BORAH when he said that the American people would not long tolerate an empire for the purposes of exploitation and a government of 48 States for purposes of regulation. The minimum-wage decision takes the teeth even from the States.

It is pertinent, we believe, to ask the majority, as they leave for their recess, to give some little thought, from the perspective that vacation provides, to the question of where do we go from here.

ADDRESS BY CHAIRMAN FARLEY AT MASSACHUSETTS STATE DEMOCRATIC CONVENTION

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by Hon. James A. Farley, chairman of the Democratic National Committee, at the preprimary convention of the Massachusetts Democratic State committee, at Springfield Auditorium on the 4th instant.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This is a business community, so I purpose making a strictly business talk to this gathering.

The particular business of your convention tomorrow, as I see it, is to take such steps as may insure that the business of the country shall continue to improve; that there shall be no interruption to the processes of recovery which have brought us so far in the direction of prosperity.

The great majority of the American people desire and have determined that there shall be no such interruption but that full business recovery and general prosperity shall be completely achieved.

President Roosevelt will be reelected by a majority so impressive that nobody in this country can have any doubt as to the faith of our people in the sincerity and ability of the Democratic administration to direct our affairs, so that the old Democratic ideal of the greatest good for the greatest number shall be realized.

Our critics doubtless will say that this is politics and not economics. Well, politics and commercial success at this stage of the national progress are inseparable. It was politics to accomplish the retirement of an administration that had lamentably failed and bring about the election in 1932 of Franklin D. Roosevelt with a mandate to correct the abuses that had brought us to the verge of ruin and to bring us back to a condition where it was possible for manufacturers and merchants to prosper and the rest of us could be reasonably sure of at least an opportunity to make a decent living.

So here we are 4 years later and things are immeasurably better than they were. They are not perfect by any means, but industrial and commercial enterprises, great and small, are making money, and the total of popular well-doing is constantly improving. I will say that the elements that are fighting the administration have not helped in bringing about this state of affairs. We would be much farther on our way if it had not been for the incessant clamor of our political foes, who have fought every step of our progress. Their constant effort is to replace the impulse of faith and hope, engendered by the revival of business activity, with the philosophy of fear.

That is what has delayed complete recovery. That is what has delayed the reinvestment of profits, and that is why there are so many still unemployed even in the face of rising markets, increased incomes, resumption of dividends, and almost universal reports of satisfactory trade balance sheets.

No statistician has yet been able to calculate how many enterprises that would have added to the total of employment have been headed off by the constant declaration of those who know better that the country was going to the dogs and could only be saved by the repudiation of the Roosevelt administration.

Fortunately, the mass of our people have been guided by their common sense, by the obvious logic of the circumstance that an agency that had proved so effective in encouraging and helping business must be an asset and not a liability, a source of promise and not a threat of disaster.

Some of our critics are the heads of corporations that are now able to make their ledger entries in black that had been red ever since the stock market crash of nearly 7 years ago. You might ask what they are complaining about? Trimmed down to simple words, it is that, having been placed again on their financial feet, they are now seeking a return to the old processes that made millionaires of them and bankrupts of the rest of us.

Incidentally, that is politics, also. I leave it to you to decide which is the better politics—that which seeks to continue our steady progress toward the contentment of everybody or that which croaks that the people who are working to that end are bent on destruction and that nothing but chaos lies ahead if the process is continued.

We have laws that make it a crime to circulate reports that a bank is unsound. How much greater a crime is it to give currency to reports that a government is unsound? What about fabrications such as that your President is aiming to make himself a dictator and is moving toward destroying the American system and substituting socialism, communism, and wants to sink the Constitution, abandon the principles of Jefferson, and sail under the grisly flag of Karl Marx?

Here is the hardest-worked man in the United States, plugging away cheerfully, sanely, and devotedly at his monumental task, under a constant barrage of faultfinding. If our enemies are to be believed, President Roosevelt is never right. If one of his recommendations is accepted by Congress, it is because he has terrorized the National Legislature and made it a rubber stamp; if his suggestion is modified or rejected by Congress, it means that he was wrong in the first instance and that Congress—the same one that they insisted was a rubber stamp—has saved the country from something dreadful. Of course, that does not make sense.

Grudgingly the spokesmen for the Du Pont Liberty League and the other Republican agencies admit that conditions have improved and that business is doing pretty well, but they insist that Mr. Roosevelt is not entitled to any credit for bringing this about. They have taken up the statement of ex-President Hoover, to the effect that he had the depression licked in June of 1932, and therefore Mr. Roosevelt couldn't be credited with driving the wolf from the door.

I daresay there are a number among those listening to me who remember the period between June 1932 and the advent of the Roosevelt administration. I wonder if they saw any evidence of a stay in the depression tide? I wonder what significance there is to the circumstance that 1,050 banks folded up during that period, not to mention 19,686 other business failures of various sorts. It seems to me that things grew worse from day to day, and that the nose spin did not cease until Roosevelt stopped it.

We have only to refer to the columns of your home newspapers to check on the question of when the depression showed signs of abating. I note, for example, an editorial in the New Year's edition of the Springfield Union, 2 months before President Roosevelt's advent to the White House. That eminent newspaper gave us no word of a ceasing of emergency distress, but it implied a hope for improvement when the new administration came in. "It is time to look forward," said this editorial, "but to look forward in hopeful expectation. It means the rekindling of faith in the future, a new determination to forget all that is painful in the past, a time to mark off a new date from which to make progress. * * * We can make a fresh start along a new pathway with confidence and faith that better things are ahead."

The headlines of that day were all gloomy. "Prices drop back to level of last summer" was one early in January. Here's another

one: "Ragged retreat in bond market. United States Government issues lead way down. Numerous other casualties." That was in the middle of February. And there was like mention of the cutting of the New England Telephone & Telegraph dividends.

Almost the first gleam came with President Roosevelt's inauguration. "Stock market makes gain of 1 to 3 points. Expected developments in Washington factor in rise. Strong rally after selling." And editorially this newspaper declared "The rapid change from public concern to public confidence is to be credited mainly to the bold and effective manner in which President Roosevelt tackled the situation." And further down it announced that "the reopening of banks has changed a general suspicion of all banks into faith and soundness of most of them." By the first of the next year, 1934, the Union was absolutely cheerful, for it said, "As the beginning of 1934 is compared with that of 1933, we have the evidence of distinct gains and a general improvement. In gratitude for it the administration may not be criticized for claiming it all as of its own making, should it choose to do so, or if others make such a claim for it."

By the end of 1935 we find the New England press pretty optimistic. In the Boston Herald, for example, at the close of the year William C. Bell, vice president of the New England Power Association, told us: "Not only are we running ahead of 1934 but in recent weeks we have even exceeded the banner year of 1929."

It was shortly after this time that the highly respected Springfield Union suggested that, after all, the recovery might not be due to the New Deal policies: "It (the upward trend) has been impeded by many measures originated by the Roosevelt administration." And it suggested that the increase was most pronounced when it was believed "that the country was getting out of New Deal domination into normalcy."

Just the same, this home paper of yours on its business pages recounted incident after incident indicating the return of prosperity to this part of the country. Editorially it told its readers, "Clothing and dry-goods circles are optimistic about the outlook. Dun & Bradstreet report an increase of 10 to 18 percent in retail sales in the eastern area with the advent of mild weather. Shoe sales ahead of a year ago", etc.

By the middle of last March we learn, still from the columns of this newspaper, that "department stores of the East are now leading the upturn in retail trade, showing the largest increases of any geographical group in the last 6 weeks. Whatever gains we are making cannot be credited directly to New Deal hand-outs, though public construction elsewhere brings business to our industries along with others."

I need not read you the more recent editorials from this newspaper which are, as you know, directed vehemently to assailing the Roosevelt administration. The President is pictured as seeking to establish a despotism; and recently it advised that "the American people should remember that a vote for the New Deal is a vote for a complete regimentation of the country, and possibly the permanent submergence of all that this country won in 1776."

Of course, the newspaper is entitled to its own opinion, and my quotations from its columns are merely for the purpose of pointing out to you that success and business recovery has accompanied the Roosevelt administration, and that even one of its severest critics, while scolding at that administration, nevertheless is compelled to record that this State has prospered under it.

One of the favorite accusations against the administration is that it has favored the western farmer over the eastern industrialist. Yet we must note that the so-called favor to the farmers has resulted most satisfactorily for your industries. The income taxes paid in this State indicate, despite the moaning about dictatorship and the prophecies of chaos ahead, that the net income of your citizens has increased perhaps $200,000,000 over the 1933 income.

You have heard moans about continued unemployment. But the Bureau of Labor Statistics reports a steady rise in employment in this State of 10 percent and pay rolls averaging 26 percent more than they were in 1933.

The Federal Reserve Board tells us that your bank deposits are $200,000,000 more than they were 2 years before.

You have doubtless noticed comment to the effect that the New Deal was destroying our foreign trade. Well, last year's report showed that Boston last year did 57 percent more foreign business than the year before, and that 1936 is running well ahead of 1935. That means that a couple of thousand New England firms producing merchandise for export are doing pretty well.

It might be not without significance that there were 900 fewer failures in business in the Bay State last year than there were in the year preceding the coming of the Democratic regime to Washington.

Our critics would have you believe that the difference is a mere coincidence. So, they would have you consider in the same light, the circumstance that during the 4 years of Mr. Hoover's administration there were upward of 6,000 bank failures in the United States, while the number of corresponding disasters under Roosevelt total fewer than 400, and a considerable number of these meant little loss to the depositors because of the bank-insurance measure which they, I suppose, construe one of the errors of the present administration.

A favorite criticism from the minority party spokesmen is that the Roosevelt period is one of waste and extravagance. They do not specify just where this waste and extravagance is, conveying the impression that practically all the money expended in relief and emergency efforts is money thrown to the birds. If we could compare what is being spent to keep destitute Americans from starvation, and to uphold our business structure with the waste involved in the suspension of thousands of banks and tens of thousands of other commercial failures during a dozen years of Republican rule, the amount possibly misspent under the present administration would seem like chicken feed. If we balance the total of the national deficit against the increase in the value of properties and securities since the change from Hoover to Roosevelt, the country as a whole is far ahead. Incidentally the Treasury deficit was not a Democratic invention. We inherited several billions of the adverse balance from the previous administration, most of it incurred before there was any Nation-wide destitution to be taken care of.

Among those who talk a great deal about the sqandering of the people's money is a distinguished aspirant for the Republican Presidential nomination. Recently he has received the vote of his party in your sister New England State—New Hampshire. Perhaps I am taking a chance in referring to a State group. Not long ago I described one of our great western agricultural Commonwealths as a "prairie State", and was thereupon accused of speaking slightingly of that State and of insulting the whole country between the Alleghenies and the Rocky Mountains and from Texas to the Great Lakes.

But to get back to the Chicago publisher candidate: He vehemently charges the Roosevelt administration with ruthless, reckless, reasonless extravagance (I do not know if I have given all the colonel's adjectives) and he piles up the figures of expenditure to staggering totals. Now let us see about at least one phase of this summary.

It appears that the farmers and other citizens of Massachusetts have been loaned about $120,000,000 on their farms and homes.

This amount figures in the total of obligations. Would the colonel suggest that the good people of Massachusetts are not going to pay this debt and that the Government will have to take over the farms and homes in satisfaction of the mortgages? You and I know better. We have a demonstration of the validity of loans in Massachusetts. The Reconstruction Finance Corporation advanced your banks and similar institutions—on good security and a reasonable interest rate—about $74,000,000. Already these institutions and individuals have repaid $44,000,000.

Calculate what the grand total of such advances throughout the United States amounts to, and you will see that the actual deficit is some billions of dollars less than the figures offered by the colonel would indicate.

Waste! Do you of this grand old State consider wasted the $27,734,000 the Government spent on the 53 civilian conservation camps, that took 10,790 of your fine boys out of the despairing ranks of the jobless and gave them a training in healthy outdoor work that will be to their own and the Nation's benefit indefinitely? Do you consider what these boys did when the floods came upon you in the way of rescue and restoration as futile and piffling boondoggling? Do you believe that the improvement of your woods, the clearing of your streams, the establishment of forest-fire lanes, the halting of soil erosion that was washing your fertile fields into the rivers, represented mindless profligacy? Yet that is what the conductors of the hopeless Republican campaign are trying to make you believe.

You probably have seen a lot of Republican propaganda charging favoritism, incompetency, and politics in the administration of the relief programs. Let me quote to you what your mayor had to say on this subject:

"All W. P. A. projects are submitted by the various boards to a public works projects committee composed of two aldermen and three common council members, which committee gives very careful scrutiny to each and every project with a view toward protecting the city from a waste of municipal funds and also to guarantee some worth-while concrete results upon completion of each project.

"I want to go on record as saying that we have no 'boondoggling' in this city and that each project sponsored by this city is useful and worth while and will be of lasting benefit to the community and could not have been carried out at this time without Federal aid.

"We have constructed sanitary sewers, storm-water drains, streets and highways, bridges and municipal buildings, sidewalks and curbing. We have widened streets and roads and developed hundreds of acres of parks; built rustic shelters and miles of nature trails and bridle paths. By an extensive program of ditching we have reclaimed hundreds of acres of swampland on our municipal watershed, and by so doing have increased the flow of water into our reservoirs and improved the quality of the water. Fire stops on the watershed have saved valuable timber from forest fires and prevented erosion."

Similar statements have been made by practically every mayor of an important American city.

Now let us look back to the candidate I spoke of. He is enthusiastically in favor of keeping the farmers prosperous, but is singularly silent as to how he would go about doing it. He is likewise vividly concerned about taxes and their effect on business. Well, suppose we take a specimen to illustrate how business is faring. In 1932 General Motors Corporation reported a net profit of $160,000. In 1935 its net profit was $167,000,000. Increased taxes do not appear to have been an unbearable burden to this business.

A little while ago the colonel was calling the President a Socialist. More recently he described him as a Tory, but I suppose it would be too much to expect consistency in a Republican candidate.

Experience in public affairs is supposed to be a rather important requisite of aspirants for high public places. Perhaps this does not apply when the aspirant is a newspaper publisher. You have only to note the ease and confidence with which the Republican editors

tell you the facile solutions to the great problems that have puzzled the brains of lifelong students of these subjects since the beginning of government to appreciate the infallibility of our newspaper friends.

In paying tribute to the statesmen who are after the Republican nomination I do not feel I should overlook Senator DICKINSON, of Iowa—the dog-food expert. He made an impassioned speech not long ago to the effect that the Roosevelt administration was so bad that it had reduced men and women to the necessity of eating dog food. His basis for this was a label on a package stating that the canine nutriment was "fit for human consumption." The erudite Senator did not realize that prepared dog foods are for the consumption of pampered pets, and cost more than canned beans, for example. Likewise he did not know that the wording on the label is only a trade device to obtain the benefit of certification by Government inspection, which is limited to foods fit for human consumption.

What these ambitious gentlemen are saying is really of little importance. They are part of the campaign wildness of a party that is devoid of a legitimate issue, and must beat the bushes for a candidate, while it resorts to generalities and fables for arguments.

I feel rather apologetic for taking the time of an intelligent, hard-headed Yankee audience with such matters, but the authors of them must think they are of some political value or they would not keep repeating them, and we may be sure that they will be echoed in the platform of the Cleveland convention.

The people of Massachusetts have shown their courage, wisdom, and patriotism at every crisis in our Nation's history. I know how you feel about President Roosevelt. I know that you appreciate the bravery with which he tackled the problems that faced him on his advent to the White House. I am sure you appreciate the serenity with which he pursues his stupendous task, unvexed and unexcited by the clamors of those who would undo what he has done. And I know that you are excellent businessmen, and that what he has accomplished for recovery is understood by you.

I have no doubts whatever what will be the verdict of this great State when your people go to the polls next November to testify your faith in the sincerity, ability, and efficiency of your President. And let me assure you that the other Commonwealths of the wonderful sisterhood that constitutes our Union will be with you in thought, word, and deed, as they were 4 years ago.

PEACE AND PREVENTION OF WAR—ADDRESS BY CARRIE CHAPMAN CATT

Mr. BENSON. Mr. President, that valiant leader of American women, Carrie Chapman Catt, carried the plea for peace and for prevention of war to fifteen hundred women from all sections of the United States and from 15 foreign countries in an address delivered June 4 before the banquet session of the Associated Country Women of the World meeting this week in Washington.

The delegates from these 15 foreign nations will carry Mrs. Catt's work back to their native lands; hundreds of American delegates will carry them back to their various communities; but I believe they should be made available to all the women of this country, and, therefore, I ask unanimous consent that excerpts from Mrs. Catt's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is not long, as time flies, since all schools, open to girls, taught the rudiments of education only. The first women to graduate with degrees in the entire world in the class of 1841 at Oberlin, Ohio, and the women numbered three.

Education is now world-wide for women. In the year of 1932 there were 372,912 women students in the colleges and universities of the United States.

In the early days women speakers in this country were pelted with bad eggs and rotting vegetables. Our famous Independence Hall in Philadelphia was torn down and set on fire by a mob because a woman was speaking there. Now women may speak whenever they have anything to say and equally when they have nothing to say. More, women now vote in more than half the countries of the world. Within a century women have become rational, responsible human beings, endowed with an education, the right to speak, and the right to vote. What should the world expect of educated, self-respecting human beings? And what do we expect of ourselves? The old routine for women is not good enough for us now.

This is a period of problems. Farm women are probably especially interested in some of these problems; city women are interested in others. But there is one thing which I am quite sure interests all women, and that is the abolition of war. To my mind it outranks all other problems, because war is the father of most of the problems of this day. The world is in a predicament with its unemployment, its relief, its business stagnation, and all these troubles and many more are direct results of the Great War.

Why have another before the last one is paid for? Why another before the wounds made in civilization itself by that war are healed?

War is the oldest institution in the world, as it is the most cruel, most destructive, most uncivilized, and most unreasonable. Time was when men went forth in the spirit of adventure and returned as heroes. They killed and looted, but that was long, long ago. Modern society is too complicated, too diversified, to afford or to profit by the waste of war. The Great War cost $93.50 for every man, woman, and child in the entire world. The depression, the inevitable aftermath of war, will probably cost each government as much as the war itself, while the preparation for the next war, that all the nations fear, may yet exceed the cost of both. War fills the world with hate and fear and war has kept these two evils growing for a million years. No war can stop them. Instead, each new war starts new hates and new fears.

War is enemy no. 1 of everything good in the world. Its spirit has spread to business and to politics in all lands. It is the false foundation of civilization itself, shaping its character, and giving direction to all the chief developments. There will never be a really civilized world until war and all its horrible adjuncts are abolished from the earth. It can be done when the people of the world demand it. They and they alone can stop war.

Listen, do you farm women not know that war keeps you poor, that your Nation spends too much money for guns, airplanes, and poison gas, and too little for farm welfare? Do you know that every nation builds too many warships and too few friendships? Do you not know that the worst blow to your farm would be the death of your son, or sons, on a battlefield? Do not forget that today no nation can secure a large enough army by volunteer enlistment. The next war will be fought by conscripted armies, as the last one was, and your sons of the right age will be compelled to go. The way to save your sons is by the abolition of war itself. Say these things to your family, your husband, and your sons, your neighbors. Will they pronounce you a fanatic? They will, and it is by the activity of fanatics alone that war will be abolished. Make fanatics of your family and neighbors and you will not feel lonesome.

It is not necessary for you American women to flounder through the intricacies of neutrality, the political confusion of joining the League of Nations, or the more complicated, so-called economic causes of war in order to understand war. There is no cause, real or false, that justifies war. Such talk merely wastes time and postpones the day when wars will cease. They are the "red herrings" thrown in your way to confuse you.

Become a minute woman for peace—a crusader. Make the abolition of war your chief aim in life. This is the time when a common problem and a common aim unite city and country, farm and factory.

The abolition of war is the biggest and most stubborn problem in the world today. When war goes, most of the other problems which perplex us will disappear. Those that remain can command more money, more time, more wisdom for their settlement than is possible now. War cannot be chiseled down to moderation; it must be abolished, root and branch. Farm women, city women, all women, be crusaders for the total abolition of war. Use your education and your votes to that end. Perhaps your emancipation from the old oppressions has fitted you to serve this particular time like Esther of old.

Crusaders for the abolition of war, I greet you!

Peace is the one common interest of the women of all continents, of all races and nations, of all classes and kinds.

DECISION OF SUPREME COURT IN MINIMUM WAGE LAW CASE

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Philadelphia Record of June 4, and also an editorial from the New York Post of June 4, having to do with the recent decision of the Supreme Court in the minimum wage law case.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of June 4, 1936]

THE KING CAN DO NO WRONG

The king can do no wrong.

Corollary of that great principle "Divine right of kings", to which the best people of the American Colonies and Europe subscribed some two centuries ago.

Hard for us moderns to appreciate such implicit faith in the far-fetched dogma that one man was anointed of God and thereby endowed with superhuman wisdom.

Must have strained the faith of devout monarchists when two members of the royal family contended for the throne, and the one with the quickest assassin won the divine appointment.

But it's human nature for those in the money to embellish the status quo with a sanctity which renders criticism sacrilegious.

Thus the nobles of old were ready to fight and die for the divine right of the king from whom they derived their titles and privileges.

Thus the Tories of today, usually men of large property, throw an aura of sanctity around the Constitution and the Supreme Court to stifle reason and analysis.

Such was not the attitude of the founding fathers. They fought then to destroy the divine-right-of-kings myth. They would fight today just as strenuously against attributing to any man or set of men more than reasonable human ability and character.

It is un-American, dangerous, and foolish to consider the Supreme Court above criticism.

Its decision invalidating minimum-wage laws was a bad decision.

It was a bad ruling, concocted of false premises and faulty logic.

We respect the Supreme Court, but that respect must be circumscribed by our reason and our conscience.

Reason tells us that if the State of New York has the right to fix the price of milk to protect dairy farmers, even more obvious is its right to fix the price of labor to protect women workers from exploitation.

Reason tells us that if these same Justices held the Federal Government could not fix minimum wages to protect miners in the Guffey Act because such a law would violate State rights, they cannot reasonably turn around and say the States cannot fix minimum wages.

Reason tells us that the due-process clauses in the fifth and fourteenth amendments were intended to protect humanity, not to exploit it.

Conscience tells us that a good law protects the weak as against the strong.

It is obvious that Justice Stone has no greater respect for the majority opinion than we have. In dissent he says:

"There is grim irony in speaking of the freedom of contract of those who, because of their economic necessities, give their service for less than is needful to keep body and soul together. But if this be freedom of contract, no one has ever denied that it is freedom which may be restrained, notwithstanding the fourteenth amendment, by a statute passed in the public interest."

Twisting the Constitution by the Supreme Court is not without precedent. Chief Justice Taney used false facts and false reasoning to misinterpret the Constitution as endorsing chattel slavery.

Now Justice Butler and four of his colleagues are using the same methods to twist the Constitution into an endorsement of wage slavery.

Because the Dred Scott decision was clothed in legal trappings, the Nation took too seriously the attempt of six reactionaries to justify their prejudice against the Negro race.

We fought a bloody Civil War to correct that mistake.

Let not that mistake be made again. Let us take this majority opinion for what it is worth—the attempt of five reactionaries to justify their aversion to giving working people a fair break.

Curb this Court before it destroys the Nation.

[From the New York Post of June 4, 1936]

THE AMERICAN HOUSE OF LORDS

Even conservatives are jolted by the Supreme Court's decision on the New York minimum-wage law.

The Times finds the decision "unfortunate." Even the Herald Tribune is shocked and says that "the present decision, adhering so literally to the Adkins case of 13 years ago, can hardly be regarded as the last word on this difficult question."

Is it any wonder? When it is borne in mind that of the 13 Supreme Court Justices to pass on minimum wage legislation, 7—a majority—have declared that legislation to be constitutional?

Minimum-wage laws are unconstitutional today only because no five of these seven Justices were on the bench at one time.

Both Chief Justice Taft and Chief Justice Hughes favored minimum wage laws. Dissenting with Taft in the Adkins case in 1923 were Justices Sanford and Holmes. Dissenting today with Hughes are Justices Stone, Brandeis, and Cardozo.

Minimum-wage laws are unconstitutional, then, because of the caprice of fate that Justices Sutherland, Butler, Van Devanter, and McReynolds all were on the bench in both 1923 and 1936, finding Justice McKenna to agree with them in 1923 and Justice Roberts now.

Upon such flimsy basis does the Court's obstruction of social reform rest today.

Is it any wonder even the Tories are worried?

They know that the minimum-wage laws of 16 States, invalidated by this decree, were for the most part approved by Republican legislatures and Republicans as well as Democratic Governors.

They know that these States went to great lengths to tailor their minimum-wage legislation to meet what were believed to be the requirements of the Constitution.

But five Justices say there shall be no minimum-wage laws.

Chiseling is constitutional.

Unwelcome as it may be to politicians of both parties, the Supreme Court's usurpation of power is the issue of the hour.

With all avenues of orderly social reform closed there is but one peaceful alternative: Orderly reform of the Court itself.

That must come if we are to preserve the Court as an American institution; if the Constitution itself is to survive.

The people of England were forced to strip the House of Lords of its veto power.

The people of the United States must end the veto power of our own House of Lords, the Supreme Court.

The President and Congress have it in their power to limit the jurisdiction of the Supreme Court, under section 2 of article III of the Constitution. They can increase the number of Judges to override the present arrogant majority. They can compel judicial retirements. They can sponsor constitutional amendments limiting the Court's power and specifically authorizing social reform, although there is scarcely time, in this crisis, to amend the Constitution.

It is not nearly so important at this juncture that one certain way be chosen as it is that some way be chosen.

That aggressive leadership be exerted at once to safeguard public rights while there is yet time, before resentment against judicial rapacity leads to rash demagoguery and demands to abolish the Court and scrap the Constitution.

FEDERAL TAX ON GASOLINE

Mr. CLARK. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the Tulsa (Okla.) Oil and Gas Journal relative to the continuance of the temporary Federal tax on gasoline.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Tulsa (Okla.) Oil and Gas Journal]

CONTINUANCE OF TEMPORARY FEDERAL TAX ON GASOLINE AROUSING OPPOSITION

The movement for the repeal of the Federal tax on gasoline and the reservation of that tax to the States is making rapid headway. Washington is hearing from the States lulled into acquiescence at the time of the original enactment by the plea that the Federal tax was to be only a temporary measure during the emergency. The gasoline-buying public also is becoming restive and demanding repeal.

The temporary character of the Federal gasoline tax is well recognized by those instrumental in the original passage in 1932, being well illustrated by the fact it was adopted reluctantly and for only 1 year, whereas the Revenue Act of 1932 imposed all other levies for a 2-year period. When the tax was enacted neither time nor opportunity permitted careful consideration, and it was admittedly passed as a matter of expediency in a temporary move to balance the Federal Budget.

DANGEROUS EXTREME

The power to levy taxes for the support of government has long been recognized as a fundamental, necessary exercise of sovereignty; without such power no government is able to function properly. However, the historical phrase, "the power to tax involves the power to destroy", points out the dangerous extreme to which excessive exercise of this governmental prerogative may progress. Consideration of the present Federal gasoline tax must, in all fairness, be weighed in the light of this factor.

Any general review of sales taxes, imposed by Federal, State, and local governments, indicates such assessments were originally applied to so-called luxuries, and then only for the purpose of satisfying revenue needs. The benefit theory was discarded and greater emphasis placed on the ability-to-pay doctrine. However, the recent economic emergency necessitated a departure from these standard doctrines, and now many modern essentials of life are included in revenue schedules, notably gasoline, which in 1935 paid a State and Federal sales tax amounting to 39.04 percent of the service-station price, based on statistics from 50 representative cities.

For a number of years the various States have imposed an excise tax upon the sale of gasoline, the first being Oregon in 1919. Until 1932 this field of taxation was used only by the States and was not encroached upon by the Federal Government.

SENATOR GORE'S PROTEST

However, unknown to the great majority of motorists and to many in the oil industry, the first proposal of a sales tax upon gasoline was that of a Federal gasoline tax, the proposal being made by Congress as early as 1913, when the first income-tax law was enacted. In that year the Ways and Means Committee of the House recommended a 2-cent-per-gallon Federal tax. Later a Federal gasoline tax of 1 cent per gallon was agreed to by the Democratic members of the Senate Finance Committee over the protests of Senator T. P. GORE, of Oklahoma, who was then, as he is now, a member of that committee.

Senator GORE lost the fight by only one vote in the committee and carried the fight to the Democratic caucus, where he won by a majority of three votes. It was during this fight against the enactment of a Federal gasoline tax that Senator GORE, also a member of the Senate Committee on Agriculture, evolved this now-famous slogan: "Conserve both soil and oil—overtax neither oil nor soil."

By the action of the Democratic caucus the Federal gasoline tax was eliminated from the revenue act of that year, and such a law was not enacted until 1932, 19 years after the first proposal was made before Congress.

In his annual message to Congress on December 7, 1915, President Wilson also proposed a Federal gasoline tax, but Congress failed to enact such a law. The next time such a proposal was made was in the revenue bill passed by the House on September 20, 1918, in which was included a provision for a Federal excise tax of 2 cents per gallon on gasoline, estimated to yield $40,000,000 per year. This provision was eliminated by the Senate Finance Committee.

The State of Oregon enacted the first gasoline-tax law on February 25, 1919, imposing a tax of 1 cent per gallon to finance highway construction, improvement, and maintenance. Within a few years all the States and the District of Columbia had adopted this type of tax for the express purpose of building and maintaining highways.

GROWING EXACTION

Since gasoline-tax rates in the State were, at first, usually low and since the revenues were expended on the highways, there was very little opposition by the consumers. The motoring public was willing to pay for good highways. The gasoline tax, however, proved to be such a splendid source of revenue to the States, and was, in contrast with other forms of taxes, so easily collected, the result was rates were rapidly increased. The rates in the various States now range from 2 to 7 cents per gallon, with the average well above 4

cents. Total gasoline tax collections by the States in 1935 were approximately $625,000,000. Some idea of the present importance of the gasoline tax as a source of revenue for the States is gained from the fact it raises approximately one-third of all the money collected for State government purposes.

All of the States first taxed gasoline on the theory that it should be used exclusively for highway purposes. However, when revenues from other sources began to fall off, or when funds were needed for new purposes, the ease with which tax rates could be increased and the ease with which the tax was collected caused legislatures in some States to divert gasoline-tax funds to uses other than for highways.

Then in 1932 the Federal Government, seeking to augment its revenue, invaded the gasoline-tax field by imposing a temporary tax of 1 cent per gallon on gasoline sold by the producer or importer thereof. Congress recognized the injustice of this duplicate tax, but condoned it on the grounds of extreme emergency and expressed the intention it was a temporary levy.

The House Ways and Means Committee, in the report of its subcommittee on double taxation, submitted December 28, 1932, said:

"When the gasoline tax was first discussed in the House of Representatives of the United States it was felt by many that this field of taxation was fully occupied by the States and should be left to them. The House did not include this tax in the revenue bill as sent to the Senate. The Senate, however, in the light of later figures as to the deficit and as to the probable tax yield, was obliged to amend the bill by including a tax upon gasoline."

DOUBLE TAXATION

The same report on double taxation stated: "The Federal (gasoline) tax is a temporary measure."

In 1933 Congress repealed the provision of the 1932 Revenue Act which set the expiration date for the Federal gasoline tax as June 30, 1933, extending the expiration date to June 30, 1934. However, a report of the Senate Finance Committee dated May 10, 1933, stated: "Your committee is of the opinion that the gasoline tax should be reserved for the States after June 30, 1934."

When this subject came up for discussion before the Ways and Means Committee of the House at the 1933 session of Congress, Chairman DOUGHTON said:

"This was an emergency tax. I am sure Congress was reluctant to impose a tax on gasoline; but in order to balance the Budget, Congress felt that it was necessary temporarily to impose a tax of 1 cent a gallon on gasoline.

"Over the objection of the House, it was passed in the Senate, and we concurred in it because they said the whole structure of the Government would perish if the Budget was not balanced, and we, too, were anxious to balance it; and consequently, in the rush to close the session of Congress and to balance the Budget, we imposed the gasoline tax." (Hearings, p. 824, Dec. 20, 1933.)

Later in the same session the National Industrial Recovery Act extended the expiration date to June 30, 1935, and increased the rate of tax. While the N. R. A. was being considered various proposals were made to increase the 1-cent Federal gasoline tax to 2 cents and 1¾ cents per gallon. As the bill was finally passed it provided for an increase of one-half cent, making the total Federal gasoline tax 1½ cents.

However, Congress again recognized the temporary nature of the tax by specifying the additional ½-cent tax should expire with the repeal of the eighteenth amendment to the Constitution, or when the receipts of the Federal Government should exceed the expenditures. President Roosevelt proclaimed the repeal of the eighteenth amendment effective December 5, 1933, and on January 1, 1934, the Federal gasoline tax rate reverted to 1 cent per gallon.

The various States early recognized that the Federal gasoline tax is, and should be, only an emergency Federal levy. The first recommendation of the initial report of Interstate Commerce Commission on conflicting taxation, unanimously approved on March 25, 1933, stated:

"Gasoline taxes. Since Congress has declared that the Federal tax on gasoline was levied only as a temporary expedient on account of the emergency, the Commission urges the Federal Government to relinquish this source of revenue for the exclusive use of the States at the end of the next Federal fiscal year, namely, June 30, 1934."

LEGISLATURES PETITION

The legislatures of the States started petitioning Congress as early as 1932, requesting the elimination of the emergency Federal gasoline tax and the leaving of this field of taxation solely to the States for the purpose of building and maintaining highways. To date the following States have memorialized Congress in this manner: Arkansas, Mississippi, Montana, New York, North Carolina, Oklahoma, Oregon, South Dakota, Michigan, Maine, Minnesota, Nebraska, South Carolina, Maryland, Tennessee, Texas, New Mexico, Colorado, California, Alabama, and Kentucky.

Later the Governors of many States openly expressed themselves as urging Congress to repeal the Federal gasoline tax. Governor Hill McAllister, of Tennessee, stated: "I wish that the Federal Government would abandon its tax on gasoline and leave this source of revenue entirely to the States." Governor Clyde Tingley, of New Mexico, has stated: "It will continue to be the policy of this administration to do everything possible to eliminate the Federal tax on gasoline." Similar statements have been made by Gov. J. M. Futrell, of Arkansas, and governors of other States.

Thus, it appears that the temporary and emergency character of the Federal gasoline tax is well recognized by Congress, by State administrations, and the motoring public. The latter group—those that pay the tax—are by implication virtually promised that when the emergency is past the Federal gasoline tax shall be eliminated.

However, the continued conditions of depression prolonging the national emergency have facilitated retention of this source of Federal revenue, and the ease with which this tax is collected has diverted attention from other equitable and logical sources of revenue. As a result, the 1-cent Federal gasoline tax is still in effect, the expiration date of the tax having been extended to June 30, 1937, at the first session of the Seventy-fourth Congress.

When the Federal gasoline tax was first enacted the motorists offered no concerted opposition. They were willing to acquiesce in view of the emergency confronting the country and the assurance of various Members of Congress that such a tax was only a temporary Budget-balancing expedient. But these taxpayers have since discovered that the economic emergency is likely to become a permanent basis for Federal invasion of this field.

The fact must be admitted that conditions are now immeasurably better than those existing in June 1932, the time when the Federal tax on gasoline was inaugurated. Thus, the emergency argument for the continuance of the Federal levy on gasoline is not now justified, and the repeal of this tax would be a further stimulant to business and industry in every State in the Union.

"HOT OIL" LEGISLATION

Mr. DUFFY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by the junior Senator from Texas [Mr. CONNALLY] to the editor of the Tulsa World, Tulsa, Okla., with respect to "hot oil" legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
April 15, 1935.

Hon. EUGENE LORTON,
The Tulsa World, Tulsa, Okla.

MY DEAR LORTON: Ever since you expressed an interest in oil legislation I have been intending from term to term and day to day to write you in regard to the "hot oil" legislation recently enacted by Congress. I put it off, however, in order to check and double check the actual workings of this measure to see how well it answered the purpose and object which we had in mind.

I am glad to report: As you know, when the Supreme Court held section 9 (c) of the N. R. A. Act to be an unsound delegation of legislative authority, both Senator GORE and I introduced bills in the Senate to meet the contingency and the emergency caused by that decision. There was not much material difference between our two measures. We reconciled those differences by amending my bill which was in due course enacted into law. We felt that the passage of this measure at this time would save the situation and avert any undesirable consequences and would make it unnecessary to adopt further legislation which might undertake to regulate and regiment the entire oil industry, which should be done, if at all, only as a last resort after other methods have been tried and found ineffective.

Of course, I need not tell you nor any other Oklahoman of the interest and efforts which are always being furthered by Senator GORE in connection with any matters or measures affecting the welfare of the oil business or those engaged in the business.

Sincerely,

TOM CONNALLY.

POWERS OF SUPREME COURT—PROPOSED CONSTITUTIONAL AMENDMENT

Mr. BENSON. Mr. President, the people of the United States have been challenged to do something about the Constitution of the United States as interpreted by the Supreme Court. It might almost be said that they have been challenged until they have become hardened to challenges and immune to decisions—decisions that rob them of every right to legislate for their own welfare and their own security and relegate them to economic slavery.

When the people of this country have been so challenged, the Congress, which they elect as their representatives, is challenged. The same challenge that has been thrown down to Congress has been hurled at every farm leader, every labor leader, every cooperative leader, every social-welfare advocate, and every person in a position of leadership in the Christian churches which have demanded the application of Christian principles in our social and economic system.

The N. R. A. decision denied the Government the right to regulate industry for the public welfare, even though it was for the welfare of industry itself.

The A. A. A. decision denied the right of Congress to legislate for the Nation's greatest industry, comprising a greater share of its people—agriculture.

In the A. A. A. decision the Supreme Court denied Congress the right to use its tax power to improve agriculture. Yet that same Court has never interfered with the power of Congress to establish tariffs for the protection and benefit of industries and industrial profits.

The Supreme Court declared the Railroad Retirement Act unconstitutional when Congress sought to provide retirement pensions for railroad employees.

On the same day that it knocked out the N. R. A. the Supreme Court declared unconstitutional the Frazier-Lemke farm-mortgage law, which provided a 5-year moratorium under specified conditions by which the debt-ridden farmers of this country might earn back or win back their farms and homes.

The Supreme Court has invalidated under our present Constitution the rights of Congress to prevent the sweatshop labor of little children in a land where 11,000,000 grown-ups ask in vain for jobs.

It has held null and void the Guffey Coal Act, in which Congress sought to legislate for the benefit of hundreds of thousands of workers in the coal industry and for the ultimate benefit of the industry itself.

And now has come the crowning blow of all in the United States Supreme Court decision written last Monday by Justice Butler, which holds invalid and unconstitutional the New York State minimum-wage law. The interpretation placed upon our Constitution by our present Supreme Court, in other words, has nullified legislation for the benefit of agriculture, labor, and industry on the grounds that such legislation invades State rights. And now it has nullified State legislation on the ground that the States have not this right.

Only a few weeks ago this same Justice Butler, after participating in a split decision holding that social-welfare legislation violated State rights, reversed himself within a few days and handed down another opinion robbing the State of North Dakota of the right to tax the property of a vast railway corporation that lay within its borders.

The Guffey Coal Act decision virtually closed the door to regulation by the Federal Government of the hours, wages, and working conditions in productive industries. The Supreme Court decision on the New York minimum-wage law denied that right to the States.

President Roosevelt has aptly stated that the Supreme Court interpretations of our Constitution has created a "no man's land" in which neither State legislatures nor Congress can legislate for the benefit of the vast millions of our people.

So unbelievable is this plight in which we find ourselves at the mercy of the Supreme Court that even the reactionary press, which has constantly defended a reactionary Court, has been forced to seek refuge this time in the solitary defense that "It must say so in the Constitution." I call to your attention the fact that most of these decisions, so important to the welfare of millions upon millions of American people, have been rendered by narrow margins of split votes of the nine members of the Court itself. Many of them have been rendered by votes of five to four, as was the New York State wage decision. In other words, the vote of one member of the Supreme Court has determined that the Constitution prohibits the people's representatives in Congress from legislating for the people they represent, and prevents the people's representatives in the State legislatures from legislating for the people they represent.

It is clear that only two remedies remain to correct this situation. One is to limit the power of the Supreme Court; the other, to safeguard the people's right by amending the Constitution.

I believe that section 2 of article III clearly gives the Congress the right to regulate the powers of the Supreme Court, and to make whatever exceptions it sees fit to prevent the Supreme Court invalidating any act enacted by the Congress.

But perhaps the time is too short and the stake too precious to the welfare of our people to permit a congressional effort along that line. The Supreme Court in turn would, no doubt, hold this also to be unconstitutional, and thus throw the Nation into a state of confusion and bewilderment.

Several brilliant newspaper commentators have said that the sum total of Supreme Court activities is to hold that chaos, and chaos alone, is constitutional. I do not know but what that might be the very "constitutional" state into which we would be thrown were we to attempt to exercise what I believe is our well-defined authority to regulate the Supreme Court.

My colleague [Mr. SHIPSTEAD] warned of the situation we have today, when on May 27, 1933, in debate on the floor of the Senate, he referred to the attitude of the Supreme Court on railroad valuation cases. He was joined by Senator NORRIS and the late Senator LONG in a discussion which disclosed that Justice Butler faced a bitter fight against confirmation in the Senate. He finally took his seat with the understanding that he would not pass on the railroad rate cases, in view of the fact that he had just prior to his appointment been the leading attorney in the United States as counsel for the railroads in their efforts to establish this method of valuation.

Justice Butler did not sit on the railroad cases perhaps, but he did sit in the Indianapolis Water Works case, which came on before the O'Fallon case, where identically the same question was involved, and the waterworks case, as Senator SHIPSTEAD then pointed out, served as a guide for the later decision in the valuation of railroads for rate-making purposes.

But there is another way, and that way lies in the adaptation of the Constitution itself in unmistakable terms to the social and economic necessities of our people today. We must write into the Constitution specific provisions granting to the Government definite authority to enact legislation essential to the welfare of the people.

William Allen White, one of the closest Republican friends of the man who with little doubt next week will be the Republican candidate for President, has had this to say about the enslaved position in which the wage decision has left us. I quote:

> The Supreme Court has honestly, even if tragically, called our attention to the need of a power in government which now is obviously restricted. That need is the issue of the hour. The Republican convention must not sidestep it. Our party did not dodge the Dred Scott decision. It must not blink at this. The Republican Party must not let the Democrats fire the first shot in the new battle for human freedom.
>
> No other agency than government can bring justice into the relations of those who work with the machines and those who own the machines.

Representative HAMILTON FISH, of New York, conservative Republican and an oft-mentioned Republican possibility for Vice President, has said on the floor of the House—I quote:

> I am frankly shocked by this unfortunate 5-4 decision that compels millions of loyal Americans to work for wages that will not secure for them the common necessities of life. The Supreme Court has presented the American people with a new Dred Scott decision condemning millions of Americans to economic slavery, and the issue will not down until it has been righted in the public interest.

Congressman FISH announced he will introduce a proposed constitutional amendment.

Are you of the vast Democratic majorities that control these two Houses of Congress going to shut the door to proposals for consideration of constitutional amendments, and let the Republican enemies of everything that is liberal and praiseworthy about the New Deal seize the torch from your hands?

President Roosevelt—the President you Democrats, with the help of the Farmer-Laborites and other liberals and progressives of this country, elected—has declared we are left desolate in a chaotic "no man's land." He has asked every adult person to read the three decisions of the Supreme Court. He has inferred he would like to see action toward a sane elimination of this "no man's land." He would, I believe, like to see every understanding person have knowledge of what this decision means. I understand that there are to be printed in today's RECORD the full text of the opinion of the five-judge majority, and also the illuminating minority opinion of Justice Stone, concurred in by Justices Brandeis

and Cardozo, as well as the minority opinion of Chief Justice Hughes, concurred in by Justices Cardozo, Brandeis, and Stone. I shall not, therefore, ask that the opinions be printed as a part of my remarks.

We have the physical means at hand to virtually abolish poverty, to establish security and justice, and opportunity for all. But we have not the legal means, either because our Constitution has never been brought up to date, or because a majority of the Supreme Court that we have intrusted to interpret that Constitution is either woefully antiquated or callously insensible to the needs and demands of our people.

There is time left for this session of Congress to submit a remedy to the crying people of this Nation—the farmers, the workers, the children, the aged, and unemployed, all of whom are being trampled underfoot by constitutional interpretations. Those people, I believe, challenge their leaders and their Congress to act.

We have before this Congress a proposed constitutional amendment, which I have had the honor to introduce in the United States Senate. It is in the form of Senate Joint Resolution 249. I had despaired of action on that resolution before adjournment, but the no-man's-land decision in the New York case, coming as it does on top of the devastating blows already handed to the farmers, home owners, and organized labor, has created an unmistakable and immeasurable demand that this resolution be given a hearing by the present Congress now.

The proposed amendment will make unmistakable the power of Congress to regulate child labor; to fix limits for hours and wages; to protect the right of collective bargaining; to provide relief for the aged, ill, and unemployed; to regulate the marketing and processing of agricultural products; to control natural resources and such vast enterprises as are essential for the social and economic welfare of the people; and to legislate generally for their social and economic well-being.

This resolution has been formally endorsed by hundreds of recognized organizations of farmers, workers, and citizens. It is obvious that I do not ask this Congress to put this amendment into the Constitution of the United States.

I only ask this Congress to give the people of the United States a right to vote on it, an opportunity to write it into their own Constitution if they so desire.

At least I ask that a committee of this Senate, in the time that remains before adjournment, give to proponents of such a constitutional amendment a right to be heard before we close the doors to a hearing and go out to commit the hypocrisy of campaigning for votes by championing issues on which we have had the power but have not had the courage to act.

INTERNAL-REVENUE TAXATION

The Senate resumed consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

The VICE PRESIDENT. The question is on the amendment submitted by the Senator from Alabama [Mr. BLACK] on behalf of himself and the Senator from Wisconsin [Mr. LA FOLLETTE] to the committee amendment on page 30.

The Senator from Wisconsin is entitled to the floor.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. LA FOLLETTE. I yield.

Mr. LEWIS. I tender a motion relating to the pending bill and ask that it lie on the table for the time being and be printed in the RECORD.

The VICE PRESIDENT. The motion submitted by the Senator from Illinois will be received, printed, printed in the RECORD, and lie on the table.

The motion referred to is as follows:

Motion intended to be proposed by Mr. LEWIS to the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes:

"As Member of the Senate representing the State of Illinois, for reasons heretofore given in speech presented to the Senate, I respectfully move that the bill designated as the tax bill (H. R. 12395) be recommitted to the Senate committee designated as the Senate Finance Committee for the reconsideration of all phases necessary to the complete understanding of the different objections and contentions made either for or against the bill during debate and in the course of present consideration, and move that there be no report for action upon the bill at the present session of Congress."

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Massachusetts?

Mr. LA FOLLETTE. I yield.

Mr. WALSH. Mr. President, the Finance Committee have for submission to the Senate a large number of amendments dealing with the administrative features of the pending bill, which have been presented and are now in print. I ask unanimous consent that I may offer them at this time and have them lie on the table.

The VICE PRESIDENT. Without objection, the amendments will be received and lie on the table subject to call.

(Mr. LA FOLLETTE resumed and concluded the speech begun by him on Wednesday last.)

Mr. LA FOLLETTE. Mr. President, because of the measures which have been taken with the objective of checking the tide of the depression, we are confronted in this year, as I believe we have been in every year since extraordinary expenditures were begun, with the need of increasing the revenue of the Federal Government. So far as I am concerned, early in the depression I advocated the adoption of a program to put people to work. In the first bill which I offered, however, I suggested a form of increased taxation in order eventually to retire the bonds which were provided to be issued under the terms of the bill. In each succeeding session of Congress, when the opportunity has been presented in connection with revenue bills, I have advocated increasing taxes in order to meet the fiscal situation created by expenditures—not that I believed that the Budget could be balanced in the technical sense, but I took the position that the Government needed the increased revenues, because it seemed to me that the economic crisis was similar to the crisis of war.

In a war a government must unbalance its budget in order to conduct the war and carry it to a successful conclusion. However, it has always been the policy of governments that were operating upon a sound fiscal theory in time of war to impose heavy taxes in order to raise from revenues and from war profits as much of the money as possible for the conduct of the war. In this respect, a Nation-wide depression is similar to a war. During a depression of the magnitude of the present one there are certain extraordinary expenditures which must be made; they cannot be avoided. By the same token, however, we should increase the revenues in order to raise from taxation as much as possible of the extraordinary expenditures, with the objective not of immediately balancing the Budget but of maintaining Government credit. As we look back upon the post-war history of the large industrial countries we see that all of them in this period of depression have eventually come to the point where they had to make a fundamental decision. On the one hand, they levy the taxes necessary to maintain government credit, or they could take the easier route and adopt methods of financing through uncontrolled inflation. Only one great industrial country, aside from the United States, has had the courage to follow the former course, and that is Great Britain. I firmly believe that we are confronted at this session of Congress, as I believe we have been at every past session of Congress since 1933, with the necessity of raising more revenue.

The fundamental question that presents itself to the Congress is how and where we shall levy the additional burden. I believe the theory that taxes should be levied in proportion to the ability of the taxpayer to carry the burden is fundamentally sound.

As I see it, there are approximately four sources of income from which we may get additional revenue. One is from business profits. Another source of income is wages and salaries. Another source of income is interest. A fourth

source of income is rents. Waving aside the theoretical consideration of a capital levy, these are the four basic sources of income from which we can obtain additional revenue.

What are the facts? The facts are the taxpayers' receipts from interest are not rising. On the contrary they have been falling until today interest, on the average, is lower than at any time in the recent history of the country.

Can we say that those who derive their incomes from rents are in a position to carry a heavy share of the increased burden? I do not think so. While it is true there has been a slight rise in rents generally over the country, in percentage the increased income to the recipients of rents has been relatively small.

Are wages and salaries rising? In answer to that question we may disregard wages, because the bulk of income-tax payers in the country under our existing system are not found among those in the wage-earning income group. Salaries have been rising, but the testimony before the committee was that they have not been increased greatly.

This leaves business profits as the only other source from which we may ask taxpayers to contribute additional revenue to the Government. What are the facts about the increase in business profits? According to the Standards Statistics Index, profits of 1,307 corporations for 1935 were 42 percent above those for 1934. One hundred and sixty-one representative corporations showed an increase of 69 percent in business profits. The figures for the same corporations show that the profits during the last quarter of 1935 were 117 percent greater than the profits for the last quarter of 1934.

In this connection I wish to point out that, in 1933, 67 corporations in the United States had one-third of the total corporated income enjoyed by all corporations of the United States.

Mr. President, with these facts confronting the Congress, we are in a position to say that in the light of the necessity which confronts the Government the one place in which we can demonstrate that there has been a sharp rise in income is in the form of corporate profits.

Any tax system which is long to have the support of the citizens of the country must be an equitable system. There is today in our tax system great inequity. It arises from the fact that there is a great difference between the taxes paid upon corporate earnings by corporations and taxes paid by individuals in the individual income-tax brackets.

During the illusory days of an alleged prosperity before 1929, when the revenues of the Government were rising, the Republicans, who were responsible for the fiscal and tax policies, advocated constant reduction in income-tax brackets until in 1929 the top brackets on $1,000,000 or more of net taxable income in the form of individual income were fixed at 20 percent. The tax paid by a corporation was 12½ percent. In that situation there was no great disparity between the amount of tax paid on corporate profits in the treasury of a corporation and the amount of tax paid upon the same profits had they been distributed to the individual and taken up by him in his individual income tax.

As the depression descended upon the country and it became evident more revenue was needed, the income-tax brackets have been severely increased, particularly above $50,000 of net taxable income, until today on the top bracket of individual income a tax of 75 percent is imposed, while under existing law corporations pay upon their profits 12½ to 15 percent. Therefore it becomes obvious at a glance that for the individual who is in the income-tax bracket of $50,000 of net taxable income or above there is a tremendous incentive to exercise whatever influence he may have upon the policies of corporations in which his funds are invested to have them retain in their treasuries as large an amount as possible of their corporate earnings, since the corporation pays a flat tax at the highest of only 15 percent; and yet the individual, if he should receive the same profits in his individual income in the form of dividends, would have to pay upon them all the way from 50 to 75 percent.

Therefore, Mr. President, when the present administration realized that it must increase the Government's revenue, surveying the situation, seeing that corporate profits were a form of income which had climbed most markedly and substantially since 1933, realizing this inducement for tax avoidance on the part of those in the upper income-tax brackets, it suggested that the inequity in the tax system should be corrected.

From listening to the sound and the fury before the Senate Finance Committee and in the hostile press of the country, one might come to the conclusion that a new, novel, and radical idea had been put forward by the President. On the contrary, the same principle was in the income-tax law during Civil War days. The same principle was considered by the Congress in 1917. It was considered again in 1921. Some of the wisest, ablest—yes, some of the most conservative—experts on taxation in this country pointed out this opportunity for tax avoidance; and for many years—in fact, since 1917—these experts, some of them in official capacities, have been recommending that the Congress should deal with the situation.

Dr. Adams, who was economic adviser to the Treasury Department, and a very conservative economist, is one of those I have in mind when I make this statement. The same proposition, not in this identical form but the same in principle, passed the Senate of the United States in the session of 1924, and was eliminated in conference only because the conferees representing the Senate were not in sympathy with the action of the Senate itself.

Mr. President, I should like now to direct the attention of the Senate to the charts which are hanging on the wall. (See charts on pp. 9049, 9050.)

The purpose of the first chart is not to demonstrate the objective of the President's message, nor the objective of the bill as it passed the House, nor the objective of any of the amendments that may be pending or that may be offered. The purpose of this chart is to demonstrate the inequities in our present tax system; and, in order to make the demonstration, it has been assumed in preparing the charts that all the 1936 corporate earnings would be distributed.

Let me emphasize that this chart is not designed for the purpose of showing what is desired to be obtained by the House bill, or by the Senate bill, or by the amendment which is pending. The chart is to demonstrate the situation that confronts the people of the country insofar as this inequity in our tax system is concerned, which is brought about, as I pointed out, because of the difference between the flat corporate tax now paid upon all the earnings corporations retain and the tax in the high individual income-tax brackets on incomes of $50,000 or more.

With that statement I desire to point out that if the earnings in 1936 of all the corporations in America were distributed 100 percent, the income groups into which that additional income would fall would be as follows:

Three hundred and ten million dollars would go to those who are in the income group of $5,000 or less, $538,000,000 would go to the income group between $5,000 and $10,000, $600,000,000 would go to the income group between $10,000 and $30,000, $762,000,000 would go to income-tax payers who are in the $30,000 to $100,000 brackets, $918,000,000 would go into the hands of those who are in the $100,000 to $500,000 income-tax brackets, and $887,000,000 would go to those who today enjoy net taxable incomes of $500,000 or more.

I desire to point out also that this theoretical distribution of all the corporate earnings to be made in 1936 would result in bringing an additional 176,343 persons into the income-tax brackets below $30,000. On the other hand, only 14,959 additional persons would be brought into the income-tax brackets from $30,000 up. I also wish to point out, referring to the top category on the chart, incomes of $500,000 and over, that only 612 additional persons would be brought into that particular bracket.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Maryland?

Mr. LA FOLLETTE. I shall be glad to yield to the Senator from Maryland.

Mr. TYDINGS. I wish to ask the Senator from Wisconsin who is the authority for the figures that are being offered. Do they come from the Treasury experts?

Mr. LA FOLLETTE. They were prepared by the Treasury, and are vouched for by Mr. McLeod, the chief actuary of the Treasury Department.

Mr. TYDINGS. In other words, the authority upon which the Senator relies is the same authority which advised with the Committee on Finance in the preparation of the committee amendments?

Mr. LA FOLLETTE. I do not know on what experts the majority of the committee drew. I assume they drew on the experts of the Joint Committee on Internal Revenue Taxation, who do not determine policy, but who carry out orders.

These figures are sponsored by the actuarial division of the Treasury Department, and are predicated upon their exhaustive statistical information.

There has been some criticism of the statistical and actuarial work of the Treasury Department; but I wish to say that since I have had the honor to be a Member of the United States Senate, I have never questioned the integrity or the accuracy of the actuarial data furnished by the Treasury Department. This was true even of the time when the Department was dominated by Mr. Mellon, and was completely out of harmony and sympathy with every idea and theory I have about taxation. I wish to say, furthermore, that I have inquired of reputable actuaries in private life, and they vouch for the fact that Mr. McLeod is a man of the highest scientific and professional attainments.

Mr. SHIPSTEAD and Mr. TYDINGS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. LA FOLLETTE. I yield first to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, the same actuaries naturally would find different answers to different problems. I take it that the Senate committee presented to the actuaries a different problem than the one which has been presented here by the Senator from Wisconsin.

Mr. LA FOLLETTE. The only part that the Treasury actuaries played in the Senate committee's work, or in connection with the amendment which the Senator from Alabama [Mr. BLACK] and I have offered, was to furnish figures as to the revenue which the Treasury estimated would be yielded if any particular proposed plan were enacted into law. The material upon which these charts are based is very exhaustive statistical information in the possession of the Treasury Department, and it has been broken down into this form after very thorough analysis and study.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. TYDINGS. I asked the Senator the question I did merely in order to ascertain the authority upon which he predicated his remarks and not in any way as reflecting on either the Senator or anyone who has supplied him with the information. I merely wished to have the Senate know the basis of the figures.

Mr. LA FOLLETTE. I made my statement because some of the witnesses before the committee attacked the soundness of the actuarial data; and after that was done, as I stated a moment ago, I took it upon myself to inquire of some of the best-known actuaries in this country who are in private occupations. All of them state that Mr. McLeod would not permit the policy of any administration or any Secretary of the Treasury or anyone else, in or out of the Government service, to influence him in furnishing statistical and actuarial information.

Mr. President, I do not wish to dwell too long on another aspect of the situation, and I fear that this chart [indicating] is perhaps not easily seen across the Chamber; but what it attempts to do—and I call the chart to the attention of any Senator who is interested in looking at it—is to give in greater detail, by income-tax brackets, the information that is shown in black and white on the chart to which I have been referring.

Mr. BYRD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Virginia?

Mr. LA FOLLETTE. I do.

Mr. BYRD. The Senator has read figures from a chart which assumes that all earnings will be distributed in dividends. Does the Senator contend that the amendment he has offered will compel the distribution of all earnings in dividends?

Mr. LA FOLLETTE. I have made no such statement, and no such inference is to be drawn from anything I have said. I made the very careful statement, before I even referred to the charts, that they were not intended for any purpose in connection with any of the amendments which have been offered, the Senate committee amendment, or the bill as it passed the House. I said that they were simply designed to show the extent of the opportunity for tax avoidance which exists, and which I think every Senator on the committee admits exists, between the higher individual income-tax brackets and the flat corporation-tax rates.

Mr. BYRD. The so-called tax evasion to which the Senator refers——

Mr. LA FOLLETTE. I call it "avoidance."

Mr. BYRD. Well, avoidance—will not be remedied by the amendment offered by the Senator.

Mr. LA FOLLETTE. I think, if the amendment offered by the Senator from Alabama and myself were to be adopted, it would go a long way toward remedying it.

Mr. President, I now desire to point out briefly the difference between the proposal which has been offered by the Senator from Alabama and myself and that offered by the Senate committee. When this question first came before the Committee on Finance a great deal was said about the small corporation. The argument was made by some members of the committee, and later by witnesses who appeared before the committee, that the bill as it passed the House provided harsh treatment for small corporations; that it extended great favoritism to large corporations, and especially to those which had accumulated tremendous surpluses.

I do not think those contentions are sound; but assume that they are, for the sake of the argument. Protection of the small corporations was the premise from which a majority of the Finance Committee started out to provide a substitute for the corporation-tax features of the bill which passed the House. Yet the net result of their weeks of effort is the recommendation of a proposition by a majority of the committee which, if it is written into law, will tremendously penalize the great majority of the small corporations of the Nation and operate to improve the competitive advantage of the large corporations.

Personally I do not think the Congress should be concerned with the competitive situation, so far as the imposition of taxes is concerned. I am sure that if someone came forward with a naked proposition that we ought to classify corporation A, which is manufacturing a product, in one classification, and corporation B, which is a competitor, and manufacturing the same commodity, in another classification, every Senator would reject it; so I do not attach much significance to that phase of the argument. I only indicate that Senators should hesitate a long time, in the face of this acknowledged situation which exists so far as tax avoidance of those who are in the high individual income-tax brackets are concerned, before accepting, in lieu of an effort to correct the existing situation, a provision which would fall harshly upon the small corporations.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. BAILEY. I think the position of the majority of the Finance Committee, with respect to the subject matter of the remarks now being made, touching the question of discrimination against small corporations, related particularly to a point which I am bringing forward in order that the Senator may discuss it. Take, for example, the small corporation which is in debt, and compare it with a large corporation which is not in debt. Is it not a fact that the surtax rates proposed would tend to prevent the small corporation from paying its debt, and therefore handicap it in

the matter of competition with the larger corporation which does not owe?

Now, one other step. Take the small corporation which has no surplus, and compare it with a large corporation which does have a surplus. Is it not true that the surtax rates proposed in the pending amendment would tend to prevent the small corporation from acquiring a surplus, and not affect the right of the large corporation to hold its surplus, and if that be so, would not that be a very bad public policy, in that it would inure greatly to the advantage of the large corporation and very greatly to the disadvantage of the small corporation?

Mr. LA FOLLETTE. Mr. President, the Senator has given me a hatful of questions all at one time. I will try to remember them and answer them seriatim.

First, the Senator asked me whether a small corporation in debt would not be put at a competitive disadvantage with a large corporation which was not in debt under the bill as it passed the House.

Mr. BAILEY. Under the pending amendment, the Black-La Follette amendment, not under the bill as it passed the House.

Mr. LA FOLLETTE. Since I mentioned the House bill, I desire to point out that the House attempted to meet the situation by providing a cushion provision as to corporate indebtedness.

The amendment which we have offered will enable small corporations which are in debt, insofar as is possible for a small corporation in such circumstances, to compete with large corporations which are not in debt. Obviously we cannot remedy the inherent advantage which a great corporation has over a small one, unless we are willing to use the tax mechanism to break up large corporations; and no one has made any such suggestion as that in connection with the pending bill.

Mr. BAILEY. Now, on that point——

Mr. LA FOLLETTE. Just let me answer the Senator's questions which I have in mind now, and then I shall be glad to yield to him.

It all depends on what the Senator means by a "small corporation." When we first started discussing this question in the committee, the corporations I heard about were the really small ones. Now the small corporations I hear about are those which have a million dollars or more of net corporate income, and that is statutory net income, after all the liberal deductions which are permitted by the existing income-tax law have been made.

Under the amendment of the Senator from Alabama and myself, in the first place, all corporations in the United States making $15,000 or less of statutory net income would not be affected by the tax provided in the amendment at all, and that means 220,000 of the corporations which are operating in this country today.

In the second place, corporations having a larger statutory net income than $15,000 a year under our proposal would likewise be privileged to take $15,000 out of their adjusted net income, or their statutory net income, before any tax on undistributed net income would apply, and then they would be permitted to take off another slice of 20 percent before any such tax would apply.

I contend, therefore, that we give the small corporation a better advantage than does the Senate committee bill, and I do not think any amount of argument can disprove that fact.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. One at a time; let me answer the questions which have been asked before any more pile up.

The Senator from North Carolina asked me another question, and I shall attempt to answer it as I recall it, and if I have not remembered the Senator's question correctly, I hope he will inform me. I think the Senator asked me whether the amendment now pending would not work a great hardship against a small corporation which is attempting to compete with a large one which has accumulated a huge surplus.

Mr. President, there is no way on earth that I know of by which to remedy that inherent situation.

No lawyer has come forward with any proposition whereby we could tax the surpluses accumulated in the past. All the lawyers of whom I know have said that is constitutionally impossible. Under the amendment which we have offered I contend that the small corporation, insofar as the imposition of tax is concerned, would be in a better position to compete with the large corporation than it would be under the bill sponsored by the majority of the committee, because the bill proposed by the majority jacks up the flat tax rate 3 percent in every bracket, without regard to the situation of the corporations, so far as any competitive factors growing out of largeness and smallness are concerned. The committee provision has only one cushion, and that is the one providing for retention of income in the case of existing written contracts not to pay dividends. Therefore the committee bill hits the small corporations, about which we have heard so much, squarely between the eyes, because it jacks up their flat corporation tax rate 3 percent in every bracket.

Mr. COUZENS. That would be a 20-percent raise.

Mr. LA FOLLETTE. That is true. I may say that a 3-percent raise in actual tax load is a 20-percent increase in the percentage of payment. I do not criticize any Senator defending and supporting the committee's bill, or who believes that bill is better than the proposition which we put forward; but I think that after deliberate, mature consideration no person can come to the conclusion that the amendment offered by the Senator from Alabama and myself does not provide very much more generously for the small corporation than does the committee bill.

Mr. BYRD. Mr. President, will the Senator yield?

The Senator has prepared a chart relative to a $100,000 corporation. If I am correct, in the case of a $100,000 corporation which makes a 100-percent distribution of income, the tax would be $14,420. If by reason of debt or by reason of necessity for accumulating a liquid surplus there is nothing distributed, the tax on such a $100,000 corporation would be $28,763. In other words, the corporation which is obliged to pay its debt and accumulate a surplus has to pay twice as much as the corporation which pays out all of its income in dividends.

Mr. LA FOLLETTE. Mr. President, let us compare that situation with the picture presented by the bill of the majority of the committee. I wish first to reemphasize—and I hope Senators will appreciate the significance of the statement—that statutory net income is not the ordinary kind of net income that one thinks of when he receives a statement from a corporation or when it is printed in newspapers. This country is more generous and liberal in its allowable deductions before arriving at statutory net income than is any other country of which I know that makes use of the income tax. The difference between the bill which the Senator from Virginia is supporting and the amendment which I am supporting on a 100-percent retention of statutory net income is a difference of some $5,000 in tax. So he is taking the worst possible situation, namely, that of a corporation which would not pay out a nickel in dividends, and yet from such a corporation the amendment would take only about $5,000 more in tax than would the committee's bill.

Mr. BYRD. Mr. President, may I again interrupt the Senator at that point? The Senator, I think, understands that under the plan he advocates there is a 100 percent difference in tax on a corporation earning $100,000 that pays out everything, as compared to one paying out nothing. Under the bill advocated by the Senate Finance Committee there is a difference of only 33 percent between the corporation that pays out everything and the corporation that is unable to pay out anything.

Mr. LA FOLLETTE. I am afraid the Senator from Virginia is leading the Senate into the same difficulty into which I think the committee fell. The committee began looking at percentages of tax. It began stating the tax in the form of percentages instead of looking to see what the

corporation was going to pay when it made out its check to the Treasury of the United States.

Corporations and individuals in this country do not care what the percentage of tax may be. What they are concerned with is the amount of money they have to pay into the Treasury. Under the Senator's proposition, which is the committee's bill, in the case of 100-percent retention, that is, not a dollar of dividends paid, there is imposed a tax of $23,219.20 and our proposal would levy a tax of $28,763, or a difference of some $5,000.

Furthermore, I should like to point out another thing which I had not intended to discuss at this point, but I think it is one of the important features of the pending bill. It is recognized that under the measure now pending before the Senate if a corporation is in the situation to which the Senator from Virginia makes reference, and desires to retain every dollar of its statutory net income for the purpose of meeting its debts, or for the purpose of meeting the exigencies of business, or of further expansion and development, it is in a position to do so without paying an additional penny of tax, if it will only pay out to its stockholders dividends which the Supreme Court in a recent decision has indicated are taxable in that form in the hands of the individual. So I think that all the talk about the difficulty confronting corporations under any one of these tax propositions is unjustified.

On what theory can anyone argue that a corporation that desires to retain 100 percent of its statutory net income should not give to the stockholders who own it, evidences of that statutory net income? Each and every one of them owns his proportionate share of the earnings according to the stock held in the corporation.

Mr. President, from much of the argument advanced concerning this question one would think that a corporation was a separate entity, floating in midair like Mohammed's coffin; that it was not connected with individuals, and that, too, despite the fact, that the Supreme Court of the United States has said that a corporation is a person and entitled to all the rights and privileges which extend to a person. A corporation is a device whereby a group of people come together to do something jointly which they feel they can do better through that instrumentality than they can by a partnership or by operating severally and not in cooperation with each other.

Corporation A, let us say, has $100,000 of statutory net income. Let us say it is in debt up to its eyebrows. If it wanted to retain that statutory net income it could under the House bill, the Senate committee bill and our amendment, retain every dollar of it, and not pay any additional tax in the form of an undistributed-profits tax. The corporation would just pay out to its stockholders evidences of the accumulation of such net earnings in a form which would be taxable under the sixteenth amendment to the Constitution.

Of course, the individual stockholders would have to include the dividend in their income. But why should they not? Will some one tell me wherein there is any theoretical difference between the obligation and the liability of a dollar of profit made by a cooperative enterprise through a corporation to pay its just and fair share of the burdens of Government, including the cost of war and depression, and the similar obligation of a dollar of individual net income flowing into the hands of an individual citizen of the United States?

Mr. BAILEY. Mr. President, will the Senator yield? I do not like to interrupt the Senator.

Mr. LA FOLLETTE. I am glad to yield to the Senator.

Mr. BAILEY. I am not going to interrupt the Senator much more. I was calling attention to the discrimination as between a debtor corporation and a nondebtor corporation. The debtor corporation which makes $100,000 this year and applies the money to its debts would have to pay to the Government $28,763.26 under the amendment of the Senator from Alabama and the Senator from Wisconsin. These are the Treasury statistics. I got them from Mr. Parker, I should say.

Mr. LA FOLLETTE. Yes; they are the same ones that we have.

Mr. BAILEY. Yes. But a nondebtor corporation making $100,000 this year and declaring it out in dividends would have to pay nothing.

Mr. LA FOLLETTE. Oh, no; not nothing. It would pay $14,400.

Mr. BAILEY. It would pay nothing except the normal tax.

Mr. LA FOLLETTE. It would pay the normal tax.

Mr. BAILEY. However, it would pay nothing by way of supertax.

Mr. LA FOLLETTE. That is correct.

Mr. BAILEY. All right. Your supertax is 30 percent in the higher brackets. There is the penalty. Can the Senator square his argument with public policy in so arranging his tax proposal that the debtor corporation is penalized for paying its debts while the nondebtor corporation is free from tax, and on the same principle the corporation with no surplus would have to pay a tax in order to accumulate a surplus; and when its income was carried to surplus, and not paid out, it would have to pay a tax? But the corporation on the other side that has a surplus and can afford to pay out its profits pays nothing. In all seriousness I am going to say to the Senator that is not unjustified argument. That is a serious question.

Mr. LA FOLLETTE. I wish to withdraw any inference that the arguments of any Senator were unjustified. I credit every Senator with the same or with greater ability than I have. All I was referring to was the testimony by witnesses before the committee and to the arguments in the newspapers, which would seem to indicate that the country was on fire with the idea that the principle of taxing undistributed profits involved a terrific amount of difficulty for corporations that were in debt, and small corporations.

After listening to all the arguments, after reading all the propaganda, after listening to all the witnesses, and after making the best impartial study of which I am capable, I wish to say that the arguments did not make any impression upon my mind. I say that the apprehension is predicated upon an erroneous assumption. Each corporation in such a situation can pay out stock dividends which will be taxable. We will have taken a great stride forward when we make certain that the stockholders of corporations shall get either evidences of their additional share in corporation profits in the form of taxable stock dividends or cash dividends.

Mr. BAILEY. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from North Carolina.

Mr. BAILEY. I wish to say to the Senator that I knew he meant no offense and none of us took offense. I was simply repeating his word.

I wish to tell the Senator further that the whole Senate is against him in one judgment he rendered just now, to the effect that he thought every Senator here was superior to himself. I am going to tell him that there is no Senator here who is superior to him.

Mr. LA FOLLETTE. I appreciate very much what the Senator says.

Mr. BAILEY. And I know that is the sentiment of the whole Senate.

Now, to come back to our point—and with this I am going to be satisfied—the Senator is really contending that a tax law which makes it difficult for a corporation to pay its debts does not really discriminate against such debtor corporation in favor of the nondebtor corporation, and is contending further that a tax law which makes it difficult for a corporation which has no surplus to acquire a surplus does not discriminate against that corporation in favor of one that has a surplus. There is where we divide; but I respect the Senator's judgment; and I think I have stated the case.

Mr. LA FOLLETTE. I do not agree with the Senator. So long as a corporation is in a position where it can retain every dollar of its statutory net income by paying out a stock dividend in such a form that it will be taxable in

the hands of individual stockholders it cannot be contended that it is in a difficult situation so far as its debts, so far as the exigencies of business, and so far as the expansion of the business are concerned. In my opinion, it is a great step forward.

In the second place, I may say, in answer to the Senator from North Carolina, that I have heard much about corporations that have accumulated huge surpluses. Of course they have accumulated them; they have accumulated them under a tax system such as we have today; and, if nothing is done to change that system, the same corporations will go on accumulating greater and greater surpluses until we will have a situation not such as we had in 1933 when 67 corporations had one-third of the total corporate income of the United States, but we will have a fewer number of corporations and we will find them with a very much larger slice of the corporate income every year.

While we cannot pass retroactive legislation, and go back to the point where we can tax the accumulations of the past, at least we can so provide as to the future that corporations shall not be permitted to continue to accumulate vast surpluses without paying their just share of the taxes, and to that extent we can make it easier for small corporations to compete with them. If this amendment is adopted, new enterprises will spring up in this country and compete with the older and larger institutions that have lined their coffers with fat surpluses without paying anything but a flat tax to the Government while they were doing it.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Alabama?

Mr. LA FOLLETTE. I yield.

Mr. BLACK. I wish to add a suggestion to what the Senator from Wisconsin has said in response to the Senator from North Carolina. If there is discrimination such as the Senator mentions, the identical discrimination exists in the Senate committee bill except in an exaggerated form as to small corporations, because the discrimination which he mentions applies to all corporations, while ours completely exempts every corporation making $15,000 profit. The figures also show that the corporation making practically up to $50,000 pays a smaller surplus tax under our amendment than under the committee amendment.

Furthermore, all this talk about the $100,000 corporations really refers to corporations with profits of $100,000.

Mr. LA FOLLETTE. Certainly.

Mr. BLACK. So that when we speak of corporations having profits of $100,000 we really have reference to million-dollar corporations. What I wanted to make clear was that, so far as discriminating against the small corporation is concerned, there is no such discrimination in our amendment, because by it the small corporations are expressly exempted up to $15,000 and also on an additional $20,000. They have to get up to where they make as much as $50,000 profit before the tax in our amendment, even in the higher brackets, equals the tax under the Finance Committee bill.

Mr. GERRY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Rhode Island?

Mr. LA FOLLETTE. I yield.

Mr. GERRY. The Senator was referring to the small corporation.

Mr. LA FOLLETTE. I did not start that discussion. It was started by the majority of the committee when we first saw the bill.

Mr. GERRY. I thought it was started by the Treasury. They talked about the small corporations. There is only one thing I want to say as to that, and that is that when they refer to the small corporation they refer to a corporation with a small income.

Mr. LA FOLLETTE. That is clear.

Mr. GERRY. Of course, we have tremendously large corporations that for some time have had no income, although I know they do not constitute the majority of cases.

Mr. LA FOLLETTE. I do not think I made any statement in which I have not made it plain that I referred to small corporations with small net incomes.

Of course, there may be large corporations with small net incomes.

Mr. GERRY. Yes; or losing money.

Mr. LA FOLLETTE. Yes; losing money, because the Congress and the Treasury Department have been so liberal in the deductions allowed for depreciation, bad debts, and other things, that there are some large corporations in this country which show a comparatively small statutory income. The fact remains however, as I think everyone will concede, that usually the very small corporation, with small earnings, is one which actually has a small capitalization.

Mr. GERRY. That is usually the case.

Mr. LA FOLLETTE. Yes; of course it is.

Mr. GERRY. But, if the Senator will permit me, he will remember that there appeared before the committee a witness who at one time I think was an officer of a corporation which had very large earnings and which paid out practically all its surplus with the result that that corporation is now in the hands of a receiver; the banks are really controlling it, because the only way they can keep the corporation going is by their ability to borrow, and to try now to accumulate a surplus in the hope of getting it on its feet.

Mr. LA FOLLETTE. Just one statement in answer to that suggestion. There is no way in the world, Mr. President, to devise a tax system which will protect from bad management the investment of individuals who take stock in corporations. No tax system can be devised that will prevent some people who control huge corporate surpluses from using them for unsocial purposes. During the so-called boom one of the great sources of credit that helped to increase the forced draft under the boiling cauldron of the stock market and helped to carry that market up to the point where when it collapsed it shook the entire economic foundation of these United States, was the accumulation of corporate surpluses, which were loaned on call in New York, especially when call money could obtain 15, 18, or 20 percent. Corporate surpluses went into pools, which were sometimes organized in the very stock of the corporation from which the surplus came. Boards of directors and officers who were receiving huge salaries presumably for devoting their integrity, their intelligence, and their experience to the safe management of the collected funds of their stockholders, were using the corporate surpluses to organize pools in the stocks of their corporations and were manipulating the prices.

The insiders of these pools got in at the bottom price and sold out at the top, dumping fabulously inflated stock values into the hands of unsuspecting investors. Many able economists attribute some of the excesses of the boom and inflationary period to the accumulation of large corporate surpluses. More than $8,000,000,000 came into the stock market in 1929 from sources outside of the Federal Reserve System. One-half of the $16,000,000,000 used in that wild orgy of speculation came from corporate surpluses and from other sources.

All during that period we had a great deal of lip service from the management of the corporations which had these huge surpluses, to the effect that they believed wages should be increased so that the buying power of the public could keep step with our ever-increasing capacity to turn out manufactured products; but it was only lip service. To a large extent they did not put their theories into operation, for, as a matter of fact, real wages, measured in the terms of what a man or a woman could produce in a day's work at a machine, were falling from 1921 to 1929, with the exception of two industries, transportation and construction.

Let us not proceed on the theory that all corporate surpluses are beneficial either to the corporations themselves which accumulate them, or to the wage earners, or to the public in general.

Furthermore, Mr. President, I think it was clearly demonstrated before the committee by a Treasury witness that

even during the depression the great proportion of the corporate surpluses were not used for the purposes for which it was claimed they were used. It was claimed they were used to provide employment and carry men upon pay rolls, but the figures given the committee tell a contrary story. I quote from Mr. Haas:

> During the 3 years, 1931–33, inclusive, the aggregate net losses after taxes of those nonfinancial corporations that reported no net income amounted to $12,100,000,000; but $9,500,000,000 of this aggregate deficit, or 78 percent, represented valuation deductions, primarily, rather than cash operating disbursements in excess of cash receipts. It should be borne in mind, moreover, that a corporation is included in the deficit group only in those years in which it reports no net income; so that the figures that I have just cited include the losses of all corporations during their worst years of the depression, and do not include their net income, if any, in other years of the depression.

Mr. President, I do not wish to be put in the position of saying I am opposed to the accumulation of reasonable corporate reserves. I am not. It would not be prohibited under our amendment. As a matter of fact, it would not even be prohibited under the bill as it passed the House. But if corporations desired to retain their profits under the terms of the bill as it passed the House to a more drastic extent, under our proposal to a much less extent, or even under the Finance Committee proposal to a small extent, they would have to pay a tax upon the dollars of net statutory income which they accumulated from year to year.

I again ask, Mr. President, why should a dollar in the form of net income made by a corporation be permitted to pay a very low flat tax when, if that dollar of corporate income were paid out in the form of dividends, it would have to pay a very high tax in the hands of the individual? Theoretically I can see no reason why dollars which are made in profits and which remain in the hands of corporations should not pay their fair proportionate share of the revenue which the Government requires, just as we ask every individual to pay upon every dollar of net taxable income which he receives.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from North Carolina.

Mr. BAILEY. I am in full sympathy with the objective sought by the Senator from Wisconsin, but I am still unable to understand his point with reference to adverse discriminations. I invite his attention to a manufacturing concern making $100,000 of net income. It is in debt. It applies $100,000 to its debt. Under the Senator's plan it would pay the Government $28,763.20 taxes. Against that is a similar corporation with $100,000 of net income, which has a surplus and therefore can pay out its net income in dividends, and its tax is only $17,440. There is a difference of $11,300 in favor of the nondebtor corporation and against the debtor corporation. Is not that discrimination and is not that a handicap?

Mr. LA FOLLETTE. No; I contend it is not, because the corporation which is in debt can retain every dollar of its net taxable income. It can pay out taxable stock dividends to its stockholders and retain every dollar of money that it has made that year. How can that be any discrimination? How can it be a hardship to anybody, either the corporation or the individual stockholder? Is it not just that the individual stockholders of the corporation should take up the earnings in their income taxes, or else that the corporation should pay something to the Government out of the money it makes each year?

Mr. BLACK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Alabama?

Mr. LA FOLLETTE. I yield.

Mr. BLACK. Let us suppose the same corporation, which is making $100,000 net income, had a surplus and that it can borrow money on it and can follow the law and issue stock dividends. Is it not discrimination for the Senate Finance Committee to make that poor, struggling, debt-ridden corporation pay $17,440 as against $14,440, as would be required under our proposal? Is it not also a terrible thing for the Finance Committee to require such corporation to pay $19,000 as against $14,000 under our proposal?

Mr. LA FOLLETTE. Furthermore I emphasize again that we are talking about statutory net income and not about the capitalization of corporations, because, as suggested by the Senator from Alabama, when a corporation has $100,000 of statutory net income, with all the liberal deductions provided in our income-tax system, it is, generally speaking, a big corporation so far as its capitalization is concerned.

Let us take a corporation with $40,000 statutory net income and compare its treatment under the Finance Committee proposal and under our pending proposal. If the corporation distributed no dividends at all, under the Senate Finance Committee proposal it would pay $8,975.20 and under the proposal we have submitted it would pay $8,543.20. If it distributed all of its statutory net income, under the Finance Committee proposal it would pay $6,640 whereas under the proposal we have submitted it would pay only $5,440. So in the case of a corporation with $40,000 of net statutory income, or with less, our proposal would impose a smaller tax than would the Finance Committee's proposal.

In addition to that, we do not ask for a dollar of increased taxes from 90 percent of the corporations in the United States, because 90 percent of them make $15,000 or less statutory net income every year, and under our proposal they would be exempt from the undistributed-profits tax, while under the Finance Committee proposal they would not be exempt.

Under the Finance Committee's proposal, a tax of 7 percent would be levied upon the undistributed profits of struggling corporations that the majority of the committee keep talking about just as huge corporations would pay 7 percent upon their undistributed profits and yet the majority of the committee contend that they are trying to remedy the competitive situation which exists between huge aggregations of corporate capital and small, struggling enterprises.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. LA FOLLETTE. I do.

Mr. LEWIS. Will the able Senator from Wisconsin make clear to me what he means by the expression "statutory net income" as distinguished from net income after paying the expenses of any business?

Mr. LA FOLLETTE. Mr. President, the distinction I was trying to make is that net income as it appears in the financial statement of a corporation may be something very different from the statutory net income which appears on its income-tax return, for the simple reason that very liberal deductions are allowed under our income-tax law before arriving at a corporation's statutory net income upon which the tax is predicated. It is allowed to take out very liberal and generous items for depreciation. It takes out its bad debts. It takes out interest on Government bonds which it owns. It takes out a myriad of exemptions and deductions before the Government determines that it has any net income to be taxed. So I emphasize and repeat that a corporation which has $100,000 of statutory net income in its coffers at the end of the year, generally speaking, is a pretty husky and lusty corporation.

Mr. O'MAHONEY. Mr. President, may I interrupt the Senator at that point?

Mr. LA FOLLETTE. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. In his discussion of the proposed amendment, has the Senator pointed out the fact that according to the reports compiled by the Bureau of Internal Revenue, in 1932, 392,000 corporations filed returns showing assets of about $280,000,000,000; and of those 392,000 corporations, 618 corporations controlled more than 53 percent of all the assets?

Mr. LA FOLLETTE. I appreciate those figures very much because they help to drive home the argument I am attempting to make.

Mr. O'MAHONEY. I thought they might.

Let me call the attention of the Senator also to the fact that the same source shows that in 1932, 73,291 corporations in the United States had net incomes. Of that number, 201, or less than one-half of 1 percent, reported more than half of all the income; and 9,099 corporations having assets of more than $500,000 had almost 90 percent of all the income of all the corporations in the United States.

Mr. LA FOLLETTE. The Senator's figures tell the story. They buttress the position taken by the President in his message when he asked the Congress to consider this principle of taxation.

Now, I desire to make reference to a statement made by the Senator from Georgia [Mr. GEORGE] in opening the debate upon this section of the bill.

The Senator from Georgia stated, as I understood him, that the only source of corporate expansion was either reserves in the hands of corporations or savings in the hands of individuals. Insofar as the future is concerned, there are adequate and ample resources upon which to draw for the legitimate expansion and development of industry.

In 1929 the total daily average member banks' reserve balance was $2,358,000,000. This was the basis upon which credit could be pyramided 10 times, as every Senator knows, under the Federal Reserve Act, so that there were potential credit resources of $23,580,000,000 in 1929; and that credit carried the transactions of the largest economic operations in the history of the country, with the possible exception of the war.

Mr. GEORGE. Mr. President——

Mr. LA FOLLETTE. Pardon me just a moment. Let me finish, and then I shall be glad to yield to the Senator.

Today, Mr. President, the total daily average member banks' reserve balance is $5,638,000,000, upon which could be pyramided, if it were needed, credit of $56,380,000,000. In other words, we have more idle, unemployed dollars and credit in the United States today than at any previous time in all the history of the Republic. So I have no fear that if the proposition we have suggested were accepted, and a genuine attempt were made to meet this problem of tax avoidance, there would not be ample credit resources available for the conduct and for the expansion of business.

Now I am glad to yield to the Senator from Georgia.

Mr. GEORGE. Mr. President, I should like to have the Senator explain how the money is to be gotten out of the banks unless it can be paid back, and unless the prospective borrower can make a credit statement that the bank will regard as entitling him to credit. I should like to call the Senator's attention to the fact that if the credit statement does not show savings or surplus, or at least the ability to accumulate it, I do not know of any bank in this country that would make a loan to a corporation for any purpose.

Mr. LA FOLLETTE. My answer to the Senator is the same answer I have made to the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. BYRD], that under all these measures—under the House bill, under the Senate committee bill, and under this amendment—any corporation desiring to retain 100 percent of its statutory net income free from increased tax may do so by paying out to its stockholders a dividend which is taxable under the sixteenth amendment.

Mr. GEORGE. Mr. President, that brings up a matter which it seems to me the Senator ought to be able to see, namely, that then there would be created in this country a vast number of corporations with nothing in the world but watered stock.

Mr. LA FOLLETTE. I do not agree with the Senator that it is water.

Mr. GEORGE. I should not expect the Senator to agree, but that is the logic of it.

Mr. LA FOLLETTE. I do not agree it is logical.

Mr. GEORGE. If a corporation is going to keep money that it needs to meet an indebtedness and yet issue a certificate of indebtedness in the form of stock, whatever kind of stock may be issued, it is obvious that it is nothing but water; and I think that suggestion cannot commend itself to any business mind anywhere.

In addition to that, let me call the Senator's attention to the fact that if A is the owner of a small block of stock in a corporation and it is all the property A has, and he is entitled to three or four thousand dollars of dividend, and in place of a dividend he receives a piece of paper, and he has to go to a bank and borrow the money to pay the tax upon the piece of paper he receives, the more dividends of that kind he receives the worse off he will be; and if the practice should be pursued, which is suggested by those who offer this substitute, of issuing a stock certificate for a dividend and letting the corporation keep whatever money or whatever property it has, certainly that policy would bring stocks into such a condition upon the open market as that they would become practically worthless.

Mr. LA FOLLETTE. I do not agree with the statements made by the Senator from Georgia.

In the first place, I do not agree that a stock dividend paid out to represent an adjusted net income represents water. In proportion, it represents the actual profits which the collective enterprise, operating through the corporate entity, has made on behalf of its stockholders.

Mr. GEORGE. Yes; but the purpose of issuing the dividend is to take the money out of the corporation and pay it out on a debt, so there is nothing left.

Mr. LA FOLLETTE. Just a moment. Let me answer the Senator's questions one at a time. I cannot answer them all at once.

Mr. GEORGE. If it is going to trouble him at all, I will withdraw it.

Mr. LA FOLLETTE. It does not trouble me a particle, but I desire a chance to answer one question before I am interrupted with another.

Mr. GEORGE. Very well; I shall not interrupt the Senator again.

Mr. LA FOLLETTE. I do not object to being interrupted, but I should like to have a chance to answer; that is all.

Mr. President, one of the great difficulties growing out of the economic crisis was the fact that so much of the corporation indebtedness was represented in the form of an excessive proportion of bonds as against stocks; and when the depression came on, stockholders in many instances were in a position where they could not get any dividends, but the bondholders were in a position to take the assets of the corporation under foreclosure or a receivership. If the enactment of this measure would result in reducing some of the excessive bonded indebtedness of our industrial corporations, and if in its stead there were in the hands of individuals stocks which represented claims upon the actual earnings of the corporation, our corporate structure would be much sounder than it is today. The sooner this happens, the better off we shall be. In another major economic crisis with the proportion of bonded indebtedness the corporations have today the liquid claims upon the actual physical properties of the mechanisms of production in this country will be so gigantic that if those claims are enforced it will paralyze our economic life.

Increase in the value of stocks, as they are held in the hands of individuals, is due largely to the earnings of corporations. If the corporation is not a profitable enterprise, of course the stock is bound to go down.

Mr. President, the issue involved in our amendment is very plain. It is a question of whether there is a desire to lay the additional tax burden upon those who have enjoyed the greatest increased income, namely, those who hold the claims upon corporation profits.

Senators must say by their votes whether they are willing to plug up the opportunity for tax avoidance which is presented under the existing law, and which is intensified and will be continued under the Senate committee proposal if it shall be enacted.

So far as I am concerned, there is only one side to this controversy which will serve the public interest.

Steps must be taken to remedy the acknowledged injustice and inequity in our present income-tax system. The loophole which is available to those in the higher income-tax

brackets, who wish to avoid the payment of their fair share of taxes, must be closed.

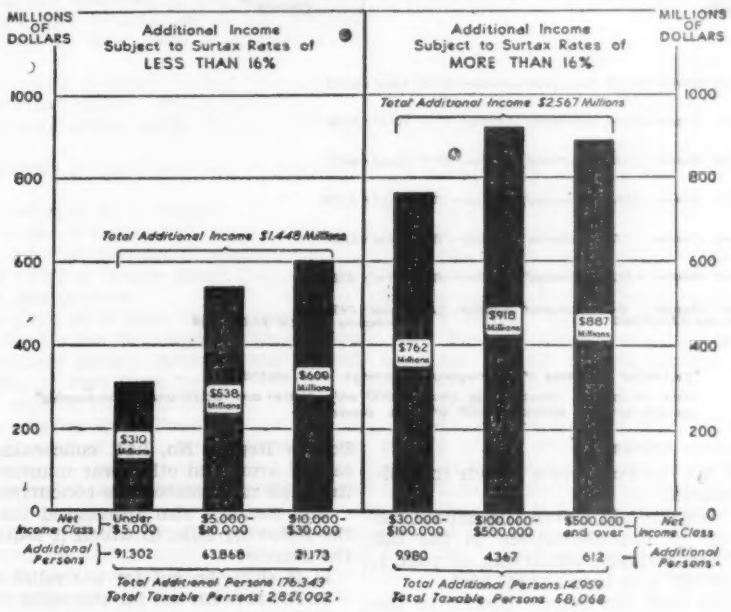
This proposal may not be enacted into law at this session, but when the people of the country come to understand the issue there will be no way in the world of preventing its being written into law in order that our tax system may once more be made equitable and just. The people will demand a system under which the taxes, whatever they may be, will be levied upon our citizens and upon our corporations in such a way that taxes will be levied and collected in accordance with ability to pay.

Mr. President, I ask unanimous consent that I may incorporate in my remarks an illustration found on page 27 of the hearings of the Committee on Finance, indicating additions to taxable incomes of individuals, and another chart indicating distribution of individual net incomes.

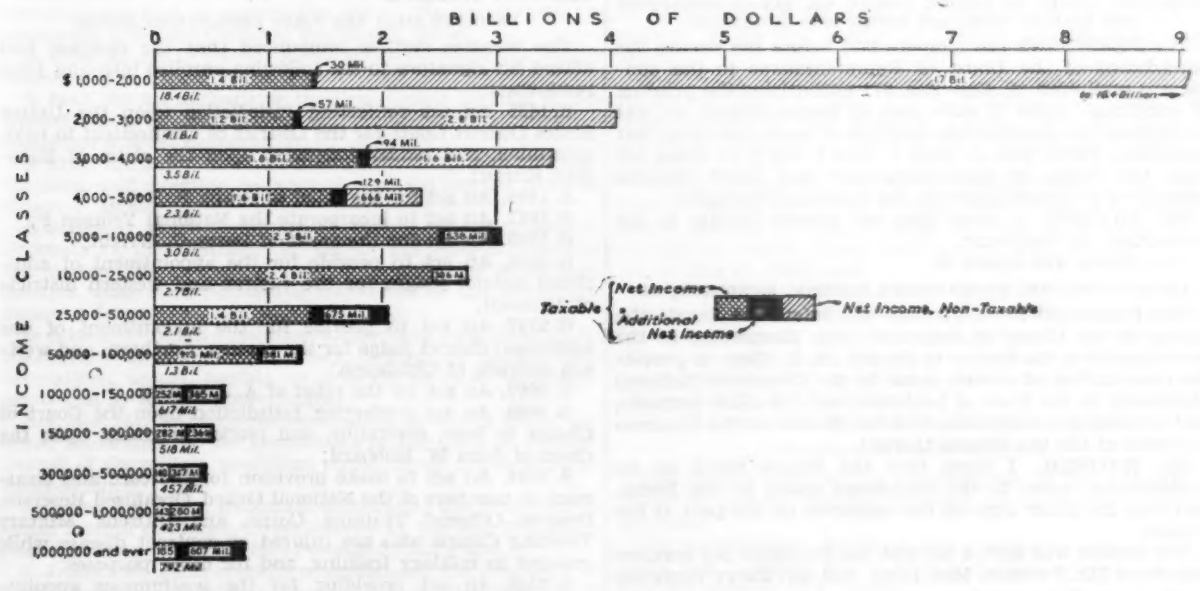
There being no objection, the charts were ordered to be printed in the RECORD.

ADDITIONS TO TAXABLE INCOMES OF INDIVIDUALS

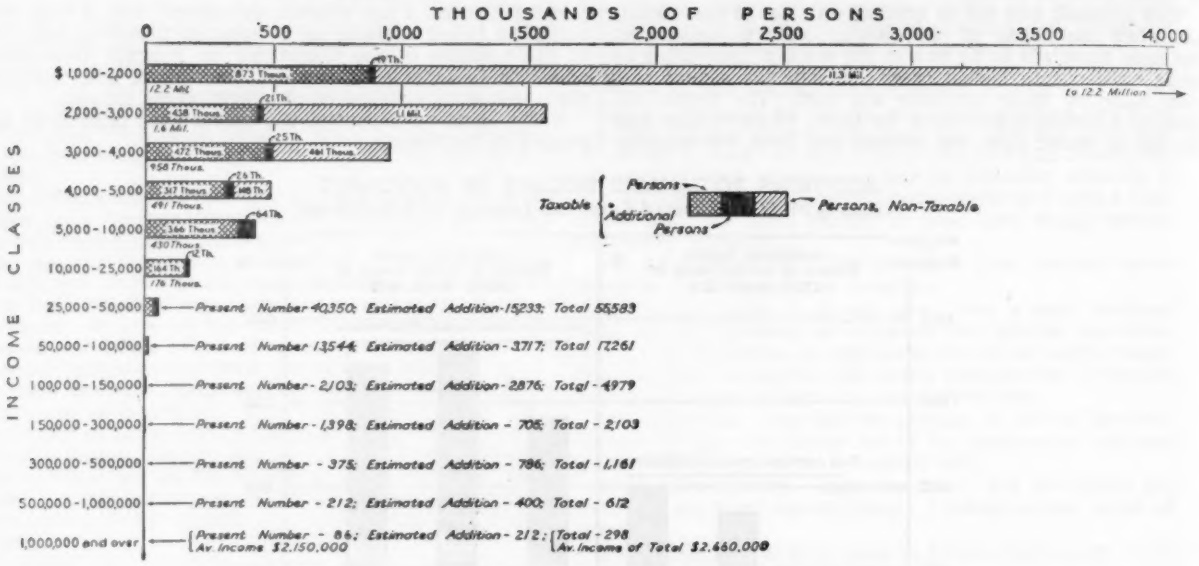
Assuming All 1936 Estimated Corporate Earnings Were Distributed



DISTRIBUTION OF INDIVIDUAL NET INCOME



NUMBER OF INDIVIDUALS IN EACH CLASS



*Estimated increases if all corporate earnings were distributed

Note: In income classes less than $5000 only, there are additional "non-taxable" persons or net income which are not shown.

LOUIS FINGER

During the delivery of Mr. LA FOLLETTE's speech the following business was transacted:

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1073) for the relief of Louis Finger, which was, on page 1, line 6, to strike out "$1,347.48" and insert "$347.48."

Mr. BULKLEY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ADDITIONAL COPIES OF SENATE REPORT NO. 944—MANUFACTURE AND SALE OF ARMS AND OTHER WAR MUNITIONS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 37) authorizing the printing of additional copies of each part of Senate Report No. 944 concerning the manufacture and sale of arms and other war munitions, which was, on page 1, lines 6 and 7, to strike out "and the House of Representatives" and insert "Special Committee on Investigation of the Munitions Industry."

Mr. HAYDEN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ADDITION OF LANDS TO CHALMETTE NATIONAL MONUMENT, LA.

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 5368) to provide for the addition of certain lands to the Chalmette National Monument in the State of Louisiana, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WAGNER. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. PITTMAN, Mrs. LONG, and Mr. CAREY conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 37) authorizing the printing of additional copies of each part of Senate Report No. 944, concerning the manufacture and sale of arms and other war munitions, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4079. An act for the relief of Garfield Arthur Ross;

H. R. 9111. An act for the relief of Evanell Durrance; and

H. R. 12756. An act to authorize the coinage of 50-cent pieces in commemoration of the memory of the late Dr. Charles P. Steinmetz.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions:

S. 1435. An act conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of Elizabeth Kurau;

S. 1464. An act for the relief of Frank P. Hoyt;

S. 1687. An act to incorporate the National Yeomen F;

S. 1769. An act for the relief of Percy C. Wright;

S. 2075. An act to provide for the appointment of additional district judges for the eastern and western districts of Missouri;

S. 2137. An act to provide for the appointment of one additional district judge for the eastern, northern, and western districts of Oklahoma;

S. 3067. An act for the relief of A. J. Watts;

S. 3080. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard;

S. 3334. An act to make provision for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and Citizens' Military Training Camps who are injured or contract disease while engaged in military training, and for other purposes;

S. 3369. An act providing for the posthumous appointment of Ernest E. Dailey as a warrant radio electrician, United States Navy;

S. 3389. An act to provide for the appointment of two additional judges for the southern district of New York;

S. 3467. An act amending the Shipping Act, 1916, as amended;

S. 3531. An act to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928;

S. 3600. An act for the relief of S. C. Eastvold;

S. 3607. An act for the relief of T. H. Wagner;

S. 3608. An act for the relief of Vinson & Pringle;

S. 3652. An act for the relief of George E. Wilson;

S. 3663. An act for the relief of William Connelly, alias William E. Connoley;

S. 3768. An act for the relief of E. W. Jermark;

S. 3770. An act to award a special gold medal to Lincoln Ellsworth;

S. 3781. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases;

S. 3824. An act for the relief of Maud Kelley Thomas;

S. 3850. An act for the relief of Mrs. Foster McLynn;

S. 3861. An act for the relief of the Alaska Commercial Co., of San Francisco, Calif.;

S. 3992. An act for the relief of Capt. Laurence V. Houston, retired;

S. 4052. An act for the relief of W. D. Gann;

S. 4116. An act for the relief of Grant Anderson;

S. 4119. An act for the relief of Bernard F. Hickey;

S. 4140. An act for the relief of Homer Brett, Esq., American consul at Rotterdam, Netherlands;

S. 4233. An act for the relief of William H. Brockman;

S. 4265. An act to authorize the Secretary of War to set apart as a national cemetery certain lands of the United States Military Reservation of Fort Bliss, Tex.;

S. 4358. An act for the relief of Harry L. Parker;

S. 4359. An act for the relief of W. D. Reed;

S. 4374. An act for the relief of Ruth Edna Reavis (now Horsley);

S. 4379. An act for the relief of the Indiana Limestone Corporation;

S. 4391. An act authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered;

S. 4400. An act for the relief of Barbara Jaeckel;

S. 4444. An act directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States;

S. 4524. An act to provide a civil government for the Virgin Islands of the United States;

S. 4542. An act authorizing the Comptroller General of the United States to settle and adjust the claim of the Merritt-Chapman & Scott Corporation;

S. 4713. An act validating a town-lot certificate and authorizing and directing issuance of a patent for the same to Ernest F. Brass;

S. J. Res. 61. Joint resolution to repeal an act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", and to provide for the relief of William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.;

S. J. Res. 110. Joint resolution authorizing Brig. Gen. C. E. Nathorst, Philippine Constabulary, retired, to accept such decorations, orders, medals, or presents as have been tendered him by foreign governments;

S. J. Res. 151. Joint resolution making provision for a national celebration of the bicentenary of the birth of Charles Carroll of Carrollton, wealthiest signer of the Declaration of Independence;

S. J. Res. 226. Joint resolution authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition in 1939 at San Francisco, Calif.; and

S. J. Res. 267. Joint resolution authorizing the President to invite foreign countries to participate in the New York World's Fair, 1939, Inc., in the city of New York during the year 1939.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 4079. An act for the relief of Garfield Arthur Ross; and

H. R. 9111. An act for the relief of Evanell Durrance; to the Committee on Claims.

H. R. 12756. An act to authorize the coinage of 50-cent pieces in commemoration of the memory of the late Dr. Charles P. Steinmetz; to the Committee on Banking and Currency.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolutions:

On June 2, 1936:

S. 537. An act for the relief of C. O. Meyer;

S. 3118. An act to provide for the creation of the Perry's Victory and International Peace Memorial National Monument on Put in Bay, South Bass Island, in the State of Ohio, and for other purposes;

S. 4533. An act granting the consent of Congress to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge across the Pascagoula River at or near Wilkerson's Ferry, Miss.; and

S. J. Res. 209. Joint resolution authorizing the presentation of silver medals to the personnel of the Second Byrd Antarctic Expedition.

On June 3, 1936:

S. 267. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature; and

S. 4354. An act to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration at Little Rock, Ark.; the Texas Centennial at Dallas, Tex.; and the National Confederate Reunion at Shreveport, La., between the dates from June 6 to June 16, 1936, inclusive.

On June 4, 1936:

S. 3452. An act to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes";

S. 4184. An act to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925;

S. 4298. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; and

S. J. Res. 262. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission.

After the conclusion of Mr. La Follette's speech,

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

Mr. ROBINSON. Mr. President, I desire to make a statement, and I should like to have a quorum present. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Barkley in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Radcliffe
Austin	Coolidge	La Follette	Reynolds
Bachman	Copeland	Lewis	Robinson
Bailey	Couzens	Loftin	Russell
Barbour	Davis	Lonergan	Schwellenbach
Barkley	Dieterich	Long	Sheppard
Benson	Donahey	McAdoo	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Bone	Frazier	McNary	Thomas, Okla.
Borah	George	Maloney	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Truman
Bulow	Glass	Murphy	Tydings
Burke	Guffey	Murray	Vandenberg
Byrd	Hale	Neely	Van Nuys
Byrnes	Hastings	Norris	Wagner
Capper	Hatch	Nye	Walsh
Caraway	Hayden	O'Mahoney	Wheeler
Carey	Holt	Overton	White
Chavez	Johnson	Pittman	
Clark	Keyes	Pope	

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

Mr. ROBINSON. Mr. President, the amendment which has been under discussion for some time presents a large and material issue. I have been very much impressed with the statements and arguments which have been made in behalf of the amendment, and, as I think is pretty well known, I am in sympathy with the objects of the amendment. I think it more nearly conforms to the President's viewpoint than the provision reported by the Senate committee, and I am sure that the President looks upon it with favor.

In view of the conditions under which the amendment is being considered, the time approaching for the end of the session, the necessity for taking action on the bill, and the wisdom, as it seems to me, of arranging to get it into conference as speedily as practicable, I take the liberty of suggesting to the authors of the amendment that, if they can see their way to do so, they withdraw the amendment, leaving the Senate free to proceed to a speedy vote on the bill.

The latitude which will be allowed the conferees will be very broad in considering the provisions of the bill as it passed the House and those which are in the Senate committee amendments, and an opportunity will be presented to the conferees to work out a satisfactory adjustment. I believe it will have to be done in that way.

I make the suggestion for such consideration and action as the Senators who are the authors of the amendment may deem proper.

Mr. BLACK. Mr. President, this matter has been suggested to the Senator from Wisconsin [Mr. LA FOLLETTE] and myself. So far as I am personally concerned, it is my intention to vote against the bill if it shall be passed without this amendment in it. However, with the situation as it has developed, with a large number of Senators going away, and with the desire on the part of the entire Senate, so far as I know, to dispose of all the business of the session as rapidly as possible; and in view of the further fact that if the bill shall pass and go to conference it must come back to this body for discussion of any agreement which may be reached, the Senator from Wisconsin and myself, after full consideration, have reached the conclusion that the best procedure for us to follow in order that we may obtain our objective is to accede to the suggestion which has been made.

Therefore, with the consent of my colleague, the Senator from Wisconsin, and on account of the reasons I have stated, we withdraw the amendment at this time. We do so with the hope that the full matter may go to conference, and with the statement, so far as I am personally concerned, that I am unalterably and irrevocably opposed to the pending bill in its present form, whether it may be so voted by the Senate or may be hereafter presented in this form.

Mr. MALONEY. Mr. President, I am a little disappointed in the apparent trend of the proposed legislation, but I can fully appreciate, I am sure, the temper and the feeling of the Senate and the feeling of the Senate leadership. I shall offer no objection to the apparent decision of the authors of the pending amendment; but we have arrived at a place where I feel it necessary to make clear at least my own position.

I have almost unhesitatingly, under the lash of the need of distressed people, voted for relief measures since I first became a Member of the Congress. I myself feel that it is cowardly to vote with regularity for relief measures and be at all reluctant to vote for tax measures. But if the pending amendment is withdrawn, and I am denied a chance to express my feelings as to the kind of tax bill I think should be written, I shall be compelled to vote against the bill, and I do not like to do that.

During the last session of the Congress, when proposals as to the tax bill then pending were made by the able Senator from Wisconsin, which went somewhat further than the majority of the Members of the Senate cared to go, I was very glad to vote for those proposals, because I share the views the Senator has so ably expressed this afternoon concerning the need for taxes in a time such as the present.

It so happens, Mr. President, that I come from an industrial State, sometimes referred to as a conservative State, understood generally to be a heavy taxpaying State. During the course of the discussion of the pending tax measure, both in the House and while it was under consideration by the Finance Committee of the Senate, like every other Member of this body, I received many communications from my State. Among them were some from the heads of large corporations urging me to vote against the tax bill. Now, because I am about to comply with that request, I feel it necessary to make clear for the RECORD the reason why I shall so vote. I am not going to vote against the bill because of that particular plea, or because it is necessarily a generally oppressive tax bill, but because it is an oppressive bill, in my humble opinion, for the reasons which have been pointed out by the Senator from Alabama and the Senator from Wisconsin. I am hopeful that the opinion expressed by the authors of the amendment will prevail in conference. It would be too late for me then to make my position clear if I should vote for the bill without the amendment.

I regret to consume any of the time of the Senate during the closing hours of its session, but I felt it necessary to make clear my position and to state my reason for voting against the tax bill after having, with almost complete regularity, voted for relief expenditures.

Mr. SHIPSTEAD. Mr. President, I consider that the amendment involves a policy of such fundamental importance to the Government at the present time in connection with the spending of public funds that Congress should act upon it. I listened with a great deal of interest and care to the statement of the Senators from Wisconsin and Alabama. From the standpoint of economics and Government finance, I consider this one of the most fundamentally important issues I have heard discussed since I came to the Senate.

We are here now dealing with a policy that was pursued until the depression. We are continuing that policy of concentrating the wealth of the country, the income of the country, in a few individuals and a few corporations, individuals and corporations which enjoy the privilege of charging monopolistic prices, taxing the people through high prices, gathering in the income of the people, concentrating the wealth of the country into fewer and fewer hands.

I think it is safe to say that, with the exception of the war, monopoly has never in the history of this country had its feet so deep in the trough as it has now. The basic industries which compose the few corporations in the very highest income backets are the ones that are still milking and continuing to milk the incomes of the country, not only those of the individuals but the taxpayers' money that is being spent on public works and for relief. In every avenue of Government expenditure these interests are collecting profits. The average man gets very little out of the Government's expenditures. The great industries, such as steel, cement, and others, which furnish the basic construction materials of this country, are monopolizing the Government expenditures, and they ought to pay back more

than they have paid in the past. They are the ones who are really getting the benefit of Government expenditures. Take, for instance, the cement industry in connection with the expenditure of Government funds for development of roads and dam construction. In 1928 cement was sold in the Lehigh Valley for $1.28 a barrel. Now it is sold for $1.55. At the same time, productivity of labor in the industry is now 37 percent greater than it was in 1928. Labor produces 37 percent more than it did in 1928. The cement industry gets the benefit of that extra productivity of labor. It gets the benefit not only of that increased productivity but it gets the benefit of the increased price from $1.28 to $1.55 a barrel for cement. The industry charges the same price to Government work and to Government contractors whether they sell 1 barrel or 300,000 barrels.

In appearing before the Interstate Commerce Commission the steel industry as well as the cement industry admitted that 50 percent of their production was due to Government expenditures—the taxpayers' money; and when asked what would happen to production if Government expenditures should cease, they said, "Of course, that would be bad for all of us." But they object to paying taxes.

Under this monopolistic form of industry permitted, or, at least, not interfered with, by the Government, the people are, by reason of high prices, being robbed of their income. Whatever is paid out for relief and to feed the workers and to pay for the materials used to build relief structures is expended largely on commodities produced by monopolistic industry. Under this practice we have the same policy as was pursued by the sovereign of a country in former days when he issued letters of marque to pirates to go out upon the high seas and rob. So long as the pirate returned a part of what he stole to the sovereign he was protected by him whenever he returned to the land of the sovereign who gave him his letter of marque. Now we permit these monopolistic industries to go out and rob the people and we charge as a license fee something in the form of an income tax. But we get very little tax. We get very little in proportion to what they take; and we ought to have more, Mr. President, in order to sustain the relief rolls and the public-works program that is under way. Unless we get enough to keep that work going, the public expenditures are going to break the National Treasury. When you keep paying out you have got to take something in, and where shall you collect it except from those who are benefited by public expenditures—those who collect it from the Treasury, in the first place, and then from the pockets of the people? Unless something is done to get this money back into the Treasury, we are going to have the Treasury empty.

It does not do to assuage our conscience with the statement that we are going to take it away from these people after they are dead by an inheritance tax or an estate tax. We have got to take it away from them now. The policy which has been pursued of making vast public expenditures must necessarily be followed by a policy of heavy taxation. The time is coming when payment has got to be made, and the time to begin paying is now.

It is useless to attempt to fool ourselves that we can go on spending money without collecting it back in some way or another, and the sooner we begin collecting it the sooner we shall get rid of the illusion that we do not have to pay. If we are to continue the present program, we must take in enough to pay the bill.

It is poor consolation for the conscience to say that we will get it back in high income taxes. When we permit the basic industries and large corporations to charge the average man the prices they are charging now, we leave very little left of what is produced. I venture to say the average man has less, or at least not any more, now than he had in his pocket when the national income was being drained under the Coolidge and the Hoover administrations. The average man is not permitted to keep more of his income now than he did then, and we are going to have another explosion like that which occurred as a result of the policies which started credit inflation during the war under Wilson and then under Harding, under Coolidge, and under Hoover. If we continue along that line and do not take something from those who make exorbitant profits, and pay it back to the people who have been impoverished by high prices, we shall continue a policy under which the people are first impoverished to enrich a few monopolistic corporations, who pay in turn some money to the Government so that we can continue to give a dole. Under that system we put the cart before the horse; we have a system under which the Government supports the people instead of a Government supported by the people. And as that policy continues the time will come when the candidate for public office will get the most votes who will offer the biggest and the best dole. That kind of a system would destroy any kind of a government in the world. So I regret very much that the amendment has been withdrawn. I think the National Congress should have entered upon the plan 2 or 3 years ago of increasing income taxes as expenditures were increased in order to bring home to the American people the fact that, no matter how much money we spend, we have got to pay. If we postpone the day of payment, and if we continue the expansion of credit, we may see the time come when the dollar will go to 50, 30, or 25 cents in purchasing power.

So I say, in my opinion, there is a policy involved here of Government finances that is so fundamental that the Congress cannot afford to shut its eyes to its importance and to the necessity, at the earliest possible moment, of putting into effect higher and higher taxes in order to replenish the Treasury.

Mr. ADAMS obtained the floor.

Mr. KING. Mr. President, will the Senator from Colorado yield to me so that I may ask him a question?

Mr. ADAMS. Certainly.

Mr. KING. The committee has a number of amendments. I understand the Senator from Colorado desires to offer an amendment. Will he allow us to dispose first of the committee amendments?

Mr. ADAMS. Certainly; but it was my purpose to offer an amendment.

Mr. NORRIS. Mr. President, I did not understand the Senator's request.

Mr. KING. I asked the Senator from Colorado if he intended to offer an amendment, and he indicated his purpose to do so. I then suggested that the committee had a number of amendments to offer, and I asked that the committee amendments be first disposed of.

Mr. NORRIS. I should like to say a word on the amendment that is pending, as I understand.

Mr. KING. There is no amendment pending. The amendment that was pending has been withdrawn.

Mr. NORRIS. Then I should like to say a word on the amendment that has been withdrawn.

Mr. ADAMS. Mr. President, I have the floor for the purpose of offering an amendment, but the Senator from Utah [Mr. KING] has stated that the committee has amendments it desires to offer, and I yielded in order that that might be done.

Mr. NORRIS. I recognize that; I am not contending with the Senator; but I understood that he was going to withhold his amendment in order that something else might be done. If that is so, I want to occupy the floor for a few moments. I will wait, however, until the Senator has concluded.

Mr. ADAMS. I offer an amendment and ask that its consideration may be deferred if that is the desire.

The VICE PRESIDENT. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. In the committee amendment, on page 31, line 12, it is proposed to strike out the period and insert a comma and the words—

(a) and minus all portions of such adjusted net income expended or contracted to be expended during the taxable year for machinery, improvements, equipment, and buildings devoted or intended and designed to be devoted to the extension, development, or maintenance of the business of the corporation.

Mr. KING. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. KING. As I recall, the understanding at the outset was that the committee amendments were to be disposed of and then individual amendments should be considered.

The VICE PRESIDENT. The Chair understands the amendment of the Senator from Colorado is to a committee amendment.

Mr. GEORGE. There is a pending committee amendment, however, on page 30, for which an amendment in the nature of a substitute was offered, but the author of the proposed substitute has expressed a desire or a willingness to withdraw it, and it has been formally withdrawn.

The VICE PRESIDENT. The Senator is correct. In the ordinary procedure on the bill the clerk will state the committee amendment, and then it will be in order to offer an amendment to the committee amendment. The Chair is informed that the Senate has not reached the committee amendment which the Senator from Colorado proposes to amend. The clerk will report the amendment of the committee now pending.

The CHIEF CLERK. On page 30, after line 5, it is proposed to insert the following:

Upon normal-tax net incomes not in excess of $2,000, 15½ percent.

$310 upon normal-tax net incomes of $2,000; and upon normal-tax net incomes in excess of $2,000 and not in excess of $15,000, 16 percent in addition of such excess.

$2,390 upon normal-tax net incomes of $15,000; and upon normal-tax net incomes in excess of $15,000 and not in excess of $40,000, 17 percent in addition of such excess.

$6,640 upon normal-tax net incomes of $40,000; and upon normal-tax net incomes in excess of $40,000, 18 percent in addition of such excess.

(c) Exempt corporations: For corporations exempt from taxation under this title, see section 101.

Mr. NORRIS. Mr. President, during the roll call I was called out of the Chamber. On my return I was informed that the pending amendment, proposed by the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Alabama [Mr. BLACK] had been withdrawn. I did not hear the statements made or the reasons given why the amendment was withdrawn. I am disappointed and surprised. With still an open mind ready to listen to arguments that appealed to me, I nevertheless felt very much in favor of the amendment offered by these Senators.

So far as I have been able to study the question, I was very much impressed with the proposal when first made by President Roosevelt; the more I studied it and the more information I obtained concerning it, the more enthusiastic I became for the principle involved; and I understand the same principle is involved in the amendment offered by the Senator from Alabama and the Senator from Wisconsin.

I do not want to be misunderstood or to have the record that is made upon the passage of the pending bill give a false impression. I have been told that the Senators referred to withdrew the amendment with the idea that it could be placed in in conference if the conferees wanted to put it in. That is not the way legislation is usually obtained in conference; it is just the reverse. When we have a proposition of legislation that we want to go to conference and let the conferees wrestle with it and settle it, we put it in the bill and do not leave it out of the bill. I am afraid the amendment will not be placed in the bill in conference.

It may be that the amendment could not prevail in the Senate, but I should have liked to have had a vote in order to show the temper of the Senate regarding it; and if, under the present parliamentary situation, it could go into the bill and go to conference, the conferees could have an idea as to how the Senate stood on the amendment.

It is not my purpose now, Mr. President, to argue the merits of the proposition. It seems, the amendment having been withdrawn, that it would only be a waste of time to undertake to do such a thing; but I do not think we ought to lose the opportunity to put on the statute books the principle involved in the taxation of undistributed earnings of corporations.

From the debate that has so far taken place it seems plain to me that this amendment would not only bring in large revenues, but, more important still, it is fundamentally right, as I see it, and carries out the principle of collecting our taxes from the individuals and the corporations that are most able to pay and that can pay with the least hardship.

I expect to vote for this bill, even with this amendment out, and I am hoping that the principle may yet go into the bill, as between the House bill and the Senate bill, but I think the Senators have made a mistake in withdrawing their proposition after all the argument that has taken place and after they have convinced, I believe, a great many Members of the Senate that the amendment ought to prevail.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. I agree with the Senator almost entirely; I think the debate on the amendment has been very useful and very beneficial to the Senate; but I disagree with the Senator to this extent, that the Senators offering the amendment have made a mistake in withdrawing it. I think, in view of all the circumstances, that a better bill will be obtained out of the conference, because in respect to the amendment the conferees on the part of the Senate will not be handicapped by a yea-and-nay vote that might be regarded possibly as instructions on the part of the Senate, but the conferees will be left freer to go in the direction of the principle in which the Senator and I believe than if there had been a vote on the amendment and it had been defeated.

Mr. NORRIS. I have great regard for the Senator's opinion, but it seems to me the effect on the conferees will be just the reverse. The conferees will probably say, "Why, that question came before the Senate, and so little was thought of it that the movers of the motion withdrew it, and it was dropped." I rather think I would feel that way if I were one of the conferees.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. NORRIS. I yield.

Mr. BARKLEY. Of course, nobody could tell how many votes any amendment not voted on would get if it were voted on, but my observation was based on the fact that, having presented this proposition, if it were voted on and defeated by a large majority, the Senate conferees would feel as if they had received what might be considered to be in the nature of instructions by a yea-and-nay vote on an amendment that was defeated to stand by the bill as reported by the Senate Finance Committee, than they would feel to go any particular distance in the direction of the House bill or the theory which is embodied in the amendment.

Mr. NORRIS. As I understand, the conferees on the part of the Senate will probably be unfriendly to this amendment.

Mr. BARKLEY. I do not know about that because I do not know who the conferees will be.

Mr. NORRIS. Certainly the conferees, whoever they may be, would have a right to say, "The Senate did not think enough of the proposition or believe in it sufficiently even to have a vote on it."

Mr. BARKLEY. I do not think they would take that attitude.

Mr. NORRIS. One of the reasons why I am expressing my views, and I hope I am expressing the sentiment of other Senators as well, is that, because of the withdrawal of the amendment, I do not believe our conferees ought to surrender the principle involved and give encouragement to the House conferees not to stand by the principle if it comes within the province of the conferees.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. NORRIS. Certainly.

Mr. GEORGE. I always feel the conference committee ought to carry out the instructions of the Senate, but undoubtedly the matter is in conference because the bill as reported by the Finance Committee would impose a tax upon undistributed earnings of 7 percent while the bill that passed the House imposes a higher rate of 40 percent. The amendment, in the nature of a substitute, proposes a rate between the two, so it is clearly a matter for consideration by the conferees.

Mr. NORRIS. I think it is true that the parliamentary situation will take it to conference, or at least allow the conferees to consider it.

Mr. GEORGE. May I say to the Senator from Nebraska and to the Senate generally, with respect to abuses which have crept into our corporate income-tax system with reference to corporations, which abuses have been attacked so strongly and forcefully by the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Alabama [Mr. BLACK], that I doubt if there is any Member of the Senate in disagreement with them. If the abuses can be remedied without inflicting widespread injury upon other classes of taxpayers, I believe everyone is in sympathy with the general purpose of the Senators.

Mr. NORRIS. I thank the Senator for his observation. I believe he has correctly stated the situation. Senators may disagree as to the method, but as to the abuses I think we are all agreed that they ought to be remedied if we can remedy them. It seems to me they are rather glaring. Men of enormous wealth have legally organized corporations—and I am not really complaining of them when they do it, because they do it under the law—and keep their earnings within the corporation. I believe it works out to the benefit of the very wealthy stockholders and to the injury of the small stockholder.

I do not want the impression to prevail with the House conferees or the Senate conferees that because the amendment has been withdrawn the principle involved in it is in any sense or in any way or in any degree abandoned.

Mr. COUZENS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. What is the pending amendment?

The VICE PRESIDENT. The parliamentary clerk has advised the Chair that the pending amendment is the amendment of the Senator from Colorado to the amendment of the committee which was pending. The question before the Senate now is the amendment offered by the Senator from Colorado to the committee amendment.

Mr. GEORGE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GEORGE. My impression was the pending question is the language beginning on page 30, line 6, and extending over to page 33.

The VICE PRESIDENT. The Senator is correct. The Chair is advised that the amendment submitted by the Senator from Colorado [Mr. ADAMS] is an amendment to that part of the amendment of the committee appearing on page 31 of the bill.

Mr. GEORGE. I am willing to accept the view of the parliamentary clerk. It may be regarded as one amendment; and if so, the amendment of the Senator from Colorado is in order, but beginning on page 30, in line 20, the subject matter relates to surtaxes on undistributed profits, though it is all part of one general subject.

The VICE PRESIDENT. Yes; it is all a part of one amendment.

Mr. BARKLEY. Mr. President, may we have the amendment of the Senator from Colorado reported?

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. On page 31, line 12, in the committee amendment it is proposed to strike out the period, insert a comma, and add the following:

(a) and minus all portions of such adjusted net income expended or contracted to be expended during the taxable year for machinery, improvements, equipment, and buildings devoted or intended and designed to be devoted to the extension, development, or maintenance of the business of the corporation.

(b) and also minus all portions of such adjusted net income expended or contracted to be expended during the taxable year to replace or restore buildings, equipment, machinery, or other property lost, damaged, or destroyed by flood, fire, or other casualty or accident to the extent such loss shall not be compensated by insurance.

(c) and also all portions of such adjusted net income expended or applied during the taxable year for the liquidation, payment, or reduction of the principal of any bona-fide indebtedness outstanding at the date of the enactment of this act.

Mr. ADAMS. Mr. President, as I understand the basis of the plan for a tax upon undivided surplus, it is that there has been an evasion, a very extensive evasion, of individual income taxes by those in control of corporations by not declaring dividends. I am entirely in accord with the principle involved and the amendment which I have offered is merely an attempt to limit the application of that principle to proper cases.

The first matter I have in mind, if I may illustrate, is a corporation which has started in business, has been prosperous, has earned and maintained a reputation for producing reliable goods, and whose earnings, perhaps, have been substantial. The business demands that there shall be an increase in its machinery, in its buildings, in its equipment. It seems to me what the country needs more than any other one thing is to provide employment for people in private industry. The President of the United States, in his tax message, said that private industry must begin to absorb unemployment.

As I read the bill as it now stands, it tends to prevent the expansion of private industry and consequently to impede reemployment of the unemployed. If we penalize a small corporation because of its earnings out of which it wishes to expand its business, to buy machinery, and erect buildings, we are going to impede the progress of recovery. It seems to me when we compute undistributed income which is to be penalized by a tax, we should give a credit for such part of the income as has been applied to the expansion of the earning facilities of the company. That is the purpose of the first part of my amendment to the committee amendment.

I call the second part of the amendment to the attention of the Senator from Connecticut [Mr. MALONEY], whose statement interested and greatly impressed me. I, too, have been in communities stricken by floods. This part of the amendment provides that if the plant and equipment of a corporation should be swept away by flood, by fire, or by other casualty the corporation may use its surplus earnings to restore its business without being subjected to a penalizing tax.

The third provision—and I am trying to cover the ground briefly—is that a corporation which has a legitimate, bona-fide debt as of the date of the enactment of the measure shall be permitted to utilize its surplus to pay its debts without being penalized for so doing. It seems to me we should not give the preference to the corporation with the big surplus, free from debt, and penalize the other corporation under the handicap of a debt. It seems to me the use of an earned surplus in the payment of debt is not an evasion of income taxes.

So all I am asking in this amendment is to provide that the tax on undistributed income shall be restricted to funds which are not needed and which are not used in the legitimate purposes of the business which will lead to increased business and increased employment.

Mr. SCHWELLENBACH. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Washington?

Mr. ADAMS. I do.

Mr. SCHWELLENBACH. I should like to ask the Senator a question.

I agree with the theory of the Senator's first provision. However, it does contain within it the possibility of evading the purpose of the tax, whether under the House bill or the committee bill or the compromise bill, because of the fact that it would provide for the use of these moneys for the purpose of evasion through the construction of buildings, the acquisition of new equipment, and so forth. It seems to me it is possible, however, completely to avoid that misuse of the provision by including in the Senator's amendment a provision such as was included in the Black amendment in reference to the declaration of stock dividends.

If a corporation uses its surplus created out of profits for the purpose of building or acquiring machinery, it increases the value of the corporation. It increases the capital assets of the corporation. If, in order to take advantage of that, the corporation must declare a stock dividend in accordance with the provisions of the last section of the amendment proposed by the Senator from Wisconsin and the Senator from Alabama, the possibility of misuse of the provision will be, in my opinion, completely avoided. I was

wondering whether the Senator had considered or would consider that suggestion.

Mr. ADAMS. I have considered it, and I will answer the Senator from Washington in this way:

My view is that we are interested in promoting industry. We desire our business corporations, our manufacturing corporations, our commercial corporations, and all those who employ men, to prosper. We do not wish to put a single handicap in their way. If they desire to put in new machinery in order to employ other workmen, I do not think we should put upon them the burden of having to hire lawyers, hold stockholders' meetings, and go to the State corporation commission. I think they should have that right, and we should not impede it.

I will say to the Senator from Washington that the first element of a tax should be that it should be just. That is the first essential. The tax should raise revenue, of course; it should not discriminate; and it seems to me that if we attempt to penalize the legitimate use of money for the expansion of a business, we are thus, in an effort to prevent evasion, doing injustice to legitimate business; and I do not think injustice to legtimate business should be done, even though there may be some evasion. In other words, our principal purpose should be to accomplish the just ends of taxation if we can do so.

Mr. SCHWELLENBACH. I entirely agree with the Senator, and I think this provision would not in any way penalize a corporation. I think one of the most potent elements in depressions in this country is overexpansion, due to the desire to use money for the purpose of building factories when they are unnecessary. I know of one instance of a concern which constructed for two and a half million dollars a building which it was later compelled to sell for $30,000; it was just completely wiped out; and the concern constructed that building during the war solely for the purpose of avoiding income-tax obligations. It would have been a very great benefit to the corporation to which I refer if something had been done to protect it.

All that would be required of a corporation, if the Senator should include this idea in his amendment, would be that it should declare a stock dividend to its stockholders, so that the value of the stockholders' equity in the corporation would be evidenced by certificates of stock. That would be a protection to the corporation against the desire of the corporate managers to expand improperly, and it would also prevent the use of this method for the purpose of evading the tax laws.

Mr. ADAMS. It seems to me the Senator from Washington approaches the matter from the wrong end. We agree in the elements which we apply, but in an inverse order.

I come from a part of the country where the corporations are small. I am interested in seeing the small corporations given a chance to grow. Out in our part of the country—largely undeveloped as yet—we desire our corporations to make use of their surplus.

For instance, take our mining corporations: If they happen to strike some rich ore this year, do we wish to penalize them, or do we wish to say to them, "You shall not be penalized if you build a mill to handle your ore, if you build further developments and further tunnels." That is, I think we should not penalize growing, small, new industries; and under this 7-percent tax we do not hurt the big corporation with its great accumulated surplus. It is a comparatively small penalty compared with some others; but, nevertheless, a 7-percent penalty starts a principle which I think is unsound, namely, of penalizing the very prosperity of small companies.

Mr. BARKLEY. Mr. President, in the bill as presented by the Senate committee, which places this very modest flat rate of 7 percent on undistributed adjusted net income of corporations, we have attempted to provide a definition which seemed to be as safe as the committee could devise with respect to what is an undistributed net income.

In subsection 2 we provide that—

> The term "undistributed net income" means the adjusted net income minus the sum of the dividends paid credit provided in section 27 and the credit provided in section 26 (c), relating to contracts not to pay dividends.

In other words, in assessing the 7-percent super tax, or tax on undistributed incomes, we have provided that a credit on the adjusted net income shall be given for all the dividends paid, which makes the difference between the total amount of the adjusted net income and the amount upon which the 7-percent tax applies. We have also provided that in cases where a corporation is under contract not to pay dividends, that also shall be taken into consideration, and the 7-percent tax shall not apply in such a case.

That simplifies the matter very much as compared to the House bill. One of the difficulties with the House bill in the committee and on the floor here, if it were gone into in detail, is the complication of attempting to compute the final amount upon which the tax will be paid, because of the complicated tables that are set out in the House bill.

In addition to giving credit for the dividends paid by a corporation before the 7 percent is applied, and in addition to taking into consideration any contracts which the corporation may have entered into with respect to the sale of stock, or any other fact by reason of which they are under contract not to pay dividends where they cannot help themselves, and therefore without that provision would be required to pay the 7 percent on the total adjusted net income without any deduction, the Senator from Colorado seeks to deduct from the adjustable net income "all portions of such adjusted net income expended or contracted to be expended during the taxable year for machinery, improvements, equipment, and buildings devoted or intended and designed to be devoted to the extension, development, or maintenance of the business of the corporation."

I realized, and the committee realized, the desirability of having corporations expand their facilities, give employment to more men, to increase their production, and thereby be able to compete with their competitors. But the very situation against which we are undertaking to legislate grows out of the fact that some corporations, instead of distributing their dividends, retain all of them, on one pretext or another, and, if the first part of this three-cornered amendment of the Senator from Colorado should be adopted, it would afford only another loophole through which corporations now undertaking to evade and succeeding in evading taxes, would be able to evade still further. Let us take the first and second parts of the Senator's amendment. Let us suppose that a corporation were entitled to a deduction of $10,000 because of a desire to build a new building or to put in new machinery; then let us suppose the same corporation has suffered under the conditions set out in the second part of the Senator's amendment; they will be allowed a deduction of $10,000 for machinery replaced because of a fire or flood or other catastrophe upon which there was no insurance. The corporation could deduct the same $10,000 under the first part of the Senator's amendment, and again under the second part of the Senator's amendment, and, although their installation of machinery or the new building contemplated both cost only $10,000, they could receive a deduction of $20,000, because both amendments might cover the same proposition.

In the third part of the Senator's amendment it is provided that not only shall they be entitled to a deduction of all the amounts contemplated in the building of the new buildings and the installation of the new machinery, and all amounts for machinery or buildings destroyed by flood, fire, or other catastrophe not fully covered by insurance, but they would also be entitled to a deduction of "all portions of such adjusted net income expended or applied during the taxable year for the liquidation, payment, or reduction of the principal of any bona-fide indebtedness outstanding at the date of the enactment of this act."

Mr. President, that brings to mind a very sharp distinction between the treatment of individual taxpayers and the treatment of corporate taxpayers. I am very sympathetic with the suggestion that a corporation ought to have a cushion not only for future expansion, but to take into consideration the question of indebtedness, and the bill as it passed the House does that in a way, and that matter will have to be

adjusted in conference. However, the amendment offered by the Senator from Colorado is not a cushion, it is a feather bed. Three prongs of the amendment offer a loophole or a combination of loopholes through which any corporation might escape entirely from the payment of any of the tax levied upon undistributed net income.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BONE. When the bill was before the committee was any study made of the large corporation surpluses now held by certain of the larger corporations? There were piled up in the lush years enormous surpluses, which form a tremendous pool to be drawn on, and those surpluses have been undistributed. Some run back several years.

Mr. BARKLEY. In reply to the Senator, I will say that the Senate Committee on Finance gave very earnest consideration to the question of existing surpluses, but inasmuch as it was not designed to interfere with the surpluses which have already been created, since the design was to levy a corporate income tax applicable from year to year, the committee did not see fit and did not think it wise to go back into the past and undertake to levy a tax on surpluses already created.

Mr. BONE. The argument was made here, and advanced very vigorously, that if the formula suggested by the Senator from Alabama [Mr. BLACK] and the Senator from Wisconsin [Mr. LA FOLLETTE] were applied, it would injure the smaller corporations from now on, and that the only way to equalize the burden would be to levy a tax on the surpluses of a few corporations, the names of which I have in my desk.

Mr. BARKLEY. I appreciate the force of what the Senator has said, but if we entered into the field of attempting to adjust a tax bill to corporate surpluses already in existence, it would simply complicate still further an already complex situation, as I think all members of the Committee on Finance will agree.

Mr. CONNALLY. Mr. President, the Senator from Kentucky realizes, as does the Senator from Washington, that any levy on existing surpluses would be a capital levy and not an income tax.

Mr. BARKLEY. Certainly. The entire theory of the bill is that it provides for an income tax, a mere income tax, and therefore we have not seen fit to enter into the field of a capital tax upon existing surpluses.

Mr. KING. Mr. President, if the Senator from Kentucky will yield, let me say, too, that the evidence is conclusive that during the past 13 years the net incomes of all corporations in the United States have amounted to only $40,000,000,000, and the dividends have been distributed to the extent of $51,000,000,000, leaving deficits in the case of many corporations.

Mr. BONE. I fully agree with that, and I do not know whether it was in contemplation of the situation suggested by the Senator from Texas [Mr. CONNALLY], but it was deemed by the committee to be constitutionally impossible to levy a tax upon those reserves to which I have referred. But they are, however, enormous in many cases, and they constitute such pools of wealth that they are going to give certain corporations what amounts, by the process of their economic operation, to a virtual monopoly in their fields. There can be no competition with these big combinations, with their tentacles reaching out in all directions, and buttressed and backed up by these enormous pools. I do not know whether or not they can be reached constitutionally, but it has seemed to me that we can tax such wealth as well as we can tax homes.

Mr. BARKLEY. Mr. President, without regard to the constitutional question, the committee thought that in order to reach the corporations to which the Senator refers it would be necessary to levy a tax upon the little surpluses which have been set aside by large numbers of small and medium-sized corporations throughout the country which are perfectly legitimate and sound—surpluses set aside in the interest of good administration and in the interest of employment and in the interest of tiding them over in adverse circumstances which might occur in any one year as compared with others.

Mr. BONE. Might not the object be achieved by graduating the tax so that it should not apply unjustly to the smaller corporations? Our purpose is to collect revenue to pay the extraordinary expenses incurred in the relief program, and there are these vast pools of money which, it seems to me, can very legitimately and properly be taxed.

Mr. BARKLEY. Of course, the amendment of the Senator from Colorado does not involve that question, and I do not deem it necessary to discuss it. I hope the amendment will be defeated.

Mr. WALSH. Mr. President, the Senator from Colorado inadvertently has drawn our attention to the distinction between all three tax bills we have been considering. One of the most difficult problems the Committee on Finance had to consider was the very one this amendment raises. In other circumstances everyone on this floor ought to vote for the pending amendment and for other amendments of the same character, but if all of us did so, little of the income requested by the Treasury would be secured from these corporations. That is the difficulty we have met at every turn. Instead of writing a tax bill that was just to all, we have been thinking of the amount of money we must raise from corporations. So we had to frame a bill that was the least harmful to the very group to which the Senator refers. The Senate bill, at least, limits the tax upon undistributed income to 7 percent, while the Black bill and the House bill make it possible to tax as high as 35 percent and 42½ percent.

We have heard a great deal of talk on this floor today about large corporations and small corporations, rich corporations and poor corporations. Let me tell the Senate about some of the corporations which are not in either of these classes, which are in the communities where we live, and which employ small numbers of human beings and give employment to citizens in this country.

Let us see what some of these other corporations are. If the corporations with big surpluses and escaping some taxes were the only kind of corporations in the country, the rates in the bill as it passed the House ought to be tripled, if that were possible. What they are doing here is trying to destroy the rats, but in doing this they would burn the house, and at the same time destroy the sound and prudent business policy of the country.

Let us consider what kind of corporations we ought to be thinking of; not rich, powerful corporations which have been tax dodging, and for which no one here has any sympathy. What about the struggling corporation in the small community, employing a few hundred hands, which has a deficit? Have they rights to be considered in passing a tax bill? Do we want a tax bill that will finally put them out of business? Do we want a tax bill that is going to prevent the corporation paying its debts? That may happen under some of these tax proposals.

Then, there are the corporations with contracts which would prevent the payment of dividends.

Next there are the corporations with contracts obligating the corporations to the expenditure of money for the construction of plant machinery and equipment in order to increase employment.

There is nothing in the bill to permit a deduction in income to be made for contracts made by a corporation for the purpose of enlarging its machinery and increasing its plant so as to give more employment to the American people.

Then there are corporations that within the taxable year make expenditures to increase their plants in order to increase employment, and they should not be penalized like the rich, gigantic corporations which have been tax dodging by not distributing their earnings.

There are also corporations that today have large reserves to their advantage, but there are also corporations without

any reserves. Are these latter corporations to be penalized in the future when they want to set up a surplus?

Also, there are corporations with all their net income being actual realized income, while others have only paper profits, an increase merely in their inventories. Such corporations are to be penalized unless they borrow the cash—40 percent of their inventory profits, in some cases—to pay their taxes.

Are there no corporations in the country that need to build up substantial surpluses to give their investors protection and their employees wages in periods of depression? How can we defend a policy of penalizing such by excessive taxation?

Again, the laws of 36 States prohibit corporations chartered by them from making a dividend distribution if their capital is impaired. Under the proposed undistributed-profits tax, corporations affected by these provisions would be heavily penalized by the Federal tax for keeping within the law. The House bill taxes these corporations a flat rate on their net income of 22½ percent, regardless of their dividend policy.

I went into the committee room, as every other member of the committee did, thoroughly, sincerely, heartily in favor of the objectives announced by the President. In fact, I went nearly so far as to make a favorable public statement—which now I am very thankful I did not make—but as I sat there 30 days, as all of us did, I decided that the bill as it passed the House was impossible, that it was impracticable, that it was not workable, that it would bring ruin in many instances to many of these corporations. So we got down to the question of the difference between the two bills before us.

The distinguished Senator from Michigan brought out the astounding fact that 98 percent of all the corporations in this country employ less than 250 persons each. What about those 98 percent? There are 8 or 10 of them in my town, and one year they lose money and another year they make money. They are to be found in every State in the Union.

Are we going to punish them in the year they make money by putting a penalty tax upon them, or are we going to say to them, "Put that away for that rainy day, for that flood or fire or other disaster that may come, for that injury that may happen to you, so that you can be in a position when such disaster comes to pay dividends to people who need dividends at that time, and also to give employment to the working people"?

Think of this situation, Mr. President. Ninety-eight percent of all the corporations in this country employ less than 250 people each. Are they big corporations? Are they wealthy? Or are they struggling and working and striving to develop business in this country? Are they honest men? Are they men who are contributing to the wealth of our Nation?

I repeat that the trouble with the problem we have had before us is that no distinction whatever has been made between the group or class of corporations just spoken of and those who are described as "rats." I for one and my colleagues on the Finance Committee decided that we would not burn the house in order to destroy the rats.

As we sat there in committee for 30 long days we gradually became convinced, almost to a man, that the House bill was indefensible and impossible. No Senator raised his voice to defend it—not one. What is objectionable about the House bill is the inequitable principle that it applies to all kinds of corporations, namely, the graduated tax on undistributed earnings. In our efforts to raise the necessary money that the Government needs, and in our determination not to apply this most unsound principle unless safeguarded by impossible exceptions, we voted for a compromise bill, namely, the committee bill. We realized once the graduated tax on undistributed earnings was adopted, it would lead to increases and increases on undistributed earnings, so that ultimately the very fabric and structure of the corporate business life of our country would be destroyed. Hence, the committee resorted to this so-called Finance Committee compromise, which leaves the subject of taxes on undistributed earnings the same as the flat tax on all incomes of corporations, namely at 7 percent.

The distinguished Senator from Georgia and many others thought that the soundest way would be to apply a normal tax of 4 percent, but that would not give us the necessary money; and if we put these cushions in and lifted the companies out that should in justice be protected, we could not raise the $600,000,000 requested.

Let me add this. I said all these debt and obligated corporations ought to be given consideration and ought to be removed from the net-income provisions of this bill and allowed to deduct their debts. However, if we did that, there would be no money coming in. The $660,000,000 would disappear. In fact, the experts to whom I submitted the very amendment of the Senator from Colorado and five other amendments affecting the corporations I named earlier and which ought to be in this bill, said the revenue to the Treasury would so rapidly disappear that there would not be any left. I said how much would be left? Give me an estimate. The best guess I received was that there would be about $50,000,000 or $60,000,000 out of the $660,000,000 which would come from the tax dodgers and the rats. The other $600,000,000 would come from the struggling corporations or corporations of the type and character I have asked the Senate to protect.

I do not want to take up the time of the Senate any more. I could not let the occasion go by, when the Senator proposed this amendment, to point out the thoughts I have had in mind, the thought of the financially weak corporations, the thought of continuing employment, the thought of encouraging corporations which want to build, equip, and develop their business. The whole history of America shows that all corporations, bad and good, have been developed by the surpluses made by men and women who invested a few dollars in the beginning in a business, and increased and developed their plants and have given employment and prosperity to this country.

It was because we were thinking about the injustices and inequities to such corporations, it was because we were thinking of justice, of trying to establish a just system of taxation rather than getting money for the Public Treasury, that the committee favored the lesser injury its bill presents.

I do not mind saying I am not satisfied with the Senate bill. I do not want to apologize for the bill that the committee drafted. It is the best of the propositions which have been presented that will raise the revenue demanded. I have no quarrel with the viewpoint of the Senators from Alabama and Wisconsin. They have ably presented their views, with which I am in accord 100 percent were it possible to apply the graduated-tax principle only to the corporations that are not distributing or paying out in dividends their undistributed profits. Day after day in the committee, and again today, I asked the experts—and I now ask any Member of this body to show how it is possible to draft a bill that will give the Treasury the necessary money and at the same time apply the penalty only to this tax-dodging group of corporations? The evidence before the committee was—and I call the attention of the Senators from Georgia and Utah to the fact—that it was believed that there were corporations that were distributing all their earnings, but the overwhelming evidence is that such corporations were comparatively few in number. These corporations have a lot of money they have not distributed, but their number is few. So I repeat, let us in passing this tax bill think of the 98 percent of factories and business houses, the lumber yard, the chair factory, and shoe and tanning factory, the tool and candy shop, the harness factory, the canning factory, the hundred and one other shops and factories—visualize them, see them in your own town.

I have observed, as have you, what has been transpiring in recent years. I know they have had their hard years and their good years. I for one do not want to put them in the position that when they have had a good year they cannot put aside some of their surplus.

On my desk are hundreds of protesting letters from industrialists in my State and from all over the country. I have never known businessmen to be so open and frank in the discussion of their businesses as at this time. They are really frightened. In the opinion of many their alarm is justified. These letters of businessmen show the money they had in 1926, 1927, and 1928, and then showing the deficits—my God, what deficits—which came upon them in 1931, 1932, and 1933. God only knows what would have happened to this country if it were not for the surpluses which were accumulated in 1926, 1927, and 1928. These letters show the facts of how they fought unemployment. In letter after letter they have said they did not lay off their employees, that they complied, so far as they possibly could, with the N. R. A. for limitation of hours of labor, telling the story and giving the figures showing that in many cases their surplus went down and down until it was completly wiped out.

Mr. President, we demand by law and encourage always the building up of surpluses by the banks in order to protect their investors. Now we are urging every other business institution not to create surpluses. How paradoxical.

Mr. President, I would not have spoken but for the amendment offered by the Senator from Colorado, against which I shall regret to vote, and which ought to be in some form in any tax bill.

I remind the Senate again that I honestly believe four-fifths of the tax on undistributed earnings will come out of the struggling small corporations of the country that are the backbone of our business life. My answer is that the experts say if we put these exceptions in the bill, that in justice we should, the revenue disappears. In a word, the trouble with these measures is that in our efforts to penalize, as we should, the guilty corporations we are penalizing the innocent business concerns, and they far outnumber the guilty.

Mr. President, I ask that some of many letters which I have received and statements I have prepared in relation to the matter may be incorporated in the RECORD at this point.

There being no objection, the letters and statements were ordered to be printed in the RECORD, as follows:

SUMMARY OF CONCLUSIONS OF THOSE OPPOSED TO HOUSE BILL

1. That the proposed bill is detrimental to the best interests of the country in several important respects, to wit:

a. It will make it difficult for businesses to build themselves up.

b. In many instances it will make it difficult to repay existing debt.

c. In many instances it will curtail the granting of credit.

d. It will tend to prevent continuity and stability of employment.

e. It will favor those corporations which now have surpluses and no debt as against the others.

f. It will keep weak corporations weak.

g. It will compel many corporations to borrow money to pay their taxes because their undistributed profits are largely inventory earnings.

h. It will prevent a regular flow of dividends.

i. It will penalize corporate savings against hard times.

TABLOID ARGUMENTS

1. In general, large corporations with adequate surplus reserves are now distributing the major portion of their earnings, and under this new tax bill could distribute their entire earnings without impairing their position, but the consequent result would be a very large loss of revenue to the Federal Government.

2. Conversely, small corporations which are growing, and which need a substantial portion of their earnings to further their growth, would immediately be stifled.

3. Small corporations would not have the possibilities of securing outside capital as in many cases their status has not yet been proven.

4. New corporations would be extremely limited unless the sponsors thereof were very wealthy men in their own right.

5. It would be a direct preventive of the accumulation of surpluses to cushion any disaster such as depression, strikes, floods, and so forth, resulting in the immediate necessity of dismissal of every employee in the case of such a disaster.

6. An analysis of the tax returns of corporations during the past depression indicated losses in excess of $5,000,000,000, these losses only being able to be absorbed in view of prior surpluses which had been created.

ARGUMENTS AGAINST HOUSE TAX BILL

1. It is an effort to substitute Government judgment for directors' judgment as to how much of a company's earnings might be kept in reserves.

2. It uses the taxing power to encourage directors to pay out more as dividends than can safely be paid out if the company is to keep solvent.

3. It discourages the reinvestment of corporate earnings in industry; yet the great development of industry has come about largely because of such plowing back of earnings. For example, 80 percent of the capital in the automobile industry consists of reinvested profits.

4. Authors of the House bill assume that all surplus consists of cash. Actually, of course, most surplus represents investment in inventories, equipment, buildings, etc.

5. Authors of the bill assume that all earnings made by a company in a year are in cash which can be paid out as dividends. Actually, of course, this is not so; for example, a good part, or all, of the earnings may represent paper profits on inventories and not be cash at all.

6. The bill seems to favor strong companies which make money every year and do not need any more reserves; it would discriminate against (a) companies which need to set aside substantial reserves in good years to offset losses in bad years; (b) companies which need to set aside substantial reserves to keep up working capital; (c) companies which need to set aside substantial reserves to enlarge their operations; (d) companies which are trying to get established.

7. Actually, however, the bill does not really favor large companies, because if it results in promoting monopolies, as most economists think it would, it will result in more Government regulation of industry.

9. If the bill is enacted, it will mean that the Government will be establishing standards of corporation practice based on averages—even though one corporation really needs to keep 80 percent of its earnings and another only 20 percent, and that the Government will be inviting, even encouraging, corporation directors to take risks with money by depleting the working capital of the company.

WILLIAMS COLLEGE,
Williamstown, Mass., April 30, 1936.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: Referring to the new tax bill which was adopted yesterday by the House by an overwhelming majority, I urge that you use every means at your disposal to secure a thorough revamping of the measure in the Senate.

In its present form the bill, almost throughout, violates the very fundamentals of sound economics. It is impossible in a communication of this kind to enter into any adequate discussion of all of its vicious provisions. Two of them, however, are so glaringly unsound and unjust that they should be entirely eliminated. I refer to the basic idea of the whole measure, namely: The proposed tax on corporation surplus reserves, and the proposed tax of over 40 percent on the net income of all corporations occupying the position of intermediate members in holding companies.

Supporters of the bill seek to justify the first of these on the ground that it will close a loophole for the evasion of personal-income taxes by large stockholders. It is possible that in some few cases evasions have been effected by holders of large blocks of stock in a few corporations. But there is not one particle of evidence that such has been a general practice. I ask you candidly to consider whether it is wise or just to its inmates to burn down the house to get rid of the rats.

To one who has followed the economic theories of the present administration, this feature of the bill appears as the culmination and most unblushing exposition of a determined policy to penalize thrift and sound economic practice. As a New Englander, brought up in the tradition of thrift and business foresight, one would think that this provision of the bill would make your gorge rise.

The other provision of the bill referred to contains a threat to the support of all who may be so unfortunate as to hold stock in any company which is a subsidiary in a holding set-up. These small holdings in the majority of cases represent the savings of hard-working and thrifty individuals who have laid by for their old age. This bill, at least this provision of it, would penalize their individual thrift and foresight. It is the people of this class who are really the forgotten men and women.

Would God we had more men in Washington who had the courage to place the welfare of the country ahead of the furthering of their own political ambitions and fortunes.

Yours very truly,

WILLIAM HOWARD DOUGHTY, Jr.,
Professor of Political Science.

NEW ENGLAND COUNCIL,
ECONOMIC DEVELOPMENT AND RESEARCH,
Boston, Mass., May 20, 1936.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: We urge you to give the fullest consideration possible to the following points regarding the revenue bill of 1936, as passed by the House of Representatives.

(1) The revenue bill of 1936, as passed by the House of Representatives, does not simplify the system of Federal taxation, but, on the contrary, it adds many new complications to our already over-complicated tax laws.

(2) The bill would make considerations as to the tax effect of paying or not paying dividends of undue importance in the operation and management of corporations.

(3) It would tend to prevent accumulation of surplus in good times to help to tide corporations over bad times, without the necessity for (a) suspending entirely the payment of dividends, or (b) drastically reducing employment.

(4) It would make it difficult for new businesses, operating as corporations, to retain funds out of earnings for healthy expansion, by placing prohibitive taxes upon earnings so retained.

(5) It would give an unfair advantage to old-established businesses with large surpluses and consequent ability to pay dividends and avoid taxes on undistributed earnings.

(6) It would produce grave inequalities in the taxation of corporations in the same line of business but of varying capacity to pay dividends because having more or less liquid assets available.

(7) It would work unequally as to corporations with similar earning power but in different lines of business, in which liquidity of assets varies according to the nature of the business, with consequent variation in assets available for distribution in dividends.

(8) It would make hardship for businesses which by their nature have years of substantial earnings followed by lean years.

(9) It would bear unevenly upon two corporations with like earning power, one of which happens to have surplus from which dividends can be paid and the other of which has a deficit so that its earnings, if distributed, are not taxable and do not reduce undistributed income subject to tax under the proposed law.

(10) It makes no adequate provision for equitable treatment of corporations sustaining heavy capital losses which reduce funds available for dividends but do not correspondingly reduce taxable income because of the $2,000 limitation in section 117 on deduction of such losses.

(11) It would impose unreasonable burdens on corporations which have substantial sinking-fund requirements in preferred-stock agreements or bond indentures, or have large indebtedness which must be reduced even if there are no sinking-fund provisions. Such corporations are not in a position to avoid the tax on undistributed earnings by paying them out in dividends.

(12) It would force new financing by bond or stock issues to raise funds not retained from earnings, and such procedure is always expensive and often, in times of depression, practically impossible.

(13) Secretary of the Treasury Morgenthau says the bill is intended "to put all taxes on business profits essentially on the same equitable basis; to give no advantages and to impose no penalties upon corporation stockholders that are not given to and imposed upon the individual taxpayer who alone or as a partner derives his income from business profits." In practice the bill cannot produce this result, because it depends, for raising the required revenue, upon a substantial part of the taxes being collected from the corporations themselves at rates which bear no relation to the ability of the stockholders to pay taxes.

(14) The revenue-producing capacity of the bill is so uncertain that the very great change in the scheme of Federal taxation which it proposes is not justified by the possible revenue it may bring in.

(15) The provisions of the bill imposing the maximum tax on intermediate holding companies is not a revenue measure, but is indirect legislation for the purpose of eliminating from the business structure of the country companies of this class, whether or not in utility systems and for whatever purpose existing.

Sincerely yours,

RICHARD W. SULLOWAY,
Chairman, Industrial Committee, New England Council.

Maine—William L. Blake, Dana C. Douglass; New Hampshire—F. A. Putnam, Richard W. Sulloway; Vermont—Edmund Deschenes, Olin D. Gay; Massachusetts—Sinclair Weeks, Charles A. Whiting; Rhode Island—Robert S. Holding, Wilbur L. Rice; Connecticut—Clayton R. Burt, Clifford F. Hollister. Secretary, Ray M. Hudson.

BOSTON, *May 4, 1936.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: The proposed corporate-tax law that is coming before the Senate is a matter of very serious consequence to the leather industry. We are compelled to buy raw material in advance of our wants, partly because of the seasons when it is available, and partly because of the distance that it has to come.

The process of manufacture is long, and it is not always possible to sell merchandise when manufactured, all of which means carrying very large inventories. Competition is so keen that it is very difficult to get a proper advance to cover rising costs of raw material, while buyers are able to insist upon reductions because of lower prices in the raw-material market.

Actual experience in the past 15 years under the conditions that have prevailed shows immense capital losses in the leather industry; and if, as proposed under this bill, any profits that do accrue are to be heavily taxed, the position of the American leather industry will be very serious.

We urge that you give these facts very serious consideration. Our industry cannot stand any more burdens than continue to exist.

Very truly yours,

AVERY LOWRY.
MAXWELL J. LOWRY.

BOSTON, *May 18, 1936.*

Hon. DAVID I. WALSH,
Member of Senate Finance Committee,
Washington, D. C.

MY DEAR SENATOR WALSH: The Standard Crayon Manufacturing Co., of Danvers, Mass., is much disturbed by the tax bill passed by the House of Representatives and now before your committee, and by the suggestions contained in the New York Times of May 13, and the papers of May 17.

In the first case, if we could make $1,000 a year net income and did not distribute it, we would be subject to practically 100-percent tax.

In the second case we would be subject to a tax of $450.

Our annual gross business is about $165,000, so we are not a large company. In 1934 we lost $8,000 and in 1935 we lost $4,000. There is only $700 left in our surplus, thus, $12,000 out of our savings accumulated in past years for the privilege of staying in business and keeping our help employed. The stockholders have had nothing.

This company and its predecessors have been in business for nearly 40 years.

In Sunday's paper reference is made to the possibility of a flat 18-percent and a flat 7-percent tax, making a total of approximately 25 percent. Applying this percentage to a net income of $1,000, this little company would still be paying a terrific tax, the result of which would be to deprive it of accruing an adequate surplus to enable it to pay off its debt and to maintain its credit.

In other words, such taxes benefit the big fellow, who will gain by forced liquidation of this and other small companies.

In addition, we must pay this year about $600 under the social security law, increasing to at least $3,600 a year by 1942.

To establish proper credit, we should be allowed to build up a surplus of at least 10 percent of our sales before being taxed as proposed.

In the event of the passage of any such tax measure persecuting our company for accumulating a reasonable surplus, this company will have to liquidate and 40 to 100 employees will have to be discharged.

More information will be furnished if you wish it.

May I hear from you?

Yours very truly,

A. B. TENNEY,
ALBERT B. TENNEY, *President.*

ARNOLD PRINT WORKS,
NORTH ADAMS, MASS., *April 30, 1936.*

The Honorable DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR MR. WALSH: We believe that the following explanation of the effect upon our company of the new tax bill about to be considered by the Senate Finance Committee will be of interest to you and will indicate the necessity for a relief provision, in addition to those already incorporated in the bill as drafted by the House Committee on Ways and Means.

Arnold Print Works owns and operates a business established in 1862 in the city of North Adams and town of Adams, Mass., consisting of two manufacturing plants, completely equipped for the printing of approximately 160,000,000 yards of textile goods annually and employing approximately 2,000 people at the present time. Prior to 1932 its business consisted primarily of commission printing, so-called, whereby grey goods owned by others were finished for a fixed fee or charge per yard, and the gross income from the business amounted approximately to $4,500,000 annually. Beginning in 1933 it became necessary to engage in corporation printing, so-called, whereby it purchased grey goods and sold the finished merchandise as its product, and the gross income from the business increased from approximately $4,500,000 in 1932 to approximately $15,000,000 in 1934 and in 1935. The company did not have adequate working capital to finance its constantly increasing corporation printing, and unable to obtain such working capital was forced, on September 3, 1935, to institute proceedings for its reorganization under section 77B of the Bankruptcy Act, in the District Court of the United States for the District of Massachusetts. Operations of the business since September 3, 1935, authorized by said court, have been on a substantially profitable basis.

After prolonged negotiations with our larger creditors and stockholders, we have formulated a plan of reorganization which substantially preserves the existing relationship between the various classes of creditors and stockholders and provides for the borrowing of $1,200,000, the additional working capital required in the continued operation of the business.

It is not possible under present conditions to obtain the $1,200,000 additional working capital through the issue of stocks, notes, or bonds, and we believe the only source from which such working capital can be obtained is Reconstruction Finance Corporation. We have therefore filed an application for a loan in the amount of $1,200,000 from Reconstruction Finance Corporation, to be repaid out of earnings prior to January 31, 1945, because of the fact that Reconstruction Finance Corporation is not authorized to make loans maturing later than January 1, 1945.

There are approximately $430,000 of unsecured trade creditors of the company who, under the proposed plan of reorganization, will receive 10 percent of their claims in cash and 90 percent of their claims in 10-year deferred notes, which notes will be paid

out of earnings of the company. Therefore, under the proposed plan of reorganization, approximately $250,000 of the net earnings in each year will necessarily be applied to the repayment of the loan from Reconstruction Finance Corporation and the repayment of the deferred notes issued to unsecured trade creditors, and cannot be distributed to stockholders. Also, Reconstruction Finance Corporation, we understand, invariably requires borrowers to agree that no dividend will be paid on any class of stock while its loan is outstanding without its written consent.

On an estimated net income for the year 1936–37 of approximately $300,000, the tax assessed under section 13 of House bill 12395, by reason of our failure to distribute income applied to the repayment of the Reconstruction Finance Corporation loan and the deferred notes, would amount to approximately $103,500. Such a tax might seriously jeopardize our ability to obtain the $1,200,000 loan (without which it is doubtful if our business can be continued) and even if we are successful in obtaining such loan, may impose such a burden upon the business that its continued operation would be impossible.

It seems to us, therefore, that relief should be provided for corporations in our circumstances, which are forced to apply earnings to the repayment of obligations incurred in order to carry out a reorganization, without which the business must necessarily be liquidated. It also seems to us that the Government would be adequately protected against collusive arrangements if the relief were afforded only to corporations reorganizing under the provisions of the Bankruptcy Act.

In connection with the foregoing we would also like to suggest that the rate of 22½ percent, the rate which the Ways and Means bill recommends for imposition in the case of all its relief provisions, is too high, and amounts to a penalty in cases which are not proper cases for penalty. To impose upon a corporation in financial distress, as a condition for obtaining new money or concessions from owners of preferred securities outstanding, vital to its continued existence, the obligation to pay a tax of 22½ percent on that part of its income withheld from distribution to stockholders under these circumstances, might in many cases close to the line have the effect of effectually preventing the reorganization and salvaging of the business. We believe an imposition of the 15-percent rate now in effect and recommended, under the Ways and Means draft, for imposition on banks, insurance companies, and other corporations not brought within the framework of the general measure is high enough, particularly when it is borne in mind that when the income involved is eventually distributed it will be taxed in full to the recipient stockholders, being subject in their hands at that time to both normal and surtax. This suggestion, that the rate in such cases should not be higher than 15 percent, applies to the relief provisions already in the bill, covering income accumulated to make up deficits, income accumulated pursuant to contracts executed prior to March 3, 1936, and income accumulated to amortize excessive indebtedness incurred prior to March 3, 1936, although the hardship involved in so high a rate is perhaps more obvious in the case of corporations insolvent or in serious financial distress.

While we are, of course, primarily interested in our own problem, we believe that it is illustrative of the effect of the proposed tax bill on corporations which now are or hereafter may be faced with the necessity for a reorganization. We sincerely hope that this letter may be of assistance to you and will be only too glad to furnish you with additional detailed information with respect to our present situation, should you desire us to do so.

Very truly yours,

S. M. JONES, *President*.

CRAPO, CLIFFORD, PRESCOTT & BULLARD,
New Bedford, Mass., May 13, 1936.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: One of the very few bright spots in the New Bedford industries since the start of the depression has been the Gosnold Mills, which has earned a small amount of money most of the time throughout the depression. There is, I believe, only one other mill which has been able to earn money, and it had no debts.

The Gosnold in 1928 owed $980,000 to sundry banks. As you know, the depression hit the cotton business about 1925, and by 1928 the affairs of the Gosnold had become so bad that the banks demanded a reorganization and that their loans be paid down. The stockholders raised $330,000 by the issue of 7-year debentures junior to the bank loans, and the bank loans were paid down. These debentures required that a certain proportion of the earnings each year be set aside to retire them, but the earnings have never been great enough to completely retire them and approximately $170,000 of them will come due this fall.

In the meantime, during the worst days of the depression, the banks demanded still further payments on their loans, and they were paid down substantially so that in the 7 years since 1928 very nearly half a million dollars have been paid off this big debt out of earnings.

The Gosnold has run extremely actively during all this period, and its pay roll has, I think, been the biggest in New Bedford or certainly nearly the biggest. Had the law which is now contemplated, taxing earnings which are used to pay off obligations, been in effect the Gosnold would have gone out of the picture long ago, and the brighest spot in New Bedford industries would have vanished.

The Gosnold had a comparatively good year last year when the situation of the cotton industry is considered, but it must pay off its notes this fall. Its earnings are going to be a great help in making it possible for it to be able to do this. Before long, if left alone, it should be able to begin to return something to its stockholders.

I want to call this situation to your attention because I feel that any bill penalizing a corporation which tries to pay off its debts, particularly debts that come due as do the Gosnold notes this year, can bring nothing but ruination on many of the smaller industries of the country, which are just the ones which apparently the Government thinks it would like to protect.

I am a director of the Gosnold, but my interest in it is that of a stockholder as I own none of the notes. I should like very much to have a dividend, but I realize that any law which forced dividends during the depression would have destroyed the corporation. I hope the Senate will not allow a bill with this feature to pass.

Very truly yours,

JOHN M. BULLARD.

SALEM OIL & GREASE CO.,
Salem, Mass, May 11, 1936.

Hon. D. I. WALSH:

Ninety percent of that awful thing called industry is composed of outfits like this which you fellows feel should be put in their places, and how. This concern was started with a $1,000 loan, 27 years ago; never was a cent put in but out of profit (that terrible thing). Today it is valued at about $250,000, all from earned surplus. Employs 30 people, paying 1929 rates of pay. Never cut anyone's pay, fired one man in all those years. Employees get full-time pay during sickness or injury, 2 weeks' vacation with pay, and never laid a man off. In fact, employing more now than during 1929. All this was because the owners took small salaries and put surplus back in the business. Our present oversurplus is to be used for pension purposes.

Personally it doesn't make any difference to me, if surplus is distributed by force. I'll get mine, but the poor fellows that work here will not, and when tough times come, out they go. When they get old, out they go; when they are sick, ditto. When we need new machines or more buildings, use the old, no surplus.

The worst of it is that you are preventing young concerns today from ever amounting to much. The old ones can get along, but it's a hell of penalty on youth and vigor and only making the outlook for youth more gloomy than it is, and God knows its terrible.

Raise the income-tax rates if you must, but for God's sake don't penalize thrift.

Sincerely,

H. T. N. SMITH, *President*.

HUDSON, MASS., *May 13, 1936.*

Hon. DAVID I. WALSH,
Senate Chamber, Washington, D. C.

DEAR SIR: I ask you to use your influence in the Senate against the bill to take away surplus of corporations, now before the Senate committee.

As a concrete example, if we had not held back some of our earnings and put them into surplus we would have been in a very serious position this year on account of the flood we had last March, as we had damages of about $30,000 to our stock and machinery. This of course was an entirely unseen emergency, and if we had no surplus it might have seriously crippled our business.

We do not think that after it has been taxed once it should be taxed a second time and we trust you will vote against this most unjust legislation.

I remain,

Very truly yours,

HUDSON WORSTED CO.,
H. T. DYSON.

WEST SPRINGFIELD, MASS., *May 8, 1936.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: From the study I have been able to make of the proposed Federal tax bill of 1936, it seems to me that this method of taxation is entirely unsound and undesirable.

If I interpret it correctly, I believe that in the future it would be practically impossible to build up a company like the Strathmore Paper Co., which was started over 40 years ago, on a very small amount of capital and which has grown to a company capitalized at $12,000,000 almost solely through "plowing back" of earnings.

Frankly, I do not see how the small company and the one of medium size can be in a position to withstand a long period of depression if a heavy penalty is imposed for building up in good times, reserves to take care of the proverbial "rainy day."

All of these contentions you have undoubtedly heard many times before, but from close contact with the vicissitudes in building up a company for over 40 years, I feel that I may be in position to judge in such matters better than individuals who have never been obliged to meet a pay roll regularly or provide means for keeping employees at work during times of slack business when very definitely there was very little for them to do.

It is very easy to consider some of our very large corporations with their big incomes and the heavy reserves they are able to

build up and try to force a distribution of such reserves, but it is an entirely different matter to apply similar measures to small and medium-sized concerns without wrecking them or making it impossible for them to grow and prosper.

As the great majority of Massachusetts corporations are of the latter class, may I urge that you give this matter very serious consideration before deciding to vote for the proposed bill?

Very truly yours,

STRATHMORE PAPER CO.,
H. A. MOSES, *President.*

P. S.—In the past 25 years Strathmore Paper Co. alone has paid out $20,947,000 in wages and salaries, on a yearly average of $837,844. Is it worth while to have small companies start business and grow?

In our particular case, which is fairly representative of thousands of such companies, the growth has been dependent upon earnings plowed back into the business. Under no consideration could I have raised the necessary capital outside the business.

H. A. MOSES.

B. F. STURTEVANT CO.,
Hyde Park, Boston, Mass., May 15, 1936.

Subject: Federal revenue bill for 1936.

Hon. DAVID I. WALSH,
Committee on Finance, United States Senate,
Washington, D. C.

DEAR SENATOR WALSH: I desire, on behalf of this company, to register an emphatic protest against the tax provisions of the Federal revenue bill of 1936, which has recently passed the House and is now before the Senate Committee on Finance. This bill, as now drawn, will have an absolutely ruinous effect on this concern and will impose an unreasonable and unjust penalty on its stockholders.

This concern, the B. F. Sturtevant Co. was founded almost 80 years ago; it is now the representative concern in the industry of ventilation, air-conditioning, etc. It employs about 1,500 people, does a business, in normal times, of about $7,500,000, and makes about $400,000 profit, if all goes well. It has a capital of about $5,000,000, every cent of which has been supplied out of its own earnings, which have been plowed back into the business, year by year. No outside capital has ever been put into the business, no stock or bond issue has been put out, nor has the concern gone into Wall Street for money. It is a private concern, which has been built up in the traditional New England manner.

We are a heavy-goods industry, and, like all concerns in this line, have suffered tremendous losses during the past 5 years of depression. Over half of our cash working capital has been lost, but we have operated continuously and kept the bulk of our force employed.

To replenish the lost working capital, recourse has been had to the banks and an agreement made with the Federal Reserve Bank of Boston, and others, whereby sufficient money has been furnished, on the stipulation that it will be repaid quarterly during the next 4 years out of profits, and that no dividends shall be declared to the stockholders meanwhile. Dividends, by the way, have not been paid since 1931.

It is evident that we must make money during the next few years, in order to pay our debt to the Federal Reserve bank. It is also evident that we must replenish the working capital, lost during the depression. It is necessary also to build up additional working capital funds to meet the natural expansion in this industry.

The capital market is not open to a private concern of this character. We are unlisted and the Federal Securities Act has, to all intents and purposes, closed the door; under existing conditions, we cannot put out an issue to obtain necessary capital. It must be acquired by savings, out of profits to come.

The proposed tax bill knocks the props right out from under us. It subjects the company and its stockholders to an unjust and unreasonable penalty if it continues to do what is required by its agreement with the Federal Reserve Bank (an agent of the Government), or if it attempts to replenish its losses in the only manner open to it, under existing conditions.

This proposed tax will have an absolutely inimical effect on New England industry, most of which is private, unlisted and built up by savings out of earnings. If ever a law was designed to "kill the goose", this law is the one. The very reserves, which saved us during the depression and enabled our New England concerns to keep a large part of their employees off the relief rolls are now to be taxed out of existence and we are to be prohibited from building up new reserves to meet another depression.

Very truly yours,

BENJ. S. FOSS, *Treasurer.*

THE F. A. BASSETTE CO.,
Springfield, Mass., May 5, 1935.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

SIR: We wish to point out briefly with reference to the now pending tax bill (H. R. 12395) some points which it seems to us would work injustice to companies like our own.

The F. A. Bassette Co. was organized in 1901 as a Massachusetts corporation with a paid-in capital of $17,000 and no additional capital has ever been paid into the company.

As of December 31, 1935 the company had capital and surplus of $285,421.84 represented by 4,200 shares of preferred stock ($65 par value) and 4,200 shares of common stock. This stock was held by 12 individuals each daily engaged in conducting the business of the company, each holding common shares equal in number to their preferred stockholdings.

The company has been conducted largely as a cooperative enterprise. The articles of incorporation provide that only employees may be shareholders, and that upon the death or withdrawal of any individual his stock is to be purchased by the company at its then book value and may be resold to other employees on an extended-credit plan.

All of the principal employees are stockholders. All employees participate in an annual distribution of 15 percent of the company's net profits. For the average of the 10 most profitable years, dividends averaging approximately 38 percent of net profits after profit sharing and taxes, have been distributed to stockholders, the balance of net profits being used for increasing the company's plant and other corporate needs.

Under the company's plan of stock retirement and employee ownership it is necessary to carry either cash reserves or life-insurance policies in an amount sufficient to meet its contractual obligation to purchase stock. At December 31, 1935, it had reserved cash and United States bonds in the amount of $50,919.05 as partial provision for stockholders whose lives were not insurable. It had insurance policies in the total amount of $290,500 in force on the lives of nine other stockholders.

The annual addition to the cash reserve funds required by corporate action is $6,500 (plus income of the invested funds). The annual premiums on life-insurance policies total $12,951.30. Thus a total of approximately $20,000 per year is withdrawn from the corporation's income or distributable surplus and reserved to provide for the dependents of a deceased stockholder employee.

Incidentally, all of the stockholders are individuals of modest means and income, and had all of the company's prior earnings been distributed the effective rate of tax on the individuals would have averaged much less than the rate paid by the corporation.

Under the provisions of the proposed new bill the company will not be allowed to deduct the annual payments required as above set forth either in determining its "adjusted net income" or its "undistributed net income." Assuming that its annual net income might average $30,000, before deduction of these items, not more than $10,000 could possibly be available for dividends and tax. However, approximately $11,230 would be required as the tax on "adjusted net income", and the company not only would be unable to make any dividend distribution, but would have insufficient cash to pay its tax.

Take the case of those small corporations which have weathered the depression only by grace of their bankers, whose loans, although capital in nature, mature, and are renewed every 3 or 4 months. If current earnings are applied to reduction of bank loans, as the banks will properly insist, the corporations cannot escape tax at the maximum rates.

Larger corporations may be able to entirely avoid the tax by distributing all of their income and acquiring needed capital by security issues—a plan which is not available to small companies like our own.

We believe the inevitable result to our company would be that the company would not only not be able to provide for the gradual but continued expansion which it enjoyed for over 30 years—but that it would be seriously handicapped in—if not forced to abandon—its plan of cooperative ownership.

We realize it is necessary to raise taxes. Why not tax the profits of corporations heavily if necessary, but leave with them the means to continue to expand their business in a reasonable way?

Respectfully yours,

W. H. MITCHELL, *President.*

THE VULCANIZED RUBBER CO.,
New York, May 6, 1936.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: Monopolies would be fostered, in our opinion, if the proposed tax on undivided surplus should be adopted. Take, for illustration, the position of this company, which is a relatively small factor in our industry. We have as one of our competitors the B. F. Goodrich Co., whose total assets are about $124,000,000, including over eight millions in cash, as against our own total assets of $928,000, including $37,000 cash. Our most active competitor, the American Hard Rubber Co., while nowhere nearly so large as Goodrich, is yet a giant as compared to us, with total assets of over seven millions, including cash of $460,000.

During 1930, 1931, and 1932, we lost $281,000. A large part of this loss was due to an effort to keep at work as many as possible of our 400 employees. If we had not built up a surplus before 1930, we would simply have been wiped out. Unless we are permitted to rebuild this surplus, we cannot successfully compete with our huge competitors nor can we survive another big depression. In the last 3 years we have recovered a little more than a third of these losses, and we still have a long way to go to be where we were in 1929.

Therefore, we should much prefer an increased tax rate on profits to a penalty tax on undistributed earnings. Many of our 400 employees have been with us for 30, 40, and even 50 years, and we think we and they have a right to the protection that only cash and security reserves can give. The bees and the squirrels have the right idea.

Respectfully yours,

S. H. RENTON, *President.*

STATEMENT MADE UP BY A MR. WESTON IN REFERENCE TO THE NEW TAX BILL

MAY 12, 1936.

If Raymond H. Whitcomb, Inc., has income of $200,000, it would have to set aside for its borrowed preferred stock a sinking fund of $54,000.

If it then paid $98,000 dividends, its tax would be $36,000 under the proposed 1936 Revenue Act, assuming no benefit from sections 14, 15, or 16.

Adding up $54,000 sinking fund, $98,000 dividends, and $36,000 tax makes $188,000, which would leave the company only $12,000 to add to its working capital out of the year's income.

If, however, the company got the benefit of section 15, with respect to $54,000 set aside for the sinking fund, its tax would be not $36,000 but $27,000, and it would have approximately $9,000 more to add to the working capital.

If the company were to pay out not $98,000 but $72,000 (endeavoring to add in this way to its working capital), its tax would be $49,000, if it received no benefit from sections 14, 15, or 16. It would then be paying out $54,000 sinking fund, $72,000 dividends, and $49,000 tax, making a total of $175,000, and so still have only $25,000 left to add to its working capital.

It will be noted that the difference between $98,000 dividends and $72,000 dividends is $26,000. Of this $26,000 under the foregoing computation, the taxpayer is allowed to keep half (difference between $12,000 and $25,000 added to the working capital, equals $13,000) and the Government tax (difference between $36,000 tax and $49,000 tax equals $13,000).

Assuming $72,000 paid in dividends and assuming that the company nets the benefit of section 15 with respect to the $54,000 sinking fund, the tax would be approximately $38,000 instead of $49,000, giving the company approximately $11,000 more to add to working capital.

If the company pays no dividends, its tax is $85,000 without the benefit of section 15 and about $71,000 if section 15 is made to apply. Paying out this tax and also paying out the $54,000, the sinking fund still left only about one-third of the company's income to add to the capital.

MILLERS FALLS CO.,
Greenfield, Mass., May 11, 1936.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SIR: We wired you on May 9, as follows:

"Tax bill passed by House will greatly retard industry and be ruinous to small companies with limited capital. Hope you may favor a more reasonable tax."

We would like to be a little more explicit than is possible in a telegram. Our reference to "small companies" should not be taken to mean companies having a net income of $10,000 or less. It rather refers to the typical business which has been the backbone of industrial New England for a great many years, having annual sales ranging anywhere from $500,000 to $3,000,000.

The vicious part of the proposed law is that it places a tremendous handicap on industries of this size and type which have inadequate working capital. A great many such concerns have managed to emerge from the depression, but in a weakened financial condition, with run-down plants and equipment, and reduced markets. What they need badly at the present time is the restoration of their plant equipment and markets, which can only be accomplished by the expenditure of large sums of money.

To be more specific, let us take the case of a firm whose annual sales are $2,000,000, and who in 1936 might earn $125,000 net profit. This concern during the depression had depleted its entire working capital and borrowed heavily in order to exist. This concern has also refrained from paying dividends for a number of years in order to conserve its resources and to keep its business as active as possible and employ as many of its people as possible. Under the proposed tax it would in the future be forced to pay its dividend on its preferred stock, which would take approximately 50 percent of its net income. Then, deducting the Federal tax from the remainder, it would leave only approximately $16,000 out of the $125,000 net profit at the disposal of the company. This would be before taking the Massachusetts income tax, which, when deducted, would leave only approximately $13,000.

This concern would like to put back into its equipment, in the way of repairs and replacements, approximately $50,000 a year. If allowed to expand its business along a normal course, it would need to add at least $50,000 a year to its working capital. This addition to its plant equipment would mean buying from the heavy industry and thereby increasing employment therein; the addition to its own working capital would employ additional men to produce the additional goods which it would sell.

In addition to the disbursements mentioned above, the company would still be obliged to pay off the balance of its loan, borrowed during the depression, of approximately $100,000. It is obvious that the condition which the Federal tax law imposes, leaving the company with a balance of approximately $16,000 out of its earnings of $125,000, is such that the carrying out of its program will be impossible and its own business will be retarded, and it furthermore will not be able to contribute to the business of other industries. Surely no bank, individual, or even the Government itself, would make a loan to such a company without the prospects of repayment.

Respectfully yours,

EARL D. HULTBY.

ALVEY CONVEYOR MANUFACTURING CO.,
St. Louis, May 8, 1936.

Senator DAVID I. WALSH,
Senate Office Building, Washington, D. C.

Re proposed tax bill—corporation surplus tax.

DEAR SENATOR WALSH: Permit us to protest against the wisdom of indiscriminately taxing undistributed corporate profits. This might be quite all right for the relatively few tremendous and well-financed corporations that already have immense surpluses, but it would work a very definite hardship on the multitude of small companies throughout the country.

You realize, of course, that such a proposed tax would "freeze" the corporate structures of all those companies and, sadly indeed, "freeze" them at the present existing near-depression levels. How in the world will the smaller companies ever be able to make progress and achieve growth under such a taxation program? To "freeze" the corporate structures of the smaller businesses would, I believe, indeed be a calamity. Surely it cannot be the intention of a deliberative Senate to inflict any such terrible hardship on business, sentencing business structure to their condition at time of passage of such a law and making it practically impossible for them to grow or prosper through the necessary process of "plowing back" into their own small business, a proper proportion of profits if, as, and when made.

I hope you realize what a serious problem the proposed taxation of undivided profits creates for small businesses and small industries in our country.

Legislation as is proposed requires, I believe, long study and deliberation after the most complete public hearings and investigations.

Would it not be better to set up temporary taxes, such as reasonable graduated increase until a better planned bill can be more thoroughly worked out?

Again, please consider that capital improvements, such as new machinery, equipment, buildings, etc., are almost always financed out of profits. Under the proposed tax bill this would mean that the sales of all new machinery, equipment, etc., would be further handicapped by the new tax on undistributed profits which would apply in such cases.

And, Senator, I believe you will agree that the capital- or durable-goods industry in this country, and particularly the smaller companies, have already endured sufficiently hard siedding. Those that had acquired sufficient surplus, have managed to come through the depression times, but this is solely because of the surpluses they were able to build up in predepression times.

Your consideration of these points in connection with the proposed tax on undivided profits is respectfully urged.

Very truly yours,

ALVEY CONVEYOR MANUFACTURING CO.,
IRA L. BRETZFELDER, *President.*

IVERS & POND PIANO CO.,
Boston, May 12, 1936.

Senator DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SIR: The Federal revenue bill for 1936, featuring taxes on undistributed earnings of domestic corporations is now before the Senate's Committee on Finance. Undoubtedly you have received from intelligent corporation executives throughout the country, many letters pointing out the unsoundness of the provision referred to above.

Possibly, however, specific instances of the injustice and paralyzing influence such a provision would have had on the country in the past and will have in the future if enacted, may not have been brought to your attention. You may have heard of the corporation on whose letterhead I am writing. Ours is a typical example of the development of a business from small beginnings by reinvested earnings. Founded in 1880, the earnings of the corporation were plowed back into surplus for approximately 20 years. The capital stock was never enlarged from its original figure of $10,000, while the surplus went into the hundreds of thousands, all necessary capital required by the growth of the business. At no little sacrifice to the founders of the business, the corporation was thus enabled to expand, make its product nationally known, and to give employment to hundreds of employees and furnish working capital for scores of merchants throughout the length and breadth of the land. In no other way could this have been accomplished. It was an example of growth through savings, and the principal beneficiaries were the employees of the corporation.

With this experience before me, it would seem superfluous to say that I am heartily opposed to the proposed tax on undistributed corporate surplus, and I hope your influence will be cast against any such destructive menace to American business.

Very respectfully yours,

CLARENCE H. POND, *President.*

NEW YORK, N. Y., *May 12, 1936.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: In the interest of candor, the pending revenue measure, if adopted, should be entitled: "A bill to sustain and promote monopoly."

As passed by the House, this measure strikes at the very vitals of our most cherished tradition—equality of opportunity.

When I recently appeared before the House Ways and Means Committee, I pointed out that it was significant that no representative of any real big corporation appeared in opposition to the bill. The reason is obvious, for the pending measure gives big business the nearest thing possible to a Government guaranty against future competition.

The Axton-Fisher Tobacco Co., which I represent, is one of the smaller units in the cigarette-manufacturing industry. Its working capital is provided by bank credits. The business has possibilities of substantial growth, if it is free to apply its excess earnings to pay off its indebtedness and to provide for expansion facilities.

Its large competitors, on the other hand, have many millions of dollars in accumulated surplus, and are practically free from bank indebtedness. Although they started from modest beginnings, they reached their present size by reinvesting each year a substantial part of their earnings in their business. Today, practically all of their earnings are paid out annually in dividends, for they have no need of added surplus.

If the proposed revenue measure becomes law, strong competitors would become stronger because in distributing their earnings, as they now do, they would not be required to pay any taxes at all; whereas, companies situated like our own would become weaker because they would, in effect, be penalized in applying their earnings to the liquidation of debts, or in using them to expand production facilities. In such a situation, real competition would soon cease because the source of competition, which lies in the opportunity to grow and expand, would be cut off at the source.

The proposed revenue measure, if passed, would not only "freeze" the present status of industry, but would inevitably tend to make the strong units stronger, and the weak ones weaker. In this lies the greatest threat to the American tradition—equality of opportunity.

I beg to enclose herewith a pamphlet which summarizes the arguments which I made before the House Ways and Means Committee. I should welcome the opportunity to appear before the Senate Finance Committee to present these views in detail.

Respectfully yours,

DEAN ALFANGE,
General Counsel.

PARKS-CRAMER CO.,
Fitchburg, Mass., May 13, 1936.

Senator DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SIR: Since the final outcome of taxing undistributed surplus of corporations is of extreme interest to our stockholders, may I take a little of your time to represent them?

From 1930 to 1935, inclusive, our business volume made profitable operations impossible. During that period we dug into our reserves nearly $200,000—or $228.10 per employee per year. That, plus wages and salaries paid, was the price this one small company paid to keep its employees off relief rolls. In other words, it was recognized that a surplus was for the definite purpose of tiding over lean periods.

Is it not pertinent to inquire what would have happened had a surplus not been available? Had such a bill as is now pending been in force, making full distribution of earnings in effect mandatory, there would now be no jobs for these same employees—and no corporation to tax. Not unlike a farm, business fields must be fertilized or the field has a habit of running out.

Please do not misunderstand me. What has happened in this country during the past 3 years has got to be paid for, somehow, sometime, and by all of us. If taxing business out of existence were the only outcome, it might be justified in an emergency, but will not the effect be more far reaching? Does it not strike at our cherished form of Government and at society itself?

And it is about this rather than its immediate business influence that should be the chief concern of all, particularly of our legislators.

Yours very truly,

H. M. PARKS, *President.*

WORCESTER, MASS., *May 8, 1936.*

Hon. DAVID I. WALSH,
Senator, Washington, D. C.

MY DEAR SENATOR WALSH: Re embryo corporations tax bill—

Permit me as one for a lifetime largely involved in two family textile corporations in Massachusetts, much of the time a desperate struggle, to urge you to support or to have inserted these two provisions:

(1) That corporation taxes or dividend pressure, should be distributed over a 3- or 5-year average of profits or losses—not based arbitrarily on the result of one hard and fast year.

(2) That extraordinary losses, at least of the "act-of-God" class, likewise be distributed through surplus over a series of years.

The fairness of such distribution toward giving, particularly to a small corporation, a "break", seems to me so obvious that it is axiomatic.

On the contrary, the unfairness and the possible strangulation of a concern can be imagined from this illustration, in which it is assumed there is no such protection.

It makes $20,000 in 1 calendar year, and is forced to pay tax or dividends therefrom. In the succeeding year it loses $20,000, but all in January. At the end of the 2 years it has only broken even, but has paid a large tax or has been forced to disgorge dividends. If its years had run from February 1, instead of January 1, its taxation or its cash depletion would have been nil, and would have corresponded to the actual facts. A 3-year average would have helped much in this case; and a 5-year, more.

As for (2), one of my concerns (Comins & Co. Inc., Rochdale), is struggling yet with flood repairs of some $30,000. We will be lucky if this year's profit is not absorbed by only one-third of this amount. If the Government wishes us to continue to operate, employ workers, and contribute taxes, the least it can do is to help us withstand a stroke which has almost staggered our small community concern.

On general principles, if the employee is to be allowed to average his remunerative years over the old-age ones of loss, why should not his employer who makes such possible, be allowed to average to some extent, the health and sickness of his business—which is the boat in which they all ride?

With best regards,

Yours very truly,

ARTHUR C. COMINS.

BOSTON CHAMBER OF COMMERCE.

[Telegram sent to Massachusetts Congressmen, Washington, D. C., Apr. 27, 1936]

Pending revenue act, although damaging to all types of corporate business, would be exceptionally severe upon New England business. We urge that you oppose it. A characteristic of New England business has always been its successful efforts to maintain stability and pursue prudent financial policies. The pending act directly penalizes attainment of these efforts. It means the compulsory injection of unsound practices in business management which, uniformly applied, will react unevenly and with undue unfairness on many firms. We believe the results will be discouragement of legitimate expansion, further loss of confidence so necessary to economic revival, and sustained or increased unemployment, and in general will tend toward social insecurity.

E. E. WAKEFIELD,
Acting Chairman, Committee on Federal Taxation and Expenditures.

SIMONDS SAW AND STEEL CO.,
Fitchburg, Mass., April 24, 1936.

Hon. DAVID I. WALSH,
Senate Office Building, Washington D. C.

DEAR DAVE: Regarding this proposed new tax, in 1922 and 1932, such a tax would have wiped our company out of business. If we had had such a tax the depression would have been very much more severe. In our plants we lost $1,000 a day, and our surplus had to be put into pay rolls to hold our organization together. There was no way of selling securities in these periods, and the banks would not make us increased loans, so that we had to use our past savings.

We have run along more or less consistently with our help for 30 years, discharging very few, but with a tax such as this new one, we would have to let go practically all of our people during a depression and then organize again when business was better. This may be the best for the country, but I am quite sure that I would have no interest in business, neither would the other leaders in our firm. The serious penalty is on conservatively managed business. At the present time the Government are not handling their business conservatively with their immense expenses.

I sincerely hope you will see your way clear to oppose this corporation tax.

Sincerely yours,

GIFFORD K. SIMONDS.

THE E. L. PATCH CO.,
Boston, Mass., April 27, 1936.

Hon. DAVID I. WALSH,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WALSH: I was pleased to read in press reports that you are not as enthusiastic about increasing taxation as you are about cutting down expenditures. I would assume that one brought up in New England would not be too enthusiastic about dissipation of assets in times of good business. The proposed new tax bill might well be labeled "an act to dissipate assets."

Our company is like many New England companies who have operated for many years on a conservative policy, on a small capitalization. For many years we had no profits to tax. Then came a few prosperous years. Most all of the profits of these few prosperous years were conserved, first by paying debts, then by investing in bricks, mortar, machinery, and research.

This investment proved to be a wise one for The E. L. Patch Co., for our employees, and for the town of Stoneham. During the last 5 years when employment and wages have been so essential, we have kept up the number of employees and the wages far above the level that would have been our maximum if we had not invested more than 80 percent of our earnings for a few years. To do this we had to draw heavily on the reserves we had established.

If the proposed new tax law had been in effect during 1926, 1927, and 1928 the story would be an entirely different one for all concerned, including our good Uncle Sam. We would have paid larger dividends to avoid excessive taxation. The investment in building and other facilities never would have been made.

Debts would have remained. There is a strong possibility that by the year 1932 we would have been entirely out of business. At best we would have had many less employees, on smaller wages and salaries, with less than half the tax payments to the town of Stoneham, very little in tax payments to the State of Massachusets, and little, if anything, to the Federal Government.

Ask any citizen who knows the facts, what it has meant to the town of Stoneham to have the E. L. Patch Co. continue during these tough years, with wages, salaries, and dividends. I will tell you frankly it could not have been, if the proposed law had been in effect.

Without doubt many substantial, desirable corporations are right now in the position we were in, previous to 1926. A few years of good earnings might enable them to solidify so as to be real factors in the future prosperity of their communities. Some of these might be able to carry a big load when the next business slump comes. Why slowly strangle so many of these geese that might later lay the golden eggs that would prevent so much hardship and suffering?

If one follows through only from the point of view of final tax income to Uncle Sam, it seems to me very short-sighted policy to choke thousands of potential sources of taxes to punish a small number of businesses that carry on contrary to the ideas of some of our theorists, who never had the responsibility of providing a payroll 52 weeks in the year.

We know we must pay heavy taxes for a long time to liquidate our present debt. All my business experience tells me this new theory of taxation will prove to be a demonstration of the theory of diminishing returns.

Sincerely yours,

RALPH R. PATCH.

MEADVILLE, PA., *April 7, 1936.*

Hon. DAVID I. WALSH,
United States Senator,
Washington, District of Columbia.

DEAR SIR: As a prominent member of the Senate Finance Committee you will no doubt have much to do with the proposed plan of taxing corporation surpluses. Permit me as the president of a small corporation to write you my views on this subject.

I am strongly opposed to the proposed tax, not only as a general policy, but also because of its very serious effect on small companies. The present administration has definitely adopted a business and social policy which is unfavorable to bigness in industry and favorable to the smaller enterprises. This proposed tax plan works exactly contrary to this philosophy of business. It will help the big company and sound the death knell of thousands of small businesses.

The McCrosky Tool Corporation is not a large company, as previously stated. Our total invested capital is approximately $350,000. We entered the depression with no liabilities of any kind and with cash, Government bonds, and accounts receivable of approximately $85,000. We adopted the policy of maintaining our organization and keeping employees on the pay roll just as long as possible during the depression years. If it had not been for the comfortable little surplus of cash and Government bonds which we had gradually accumulated, we would have gone out of existence during the depression. In other words, if we had been operating under a tax policy that compelled us to pay out the greater part of our earnings in the form of dividends, we would have had no surplus and our company would have been unable to weather the depression storm. Surely it is not only the height of folly but it is a crime against American wage earners to jeopardize the existence of conservatively managed small businesses which are the backbone of American enterprise, by making it impossible for them to provide for a "rainy day."

Before the depression was over our cash and bonds had been largely exhausted and it became necessary for us to borrow approximately $25,000 from local banks to keep the business operating. It is unthinkable that our Government would adopt a tax program that will practically make it impossible for us to take our earnings to pay off these bank loans. If we were compelled to pay out the greater part of our earnings in dividends, it would take us many years to liquidate these bank loans and begin the accumulation of another little surplus against the inevitable "rainy day." This is not in the interests of either good business or good banking.

During the depression years it was practically impossible for a little concern like ours to purchase new equipment in order to offset the inroads of depression and obsolescence. Remarkable improvements have been made in mechanical equipment during the last 5 years and no concern can successfully compete that does not replace obsolete equipment with more modern and more efficient equipment. The tax program that is proposed would make it impossible for us to modernize our plant and thereby maintain our position against legitimate competition. Surely our Government must appreciate the importance of the so-called heavy industries and durable-goods industries in our industrial structure. Now a tax program is proposed that will make it very difficult for companies like ours to buy new machinery and therefore do our share in assisting the durable-goods industries, to say nothing of operating our own business on a successful and efficient basis.

Of course, academically, it might be said that if our earnings were paid out in the form of dividends, we can expand our business and increase our working capital and modernize our plant and build up cash reserves by the simple expedient of increasing our capitalization and selling more stock. This argument is purely academic. It might be possible that a large company whose stock is listed on the exchanges and is in constant demand by the investing public could accomplish these things by selling additional stock. The small company, like ours has no access whatever to the capital markets and no one would be interested in our capital stock except a few members of our own organization and it might well be that none of them would have the money nor the disposition to purchase additional stock. In other words, this plan of selling stock to raise capital is absolutely not feasible for the small company. Its only result would be to increase the size of bigness in business and to kill off the small companies within a very few years.

If the administration is sincere in this philosophy of helping the "little fellow" and discouraging bigness, then why not exonerate the smaller companies entirely from this new tax on earnings until the "little company" has grown to a certain size? Surely no company can be considered dangerously big with earnings of say $100,000 a year and with an invested capital of $500,000. In fact, it is difficult for most concerns to be efficient either from the standpoint of production or distribution if they are much smaller than that. Why not allow the present income-tax rates to apply against small businesses and then work out some kind of tax that would discourage great corporations from piling up surpluses that are obviously larger than necessary and which might be interpreted as dangerous to the best interests of society through the concentration of wealth and power.

You will pardon me for expressing myself at such length. You will admit, however, that I have merely taken time to touch a few basic principles, each one of which might be developed at great length. I plead with you, as an executive of one of America's small manufacturing enterprises which has had a fine successful, conservative record for 30 years, to consider the validity and truth of the points I have raised. It is difficult to conceive a greater tragedy in the history and progress of the American people than to put into effect a program that must obviously end in the results I have tried briefly to mention. Our little company has grown during the last 30 years almost entirely from "plowing in" its profits, the original investment amounting to only $40,000. We have also paid satisfactory dividends in good years. Our whole organization is filled with the spirit of growth and progress and we hope to continue growing by "plowing into" this business a goodly share of our earnings. There are only about 30 stockholders, most of whom are more interested to see the business grow and prosper than they are in a little return from their comparatively small stock holdings. We employ approximately 100 people, most of whom are home owners and a fine class of skilled workmen, sales engineers, office employees, mechanical engineers, etc. If America expects to expand industrially and to provide economic security for its people and to absorb some of the millions who are out of employment, it must be done by the growth and success of American business and not by killing off of thousands of small, progressive, growing concerns which can only prosper and grow by "plowing in" much of their profits, and which must pay off their debts and accumulate a reasonable surplus out of their income to insure their corporate existence. To do otherwise, to be compelled to distribute earnings before these things are accomplished would jeopardize the economic security of millions of America's employees and thousands of America's business enterprises. We have cited our own case as merely typical of the great majority of business concerns.

Respectfully submitted,

MCCROSKY TOOL CORPORATION,
F. P. MILLER, *President.*

ERVING, MASS., *May 15, 1936.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

[The Federal tax bill of 1936]

DEAR MR. WALSH: This bill is now being considered by the Senate, and thinking we are more or less typical of many Massachusetts corporations, we submit the following:

For many years, from 1917 on, this company was losing money fast so that 10 years ago we owed several hundred thousands of dollars to five interests. These five interests made us a low interest rate and carried us along with, for a good many years, no payments. However, during the last 10 years we have been doing better so have paid off about 40 percent of this amount.

If this bill should go through as proposed, we understand that along toward half of the profit we have paid on these old debts would have been appropriated by the Government. We still owe nearly $200,000 which we are most anxious to get paid, but what show will we have if the Government appropriates such a percentage?

Maybe there are conditions we do not understand, but submit above for what you find it worth.

Yours very truly,

ERVING PAPER MILLS,
S. C. WAITE, *Treasurer.*

EAST CAMBRIDGE, MASS., *May 14, 1936.*

Hon. DAVID I. WALSH,
Senator from Massachusetts,
Washington, D. C.

DEAR SENATOR: In regard to the new corporation tax bill in Congress, we wish to give you an idea as to the effect on any comeback of small corporations which have been in red during the years of depression.

Our own company started in 1923 with $75,000 cash paid in capital; paid its preferred dividends up to 1931 and since then has shrunk its capital $40,000, while keeping its crew of about 10 men who otherwise would, in many cases, had to go on the welfare. We cannot, of course, pay any dividends while capital is impaired and any earnings would go to repair lost capital.

If, in the future, we are taxed too heavily on any earnings our stockholders may decide the game is not worth while and decide to liquidate, which would be too bad for our employees and the taxpayers.

Corporations need more than any dividends earned to provide for increased employment, expansion, and reserve for poor times.

We believe the better way for revenue is to broaden the base of individual income taxes, say around $5,000.

Respectfully yours,

RESISTO PIPE & VALVE CO.,
GEO. A. NASH, *President.*

ATTLEBORO, MASS., *May 14, 1936.*

HON. DAVID I. WALSH,
U. S. Senator from Massachusetts, Washington, D. C.

DEAR SIR: With reference to the Federal revenue bill for 1936, I am very apprehensive that if this bill goes through as it is now drawn that it will possibly force many of the small- and medium-sized concerns out of business.

Our corporation is fairly representative of many that I could mention. We have been operating for 17 years and have made some progress. We have been able most years to pay a dividend and also have been able to pay a reasonable amount of Government taxes during this time. We have created a small surplus and have continued to improve our equipment by purchasing new machinery moderately.

We have also had in mind the possibility of building a new plant to replace the inadequate quarters that we are now leasing. If this bill goes through it would probably preclude our company's doing any of these things planned, the result of which would be that in a short while our plant equipment would be obsolete and inadequate for our requirements. Whereas, if the surplus we have could be left for the purpose for which it is intended, we would be able to go through the depression and come out with a view to expanding and increasing our facilities.

We have built up a substantial foreign market for some of our products in the last few years, but in order to sell our products in foreign markets it is very necessary for us to be able to produce same to the very best advantage. Unless we can add improved equipment to our machinery, it is doubtful if we can continue to hold this market.

The same also applies to the domestic market to a lesser extent.

With the proposed new taxation, it will be impossible for us to carry on in the way we planned, and the result would be that eventually we would probably have to go out of business to the detriment and loss of our stockholders.

We might say that there are a number of manufacturers in this town who would be in a like situation, and it will be a great blow to the city of Attleboro and its industries if a modification cannot be made to change the plan.

We hope that you will give this plea your most earnest and sincere consideration.

Yours very truly,

MOSSBERG PRESSED STEEL CORPORATION,
FRANK MOSSBERG,
President and General Manager.

BUFFALO, N. Y., *April 25, 1936.*

HON. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SIR: The proposed new basis for taxing corporations will undoubtedly act to stunt the economic growth of small corporations and will rob large corporations of necessary reserves with which to reduce the ill effects of future depressions on labor and tend to increase unemployment.

These effects will be brought about without in any way benefiting the large number of stockholders by adding to the dividends received by them.

This business organization started over 30 years ago with a small capital as a sole proprietorship, with few employees, and has by thrift and frugality progressively invested annual earnings in the building up of a capital structure that has enabled it to continuously, all through the depression, employ 150 persons. Not only have no employees been discharged or laid off or wages reduced, but, on the contrary, working hours were reduced from 50 to 40 hours per week; and while under the N. R. A. minimum wages for men and women were 35 cents per hour, men have never been paid less than a minimum of 50 cents per hour, and women were increased under the code from 25 to 35 cents per hour minimum. These schedules are still in effect.

Had a large percentage of earnings in the past been dissipated in dividends and taxes, this sound economic growth in which our workers have shared so advantageously would have been impossible.

This letter attempts only to convey to you in a simple way the harmful effects of the proposed new taxation as it would apply to this simple, economic, but beneficial unit.

In considering corporation taxes we sincerely trust that due thought will be given the position of small corporations, for we believe a great majority of corporations are no larger than ours and exert about the same beneficial influence upon the economic lives of the people.

Respectfully yours,

THE ARNER CO., INC.,
CHAS. W. P. ATKINSON,
Vice President and Treasurer.

TILESTON & HOLLINGSWORTH CO.,
Boston, May 9, 1936.

HON. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: I desire to protest against the proposed corporation tax bill—

1. Because as a practical matter it places small corporations at a disadvantage as compared with large ones.
2. Because it places one more serious obstacle in the way of small corporations in their effort to meet their debts and survive the depression.
3. Because the dividend policy of very few corporations is dictated by any consideration of tax dodging and it seems unfair to penalize the many in an effort to punish a few offenders.
4. Because it will create more injustices than it will correct.
5. Because it is likely to prolong the depression and to cost the United States Government more money than it will raise.

Sincerely yours,

EUGENE C. CLAPP, *Treasurer.*

BOSTON, MASS., *May 16, 1936.*

HON. DAVID I. WALSH,
United States Senator, Senate Office Building,
Washington, D. C.

HONORABLE DEAR SIR: We as an old Massachusetts establishment doing business in this Commonwealth for the past 73 years make this appeal to you, one of our honorable Senators.

If the Federal tax bill of 1936 being considered by the Committee on Finance of the United States Senate should become a law, it would work a frightful hardship upon us.

By careful management we have come through the past 4 years of depression, maintaining a working force of some 40 men and women who would have otherwise been dependent upon welfare or other forms of charitable assistance for means of support.

During the past year it has been necessary for us to borrow funds to carry on our business. The repayment of this indebtedness we propose paying over a period of the next 3 years. However, we will be seriously handicapped in making payments by the taxes inflicted by this new tax bill.

The banks, anticipating the situation, are already making demands of us for payments in advance of the time due, which they would otherwise allow to remain if it were not for the fact that this bill is pending.

We therefore strongly urge you to use your influence to bring about the defeat of this bill, which will lay a frightful burden not only upon us but do irreparable harm to our employees, no doubt forcing thousands of small companies to close their doors, adding many more to the already vast army of unemployed.

Very truly yours,

WHITE-SMITH MUSIC PUBLISHING CO.,
C. A. WHITE, *President.*

DETROIT, MICH., *May 11, 1936.*

SENATOR DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: Enclosed is a pamphlet, which is self-explanatory. The writer has gone to this effort and expense in order to present to Members of the Senate and the House of Representatives the effect of the contemplated legislation upon this business.

The Federal Government in Washington cannot judge when this business should pay dividends, and this proposed bill is an automatic invasion of the rights of the employees and stockholders of this business.

This criticism is nonpartisan. The record will show that the writer contributed $1,000 to the National Democratic Committee, which certainly was an endorsement of President Roosevelt's 1932 platform and his actions during the early days of his administration. However, he has lost many supporters amongst our employees, officers, and stockholders, by reason of the fact that such a burden of taxation and extravagant governmental operation are indicative of gross incompetence.

It would seem that the executive and administrative branch of our Government completely dominates the legislative, of which you are a member. The Chief Executive seems to act on advice of a group of theorists and impractical college professors whom we did not elect to public office and hence should have no status.

It is not too late for the administration to change its tactics and again perform according to the campaign pledges set forth in the last Presidential election. We sincerely hope that such will be the case.

Very truly yours,

THE STANDARD TUBE CO.,
By GEO B. STORER, *President.*

THE CASE OF THE STANDARD TUBE CO. V. UNDISTRIBUTED PROFITS TAX BILL, H. R. 12395

The Standard Tube Co. (formerly Tubeweld, Inc.) manufactures welded steel tubing and tubular parts. These products are sold to the automobile, furniture, bicycle, electrical, and similar trades.

The Standard Tube Co. employs presently 125 men, and its average yearly pay roll, sales, and profit for the last 5 years are as follows:

	Pay roll	Sales	Profit
1931	$148,726.76	$543,547.35	[1] $100,781.37
1932	99,101.02	320,845.96	[1] 141,945.87
1933	55,730.91	360,692.82	[1] 3,090.79
1934	102,342.43	729,247.24	43,454.86
1935	88,038.49	648,682.24	54,935.50

[1] Loss.

On January 1, 1931, condensed balance sheet of the Standard Tube Co. was as follows:

Current assets	$139,754.47
Permanent assets	213,134.22
Other assets	66,612.67
Current liabilities	58,964.58
Other liabilities	12,671.87
Capital stock	168,800.00
Surplus	179,064.91

As of January 1, 1933:

Current assets	25,545.97
Permanent assets	181,613.12
Other assets	5,960.72
Current liabilities	58,617.80
Other liabilities	74,200.06
Capital stock	170,795.28
Surplus	[1] 90,493.33

[1] Deficit.

As of January 1, 1936:

Current assets	130,771.24
Permanent assets	58,259.62
Other assets	21,723.73
Current liabilities	37,485.96
Other liabilities	54,634.13
Capital stock	159,933.00
Surplus	[1] 1,298.50

[1] Deficit.

During the depression the company's surplus account was entirely wiped out, and on March 20, 1933, a creditors' committee was formed in an attempt to save the business from failure. The president, George B. Storer, and his mother advanced additional funds to liquidate all small creditors' claims, and the larger creditors' accepted notes. The president had been serving without salary since 1930 and was not paid any salary until February of 1936. He now receives $500 per month.

By the most careful economy and judicious management it was possible to pay off the creditors and dissolve the creditors' committee on June 20, 1935.

During the depression the National Tube Co., a unit of the United States Steel Corporation, was able to take a large volume of business away from its small competitor, the Standard Tube Co.

The latter company was unable to meet this competition by purchasing new, modern equipment, being hampered by lack of working capital. By reason of the special price schedule put into operation by its large competitors under the N. R. A., the Standard Tube Co. suffered additional encroachments of its business.

The Standard Tube Co., in order to place itself in a position to compete with the large manufacturers of tubing and pipe, purchased, in January of 1936, a new tube mill at a total installed cost of $300,000. Funds to pay for this mill were raised by the sale of stock to company officers, employees, and stockholders, together with a small public offering. These funds, plus the earnings of the company, will, it is hoped, cover the cost of the new mill and provide the necessary additional working capital required. Substantially all of the earnings of the Standard Tube Co. will be required for some time to come to help defray the cost of this new mill and provide additional working capital. A small amount, representing normal interest rate on the investment, should be paid to stockholders. Without the installation of this mill the Standard Tube Co. would eventually be put out of business by its large competitors.

Furthermore, it is self-evident that the surplus, which was wiped out during the late depression, must be replaced in order to protect primarily the employees, and secondarily, to protect the investment, in future business recessions.

In view of the above facts the employees, officers, directors, and stockholders implore that the proposed tax bill, H. R. 12395, be modified to give relief to firms such as the Standard Tube Co., of which there are many thousands in the United States. These small concerns give employment to the major portion of the industrial workers of the United States.

ST. LOUIS, MO., *May 14, 1936.*

SENATOR DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SIR: Permit us to express to you the decided objection of the undersigned as officers of this company to the Revenue Act of 1936 now before the Senate Finance Committee of Congress.

In our best judgment, if the provisions contained in the proposed act had been in force during the past 10 years, American Stove Co. would not have been able to continue in business since 1929, as it has, nor to pay out millions for material, supplies, and wages, as it has. Our dividends ceased in the fall of 1929, not to be resumed until a moderate profit returned in 1935, but our surplus set aside from previous earnings from years of fair profit in the form of cash in bank, Government and other sound bonds, enabled us to keep our factories open, our sales forces active, our pension system for employees in force, and our factories and machinery in repair, and our taxes on real and personal property paid promptly when due.

For the Government by such legislation to render it difficult, if not impossible, for corporate officers and directors to pursue a prudent and sound policy during years of profit is to invite disaster both to the businesses under their change and to the Nation as well.

For the Government to discard a tax system which has evolved gradually and has been clarified and interpreted by litigation and court decisions and substitute a new system entirely theoretical in its effects and application to the needs of the Government for revenue and to the taxpaying corporation for some degree of certainty in anticipating tax burdens, is not wise nor intelligent.

We, therefore, earnestly urge your action to defeat this bill with its radical and unwise changes in our taxing system.

Respectfully yours,

L. STOCKSTROM,
President, American Stove Co.
GEORGE F. FISKE,
Treasurer, American Stove Co.

ST. LOUIS, *May 13, 1936.*

Senator DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: As a practical businessman, having been in active business for more than 50 years, permit me to call to your attention the dangers which lie ahead if the new tax bill as now proposed is adopted.

The profits of young and growing business ventures are mostly not in cash, but are absorbed in the business through increased accounts receivable, merchandise, machinery, etc. For such businesses to be compelled to borrow each year sufficient to pay out their earnings in cash, or to be compelled to pay very heavy taxes on that part of their earnings not paid out in cash, would be suicidal.

Had such a law been in effect when Henry Ford started in business, it is evident that today there would be no Ford Motor Co., and what applies to Henry Ford applies equally as well to all new and growing ventures.

Large businesses with ample capital and sufficient surplus can well afford to pay out their earnings in cash, but others cannot do so, except at great hazard to their business.

The new tax bill as proposed will be a complete check on the development of a vast number of American industries. To my mind, an increase in the tax on corporate income to 20 percent, or even to 22½ percent, would be far more advisable and would do less harm to the business interests of our country than the present proposed tax.

Yours truly,

AARON WALDHEIM.

SPRINGFIELD, MASS., *May 1, 1936.*

The Honorable DAVID I. WALSH,
United States Senator, Washington, D. C.

SIR: As our representative in the United States Senate, we earnestly ask your help in our behalf. The proposal to place a prohibitive Federal tax on undistributed corporation earnings will, we fear, have a far-reaching harmful effect on the continuation of our business, which has been established here in Springfield since 1931.

Webster's New International Dictionary, second edition, copyright 1934, represents an expenditure for editorial work and plates of $1,300,000. For a publishing house this amount of money is a large investment, and was built from earnings of the business for the past 15 years. By no stretch of the imagination could a small company like ours borrow money to this amount, nor would any but the owners wait a long term of years for their recompense.

If the proposed bill becomes law and we are prohibited from accumulating savings from our business for future revisions of the Merriam-Webster dictionaries, is it not fair to conceive that the possibility for future revisions will cease, with dire results not only to this company but to American education?

Respectfully yours,

G. & C. MERRIAM CO.,
By ROBERT C. MUNROE, *President.*

BIRD & SON,
East Walpole, Mass., May 12, 1936.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR WALSH: I have given considerable thought and study to the Federal revenue bill for 1936 which has been passed by the House and is now before the Senate's Committee on Finance, of which I understand you are a member.

If the bill is enacted in substantially its present form, it is bound to result in reduction of surpluses, so that the next depression could be even worse than the present one. From reliable data, I have learned that in the 6 years from 1930 to 1935, corporations as a whole disbursed nearly $28,000,000,000 in excess of their earnings to cover operating losses and to continue dividend payments. It staggers the imagination to think what would have happened had these corporations not been prepared with adequate surpluses to carry them this far through the depression.

It is only through the ploughing back into the business of surplus earnings that we have been able to weather the storm, and it seems to me that any medium of taxation as uneconomic as the proposed bill appears to be will legislate many of our corporations out of business.

I am sure you will give this matter your serious consideration and have in mind the consequences that may result if the bill as passed by the House is enacted into law. I rely on your good judgment to do all in your power to protect, through the corporations, the pay envelopes of the working men, to say nothing of the dividends for the stockholders.

I have the honor to be, sir,
Your obedient servant,

A. H. ANDERSON, *Treasurer.*

HUDSON, MASS, *May 12, 1936.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: It is not very often that we write our Senators and Representatives regarding bills before Congress, but we are very much interested in some of the legislation now before Congress, particularly the bill featuring taxes and undistributed earnings. We are very much opposed to this measure.

The past few years we have built up a nice foreign business, and we are very much afraid that the increasing cost of manufacturing caused by legislation will make it impossible for us to hold our foreign markets.

We have always considered it a wise policy to put a small part of earnings into a reserve or surplus to help to weather unprofitable years; we look on this in the same light as the opportunity of laboring classes depositing money in savings banks for their reserves. If we destroy these reserves we destroy one of the greatest fundamentals which has helped to build up this country.

Very truly yours,

THOMAS TAYLOR & SONS, INC.
FRANK TAYLOR.

SHARON, MASS., *May 14, 1936.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SIR: I would unquestionably be characterized as a very small stockholder. The few shares of stock that I own are in the so-called widows' and orphans' group. My purpose in having these stocks is to get a small amount of regular income to help pay heavy bills that accumulate each year in the form of insurance premiums, etc.

The tax bill which the House of Representatives has passed and which is presently under Senate consideration does not impress me as being sound from my standpoint. I would certainly much rather have smaller dividends steadily than larger ones in times of prosperity and none in times of depression when I need them most. This bill seems to ignore this situation, and I certainly would urge that you oppose it for the great number of your constituents that I feel sure must be in exactly the same position.

Very truly yours,

H. T. MARSHALL.

MASSACHUSETTS LEATHER MANUFACTURERS' ASSOCIATION,
Peabody, Mass., May 5, 1936.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SIR: I am enclosing a copy of a statement which sets forth briefly the hazardous position that the members of our industry will be placed in if the proposed corporate tax law becomes effective.

Commodity processing industries with large running inventories, slow turnover, cause unrealizeable inventory profits to be mingled with real income.

Please note that profits and losses in the tanning industry are largely determined by price changes of raw stock and that inventory valuations are subject to very abrupt changes.

In behalf of this association, representing 37 tanneries, I urge you to read this enclosed statement which demonstrates the harmful effects of the proposed legislation on our members.

Very sincerely,

R. S. ROBERTS, *Secretary.*

PROPOSED CORPORATE TAX LAW A SERIOUS THREAT TO BUSINESS EXISTENCE OF MANY CORPORATIONS IN COMMODITY-PROCESSING INDUSTRIES

The following eight points summarize the reasons why many corporations may be practically forced out of business under the proposed tax law. Any period of rising prices will make it necessary for unrealized inventory profits to be either distributed or paid out in taxes. Neither of these can be done without increased borrowing, seriously impairing working capital, or business liquidation.

1. Inventories major part of assets in tanning and other industries; turnover may require 12 months or more.

Those industries which would be most seriously affected by the law are, typically, commodity processing industries. In such industries large inventories of raw material as well as material in process must always be maintained and cannot be liquidated, since they are essential to a continuation of business. Consequently, a great part of a company's assets will be represented by inventories. In the tanning industry, for example, inventories are normally more than 50 percent of total assets. This is necessary by virtue of the long period which elapses between the purchase of raw material and the sale of finished leather. In the tanning of heavy leathers, such as sole, belting, and harness, 10 months or a year may be required to effect a complete turnover. The tanning of kid leather may require a period of 12 to 15 months between the commitment for raw material and payment for finished leather. Almost 100 percent of the kidskins used by tanners, and large percentages of other raw materials must be imported. To the already long process period of tanning, which in heavy leather extends to 4 months, must be added, therefore, the months intervening between the purchase of raw material and its arrival from abroad.

2. Value of inventory subject to sharp change.

Forced to carry large inventories by the nature of its business, the tanning industry must bear an exceptional risk. Raw material price levels fluctuate sharply. The data in example 1 show the extent to which this has been the case in the past 10 years, when price changes of from 50 to 100 percent were not unusual. Such price changes directly affect the value of the industry's inventories. Huge inventories, in conjunction with sharp price fluctuations, have an extremely pertinent bearing upon the question of profits and taxes.

3. Profits and losses in tanning industry are determined to a great extent by price changes in raw materials.

Under present required methods of valuing inventories, namely, "cost" or "cost of market, whichever is lower", changes in the value of inventory must be reflected in income. On a rising market as low-priced material is sold, it must be replaced by higher-priced goods. Profits made on the sale of low-cost goods are completely absorbed in inventory, since physical inventories in the tanning industry must remain more or less constant. The value of this inventory may be higher, but this increase in value cannot be realized as cash profit short of complete or partial business liquidation. On any downswing in prices such paper profits will be eliminated.

4. True income cannot be shown by annual statements in industries with large inventories and slow turnover.

In the tanning industry real operating income cannot be shown for a 12-month period. In this industry, and in other commodity-processing industries, the annual statement of income does not measure true income any more accurately than monthly statements would. With any rising trend in prices, inventory profits which are nonrealizable and speculative must be included in net income. For example, a corporation might buy and sell during a year of rising prices an identical quantity at an identical price. It could not, therefore, have earned any real profits. Yet its income statement for the year would show profits. The extent to which this is possible is illustrated by the raw material price changes given in example I and the illustration developed in example II which indicate that corporations face impairment of working capital, if not bankruptcy, under the contemplated law.

In view of the circumstances emphasized above it is obvious that taxes upon annual income must work a hardship for many corporations unles inventory losses may be offset against inventory profits.

5. Unrealizable inventory profits are taxed under existing law. Proposed corporate tax law would aggravate this inequality and create a disastrous situation.

Unrealizable inventory profits must automatically be included in income according to present tax regulations. They are, therefore, taxable under the present law, but under the proposed law this condition would be aggravated to a degree which might force many corporations out of business. Since inventory profits are not realizable, since they are tied up in physical material which may decline in value just as quickly as it has risen, they obviously cannot be distributed as dividends. Such profits, therefore, cannot be taxed at the contemplated rates without seriously injuring the working capital of many corporations.

6. Since unrealizable profits cannot be distributed, proposed taxes could be met by many corporations only through borrowing, impairment of working capital, or liquidation of business.

On the attached chart, example III, "Price Changes and Income in Tanning Industry", the profits and losses of four typical tanning companies are contrasted with the course of raw-material prices. Obviously, changing prices appear to be the most important factor in the rate of profit or loss. During a period

of sharply advancing prices it is not unusual in the tanning industry for unrealized inventory profits to constitute the major part of total income. Reversely, a decline in the price cycle will create inventory losses more than offsetting any previous gains. This is plainly the case in the fluctuating income of the four companies shown in example III. If the proposed tax rates were applied to the profits indicated in example III, with no redress for periods of inventory losses, the question may well be asked, "How could such taxes be paid, when profits are largely nonrealizable?"

Example II on the attached is an extremely possible illustration of the difficulty which may develop for tanning companies under the proposed law. In this example, a company with capital value of $800,000 has an apparent income of $100,000. It has actually earned only $36,000, but as the result of a rising price trend, its inventory is worth $64,000 more at the end of the year than at the beginning. In other words, $36,000 is earned, realized income, and $64,000 is unrealized paper profit. Dividends and taxes can be paid only with the true income of $36,000. Under the existing law this company would pay $16,760 in taxes and would still have available cash profits for dividend distribution. Under the proposed law the maximum this company could retain would be $57,500. Neglecting capital-stock and excess-profit taxes, it would have to pay $42,500. Since actual cash earnings were but $36,000, it would be necessary to borrow from the banks, liquidate inventory, or impair working capital merely to pay the tax. Any dividends would be out of the question unless at the cost of still further borrowing or impairment of assets. Would any bank loan money on inventory profits which might disappear completely the following year with a decline in raw material prices?

7. Small corporations or corporations with limited resources most adversely affected.

An additional consideration which cannot be ignored is the effect of the proposed law upon small corporations, or corporations with limited resources. Their competitive position would be severely handicapped in contrast with corporations possessing more ample resources. This would definitely seem to favor monopolistic trends in industry.

8. Commodity-processing industries such as tanning require modification of law to avoid drastic and dangerous consequences.

The anomalous situation which must arise from the passage of the proposed law may be relieved principally by permitting profits and losses to be offset for a specified number of years. It has been emphasized above that the true income of commodity-processing industries such as tanning cannot be reflected in annual income, because of the large inventories and slow turn-over in such industries. While the existing law is unjust in this respect, the proposed law would aggravate the situation to a dangerous extent. If losses might be offset against profits, the inequitable consequences of the law might tend to be relieved. Such provision was formerly embodied in the law and is the case in England and France where periods of 6 and 3 years, respectively, are allowed.

Relief from the inequity of the proposed law may also be extended to commodity-processing industries through recognition of their need for certain accounting methods. Such methods of valuing inventories as "normal stock" or "last in, first out" tend to distinguish between true earned income and inventory profit. If the use of such methods were permitted to commodity-processing corporations, by law or tax regulation, it would be possible for them to pay corporate taxes upon actual realized income alone.

EXAMPLE I.—*Percent changes, December to December*

	Heavy native steers	Light native cows	Chicago calf	Average of 7 kid prices
1925–26	−1.3	−1.5	−16.2	−0.2
1926–27	+62.7	+68.1	+57.3	+1.2
1927–28	−9.6	−14.1	−1.5	+6.8
1928–29	−28.9	−30.3	−29.8	−14.2
1929–30	−33.8	−39.7	−19.4	−17.3
1930–31	−25.5	−13.4	−51.3	−37.1
1931–32	−31.6	−31.0	−17.8	−17.3
1932–33	+83.3	+104.1	+138.3	+79.9
1933–34	+12.1	−16.0	−25.2	−18.9
1934–35	+33.3	+34.3	+57.9	+28.2

EXAMPLE II

Company in business January 1, 1936, capital value, $800,000. Raw material market price: January 1, $1 per unit; December 31, $2.06 per unit. Average purchases, $1.53.

Company has opening inventory January 1, 1936, of 200,000 units valued at $200,000; during year 300,000 units are purchased for $459,000, and 300,000 units are sold for $495,000, leaving an obvious merchandising cash profit of $36,000.

But the "average cost or market" method of valuing inventories and arriving at profit or loss for the year must yield the following results:

200,000 units (opening inventory)	$200,000.00
300,000 units (purchases)	459,000.00
500,000 units	659,000.00
Giving an "average cost" per unit of	1.32

Since 300,000 units were sold, the closing inventory would remain at 200,000 units, valued at the average cost ($1.32 per unit) or $264,000.

Cost of sales is the difference between $659,000 and closing inventory of $264,000, or $395,000.

Since sales of 300,000 units were made for $495,000, the profit under this most conservative of allowable inventory methods would be $100,000.

It will be seen that this total consists of inventory profit of $64,000 and realized income of $36,000.

To what extent would the income shown above be taxable under the existing corporate tax law and the proposed law?

Present law (total tax, including capital-stock and excess-profit taxes): Total income, $100,000; tax $16,760; possible dividends, $19,240.

It is assumed here that there is available for taxes and dividends $36,000 of the total income of $100,000. Since $64,000 included in the total income is an inventory profit it cannot be distributed in dividends.

Proposed law (neglecting capital-stock and excess-profits taxes): Total income, $100,000; retained, maximum which can be retained, $57,500; tax, $42,500. This is more than the $36,000 which is available for taxes and dividends; $6,500 must be borrowed merely to pay the tax.

In this instance not only would no dividend distribution be possible but $6,500 would need to be borrowed or otherwise raised merely to pay the tax. If the tax were to be the same as under the present law the following situation would arise: Income, $100,000; tax,[1] $16,700; dividends, $51,480; total tax and dividends, $68,240; available for taxes and dividends, $36,000; to be borrowed or raised, $32,240.

The tax in this case is exactly the same as would be paid under the 1935 law. In order that this may be done, however, dividends of $51,480 must be paid. The total of dividends and taxes is in excess of the actual earned income by $32,240. That sum would need to be borrowed or inventory and other assets would have to be liquidated.

Mr. MALONEY obtained the floor.

Mr. KING. Mr. President, will the Senator from Connecticut yield?

Mr. MALONEY. I yield.

Mr. KING. I merely wish to ask my colleagues to remain in the Chamber until we get through with the bill. It is our desire to conclude its consideration early this evening, and I hope Senators will make their arrangements to remain until we dispose of it.

Mr. COUZENS. Mr. President, is the Senator from Connecticut going to discuss the pending amendment?

Mr. MALONEY. I am for just a moment or two.

Mr. COUZENS. Very well.

Mr. MALONEY. Mr. President, Senators have the frailty of other human beings, and they have a desire to get away from Washington. It is my wish to encourage that desire by not talking long at this time. I have risen particularly to ask the Senator from Colorado [Mr. ADAMS] if he will not permit a division of the three paragraphs of his amendment, so they may be voted upon separately?

I have a very high regard for the opinion of the Senator from Massachusetts [Mr. WALSH], who has just spoken so ably. After his long study, he has stated the paradoxical position in which he and other members of the committee find themselves. None of us has had a chance to study the triplicate proposal of the Senator from Colorado. It is my impression, as I look at it very hurriedly, that the third paragraph of his proposal is too much of a catch-all to be passed upon quickly, and that it would permit the payment of a huge part of the indebtedness of corporations which did not require such assistance.

It seems to me the first paragraph of the amendment might properly and wisely prevail. The Senator from Washington [Mr. BONE] said in a colloquy with the Senator from Colorado [Mr. ADAMS] that during the wartime many large structures were built and much machinery purchased to avoid the payment of taxes. Conditions are very different now from what they were during the war. Corporations then secured business on a 10-percent-plus-profit basis from the Government.

[1] Under the schedule for adjusted net incomes of more than $10,000, in order to pay a tax of $16,760 on the total adjusted net income of $100,000, it would be necessary to pay dividends of $51,480 and retain $31,760.

But now, particularly in my section of the country, we see many large factory buildings being torn down to avoid the payment of municipal taxes. It seems to me if we do not permit corporations to have the benefit provided for in the first paragraph of the amendment submitted by the Senator from Colorado, we will be actually putting a tax upon industrial progress. We can properly and wisely adopt the first paragraph, which would encourage building and afford men work, and return to stricken municipalities some small part of the taxes which they have lost. If we can return that tax, and at the same time secure employment for some portion of the people of those communities who are now denied work, by the adoption of this amendment we can lighten the local tax burden and perhaps withdraw the necessity of so much relief from the Federal Government.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Colorado to the amendment of the committee.

Mr. COUZENS. Mr. President, the adoption of the amendment of the Senator from Colorado would make it impossible, as we are informed by the experts from the Treasury Department, to obtain any revenue from the bill at all. It would merely provide loopholes, and I hope for that reason the amendment will be rejected.

Mr. ADAMS. Mr. President, the Senator from Connecticut [Mr. MALONEY] has asked to have the three paragraphs of the amendment voted on separately. I submit that request.

The VICE PRESIDENT. The Senator from Colorado asks that the three paragraphs of the amendment be voted on separately. Is there objection? The Chair hears none. The question is on agreeing to the first branch of the amendment of the Senator from Colorado to the committee amendment.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the second branch of the amendment of the Senator from Colorado to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the third branch of the amendment of the Senator from Colorado to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. GEORGE. Mr. President, the Senator from Massachusetts has several amendments which he desires to offer.

Mr. WALSH. Mr. President, representing the Finance Committee I offer an amendment to the committee amendment. There are several other amendments, but this is the only one which needs to be applied to a committee amendment. It would merely amplify and make more accurate the definition of mutual investment companies which is found in the committee amendment now pending.

The VICE PRESIDENT. The Senator from Massachusetts offers an amendment to the committee amendment which will be stated.

The CHIEF CLERK. In the committee amendment on page 30, after line 2, it is proposed to insert a new subsection, to read as follows:

(3) Dividends paid: In the case of mutual investment companies the credit provided in section 27.

On page 53, line 12, insert at the end thereof the following:

The credit allowed by this subsection shall not be allowed to mutual investment companies. (For definition of mutual investment company, see section 1001.)

On page 292, after line 15, insert a new paragraph, to read as follows:

(15) The term "mutual investment company" means any corporation (whether created by agreement, declaration of trust, statute, or otherwise), other than a common trust fund as defined in section 169, organized for the purpose and engaged exclusively in holding, investing, or reinvesting in stocks or securities, 90 percent of whose gross income is derived from dividends, interest, or gains from sales or other disposition of stocks or securities, and whose members or stockholders are, upon reasonable notice and under reasonable conditions, entitled to withdraw their respective interests in the company's properties, or the cash equivalent thereof: *Provided*, That at no time during the taxable year subsequent to a date 30 days after the date of the enactment of this act (1) more than 10 percent of the gross assets of the company taken at market value was invested in stock or securities or both of a single corporation or of any group of corporations (and for this purpose "group of corporations" means one or more chains of corporations connected through stock ownership with a common parent corporation if at least 25 percent of the voting stock of each corporation (except the common parent corporation) is owned by one or more of the other corporations, and the common parent corporation owns at least 25 percent of the voting stock of at least one of the other corporations), and (2) at no time during the taxable year the company owned, directly or indirectly, more than 5 percent of the outstanding stock or securities or both of any corporation, and (3) at no time during the taxable year more than 10 percent of the company's outstanding stock or securities or both (except coupon bonds, the amount of which shall not at any time during the taxable year exceed 25 percent of the total assets of the company taken at market value) was owned directly or indirectly by or for any one individual (and for this purpose stock or security owned, directly or indirectly, by a corporation, partnership, estate, or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries, and an individual shall be considered as owning, to the exclusion of any other individual, the stock or securities owned, directly or indirectly, by his family, the family of an individual for this purpose including only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants), and (4) the company at all times during the taxable year maintained records showing the names and addresses of all actual owners of its outstanding stock and securities, in accordance with regulations prescribed by the Commissioner and approved by the Secretary.

Mr. WALSH. Mr. President, this one amendment illustrates the tremendous difficulty the committee has had in drafting the bill. It took so much of the time of the experts that we were unable to present the amendment when the bill was originally presented. It expresses the united views of the committee on this very important question, and sets up strict limitations and restrictions upon mutual investment companies before they may take advantage of the benefits prescribed. The amendment is acceptable to the Senator from Georgia, I know.

Mr. GEORGE. Mr. President, may I ask the Senator if this is the amendment which was passed on by the subcommittee?

Mr. WALSH. It is offered at this time because it relates to the subject matter of the Senator's amendment.

Mr. GEORGE. It was considered and passed upon by the subcommittee?

Mr. WALSH. It was, and unanimously agreed to.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The question is on agreeing to the amendment offered by the Senator from Massachusetts to the amendment of the committee.

Mr. COUZENS. Mr. President, while it is true that this amendment was submitted to a subcommittee for consideration, I do not think the full committee had an opportunity of considering the subcommittee's recommendations. I merely wish to make this observation because, while I am not going to oppose the amendment, I think it is full of many possible loopholes; and I hope it will be watched very carefully to see that no person not entitled to the exemption takes advantage of it.

Mr. GEORGE. Mr. President, I ask unanimous consent that the vote by which the matter in lines 1 and 2, on page 30, was agreed to be reconsidered, and that the same action be taken with respect to other sections affected by this amendment, if other committee amendments have heretofore been agreed to, so that the amendment may be in order.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and the motion to reconsider is agreed to.

The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH] to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. BULKLEY. Mr. President, I desire to offer an amendment to the section as amended.

The PRESIDING OFFICER. The Senator from Ohio offers an amendment to the amendment of the committee, which will be stated.

The CHIEF CLERK. On page 31, line 21, it is proposed to strike out the words "bank or trust company", and insert "bank, or a banking institution engaged only in a business similar to that transacted by Morris Plan banks, or a trust company", followed by a comma.

Mr. GEORGE. If it is agreeable to the Senator from Ohio, and with the consent of the acting chairman of the committee, the Senator from Utah [Mr. KING], I shall be glad to accept the amendment for conference consideration.

Mr. KING. It may go to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BULKLEY] to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. GEORGE. The question now is on the amendment on pages 30 and 31, as amended.

The amendment, as amended, was agreed to.

Mr. GEORGE. Mr. President, there is an amendment on page 53, subsection (c), which was passed over. The Senator from Michigan [Mr. COUZENS] desires to offer an amendment to the committee amendment at that point.

Mr. COUZENS. Mr. President, I send to the desk an amendment to the committee amendment on page 53, beginning at line 13. It provides for rewriting section (c), and dividing it into two sections.

The PRESIDING OFFICER. The amendment offered by the Senator from Michigan to the amendment of the committee will be stated.

The CHIEF CLERK. On page 53, it is proposed to strike out lines 13 to 23, both inclusive, and in lieu thereof insert:

(c) CONTRACTS RESTRICTING PAYMENT OF DIVIDENDS.—

(1) PROHIBITION ON PAYMENT OF DIVIDENDS.—An amount equal to the excess of the adjusted net income over the aggregate of the amounts which can be distributed within the taxable year as dividends without violating a provision of a written contract executed by the corporation prior to May 1, 1936, which provision expressly deals with the payment of dividends. If a corporation would be entitled to a credit under this paragraph because of a contract provision and also to one or more credits because of other contract provisions, only the largest of such credits shall be allowed, and for such purpose if two or more credits are equal in amount only one shall be taken into account.

(2) DISPOSITION OF PROFITS OF TAXABLE YEAR.—An amount equal to the portion of the earnings and profits of the taxable year which is required (by a provision of a written contract executed by the corporation prior to May 1, 1936, which provision expressly deals with the disposition of earnings and profits of the taxable year) to be paid within the taxable year in discharge of a debt, or to be irrevocably set aside within the taxable year for the discharge of a debt; to the extent that such amount has been so paid or set aside. For the purposes of this paragraph, a requirement to pay or set aside an amount equal to a percentage of earnings and profits shall be considered a requirement to pay or set aside such percentage of earnings and profits. As used in this paragraph, the word "debt" does not include a debt incurred after April 30, 1936.

(3) DOUBLE CREDIT NOT ALLOWED.—If both paragraph (1) and paragraph (2) apply, the one of such paragraphs which allows the greater credit shall be applied; and, if the credit allowable under each paragraph is the same, only one of such paragraphs shall be applied.

Mr. COUZENS. Mr. President, this amendment was generally discussed in the committee; and in view of the language in the bill there were left out, in the judgment of the committee, other forms of debt than those dealing with the payment of dividends. The last words on line 22, page 53, seem to exclude obligations of the corporation to pay debts or withhold earnings for specific purposes under contract.

In this amendment we extended the period from March 3, 1936, to May 1, 1936. I have consulted those on the committee, and, so far as the committee is concerned, there seems to be no reason for not adopting the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment passed over.

The CHIEF CLERK. The next amendment passed over is on page 270, where it is proposed to insert, after line 10, the following:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 801. DEDUCTION FOR ESTATE TAX INSURANCE.

(a) Section 401 (c) of the Revenue Act of 1932, as amended, is amended to read as follows:

"(c) For the purposes of this section the value of the net estate shall be determined as provided in title III of the Revenue Act of 1926, as amended, except that (1), in lieu of the exemption of $100,000 provided in section 303 (a) (4) of such act, the exemption shall be $40,000; and (2) there shall be deducted from the value of the net estate as thus determined the proceeds (to the extent included in gross estate) of life-insurance policies payable to (and received by) the Treasurer of the United States in trust for the payment of estate, inheritance, succession, legacy, or other death duties levied by the United States against or with respect to the estate of the decedent, exclusive of any excess over the amount of such taxes which excess shall be accounted for (without interest) to the executor or administrator of the decedent for the benefit of the persons entitled thereto: *Provided, however*, That the proceeds of policies on which the premium-paying period provided in the policy is less than 10 years, or on which the premiums are not substantially equal in amount for each of the first 10 years of the life of the policy, or on which more than 1 year's premium has been paid in advance, shall not be deductible: *Provided further*, That the amount deductible as aforesaid shall not include premiums paid in advance, and shall not exceed $1,000,000."

(b) The amendment made by subsection (a) shall be effective only with respect to transfers of estates of decedents dying after the date of the enactment of this act.

Mr. COUZENS. Mr. President, the amendment on page 270 ends on line 16, page 271. There has been a considerable campaign to permit small industries to insure their principals for the purpose of paying their estate tax without being compelled to disintegrate the corporation.

The committee discussed the matter at considerable length, and agreed upon the language, I think, that is in the bill; but in order to have no misunderstanding I propose an amendment on line 13, cutting out "$1,000,000" and inserting "$250,000."

This means that a premium of $250,000, which is substantially the amount of a premium on a million dollars, would be deducted from the principal of the estate. I believe that is generally agreed upon by the committee and others who favor some relief from the estate tax on small industries.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment, on page 271, line 13, it is proposed to strike out "$1,000,000" and insert in lieu thereof "$250,000."

Mr. LONERGAN. Mr. President, as the author of the amendment appearing in the bill, I accept the amendment presented by the Senator from Michigan.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. COUZENS] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. STEIWER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEIWER. Is the amendment which I sent to the desk a few minutes ago now in order?

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

Mr. GEORGE. Mr. President, let the amendment presented by the Senator from Oregon be stated.

Mr. KING. Mr. President, there are a number of other committee amendments. Will not the Senator from Oregon withhold his amendment until they can be acted on?

Mr. GEORGE. Will not the Senator permit the amendment of the Senator from Oregon to be stated so that it may be seen whether it is an amendment to the committee amendment or an amendment to the original text?

The PRESIDING OFFICER. The Chair inquires of the Senator from Oregon whether the amendment he presents is an amendment to a committee amendment or to the original language.

Mr. STEIWER. I do not think it is an amendment to a committee amendment.

Mr. GEORGE. Then I make the same suggestion as that made by the Senator from Utah. May I inquire of the clerk whether any others of the committee amendments in the bill have been passed over?

The PRESIDING OFFICER. The Chair is informed that there are not any others which have been passed over.

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. I have a number of committee amendments to offer which are largely to administrative features of the bill, which have been worked out since the bill was reported to the Senate from the committee. One of them involves striking out the language of an amendment which probably has already been agreed to. In that case I shall have to ask unanimous consent that the vote by which the amendment was agreed to be reconsidered. But I do not wish now to complicate the situation by offering the amendments prior to the completion of the amendments which the Senator from Massachusetts desires to offer, which may involve the same procedure.

Mr. WALSH. Mr. President, if the Senator from Georgia has finished with the committee amendments he had to offer, I will offer some amendments on behalf of the committee, in addition.

Mr. GEORGE. The Senator from Massachusetts and the Senator from Kentucky, as chairman of subcommittees, were authorized to submit certain amendments on behalf of the committee.

Mr. WALSH. Mr. President, on behalf of the committee I desire to offer several amendments, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the first amendment presented by the Senator from Massachusetts on behalf of the committee.

The CHIEF CLERK. On page 67, line 6, after the word "title", it is proposed to insert "and such other information for the purpose of carrying out the provisions of this title as the Commissioner with the approval of the Secretary may by regulations prescribe."

Mr. WALSH. Mr. President, the amendment merely gives the Commissioner of Internal Revenue authority to make regulations asking for further information necessary to carry out the provisions of this title.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Massachusetts.

The CHIEF CLERK. On page 68, line 10, after "title", it is proposed to insert "and such other information for the purpose of carrying out the provisions of this title as the Commissioner with the approval of the Secretary may by regulations prescribe."

Mr. WALSH. Mr. President, this amendment is similar to the one just agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment presented by the Senator from Massachusetts.

The CHIEF CLERK. On page 150, line 5, after "title", it is proposed to insert "and such other information for the purpose of carrying out the provisions of this title as the Commissioner with the approval of the Secretary may by regulations prescribe."

Mr. WALSH. This is an amendment similar to those which have just been acted on.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Massachusetts.

The CHIEF CLERK. On page 162, lines 23 and 24, it is proposed to strike out the words "subject to the tax imposed by this title."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Massachusetts.

The CHIEF CLERK. On page 174, line 13, after "title", it is proposed to insert "and such other information for the purpose of carrying out the provisions of this title as the Commissioner with the approval of the Secretary may by regulations prescribe."

The PRESIDING OFFICER. The question is on agreeing ot the amendment.

The amendment was agreed to.

Mr. WALSH. Mr. President, I send to the desk another amendment which I offer for the committee.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 272, after line 12, it is proposed to insert the following new section:

SEC. 804. SUITS TO ENFORCE LIENS FOR TAXES.

(a) Section 3207 (a) of the Revised Statutes, as amended, is amended to read as follows:

"SEC. 3207. (a) In any case where there has been a refusal or neglect to pay any tax, and it has become necessary to seize and sell property and rights to property, whether real or personal, to satisfy the same, whether distraint proceedings have been commenced or not, the Attorney General at the request of the Commissioner of Internal Revenue may direct a bill in chancery to be filed, in a district court of the United States, to enforce the lien of the United States for tax upon any property and rights to property, whether real or personal, or to subject any such property and rights to property owned by the delinquent, or in which he has any right, title, or interest, to the payment of such tax. All persons having liens upon or claiming any interest in the property or rights to property sought to be subject as aforesaid shall be made parties to such proceedings and be brought into court as provided in other suits in chancery therein. And the said court shall, at the term next after the parties have been duly notified of the proceedings, unless otherwise ordered by the court, proceed to adjudicate all matters involved therein and finally determine the merits of all claims to and liens upon the property and rights to property in question, and, in all cases where a claim or interest of the United States therein is established, may decree a sale of such property and rights to property, by the proper officer of the court, and a distribution of the proceeds of such sale according to the findings of the court in respect to the interests of the parties and of the United States. In any such proceeding, at the instance of the United States, the court may appoint a receiver to enforce the lien, or, upon certification by the Commissioner of Internal Revenue during the pendency of such proceedings that it is in the public interest, may appoint a receiver with all the powers of a receiver in equity."

(b) No suit brought by the United States to enforce any lien for tax on any property, or rights to property, whether real or personal, which is pending in any court of the United States on the date of the enactment of this act, shall abate, but any such suit shall be continued in accordance with the provisions of subsection (a) of this section.

Mr. WALSH. Mr. President, this amendment would permit the collector of internal revenue to apply to the United States courts, to file a petition in equity to enforce a lien for taxes where he has reason to believe the taxpayer will not be able to meet his obligations, and where public interest will be prejudiced by resorting to the provisions in the present law, for distraint on the taxpayer's assets. In other words, it is an amendment more favorable to the taxpayer than are the provisions of the present law.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

Mr. WALSH. I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 272, after the amendment just agreed to, it is proposed to insert the following new section:

SEC. 805. INTEREST ON ERRONEOUS REFUNDS.

(a) Section 610 of the Revenue Act of 1928, as amended, is amended by adding at the end thereof a new subsection to read as follows:

"(d) Erroneous refunds recoverable by suit under this section shall bear interest at the rate of 6 percent per annum from the date of the payment of the refund."

SEC. 806. INTEREST ON OVERPAYMENTS.

Section 614 (a) (2) of the Revenue Act of 1928 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", whether or not such refund check is

accepted by the taxpayer after tender of such check to the taxpayer. The acceptance of such check shall be without prejudice to any right of the taxpayer to claim any additional overpayment and interest thereon."

Mr. WALSH. The amendment incorporating section 805 is to make it clear that interest on erroneous refunds runs from the date of payment of such refunds and not from the date when application is made for the refunds.

The purpose of section 806, Interest on Overpayment, is to save unnecessary interest charges to the Government by enabling the Commissioner of Internal Revenue to pay to a claimant such portion of his claim as the Commissioner may find to be meritorious without prejudice to the rights of the claimant to sue for the recovery of the balance.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

Mr. WALSH. I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 272, after line 12, it is proposed to insert the following new section:

SEC. 807. ESTATE TAXES—REVOCABLE TRANSFERS.

(a) Section 302 (d) (1) of the Revenue Act of 1926, as amended, is amended to read as follows:

"(d) (1) To the extent of any interest therein of which the decedent has at any time made a transfer (except in case of a bona-fide sale for an adequate and full consideration in money or money's worth), by trust or otherwise, where the enjoyment thereof was subject at the date of his death to any change through the exercise of a power (whether created at the time of such transfer or thereafter arising from any source, and whether exercisable in an individual or representative capacity) by the decedent alone or by the decedent or in conjunction with any other person, to alter, amend, revoke, or terminate, or where any such power is relinquished in contemplation of decedent's death."

(b) The amendment by subsection (a) of this section shall not apply to decedents dying prior to the date of the enactment of this act.

Mr. WALSH. Mr. President, the purpose of this amendment is to clarify the revocable-trust provisions of the present law, which threaten a large loss of revenue to the Government. It is estimated that this amendment would save the Government as much as $20,000,000 a year.

Mr. TYDINGS. Does the amendment apply ex post facto?

Mr. WALSH. No.

Mr. TYDINGS. Just from now on?

Mr. WALSH. From now on.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. WALSH. Mr. President, I present another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 272, after line 12, it is proposed to insert the following new section:

SEC. 808. REGISTRATION UNDER THE NARCOTIC LAWS.

(a) The fourth paragraph of section 1 of the act entitled "An act to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes", approved December 17, 1914, as amended (38 Stat. 785), is amended to read as follows:

"Importers, manufacturers, producers, or compounders, lawfully entitled to import, manufacture, produce, or compound any of the aforesaid drugs, $24 per annum; wholesale dealers, lawfully entitled to sell and deal in any of the aforesaid drugs, $12 per annum; retail dealers, lawfully entitled to sell and deal in any of the aforesaid drugs, $3 per annum; physicians, dentists, veterinary surgeons, and other practitioners, lawfully entitled to distribute, dispense, give away, or administer any of the aforesaid drugs to patients upon whom they in the course of their professional practice are in attendance, $1 per annum or fraction thereof during which they engage in any of such activities; persons not registered as an importer, manufacturer, producer, or compounder and lawfully entitled to obtain and use in a laboratory any of the aforesaid drugs for the purpose of research, instruction, or analysis shall pay $1 per annum, but such persons shall keep such special records relating to receipt, disposal, and stocks on hand of the aforesaid drugs as the Commissioner of Narcotics, with the approval of the Secretary of the Treasury, may by regulation require. Such special records shall be open at all times to the inspection of any duly authorized officer, employee, or agent of the Treasury Department."

(b) The second proviso of section 6 of the said act of December 17, 1914, as amended, is amended by inserting after the words "mentioned in this section" the following: "lawfully entitled to manufacture, produce, compound, or vend such preparations and remedies,".

(c) This section shall take effect on July 1, 1936.

Mr. WALSH. Mr. President, since the passage of the Harrison narcotic law approximately 32 States have passed narcotic laws. This amendment requires compliance with the State laws as a condition of Federal regulation under the Harrison narcotic law.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. WALSH. Mr. President, I present another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 272, after line 12, it is proposed to insert the following new section:

SEC. 809. RECONSIDERATION OF REFUND CLAIMS.

Section 3226, of the Revised Statutes, as amended, is amended by adding at the end thereof the following new sentence: "Any consideration, reconsideration, or any action by the Commissioner of Internal Revenue with respect to such claim following the mailing of a notice by registered mail of disallowance shall not operate to extend the period within which suit may be begun."

(b) The amendment made by subsection (a) shall not operate (1) to bar a suit or proceeding which was not barred on the date of the enactment of this act, or (2) to prevent the suspension of the statute of limitations for filing suit under section 608 (b) (2) as amended, of the Revenue Act of 1928.

Mr. WALSH. Mr. President, the purpose of this amendment is to enable the Commissioner of Internal Revenue, after once rejecting a claim for refund, to reconsider such claim on the merits without increasing the statutory period for bringing suit.

(b) Makes it clear that no rights already accrued shall be shut off.

608 (b) (2) gives the Commissioner power to enter into an agreement to prevent statute of limitations operating pending a test suit.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. WALSH. I present another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 272, after line 12, it is proposed to insert the following new section:

SEC. 810. INTEREST ON JUDGMENTS.

Section 177 (b) of the Judicial Code, as amended, is amended to read as follows:

"(b) In any judgment of any court rendered (whether against the United States, a collector or deputy collector of internal revenue, a former collector or deputy collector, or the personal representative in case of death) for any overpayment in respect of any internal-revenue tax, interest shall be allowed at the rate of 6 percent per annum upon the amount of the overpayment, from the date of the payment or collection thereof to a date preceding the date of the refund check by not more than 30 days, such date to be determined by the Commissioner of Internal Revenue. The Commissioner is hereby authorized to tender by check payment of any such judgment, with interest as herein provided, at any time after such judgment becomes final, whether or not a claim for such payment has been duly filed, and such tender shall stop the running of interest, whether or not such refund check is accepted by the judgment creditor."

Mr. WALSH. Mr. President, the practice has grown up in cases where a refund is granted of allowing the money to remain in the Treasury and obtain the 6 percent that is allowed by law. It is a very fine investment and is much better than a savings bank or a trust company account.

This amendment stops the payment of interest and gives the Commissioner the right to pay the refund at once and not wait for the taxpayer who is entitled to the refund to allow it to remain in the Treasury and get 6 percent. The amendment would provide a saving to the Government.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. WALSH. Mr. President, one further amendment. I call the attention of the Senator from Michigan [Mr. COUZENS] to this amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 82, after line 19, it is proposed to insert:

(18) Religious or apostolic associations or corporations having a common treasury or community treasury, even if such associations or corporations engage in business for the common benefit of the members, but only if the members thereof include (at the time of filing their returns) in their gross income their entire pro-rata shares, whether distributed or not, of the net income of the association or corporation for such year. Any amount so included in the gross income of a member shall be treated as a dividend received.

Mr. WALSH. Mr. President, under existing law religious, educational, and charitable corporations are exempt from taxation under the income-tax title.

This amendment adds a new paragraph to section 101 of the revenue act, which exempts certain corporations from taxation under the income-tax title.

It has been brought to the attention of the committee that certain religious and apostolic associations and corporations, such as the House of David and the Shakers, have been taxed as corporations, and that since their rules prevent their members from being holders of property in an individual capacity the corporations would be subject to the undistributed-profits tax. These organizations have a small agricultural or other business. The effect of the proposed amendment is to exempt these corporations from the normal corporation tax and the undistributed-profits tax, if their members take up their shares of the corporations' income on their own individual returns. It is believed that this provision will give them relief, and their members will be subject to a fair tax.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. WALSH. I have two amendments which I will read. On page 76, line 6, after the word "Title", I move to insert the words "and title I (a)."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WALSH. I have one more amendment. On page 152, line 10, after the word "individual" and before the comma, insert "except that in the case of the resident of a contiguous country the rate shall be 5 percent."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WALSH. Those are all the committee amendments.

Mr. BARKLEY. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 260, line 20, it is proposed to strike out the period following the figures "1936" and insert in lieu thereof a semicolon and the following:

Provided, however, That in the case of articles other than direct-consumption sugar processed wholly or partly from sugar with respect to which a processing tax was paid, which are exported or delivered for charitable distribution or use, the exportation or the delivery for charitable distribution or use may take place at any time prior to September 1, 1936.

Mr. BARKLEY. Mr. President, the bill as reported and as it passed the House provided for the refund of certain floor-stock taxes as of January 6, 1936. This amendment simply allows certain concerns that had on hand a large amount of canned goods in which sugar had been used to dispose of their goods at any time prior to September 1.

Mr. COPELAND. Mr. President, may I ask the Senator a question?

Mr. BARKLEY. I yield to the Senator.

Mr. COPELAND. I have been appealed to by a good many manufacturers from my State who urge an amendment with the option of accepting refund of floor tax paid in 1933 as full settlement of all tax adjustments made, and so forth. I understand that the Senator from Kentucky has had charge of this particular matter. Was he able to find any relief for these persons?

Mr. BARKLEY. In reply to the Senator I will say that the subcommittee on refunds, of which I happened to be the chairman, considered that subject very carefully and very earnestly, not only among its members but with the Treasury Department, and it was found impossible to bring about such an amendment, because many of those who paid the floor tax when it was levied in 1933 passed it on to the consumer. So to provide an amendment of that sort would simply allow them to collect the amount back from the Government, regardless of how much of it they had passed on, and even though they had passed all of it on. We considered the question of providing an option where concerns are still in business, and were going concerns, and were in business in August or October 1933, and were in business on January 5, 1936, but it was found utterly impossible to work out an amendment that would do that without leaving a loophole through which many concerns would be refunded the amount of money which they paid, although they had passed it on to the consumer.

After giving that matter very earnest consideration, the committee did not feel justified in providing such an amendment. I will say that the full committee approved the action of the subcommittee on that subject.

Mr. COPELAND. Mr. President, I ask that a telegram which I have received in connection with this subject be inserted in the RECORD as typical of many I have received.

The PRESIDING OFFICER. Without objection, it is so ordered.

The telegram is as follows:

UTICA, N. Y., *June 5, 1936.*

Senator ROYAL S. COPELAND,
Senate Office Building:

Urge amendment with option of accepting refund of floor tax paid in 1933 as full settlement of all tax-adjustment claim based on inventory of January 6, 1936, avoiding heavy accounting expenses and effecting equitable settlement to all who cooperated in 1933. In view of the large amount paid by New York State manufacturers, hope you can assist us to obtain this simplified, inexpensive method of settlement.

UTICA DUXBAK CORPORATION.

Mr. COPELAND. I assume from what the Senator said that the problem was given study and an effort made to have an equitable disposition of it.

Mr. BARKLEY. That is true.

Mr. COPELAND. But it was found impossible to formulate language that would be fair?

Mr. BARKLEY. Absolutely. That was the position of the committee, and that position was taken after very careful consideration.

Mr. LA FOLLETTE. Mr. President, the fact is that there is a difference in competitive situations that cannot be remedied by law.

Mr. BARKLEY. That is correct.

Mr. COPELAND. I dare say that businessmen are so accustomed to paying taxes that they will swallow another one and take it as pleasantly as possible.

Mr. COUZENS. Mr. President, I desire to say that as a member of the committee I have very great sympathy for the position taken by the Senator from New York. The question was discussed at considerable length in the committee. Just as soon, however, as the question was raised there was a definite and vigorous opposition on the part of the Treasury. I do not agree with their opposition, but I recognize that if they start out to defeat a proposal it is almost impossible to overcome them. I do not charge the subcommittee, of which

the Senator from Kentucky [Mr. BARKLEY] is the chairman, with not making an effort; but I want to say now, as a matter of record, that unless there is some way found to protect the hundreds of thousands of small retail merchants who are unable to compute the amount of processing tax that was in their goods on January 6, 1936, they are just out of the picture, and it is just too bad. When they paid the tax in August 1933 they knew exactly what they paid on. The Government accepted the tax. And they knew the amount of taxable goods that were on hand and subject to the processing tax.

When suddenly the Court decided that the tax was unconstitutional, there were hundreds of thousands of retailers who had no opportunity immediately to determine the amount of processing tax on the goods they had on hand. Even if they could have done so, it would have taken hundreds of thousands of Government employees to go around to all the retailers and try to verify their claims. I regret that, due to the attitude of the Treasury Department, it was necessary to make the decision which was made.

Mr. BARKLEY. Mr. President, it is not quite accurate to say the Treasury was bitterly opposed to the suggestion. In the first place, I think the committee had to take one of two alternatives. We had to pay back to the taxpayer of 1933 the entire amount which he paid in the way of a processing tax, or we had to take January 6, at which time the Supreme Court rendered its decision, and subsequent to which time merchants were supposed to have reduced the price of their floor stocks by reason of the nullification of the tax.

There were many concerns in business on January 6 that were not in business in the fall of 1933. If we should provide that all the taxes paid in 1933 should be the standard by which a refund should be made, then, no matter how much any merchant who was not in business at that time but who was in business subsequently and was in business on January 6 was required to reduce his price, because of the Supreme Court decision, he could not get a refund. If we make the payment of taxes in 1933 the standard of refund, as I said, although the merchant passed the entire tax onto the public, he would get back what he paid to the Government. The difficulty is, and has been, to work out a provision that would give an option between the two dates without doing somebody a very grave injustice.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LA FOLLETTE. My impression of the attitude of the Treasury representatives was not that they were in bitter opposition to the proposal, but that they presented the difficulties to the committee and presented the inequities which were bound to result whichever course the committee took. It was only after the committee had been over it that we finally came to the conclusion there would be less inequities and less injustice if we adopted the proposal recommended than if we went back to the other date.

To show the situation let me point out that in one memorandum which the committee got from a trade association, the secretary of the association, in order to present the conflicting conditions among his members, in one part of his memorandum suggested one alternative and in the other part of the same memorandum suggested another alternative. I assume that was done so he could send to the particular member whichever part of it he thought would suit him along with a statement showing he had advocated what would be to his best interests.

Mr. GLASS. Mr. President, did he take his position by following the example of some Members of the Senate? [Laughter.]

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. COPELAND. May I ask the Senator from Kentucky if I understood him correctly? I understood that every case would have to be considered on its merits and in consequence the Treasury objected because it would be such a tremendous undertaking. Is that correct?

Mr. BARKLEY. Let me say to the Senator from New York the Treasury did not object. It was not a matter in which the Treasury was interested, except as a matter of administration. The difficulties of administering such a provision were so insurmountable that the committee thought the Treasury's mere representation of the situation was worthy of consideration, and the committee gave it consideration.

Mr. COPELAND. It was insurmountable because of lack of clerical help?

Mr. BARKLEY. Oh, no; not that; but the ability to figure out, in the first place, any alternative between the two dates that would be equitable, and also the injustice of allowing everybody who paid the tax in 1933 to collect it back, although every cent of it was passed on to the public.

Mr. COPELAND. If I have a dispute with the Senator as to whether I owe him money or he owes me money, there are legal means of settling the matter. Cannot the equities be discovered? If each individual case is determined on its merits, will it not be possible to figure out how much the individual merchant should receive?

Mr. BARKLEY. It would be very difficult and almost impossible, because certainly the Senator from New York would not advocate a proposal which would allow to every man who paid a tax a refund of the entire tax, although he passed it on to the public or although he passed only a part of it on to the public. That would involve a determination of how much he actually passed on to the public. It would involve a minute system of bookkeeping, and representations on the part of the merchant or the dealer as to what portion of the tax he passed on and what portion he did not pass on. It would involve endless testimony as to how much he kept back and did not pass on. I do not see how it could be ascertained.

Mr. COPELAND. I have in my hand an Associated Press article telling about the Treasury taking on 800 white-collar workers, and as the result of it they have turned back $794,000 in collections. Would it not be possible to have some of these W. P. A. workers engage in some legitimate enterprise, such as working out justice to citizens who are being imposed upon? Then there would not be the charge of boondoggling.

Mr. BARKLEY. I am sure the Senator is not only attempting to be but succeeding in being facetious. I do not think that would contribute to any better administration of the law than is now possible in the Treasury Department.

Mr. COPELAND. I may seem facetious to the Senator from Kentucky, but every citizen who is affected by this decision is not going to feel that the thing is a joke. He is going to say, "There is nothing facetious about it so far as I am concerned."

Mr. COUZENS. Mr. President, will the Senator from Kentucky yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Michigan?

Mr. BARKLEY. I yield.

Mr. COUZENS. I want to have the Senator from Wisconsin [Mr. LA FOLLETTE] absolve me from being influenced by any Washington lobbyist who may have made contradictory suggestions to different parts of his membership.

Mr. LA FOLLETTE. O Mr. President, the Senator from Michigan certainly knows that I have no such idea in mind. I simply cited that as an instance to show that in the same group of competitors were some who found themselves in one situation where they would be advantaged by one decision of the courts, and another group in the same line of enterprise who found that they would be advantaged by an alternative decision. I simply cited that instance to fortify the statement I made that this was a question of particular competitive conditions which the Congress could not decide without creating some inequities in the situation.

Mr. FLETCHER. Mr. President, may I ask the Senator a question?

Mr. BARKLEY. Certainly.

Mr. FLETCHER. I was called out of the Chamber for the moment. May I ask what amendment is pending?

Mr. BARKLEY. It is the amendment on page 260, which allows the holders of certain floor stocks until the first of next September in which to dispose of them.

Mr. FLETCHER. I have received the following telegram relating to that amendment:

TAMPA, FLA., *June 5, 1936.*

Senator DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.:

Members of this association, representing approximately 90 percent of the canned citrus production in Florida, earnestly request your support in securing a change in present bill—H. R. 12365, section 602, page 262, line 22—which now reads January 6, to read September 1, 1936. If this change is not accomplished, it will mean considerable loss to our industry by reason of goods already packed with processing tax thereon that will move between the date of January 6 and September 1, 1936.

FLORIDA GRAPEFRUIT CANNERS ASSOCIATION,
Tampa, Fla.

Mr. BARKLEY. The amendment takes care of that.

Mr. COUZENS. Mr. President, I ask the indulgence of the Senator from Kentucky, because both the Senator from New York and I raised the question of the small retailer.

In connection with that matter, I desire to point out that the committee did something for the small retailer, because it would appear on page 263 that we provided that where the small merchant makes an affidavit of the amount of tax he has been unable to pass on, and which he has really paid, the Commissioner is justified in accepting the affidavit and paying whatever refund he certifies. To that extent, relief has been given to the small merchant.

Mr. BARKLEY. I am glad the Senator from Michigan called attention to that provision. The committee tried to simplify the process by which the merchants will get their refunds. In addition to that we eliminated the minimum of $10, so that the merchant may collect any amount from 1 cent up to whatever the amount may be. So under this amendment the claimant will file his own affidavit setting out the amount of the tax, or how much he reduced his price by reason of the decision of the Court; and unless, on the face of the matter, there is ground for suspicion, the Commissioner will accept the affidavit, and pay the refund directly without further process.

Mr. COPELAND. Mr. President, I am glad something has been done for these people; but I call attention to the fact that 800,000 of these small concerns are involved.

This is not a matter of interest merely to one or two or three or a few persons. There are nearly a million of them; so what we do here today is going to be reflected in 800,000 business concerns throughout the country.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 274, line 5, it is proposed to strike out "January 1, 1937" and in lieu thereof to insert "July 1, 1937."

The PRESIDING OFFICER. Without objection, the amendment will be agreed to. The Chair hears no objection.

The CHIEF CLERK. On page 274, line 10, in the committee amendment, after the word "oath" and the period, it is proposed to strike out "The number of claims filed by any person shall be subject to such regulations as the Commissioner may prescribe with the approval of the Secretary" and in lieu thereof to insert:

The Commissioner is authorized to prescribe by regulations, with the approval of the Secretary, the number of claims which may be filed by any person with respect to the total amount paid or collected from such person as tax under the Agricultural Adjustment Act, and such regulations may require that claims for refund of processing taxes with respect to any commodity or group of commodities shall cover the entire period during which such person paid such processing taxes.

Mr. BARKLEY. Mr. President, that is an amendment which clarifies the authority of the Commissioner. Many taxpayers paid taxes on 30 different occasions. The amendment authorizes them to file one claim for the entire amount, covering the entire period, so that the Commissioner may consider the subject as a whole, without having to consider the separate claims piecemeal.

The PRESIDING OFFICER. Without objection, the amendment to the amendment will be agreed to. The Chair hears no objection.

Mr. BARKLEY. I send to the desk another amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The Chief Clerk proceeded to read the amendment, which was to strike out the committee amendment beginning on page 275, line 20, and continuing to page 280, line 17 (sections 906 (a), (b), (c), and (d)), and in lieu thereof to insert the following:

(a) Notwithstanding any other provision of law, no suit or proceeding, whether brought before or after the date of the enactment of this act, shall be brought or maintained in any court for the refund of any amount paid or collected as processing tax, as defined herein, under the Agricultural Adjustment Act, except as provided in this section. The Commissioner shall allow or disallow, in whole or in part, any claim for refund of any such amount within 3 years after such claim was filed, unless such time has been extended by written consent of the claimant.

(b) There is hereby established in the Treasury Department a Board of Review (hereinafter referred to as "the Board"). The Board shall be composed of nine members, who shall be officers or employees of the Treasury Department designated by the Secretary of the Treasury. One of such members shall be designated by the Secretary to act as chairman of the Board. The chairman may from time to time divide the Board into divisions of one or more members, assign the members of the Board thereto, and in case of a division of more than one member, designate the chief thereof. A majority of the members of the Board or of any division thereof shall constitute a quorum for the transaction of the business of the Board or of the division, respectively. A vacancy in the Board or in any division thereof shall not impair the powers nor affect the duties of the Board or division nor of the remaining members of the Board or division, respectively. The Secretary of the Treasury shall assign to the Board such personnel in the Treasury Department as may be necessary to perform its functions. The Board shall have jurisdiction in proceedings under this section to review the allowance or disallowance of the Commissioner of a claim for refund, and to determine the amount of refund due any claimant with respect to such claim. The Commissioner shall make refund of any such amount determined by a decision of the Board which has become final. The proceedings of the Board and its division shall be conducted in accordance with such rules and regulations as the Board may prescribe, with the approval of the Secretary.

(c) The allowance or disallowance of the Commissioner of a claim for refund under this section shall be final, unless within 3 months after the date of mailing by registered mail by the Commissioner of notice that a claim for refund of any such amount has been disallowed, in whole or in part, the claimant files a petition with the Board requesting a hearing on the merits of his claim, in whole or in part. Upon the filing of any such petition the claimant shall be entitled to a hearing as provided herein, and within 3 months after the date of such filing the Board shall set a date for such hearing, which shall be not more than 2 years from the date of filing of the petition. Such hearing shall be held in Washington, D. C., or in the collection district in which is located the principal place of business of the claimant, as the claimant may designate in his petition, or in any place which may be designated by the Commissioner and the claimant by stipulation in writing, and may be continued from day to day. The Board shall notify the claimant and the Commissioner of the time and place set for such hearing by registered mail.

(d) Each such hearing shall be conducted by a presiding officer, who shall be a member of the Board or an officer or employee of the Treasury Department designated a presiding officer by the Secretary of the Treasury and assigned by the Board to preside at such hearing, and shall be open to the public. The proceedings in such hearings shall be conducted in accordance with such rules of practice and procedure (other than rules of evidence) as the Board may prescribe, with the approval of the Secretary of the Treasury, and in accordance with the rules of evidence applicable in courts of equity of the District of Columbia. The claimant and the Commissioner shall be entitled to be represented by counsel, to have witnesses subpenaed, and to examine and cross-examine witnesses. The presiding officer shall have authority to administer oaths, examine witnesses, rule on questions of procedure and the admissibility of evidence, and to require by subpena, signed by any member of the Board, the attendance and testimony of witnesses and the production of all necessary returns, books, papers, records, correspondence, memoranda, and other evidence, from any place in the United States at any designated place of hearing, and to require the taking of a deposition by any designated individual competent to administer oaths. Any witness summoned or whose deposition is taken pursuant to this section shall receive the same fees and mileage as witnesses in the courts of the United States.

(e) The presiding officers shall recommend findings of fact and a decision to the Board or the proper division thereof within 6 months after the conclusion of the hearing. Briefs with respect to such recommendations may be submitted to the Board or such division on behalf of the Commissioner and the claimant within 30

days after such recommendations have been made, unless such time is extended by the Board or such division. Except upon specific order of the chairman of the Board, no oral argument may be presented to the Board or such division after the conclusion of the hearing. The Board or a division shall make its findings of fact and decision in writing as quickly as practicable. The findings of fact and the decision of a division shall become the findings of fact and decision of the Board within 30 days after they have been made by the division unless within such period the chairman has directed that such findings and decision shall be reviewed by the Board. The findings and decision of a division shall not be a part of the record in any case in which the chairman directs that such findings and decision shall be reviewed by the Board. Copies of the findings of fact and decision of the Board shall be mailed to the claimant and the Commissioner by registered mail.

(f) The Board, with the approval of the Secretary of the Treasury, is authorized to draw up a table of costs and fees relating to such hearings, and the preparation of transcripts of record thereof, not to exceed with respect to any one item those charged in the Supreme Court of the United States. Such costs and fees shall be paid by the claimant and be collected in accordance with such rules and regulations as may be prescribed by the Board with the approval of the Secretary. If the hearing provided herein results in a modification of the allowance or disallowance of the Commissioner, such costs shall be returned to the claimant.

(g) A review of the decision of the Board, made after the hearing provided in this section, may be obtained by the claimant or Commissioner by filing a petition for review in the Circuit Court of Appeals of the United States within any circuit wherein such claimant resides, or has his principal place of business, or, if none, in the United States Court of Appeals for the District of Columbia, or any such court which may be designated by the Commissioner and the claimant by stipulation in writing, within 3 months after the date of the mailing to the claimant and the Commissioner of the copy of the findings and decision of the Board. A copy of such petition shall forthwith be served upon the Commissioner or upon any officer designated by him for that purpose, or upon the claimant, according to which party files such petition, and upon the Board. Thereupon the Board shall certify and file in the court, in which such petition has been filed, a transcript of the record upon which the findings and decision complained of were based. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm the decision of the Board, or to modify or reverse such decision, if it is not in accordance with law, with or without remanding the cause for a rehearing, as justice may require. No objection shall be considered by the court unless such objection shall have been urged before the Board or division and the presiding officer, or unless there were reasonable grounds for failure so to do. If the claimant or the Commissioner shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material, and that there were reasonable grounds for failure to adduce such evidence in the hearing before the presiding officer, the court may order such additional evidence to be taken before such officer, and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Board may modify its findings of fact and decision by reason of the additional evidence so taken and it shall file with the court such modified or new findings and decision. The judgment of the court shall be final, subject to review by the Supreme Court of the United States, upon certification or certiorari as provided in sections 239 and 240 of the Judicial Code, as amended. Such courts are authorized to adopt rules for the filing of petitions for review, the preparation of the record for review, and the conduct of the proceedings on review. If the decision of the Board is affirmed, costs shall be awarded against the claimant, and if such decision is reversed, the judgment shall provide for a refund of any costs paid by the claimant. In case of modification of such decision costs shall be awarded or refused as justice may require. The decision of the Board made after the hearing provided herein shall become final in the same manner that decisions of the Board of Tax Appeals become final under section 1005 of the Revenue Act of 1926, as amended

In the committee amendment, on page 275, line 1, it is proposed to insert after the comma following the word "court", the following: "or the board of review in cases provided for under section 6."

During the reading——

Mr. BARKLEY. Mr. President, the amendment is somewhat lengthy; but the substance of it is to provide for the creation of a board of review in the Bureau of Internal Revenue. Under the bill as reported, the Senator from Michigan and others will recall that the Commissioner was to pass on these questions, and his verdict was to be final. The amendment sets up a board of review which may consider these matters in addition to the determination of the Commissioner, and it seems to me it is in the interest of fairness to the taxpayer.

Mr. COUZENS. Mr. President, I did not hear the amendment read. I desire to ask of whom the board of review is to be made up.

Mr. BARKLEY. It is to be made up of persons in the Treasury Department.

Mr. COUZENS. No new offices are to be created?

Mr. BARKLEY. No new offices are to be created.

The PRESIDING OFFICER. Without objection, the reading of the remainder of the amendment will be dispensed with. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I offer the further amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The Chief Clerk proceeded to read the amendment, which was to strike out the committee amendment beginning on page 280, line 19, and continuing to page 284, line 24 (sec. 907 (a) to (e), inclusive), and to insert in lieu thereof the following:

(a) Where the refund claimed is for an amount paid or collected as processing tax, as defined herein, it shall be prima-facie evidence that the burden of such amount was borne by the claimant to the extent (not to exceed the amount of the tax) that the average margin per unit of the commodity processed was lower during the tax period than the average margin was during the period before and after the tax. If the average margin during the tax period was not lower, it shall be prima-facie evidence that none of the burden of such amount was borne by the claimant but that it was shifted to others.

(b) The average margin for the tax period and the average margin for the period before and after the tax shall be determined as follows:

(1) Tax period: The average margin for the tax period shall be the average of the margins for all months (or portions of months) within the tax period. The margin for each such month shall be computed as follows: From the gross sales value of all articles processed by the claimant from the commodity during such month, deduct the cost of the commodity processed during the month and deduct the processing tax paid with respect thereto. The sum so ascertained shall be divided by the total number of units of the commodity processed during such month, and the resulting figure shall be the margin for the month.

(2) Period before and after the tax: The average margin for the period before and after the tax shall be the average of the margins for all months (or portions of months) within the period before and after the tax. The margin for each such month shall be computed as follows: From the gross sales value of all articles processed by the claimant from the commodity during such month, deduct the cost of the commodity processed during the month. The sum so ascertained shall be divided by the number of units of the commodity processed during such month, and the resulting figure shall be the margin for the month.

(3) Average margin: The average margin for each period shall be ascertained in the same manner as monthly margins under subdivisions (1) and (2), using total gross sales value, total cost of commodity processed, total processing tax paid, and total units of commodity processed during such period.

(4) Combination of commodities: Where, as, for example, in the case of certain types of tobacco, the articles produced and sold by the claimant are the product of several commodities combined by him during processing, the average margins shall be established with respect to such commodities as a group, and not individually, in accordance with rules and regulations prescribed by the Commissioner, with the approval of the Secretary of the Treasury.

(5) Cost of commodity: The cost of commodity processed during each month shall be (a) the actual cost of the commodity processed if the accounting procedure of the claimant is based thereon, or (b) the product computed by multiplying the quantity of the commodity processed by the current prices at the time of processing for commodities of like quality and grade in the markets where the claimant customarily makes his purchases.

(6) Gross sales value of articles: The gross sales value of articles shall mean (a) the total of the quantity of each article derived from the commodity processed by the claimant during each month multiplied by (b) the claimant's sale prices at the time of processing for articles of similar grade and quality.

(7) The quantity of each article derived from the commodity processed may be either (a) the actual quantity obtained, as shown by the records of the claimant, or (b) an estimated quantity computed by multiplying the quantity of commodity processed by appropriate conversion factors giving the quantity of articles customarily obtained from the processing of each unit of the commodity.

(c) The "tax period" shall mean the period with respect to which the claimant actually paid the processing tax to a collector of internal revenue and shall end on the date with respect to which the last payment was made. The "period before and after the tax" shall mean the 24 months (except that in the case of tobacco it shall be the 12 months) immediately preceding the effective date of the processing tax, and the 6 months, February to July 1936, inclusive. If during any part of such period the claimant was not in business, or if his records for any part of such period are so inadequate as not to provide satisfactory data on prices paid for

commodities purchased or prices received for articles sold, the average prices paid or received by representative concerns engaged in a similar business and similarly circumstanced may, with the approval of the Commissioner, where necessary for a fair comparison, be substituted in making the necessary computations. If the claimant was not in business during the entire period before and after the tax, the average margin, during such period, of representative concerns engaged in a similar business and similarly circumstanced, as determined by the Commissioner, shall be used as his average margin for such period.

(d) If the claimant made any purchase or sale otherwise than through an arm's-length transaction, and at a price other than the fair market price, the Commissioner may determine the purchase or sale price to be that for which such purchases or sales were at that time made in the ordinary course of trade.

(e) Either the claimant or the Commissioner may rebut the presumption established by subsection (a) of this section by proof of the actual extent to which the claimant shifted to others the burden of the processing tax. Such proof may include but shall not be limited to—

(1) Proof that the difference or lack of difference between the average margin for the tax period and the average margin for the period before and after the tax was due to changes in factors other than the tax. Such factors shall include any clearly shown change (A) in the type or grade of article or commodity, or (B) in costs of production. If the claimant asserts that the burden of the tax was borne by him and the burden of any other increased costs was shifted to others, the Commissioner shall determine, from the effective dates of the imposition or termination of the tax and the effective date of other changes in costs as compared with the date of the changes in margin (when margins are computed for weeks, months, or other intervals between July 1, 1931, and August 1936 in the manner specified in subsection (b)), and from the general experience of the industry, whether the tax or the increase in other costs was shifted to others. If the Commissioner determines that the difference in average margin was due in part to the tax and in part to the increase in other costs, he shall apportion the change in margin between them.

(2) Proof that the claimant modified existing contracts of sale, or adopted a new form of contract of sale, to reflect the initiation, termination, or change in amount of the processing tax, or at any such time changed the sale price of the article (including the effect of a change in size, package, discount terms, or any other merchandising practice) by substantially the amount of the tax or change therein, or at any time billed the tax as a separate item to any vendee, or indicated by any writing that the sale price included the amount of the tax, or contracted to refund any part of the sale price in the event of recovery of the tax or decision of its invalidity; but the claimant may establish that such acts were caused by factors other than the processing tax, or that they do not represent his practice at other times. If the claimant processed any product in addition to the commodity with respect to the processing of which there was paid or collected an amount as tax for which he claims a refund, and if the Commissioner has reason to believe that the burden of such amount was shifted in whole or in part by means of the transactions relating to such product, the average margin with respect to such product, and articles processed therefrom, shall also be considered, and shall be determined for the tax period applicable to the commodity and for the period before and after the tax in the manner prescribed in subsection (b) of this section. To the extent the Commissioner determines that the average margin with respect to such product was higher during the tax period than it was during the period before and after the tax, it shall be prima-facie evidence that such amount was not borne by the claimant, but that it was shifted to others.

During the reading—

Mr. BARKLEY. Mr. President, in the interest of time I will explain the amendment briefly.

The amendment has been worked out by the Departments of Agriculture, Justice, and the Treasury, in order that there may be a simplification and at the same time a spelling out of provisions with reference to certain margins. I think the amendment is proper, and I do not wish to take any further time in explaining it or having it read.

The PRESIDING OFFICER. Without objection, the further reading of the amendment will be dispensed with.

Mr. GEORGE. Mr. President, these amendments are committee amendments, and I am not going to resist this particular one. I wish, however, to call attention to the fact that the formula, or the period covered by the computation in this tax bill, has been insisted upon by the Department of Agriculture; and so far as the refunds are concerned, the formula calls for taking a period of 2 years prior to the enactment of the Agricultural Adjustment Act, plus 6 months thereafter.

This period of 2 years, of course, as everybody knows, was when the country was at the very bottom of the depression. Necessarily the formula would work out against all claimants for refunds. Since the matter will be in conference I am merely giving notice now that I shall insist that a fair period of time be actually taken for balancing these equations and determining the proper margin.

Mr. BARKLEY. Mr. President, may I inquire whether the committee amendment to which this provision is intended to be an amendment has been agreed to or is still open?

The PRESIDING OFFICER. It has been agreed to.

Mr. BARKLEY. In order that this amendment to it may be offered, I ask unanimous consent to reconsider the vote by which the committee amendment was agreed to.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was agreed to will be reconsidered. The Chair hears no objection, and it is so ordered.

Without objection, the amendment to the amendment will be agreed to, and the amendment as amended will be agreed to. The Chair hears no objection.

Mr. BARKLEY. I offer the further amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 286, in the committee amendment, it is proposed to strike out lines 12 to 16, inclusive, and in lieu thereof to insert:

Any suit or proceeding with respect to any amount paid or collected as taxes under the Agricultural Adjustment Act which is barred on the date of enactment of this act shall remain barred.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. BARKLEY. Mr. President, I offer the further amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 287, line 23, in section 914, it is proposed to insert, after the word "employee", the words "of the Treasury Department and."

Mr. BARKLEY. Mr. President, if the committee amendment has been agreed to, it will be necessary to reconsider the vote. I am not certain whether it has been agreed to or not.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was agreed to is reconsidered.

Mr. BARKLEY. This is a clerical amendment, and does not require any discussion.

Mr. LA FOLLETTE. Mr. President, I am very sorry, but I was called out of the Chamber, and I notice there has been a redraft of sections 906 and 907, which have already been agreed to.

Mr. BARKLEY. Yes.

Mr. LA FOLLETTE. May I ask the Senator whether the amendment changed in any essential respect the policy which the committee adopted?

Mr. BARKLEY. The only substantial change is to provide the board of review, which I mentioned a while ago, to pass on these claims, in lieu of the final determination of the Commissioner of Internal Revenue.

Mr. LA FOLLETTE. But there is to be no change in the manner of arriving at the determination as to whether the tax is absorbed or passed on?

Mr. BARKLEY. No.

Mr. LA FOLLETTE. No change in the period of years that are to be considered, or anything of that kind?

Mr. BARKLEY. Not at all.

Mr. LA FOLLETTE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. BARKLEY. Mr. President, I send another amendment to the desk, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment on page 289 it is proposed to strike out the first sentence in section 915 and to insert in lieu thereof the following:

Funds made available to the Secretary of Agriculture for salaries and administrative expenses by the appropriation "Payments for Agricultural Adjustment" under title I of the Supplemental Appropriation Act, fiscal year 1936, and by the appropriation in section (e) of the Agricultural Adjustment Act, shall be available until June 30, 1937, for transfer to the Treasury Department for salaries and administrative expenses in carrying out the provisions of this title and of title IV, including necessary investigative work, and for refunds and payments under title IV.

Mr. BARKLEY. Mr. President, this amendment merely provides an appropriation to pay the refunds which both the bill as it passed the House and the Senate committee bill overlooked.

The PRESIDING OFFICER. The Chair suggests that it will be necessary to reconsider the vote by which the committee amendment was agreed to.

Mr. BARKLEY. I request that the vote be reconsidered.

The PRESIDING OFFICER. Without objection, the vote is reconsidered, and the question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. BARKLEY. Mr. President, I suggest another amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In section 217, page 290, line 10, it is proposed to insert "(a)" before the beginning of the section, and on page 290, after line 17, to insert the following new subsection:

(b) Officers and employees of the other executive departments and establishments of the Government may, at the request of the Secretary of the Treasury, and with the approval of the head of any such department or establishment, be detailed to the Treasury Department from time to time for such temporary duties as may be necessary in carrying out the provisions of this title. The proper appropriation of such executive department or establishment from which such officers or employees are so detailed shall be reimbursed by the Treasury Department to the extent of salaries and other compensation paid to such officers and employees during the time they shall be so detailed.

Mr. BARKLEY. Mr. President, this amendment authorizes the detail of other officers of the Government to the Treasury for the purpose of assisting in performing the work with reference to the refunds provided for.

The PRESIDING OFFICER. Is this an amendment to a committee amendment?

Mr. BARKLEY. It is. I ask unanimous consent that the vote by which the committee amendment was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. COUZENS. Mr. President, I should like to ask the Senator from Kentucky for further explanation. Does he state that we will have to have further authority for the Treasury officials to work on these matters?

Mr. BARKLEY. No. The amendment authorizes the transfer of employees from other places. The working out of these refunds is going to involve a great deal of extra work. This simply authorizes the transfer of other Government employees to assist in the details of working up the claims and passing on them.

Mr. COUZENS. As an example, clerks will be detailed from the Department of Agriculture?

Mr. BARKLEY. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY] to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. RUSSELL obtained the floor.

Mr. JOHNSON. Mr. President, will not the Senator permit me to suggest an amendment about which I think there will be no controversy at all? My colleague and I desire to change the effective date, in line 9, page 270, from the thirtieth to the sixtieth day following the enactment of the bill. I understand there is no objection.

Mr. GEORGE. Mr. President, I ask unanimous consent that the vote by which the amendment appearing on page 270, line 7, be reconsidered for the purpose of enabling the Senator from California to offer the amendment to which he has just directed attention.

Mr. JOHNSON. On page 270 the effective date is fixed as the thirtieth following the date of the enactment of the act, and we desire to strike out "thirtieth" and insert in lieu thereof "sixtieth."

Mr. GEORGE. I may say that the Senator from North Carolina [Mr. BAILEY], who has been much interested in this particular matter, has no objection to the amendment, and the committee has no objection to striking out the word "thirtieth" and the insertion of the word "sixtieth" on line 9, page 270.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was agreed to is reconsidered. The question is on agreeing to the amendment proposed by the Senator from California [Mr. JOHNSON] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. GEORGE. Mr. President, the Senator from Montana [Mr. MURRAY] has another amendment in the same title he desires to present; and I ask that the vote by which the amendment, on page 267, line 12, was agreed to, be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none and the vote is reconsidered.

Mr. MURRAY. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the proposed amendment to the amendment.

The CHIEF CLERK. It is proposed, in the committee amendment, on page 270, line 24, after the word "foregoing", to insert the words "or from linseed oil."

Mr. GEORGE. Mr. President, it has been agreed upon the part of the committee, although this matter has been before the Senate, to accept this amendment for the purpose of taking it to conference.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. COPELAND. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. COPELAND. Is this a reopening of the oil section?

Mr. GEORGE. A reopening for these two particular purposes.

Mr. COPELAND. Did the committee accept the amendments?

Mr. GEORGE. It accepted one amendment which extended the effective date from the thirtieth to the sixtieth day.

Mr. COPELAND. How about linseed oil?

Mr. GEORGE. It included fatty acids.

Mr. COPELAND. Is the committee in a more yielding mood, so that it will accept my amendment about whale oil?

Mr. GEORGE. I am sorry; I cannot do that.

Mr. CONNALLY. Mr. President, may I inquire whether the change in date is satisfactory to the Senator from North Carolina?

Mr. GEORGE. I was so advised.

Mr. CONNALLY. What is the purpose of postponing the date to 60 days instead of 30 days after the enactment of the act?

Mr. GEORGE. This is the statement furnished to me:

Numerous crushers on the Pacific coast, principally California, have heavy commitments of oil seeds and oils under contracts made previously to May 1. This extra 30 days' grace is essential to prevent serious financial losses in the case of smaller companies, financial ruin to American industries. This extension will not mean appreciable increase in imports due to the fact that the old crop is well cleared up and the new crop will not be available before December next.

Both the Senators from California have been interested in the matter, and the Senator from North Carolina indicated that he had no objection.

Mr. CONNALLY. I shall not object.

Mr. RUSSELL. Mr. President, I ask that the clerk state the amendment which I have sent to the desk.

The CHIEF CLERK. It is proposed, on page 269, between lines 15 and 16, to insert the following new section:

SEC. 701½. TAX ON JUTE.

Section 601 (c) of the Revenue Act of 1932 is amended by adding at the end thereof a paragraph as follows:

"(9) Unmanufactured jute and jute butts, jute waste bagging, and waste sugar sack cloth, 1.5 cents per pound net weight; jute yarn, cordage, twine and twist of two or more yarns twisted together, 1.6 cents per pound net weight; burlaps and other woven fabrics and bags or sacks wholly or in chief value of jute (excluding bagging for cotton, gunny cloth of single yarns not bleached, colored, or printed, not exceeding 16 threads in warp and filling to the square inch), 2.7 cents per pound net weight; and other manufactured articles wholly or in chief value of jute, 2.8 cents per pound net weight. As used in this paragraph, the term 'net weight' includes the weight of the fiber, fabric, size or sizing, filling, coating, or other ingredients or substances which may be normally included in the marketing of fiber or fabric, but does not include the weight of any wrappers or casings. The tax on articles described in this paragraph shall apply only with respect to the importation of such articles on and after the thirtieth day following the date of enactment of the Revenue Act of 1936, and such taxes shall be in addition to and not in substitution of, any taxes now imposed by existing law.

Mr. RUSSELL. Mr. President, I deeply regret that my amendment has been reached for consideration under such adverse circumstances. I recognize that the hour is late, and that the Members of the Senate are tired. I am fully conscious of the pressure for action on the pending tax bill so that it may be sent to conference.

The amendment is of such tremendous and vital importance to the cotton farmers of this Nation, the most numerous of all classes of farmers, that I feel duty bound to make a statement in behalf of the amendment. I believe the facts of the case are sufficient to demonstrate that fairness and justice dictate its adoption.

A few days ago, when the amendment offered by the Senator from North Carolina [Mr. BAILEY] imposing taxes on various oils was under discussion, Members on this side of the aisle who favored the amendment were accused of abandoning the traditional policy of the Democratic Party in regard to tax and tariff matters, and an effort was made to create the impression that by imposing various taxes to protect the American farmer in his home market we were in effect going beyond the bounds of even the Smoot-Hawley tariff and embracing the doctrine of protection.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. RUSSELL. I yield.

Mr. BORAH. There was so much confusion in the Senate Chamber that I did not understand what the amendment was. Is the amendment offered by the Senator an amendment in regard to jute?

Mr. RUSSELL. It is. If the Senator from Idaho has in his hand the amendment presented by the junior Senator from Georgia it is the amendment concerning which I am now speaking, as this is the only amendment I have offered to the bill.

The charge was made that if Democratic Senators voted for the items presented by the amendment of the Senator from North Carolina we were confessing that the Smoot-Hawley Tariff Act was sound and that we were out-Heroding Herod. I agree with the view that the passage of the Smoot-Hawley Tariff Act did more to demoralize the commerce of the world than any other single act which has ever been passed by the Congress of the United States and signed by the President of the United States. It not only dried up our foreign market for agricultural commodities but it eventually paralyzed industrial production in this country. By reason of its passage there grew up all over the world a complicated system of quotas, embargoes, trade agreements, and restrictions which obstructed all of the normal channels of commerce, and largely caused the deplorable plight in which the American farmer found himself in 1933, and from which he is suffering today. This act caused the conditions which confront the Congress today in the consideration of measures for the protection of American agriculture, which are wholly different from those which existed at the time of the passage of the Smoot-Hawley tariff.

I think that they were all caused largely by the prohibitive duties levied in that act. We cannot, however, restore our world trade today merely by repealing the Smoot-Hawley Tariff Act. Under the system of embargoes and quotas to which I have referred it would be impossible to secure any great increase in our foreign trade and such action would merely serve to make this Nation the dumping ground for the products of the underpaid labor of all the foreign nations of the world. We are pursuing the only course which is open to us to restore world trade, and that is by seeking through reciprocal tariff agreements to remove the many obstructions to trade and commerce which have caused such a great shrinkage in our foreign trade.

During the course of these negotiations, it is necessary to protect not only American agriculture but American industry from dumping from abroad. The press today carries the news that under the countervailing duty provisions of the 1930 Tariff Act, additional rates ranging from 22½ to 56 percent have been imposed on a number of manufactured articles imported from Germany.

Many products from the same nation have already been assessed higher duties under the nondumping provisions of that act. No action of the Congress in reducing the duties which have increased the prices of plow points, tools, shoes, and hats, and practically everything else which the farmer is compelled to buy is proposed. I doubt if it would be very effective were such action taken. Therefore, during this period of adjustment of tariff matters, I favor the fullest measure of protection for the farmers of this country in the retention of the great market afforded him domestically by the 130,000,000 people of the United States.

The cotton farmer cannot be afforded any measure of protection without the imposition of a tax on his greatest and most dangerous competitor. This amendment proposes to impose that tax on jute. Jute is a vegetable fiber, even as cotton is a vegetable fiber. Jute is a somewhat coarser fiber than cotton, but recent developments in methods of processing and manufacturing have placed it in direct competition with cotton produced by the American farmer in practically every form or use to which either can be put.

The fact that jute is in direct competition with cotton was recognized by the United States Department of Agriculture. Under the provisions of the Agricultural Adjustment Act, providing for the levy of a compensatory tax on jute, such tax in the sum of more than 2 cents per pound was levied. This was done when it became apparent that the increased price of cotton resulting from the processing taxes was causing a shift in consumption to jute. As a matter of fact, I do not know of any commodity produced from jute today in this country which is not directly in competition with a commodity manufactured from cotton, designed for the same purpose. Jute in its raw form enters this country tax free, despite the fact that it is in direct competition with cotton, and articles manufactured from the two are almost interchangeable.

Mr. POPE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. POPE. The Senator has just stated that the Department of Agriculture levied a compensatory tax upon jute, and he recites that as proof to show competition.

Mr. RUSSELL. Surely.

Mr. POPE. May I ask him also if he does not know that the Department of Agriculture recommended the repeal of the law, and it was repealed by Congress some 2 years ago?

Mr. RUSSELL. Mr. President, the Senator from Idaho is wholly mistaken in his facts. The tax on jute was repealed as to a specific type of bag, which was largely used by the potato growers of this country, and when the compensatory tax on jute was removed to show that the competition did exist, the Department of Agriculture relieved cotton bags of the same type, manufactured for the same purposes, from the processing tax on cotton, so both could compete on the same basis. That tax was removed solely, almost completely, I will say, at the demands of the potato producers of this country, and it did not establish the fact that jute and cotton were not in competition. Quite the contrary. It established the fact that they were in competition, because the tax on the cotton bags of the same type was removed at the same time that the Department of Agriculture removed the tax imposed on jute bags.

Mr. POPE. The Senator has referred to the fact that burlap bags are used for potatoes. Does not the Senator also know that they are used for wheat, and that as a matter of fact there is no competition between cotton bags and burlap bags, either as to potatoes or wheat or many other products produced in the West?

Mr. RUSSELL. Mr. President, that argument has been raised by those opposed to a compensatory tax on this product of slave labor in India every time an effort is made to secure justice for the cotton farmer in this matter. I contend that every fact that can possibly be gathered shows that these two commodities are in direct competition, and that cotton can be used to supplant jute in the manufacture of any package material for any commodity. This tax must be imposed if the cotton farmer is not to be forced down further in the direction he has been gradually driven in the past few years toward the same standard of living as those who work in India in the production of jute.

I have in my hand a report of the Bengal Jute Inquiry Committee, a committee established by the Province of Bengal in India to determine the solution of problems concerning jute. This report shows that the producers of jute consider cotton a great competitor, and it shows the trend away from jute and to cotton in the manufacture of bags for the use of potatoes and for the packing of wheat when cotton was 5 and 6 cents per pound. This report is a sad commentary on the failure of the Congress of the United States to afford the cotton farmer protection. It shows the dire results visited on him by forcing him into competition with the lowest-paid classes of coolie labor of the earth, and all the while he was forced to endure this unfair competition, every article which he is compelled to purchase is afforded some measure of protection. Do not talk to me about defeating this amendment on the ground that jute and cotton are not competitive commodities.

The Senate has already voted into this bill a tax on whale oil to protect dairy farmers in the sale of products of cows. Senators voted for that item, protecting the products of cows from the products of whales and then have said that this amendment should be defeated because jute and cotton are not in competition. There is much more kinship between these two vegetable fibers, jute and cotton, than there can possibly be between whales and cows, and the same thing is true of many other articles which were taxed the other day, in part by my vote, to protect the American farmer from the importation of oils which are substituted one for the other.

Mr. BONE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BONE. I would not attempt to take issue with the Senator from Georgia on the many uses to which cotton is given over; but I merely wish to say to my friend from Georgia that during the years I have lived in the Pacific Northwest, and have had some familiarity with the movement of commodities, I have never seen cotton bags used to handle potatoes or wheat or other heavy field products, but have always seen burlap bags used. I am not prepared to say that there could not be made a cotton bag heavy enough for such use, but I will say to my friend that I have never seen such a bag used for that purpose.

I do not think it is possible to reconcile the differences that are in the minds of the farmers of this country. The farmers wish to keep their own local markets, but at the same time farmers wish to buy burlap bags. If anyone succeeds in reconciling the differences that have arisen in the minds of the American farmers in connection with the tariff, he will have accomplished a very tough job.

Mr. RUSSELL. No doubt the Senator from Washington has seen more bags made from burlap, which is processed jute. The reason for that lies in the difference in the cost of production of cotton bags on account of the difference in the standards of living between the cotton farmer and the coolies producing jute. This merely emphasized the necessity for affording some protection to the American cotton farmer in the American market, if he is not to be driven to the standard of living of those producing jute in the Orient.

I have in my hand a statement furnished by the Department of Agriculture showing the wages paid to the jute farmers; the female wage ranges from 7.9 cents to 9.1 cents a day, and the male wage ranges from 12.1 cents to 15.2 cents a day. That product, produced by that low-paid labor, comes into this country duty free. Is it any wonder that you see burlap and jute bags instead of cotton bags, when you take this domestic market of the cotton farmer away from him and give it to the product of slave labor of India? Afford him the protection everyone else has, and the situation will be reversed. The cotton farmer will have a market here for one and one-half million additional bales of cotton.

I have here reports from the United States Tariff Commission showing the increase in the importation of this commodity. They show that it has been steadily climbing since 1933, as we have made efforts to increase the price of cotton. As cotton goes up slightly in this country, importation of this low-wage product also increases. For the year 1933, there was imported into this country 517,793,555 pounds of jute, every pound of it in direct competition with the cotton farmer. In 1934, there was a slight reduction to 487,792,815 pounds. When we come to the year 1935, we find that it has climbed to 716,520,742 pounds. Is there any wonder that the cotton farmer is further from parity than any other producer in the country?

The other day I heard a Senator representing a great farm State in the Northwest, when speaking on the commodity-exchange bill, say he wanted to vote for an amendment which would benefit the southern cotton farmer, because he had been through that section of the country and observed the living conditions, and also how the cotton farmer was housed, and that of all the farmers in the country, the cotton farmer was in more dire need of Government aid than any other producer. Not a Senator from the cotton States would deny the charge. We all knew it was absolutely true, and lack of protection against jute is largely the reason for this condition.

The cotton farmer gets less income than any other producer in the country and has contributed more to the wealth of the Nation than any other single line of endeavor. For over 100 years he has been exporting 50 percent of his crop. Subtract the total exports of cotton from the total exports of the United States and see where the United States would have been in the matter of favorable trade balances had it not been for the wealth accumulated for others out of the toil of the cotton farmers.

During all of this time the cotton farmer has borne more of the burden of the tariff than any other class of our citizens. Out of his toil and sweat has been builded the favorable balance of trade which through all the years has caused our country to prosper and has made it the greatest commercial nation of the earth. Despite this contribution to the building of America and the prosperity of all sections, he today is penalized by exorbitant tariffs on commodities he buys and is denied any protection on that which he produces.

The fact that the income of the cotton farmer is lower than that of any other farmer of the Nation is no reproach to him. No one toils harder. I have seen the workers in the cotton fields toiling from break of day to long after sunset.

They work almost unbelievably long hours. The entire family—man, woman, and children; those just out of the cradle, as well as the aged tottering on the brink of the grave—ply themselves at the back-breaking labor necessary to produce this great commodity so absolutely essential to the human family. The farmer's crops are subject to all of the whims of Nature. Even when fortunate, and producing a good crop, the result is discouraging. Often after he has marketed his crop and paid his debts, he faces the winter with his pockets emptied, with himself and children clad in rags, and with scant supplies in his smokehouse.

No, this is no reproach to the farmers. I have lived among them, and, as in other lines of endeavor, the great majority do their best with the means at their command. But this condition is a reflection on the Congress of the United States, which has within its hands the power of some relief.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Washington?

Mr. RUSSELL. I yield.

Mr. BONE. The Senator is discussing one of the most confusing problems that confront the American Congress. I walked into a store the other day to buy a little hand brush. A clerk showed me half a dozen brushes, and they were all marked "Made in Japan." I refused to buy one, and they had a difficult time locating one made in America. I do not know what the attitude of the Senator would be toward a matter of that kind, because Japan is one of the largest, if not the largest, purchaser of American cotton. Would the Senator from Georgia have me and all other Americans refuse to buy anything made in Japan, and have Japan refuse to buy American cotton any longer? I know all our farmers in the West wish to have us keep the oil and fat substitutes of foreign nations out of the country.

Mr. RUSSELL. I voted with the Senator on that proposition.

Mr. BONE. The farmers want the burlap bags as cheaply as they can get them.

Mr. RUSSELL. The tax on the oils is not of as great benefit to the cotton farmer as it is to the farmers of the Senator's State. It will be helpful in the prices of cottonseed oil and peanut oils produced in the Southeast. Many of the taxes, however, will increase the cost of the articles which the cotton farmer is compelled to buy. Such things as soap and other household necessities would be much cheaper without the imposition of the taxes on oils already included in this bill.

I have always believed in protection for the American farmer in his domestic market. I have supported every tax that has been offered to protect the American farmer in his domestic market. The importation of jute means that 1,500,000 bales of cotton each year are being displaced in the domestic market through use of this substitute. The cotton farmer is forced to sell in the world market and cotton itself competes with the lowest-paid foreign labor in the world.

This is the only cotton-producing country on earth that stands by and sees its cotton farmers thus penalized.

We often hear references to the condition of the poor peons in Mexico. However, the Mexican Government does not force the peon to compete with this product of the coolies of the Orient, but levies a tariff on all of the raw jute which enters Mexico in competition with their cotton. Cotton is produced in Brazil by underpaid peons, with a low standard of living, but Brazil levies a tax on all of the raw jute imported into that country. The United States is forcing our cotton farmers to compete with the laborer who is paid 8 and 10 cents per day in India, without affording him the slightest protection. In Colombia and Peru, where only a small amount of cotton is produced, the cotton-producing industry is protected by the imposition of a tax upon importations of raw jute. When this is suggested here, the powerful combine dominating this industry inspires a flood of telegrams in opposition almost before the amendment is proposed. Soviet Russia is roundly condemned from many sources for the condition of its labor. We hear a great deal about the hardships imposed upon those who toil in that nation, noted for its exploitation of labor. Soviet Russia, however, does not compel her producers of cotton to enter into competition with jute without any protection. A duty of 40 percent ad valorem is levied on jute to protect the cotton producers there.

Various parts of the British Empire producing cotton levy substantial duties on importations of jute and jute products from India, another part of the British Empire.

When it is proposed to protect the cotton farmer in his domestic market, I am amazed to find those who fear that the price of sacks used in their States will be increased a few cents, or who have constituents who have waxed wealthy from dealing in this product of slave labor, should seek to deny the petition of the struggling cotton farmer and say, "No; I will resist affording the cotton farmer one iota of protection of any kind against the importation of this product from far-away India."

Mr. BYRNES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from South Carolina?

Mr. RUSSELL. I yield.

Mr. BYRNES. When this question has been raised heretofore, arguments have been used rather effectively that one reason why cotton should not be used was that in the Orient it was not desired to have a cotton covering over a bale of cotton. Last fall on a visit to Shanghai I noticed that the Chinese had their cotton wrapped in cotton and not in jute.

Mr. RUSSELL. Of course, China produces some cotton.

Mr. BYRNES. The argument has been used that here in the United States we should use jute because it would be acceptable to the cotton buyers and manufacturers in Shanghai.

Mr. RUSSELL. There have been more specious and fallacious arguments against this just demand of the cotton farmer of the South than I have ever heard urged against any other proposal advanced in this body since I have been here. The report of the India Jute Committee, to which I have heretofore referred, points out the various uses to which jute is put and the prospect of new fields.

The report refers to articles of jute clothing and demonstrates that clothing is being made of jute and is worn in many parts of the world. It is used for twine, carpets, bookbinding, furniture, and oilcloth. The most amazing of all are several pages of the report devoted to the competition which they find is being afforded jute by cotton.

This is a sad commentary on the lack of protection afforded the cotton farmers. Imagine a finding by a governmental agency in the land where the jute is produced on wage scales of around 8 cents per day for women and 12 cents per day for men complaining because of competition from cotton. When cotton was down around 5 and 6 cents, this competition must have been keen, and no one can prophesy to what low estate the cotton farmer will be forced by the increasing competition with jute unless he is afforded some protection.

There is no article produced from jute that cannot be produced from cotton. But representatives of the cotton States who vote for the many taxes on various kinds of oil from different products, submitted in the hope of aiding the dairy industry and other lines of agriculture, are now told that it ill becomes anyone to say jute is competitive with cotton.

Mr. President, I ask permission to have inserted in the RECORD a table showing the wages paid the laborers who produce jute, and also to have incorporated in the RECORD a statement prepared by an economist of the Department of Agriculture which shows the uses for which jute imported into this country is put, each and every one of them in competition with cotton products of the same type.

There being no objection, the chart and statement were ordered to be printed in the RECORD, as follows:

Average daily wage rates of labor in the Madras Presidency in 1931

Occupation and class of labor	Indian currency	United States currency
	Rs. As. P.	*Cents per day*
Female coolies (gin)	0 4 10	8.6
Male coolies (gin)	0 7 4	13.1
Female coolies (press)	0 5 1	9.1
Male coolies (press)	0 8 6	15.2
Female coolies (rice mill)	0 4 3	7.6
Male coolies (rice mill)	0 6 9	12.1
Female coolies in fields	0 4 5	7.9
Male coolies in fields	0 7 0	12.5

STATEMENT

The following figures are estimates of the various important uses for jute expressed as percentages of total imports during the 10 years ended with 1935:

Use	*Percent*
Bags	53
Bagging for cotton	16
Textile wrapping	8
Wool carpets and rugs	8
Twine and cordage	6
Linoleum backing	3
Roofing	1
Webbing	1
Other	4
Total	100

Although these figures are the best we have available at the present time, their accuracy is somewhat questionable in some cases, and for that reason the basis for each estimate is discussed below in considerable detail.

Bags: Jute bags are practically all made of jute burlap, nearly all of which is imported, domestic production being negligible. The estimated production of burlap bags amounted to 488,600,000 pounds in 1929, according to figures submitted in the "Hearing on Processing Taxes on Commodities in Competition with Cotton", under section 15 (d) of the Agricultural Adjustment Act, July 31 to August 1, 1933, exhibit 18, p. 315. This was equivalent to about 76.2 percent of the total burlap imported in 1929.

The general impression in the jute trade seems to be that from 75 to 80 percent of the total burlap imported is used for the manufacture of bags. Imports of all kinds of burlap averaged about 504,782,000 pounds during the 10 years ended with 1935, of which about 76 percent, or 383,600,000 pounds, was probably consumed in the manufacture of bags. In addition to bags made from imported burlap, about 38,878,000 pounds of jute bags were imported annually during the 10 years ended with 1935. Thus the average poundage of burlap used in bags probably amounted to something like 422,500,000 pounds annually during the past decade, according to available information. This quantity is equivalent to approximately 53 percent of the total imports of jute and jute manufactures during the past decade.

The following figures show roughly the distribution of burlap bags by uses:

Use	*Percent*
Millfeed	40
Fertilizer	12
Sugar	10
Potatoes	9
Wheat	8
Flour	3
Other	18
Total	100

These are only rough estimates and canot be more than approximately accurate for the 10-year period ended with 1935, and in some instances these figures may not be at all representative.

Cotton bagging: Imports of new jute bagging for cotton, and waste jute bagging for cotton averaged about 98,500,000 pounds during the decade ended with 1935, according to calculations made on the estimates available for the average weights of these materials and official statistics for imports. Cotton bagging manufactured from imported jute butts averaged about 69,000,000 pounds for the 5 census years ended with 1935. The Bureau of the Census reports cotton bagging in square yards, and these figures are converted to linear yards by multiplying by eight-tenths, and to pounds by multiplying the estimated figures for linear yards by 2. Much of the material used to make the cotton bagging reported by the census is doubtless second-hand materials that have been reworked and rewoven. The average imports of jute butts averaged about 32,000,000 pounds annually during the 10 years ended with 1935 and since available information of these classifications of jute products. On the other hand, this apparent discrepancy may be a real one, accounted for by a lack of representativeness of census figures with respect to the decade ended with 1935. Be that as it may, approximately 50,000,000 pounds is the only figure available showing the use of jute in twine and cordage and is equivalent to about 6 percent of the total jute imports for the past decade.

Linoleum backing: The most recent information available indicates that about 5 percent of all burlap is used for this purpose. This figure was given in testimony at the "Hearing on Processing Taxes on Commodities in Competition with Cotton", under section 15 (d), Agricultural Adjustment Act, July 31–August 1, 1933, page 248. On this basis about 25,000,000 pounds, or approximately 3 percent of the total imports of jute and jute products, would have been used for this purpose during the past 10 years.

Roofing: Very fragmentary information, reported by the Tariff Commission in "Jute Cloths", Tariff Information Surveys on articles in paragraphs 262, 279, 284, and 408 of the Tariff Act of 1913, indicates that less than 1 percent of the total imports of jute and jute products is used for roofing.

Webbing: Imports of jute webbing averaged about 857,000 pounds during the 10 years ended with 1935, against domestic production averaging about 3,600,000 pounds for the 4 census years ended with 1933. Thus, the total poundage of these materials amounted to about 4,500,000 pounds, or considerably less than 1 percent of the total poundage of jute and jute products imported during the last 10 years.

Twine and cordage: The production of jute twine and cordage averaged approximately 50,000,000 pounds during the 4 census years ended with 1933. Most of these materials are made from imported raw jute. However, the fact that the combined poundage of jute carpet yarns and twine and cordage exceeds that for raw jute imports may indicate that some waste materials are used in the manufacture of both, indicates that most of these imported jute butts are used for cotton bagging, it would seem appropriate to add, say, 30,000,000 pounds to the 98,500,000 pounds of imported bagging. Thus, approximately 128,500,000 pounds of jute were probably used, on the average, for cotton bagging, or approximately 16 percent of the total imports of jute for the last decade. These figures obviously do not include some 37,000,000 pounds of "reworked" jute bagging and considerable jute sugar-bag cloth which is imported as containers for raw sugar and subsequently converted to bagging for cotton.

Textile wrapping material: According to trade estimates for 1932, about 12 percent of the total burlap consumed in the United States in that year was used for wrapping textile-mill products. If this figure can be taken as representative for the past decade, about 60,600,000 pounds, or 8 percent of the total jute and jute manufactures imported during the past decade was used for this purpose.

Wool carpets and rugs: The wool carpet and rug industry used approximately 66,000,000 pounds of jute yarns annually during the 3 census years ended with 1931. These yarns are made mainly from imported raw jute, although a small quantity of jute yarns are imported. The volume of these yarns is thus estimated to be about 8 percent of the total imports of jute and jute manufactures.

Miscellaneous uses: Use other than those indicated above include (1) burlap for wrapping materials other than textiles, (2) burlap used for curing concrete, (3) brattice cloth, (4) base for hair felt, (5) foundation material for hooked rugs, (6) paddings and interlinings, (7) cotton-picking sheets, etc. These "other" uses combined probably account for about 3,180,000 pounds or approximately 4 percent of the total imports of jute and jute products into the United States during the past decade.

Mr. RUSSELL. Mr. President, I have pointed out that as the price of cotton has increased the production of jute has greatly increased and, therefore, unless the cotton farmer is to be permanently denied any approach whatever to parity, it will be necessary for the Congress to take some step to protect this industry.

Not only is this a question which affects the cotton farmer, but it is a question which affects the manufacturer and textile worker.

We have heard many complaints here from the representatives of the Eastern States that it has been found necessary to dismantle many cotton mills in New England. The drift of the mills to sites nearer the cotton fields is not the only cause of the loss of these industries. If cotton could be afforded this protection and devoted to the uses to which jute processed in India is now put, I thoroughly believe it would go a long way toward making the spindles in the New England mills hum again.

On this question the interest of the cotton manufacturer, the cotton textile worker, and the cotton producer are identical. All should unite in a common cause for protection against this slave product. The largest part of it is spun and processed in India. One great combine controls most of the trade in jute. Mills have been dismantled in this country to ship the machinery abroad in order that the mills might be reestablished in India to get cheap labor, thereby denying employment and forcing on the relief rolls mill operatives in this country.

A chart showing the annual earnings of the workers in the jute mills in India is most interesting. Bear in mind that the great combine which controls the trade in jute has most of its mills in the Orient, and brings the manufactured articles into this country, not only to the detriment of the cotton farmer, but causing unemployment among our mill workers.

The highest-paid worker in these mills, financed with American capital in India, is the worker at the roving machine. He received $10.14 per month, or $121.68 for a year's work. We find workers in the receiving room, employed by American capital to the loss of the American farmer and laborer, who receive $2.03 per month, or the fabulous sum of $24.43 per year. The pickers in the carding room receive $3.14 per month, or $37.74 per year. Through all of the various classes of work afforded in the jute mill, this is a fair picture of the wages which are paid for a year's labor in processing and manufacturing jute in direct competition with the mill workers of America. These mills were erected with American capital, financed by American dollars, and representing American wealth; and yet when an effort is made to restrict the importations of this product into this country, and to force these jobs to be opened to American workers, we encounter opposition.

Mr. President, this is in no sense a threat, but it might be accepted in the nature of a warning. I do not like to assume the role of prophet. I desire to point out something, however, which may be of interest to those representing lines of agriculture other than cotton. If my amendment be not adopted, the cotton farmer for a season will continue to endure discrimination and hardship, but he will not starve. He is trained in adversity and reared on hardships. However, he lives in a land on which God has smiled and which has unlimited possibilities in lines other than cotton. Senators are helping the dairy industry in this bill and therefore are making dairying more attractive. If they do not help cotton, this very fact will redound to the disadvantage of the dairy industry, because in the South 10 and 12 months' grazing is possible. We have caught new visions down there. It will not be long until the South will have dairy herds and the products of these herds will be invading the markets of this Nation which Senators are seeking to protect. We have started producing wheat in the South and if the farmer is forced out of cotton it will increase competition within this country from those not subject to the 42 cents per bushel tariff. We have started producing cattle to such an extent that some of the great packers of the Nation are even this year opening packing houses in the South.

There are few agricultural commodities which cannot be produced in the South; and while our people by instinct and inheritance are cotton producers, we will not be forced into bondage, or to the standard of living which prevails in India. When the cotton farmer prospers, he is also the greatest market for the manufacturers of this Nation, for he spends that which he earns.

In my judgment, the adoption of this amendment will not only benefit the cotton farmer and the cotton-producing section, but will benefit all sections. Not only will justice be served, but the development of all lines of agriculture will be benefited by the adoption of the amendment.

Mr. President, I ask that an editorial printed in the Atlanta Constitution of June 1, 1936, entitled "New Uses for Cotton", be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

[From the Atlanta (Ga.) Constitution, June 1, 1936]

NEW USES FOR COTTON

The Cotton Textile Institute is constantly experimenting to find new uses for cotton and demonstrating to interested industrialists its practical value for commercial uses.

Every year the Federal Government spends a large sum of money for the same purpose, but, paradoxically, blocks the use of a huge quantity of cotton for domestic consumption by refusing to place an equalizing tariff duty on all jute, jute products, and sisal coming into the country.

Substitution of cotton for jute in the manufacture of many products would be "new" use, and would not necessitate long and costly experiments. The wrapping of 12,000,000 bales of American cotton requires annually 75,000,000 yards of bagging; the wrapping now used for this purpose is jute, and if the American staple were wrapped in cotton bagging it would require 85,000,000 pounds of cotton bagging annually, using up approximately 170,000 bales for a 12,000,000-bale crop—and more in proportion, if a larger crop were produced.

Jute is also used in making sacks for fertilizers and dozens of other products; in the manufacture of carpets, rugs, and other articles such as twine and rope, preferred for these purposes by the manufacturers because a beneficent Government admits the products of coolie labor to compete with American cotton labor without levying an equalizing tariff.

Cotton could displace jute completely from every use in this country with a resulting better manufactured product that would be more satisfactory to the public, and in the instance of cotton, result in a high-density, gin-compressed bale, graded by Federal inspectors and sold at net weight.

American cotton producers lose millions of dollars every year by reason of the slipshod, unbusinesslike manner with which the staple is handled from the time it is ginned until it reaches the floor of the spinner, and just why all Congressmen and Senators from the cotton States do not unite in a "cotton bloc" to force through measures that will secure for the South's great money crop its full commercial rights, surpasses all understanding.

Despite the fact that American cotton is preferred in the world markets to that of any other country, it is gradually losing out. One reason is that our bale is the most disreputable in appearance that appears in any European market. The jute bagging has been slashed again and again by village "samplers", and bears huge patches; the coarse weave of the jute bagging fails to protect the staple from grime of warehouse floors, loading platforms, and car bottoms, while spinners find it interspersed with threads of jute that have become imbedded.

The American Cotton Manufacturers' Association, at its recent meeting in Pinehurst, N. C., adopted a long set of resolutions, aligning its membership in favor of many benefits to American cotton, but resolutions passed at an annual convention, unless followed by an active campaign to carry out the purpose of such action, are ineffective.

Mr. COPELAND. Mr. President, I have the deepest sympathy for the Senator from Georgia; but the trouble is, if I may say so to him, that he did not go to see the farm leaders. If he had gone to see the Washington representative of the American Farm Bureau Federation and the Washington representative of the Grange—those leaders who exploit and mislead the farmers of America—and had brought his petition here, it would have been passed overwhelmingly. I am sorry he did not do that.

Yesterday a tax of 205 percent was put on inedible whale oil. Now, the Senator from Georgia comes here, but, lacking the support of the American Farm Bureau Federation leader and the Grange leader, his amendment will be rejected.

Having said that, however, I must say for my farmers—speaking now really for my farmers, and not to the leaders—that every farmer in New York State is opposed to this amendment. The truck farmer and the dairy farmer and all the other farmers are opposed to it, and I sincerely hope, with all the earnestness shown by the Senator from Georgia, that his amendment will be voted down. Next year, however, let me beg the Senator from Georgia to go and see the leaders—these men who come here and farm the farmers—and he will get a tariff even over 205 percent. [Laughter.]

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD sundry telegrams on this subject which I have received.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *June 5, 1936.*

Hon. ROBERT F. WAGNER,
United States Senate:

As members National Association Waste Material Dealers and New York Association Dealers Paper Mills Supplies strongly urge defeat of Senator Russell's amendments to 1936 revenue bill, providing import tax on jute and jute products. Consider proposals discriminating, unfair, and placing undue hardships and expensive costs on manufactures of roofing felts, paper, and kindred lines. Proposed tax is in cases as high as 120 percent of cost of raw materials. Your unceasing efforts to defeat such amendments are earnestly requested.

DARMSTADT, SCOTT & COURTNEY.

NEW YORK, N. Y., *June 5, 1936.*

Senator ROBERT F. WAGNER,
United States Senate:

Understand proposal to place duty on scrap bagging for paper making and remanufacturing purposes now taking place in Senate amendment proposed by Senator RUSSELL, placed in revenue bill section 702½. In name of New York Association of Dealers in Paper Mills Supplies and National Association of Waste Material Dealers, of which we are members, we emphatically protest against this proposed tax as outlined to you in our letter of April 2.

WILLIAM STECK & CO., INC.

NEW YORK, N. Y., *June 5, 1936.*

Hon. ROBERT F. WAGNER,
Senate Office Building:

Have just been advised that Senator RUSSELL, of Georgia, is attempting to add an amendment to the revenue bill to provide in section 702½ for an import tax on jute and jute products varying from 1½ to 2⅛ cents per pound. Strongly urge that you oppose this last-minute attempt by sectional interests to secure legislation not in any way justified and harmful to members of this association in every section of United States.

NATIONAL ASSOCIATION OF WASTE MATERIAL DEALERS, INC.,
Times Building.

BROOKLYN, N. Y., *June 5, 1936.*

Hon. ROBERT F. WAGNER,
Senator from New York, Senate Office Building:

Senator RUSSELL, Georgia, has proposed an amendment to revenue bill placing additional duty on unmanufactured jute and jute butts, jute waste bagging, and waste sugar cloth; also additional duties on jute yarns of every description. Any such bill, if passed, would be absolutely ruinous to our industry, and we hope we can count on you to see that this Russell amendment is defeated and not slipped through and added to any bill in the rush to adjourn. It was impossible to get you on the phone this morning, but we hope for your support against this unnecessary and discriminatory taxation.

AMERICAN MANUFACTURING CO.

BROOKLYN, N. Y., *June 5, 1936.*

Senator ROBERT F. WAGNER:

We urgently request your opposition to an amendment to the revenue bill now before the Senate offered by Senator RUSSELL, which proposes an excise tax on burlaps of 2.7 cents a pound which, if passed, will be a severe penalty chiefly upon farmers throughout the country as well as upon all factory products now packed in burlap bags for rice, beans, fertilizer, flour, seed, sugar, and many other commodities.

BEMIS BRO. BAG CO.

BUFFALO, N. Y., *June 5, 1936.*

Hon. ROBERT F. WAGNER,
Senate Office Building:

Request your opposition to amendment to revenue bill now before Senate by Senator RUSSELL, proposing excise tax on burlaps of 2.7 cents a pound. If passed, this tax would represent a penalty chiefly upon farmers throughout the country but also upon products now packed in burlap bags such as rice, beans, fertilizer, flour, seed, sugar, and many other commodities.

BEMIS BRO. BAG CO.,
F. W. COPLEY.

BUFFALO, N. Y., *June 5, 1936.*

Hon. ROBERT F. WAGNER,
Senate Chamber:

Senator Russell amendment to revenue bill placing excise tax on burlap 2.7 cents per pound. Respectfully request you vote against this Russell amendment, as it would inflict an unnecessary penalty on all users of burlap bags.

CHASE BAG CO.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was rejected.

Mr. McADOO. Mr. President, I send to the desk an amendment which I ask to have stated. I also send to the desk and ask to have printed in the RECORD a letter addressed by the chairman of the Finance Committee to the Secretary of the Treasury relative to the amendment and the reply of the Secretary of the Treasury. In the reply, the Treasury Department says that the amendment as drawn is not objected to by the Department.

The PRESIDING OFFICER. Without objection, the letters will be printed in the RECORD.

The letters are as follows:

MAY 16, 1936.

Hon. HENRY MORGENTHAU, Jr.,
Secretary of the Treasury, Washington, D. C.

DEAR MR. SECRETARY: Referring to the report of the Acting Secretary, dated March 11, 1936, relative to S. 3941, "A bill to amend paragraph 1730 (a) of the Tariff Act of 1930, as amended, to provide that oil, meal, and other products produced from the processing of sardines by reduction process shall not be exempt from duty", I wish to quote from a letter just received from Senator W. G. McADOO:

"In lieu of the paragraph so proposed by Mr. Taylor, I propose to offer on the floor of the Senate an amendment to the forthcoming revenue bill, as follows:

" 'Notwithstanding the provisions of paragraph 1730 of the Tariff Act of 1930, all fish oil produced from pilchards (Sardenia caerulea) taken and processed on the high seas extending westerly from the territorial waters of the United States contiguous to the western coast of the United States, and brought directly or indirectly into the United States, shall be assessed with duty and import tax at the lowest rates which would be applicable to such oil if produced in a foreign country other than Cuba. Such duty and import tax shall be assessed and collected pursuant to such regulations as the Secretary of the Treasury may prescribe.'

"Will you kindly and at once request the Treasury Department to advise you if it has any objection to the amendment I so propose to offer?"

It will be appreciated if you will give this matter your prompt attention and advise me with reference to the amendment intended to be proposed by Senator McADOO.

Thanking you for a prompt report, I am,

Sincerely yours,

PAT HARRISON.

MAY 22, 1936.

Hon. PAT HARRISON,
Chairman, Committee on Finance, United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your letter of May 16, 1936, setting forth an amendment which Senator McADOO proposes to make to the revenue act now pending before your committee, and requesting the views of the Department on the proposed amendment.

The amendment proposed is similar in principle to S. 3941, a bill entitled "A bill to amend paragraph 1730 (a) of the Tariff Act of 1930, as amended, to provide that oil, meal, and other products produced from the processing of sardines by reduction process shall not be exempt from duty", upon which this Department commented in a letter transmitted to you under date of March 11, 1936. The amendment intended to be proposed by Senator McADOO, however, does not contain the objectionable features of S. 3941, which were pointed out in that letter.

The Department is informed that the correct scientific name of the pilchards contemplated by the proposed amendment is "Sardinia caerulea" instead of "Sardenia caerulea", as expressed in the proposed amendment.

In order that difficult questions as to the place of taking fish may be avoided without materially changing the intended effect of the proposed amendment, it is suggested that the words "taken and" following the parentheses in the proposed amendment be eliminated.

If these changes are made, the Treasury Department will have no objection to the amendment.

Very truly yours,

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be stated.

The CHIEF CLERK. On page 272, after line 12, it is proposed to insert the following:

SEC. 811. Fish oil produced from sardines: Notwithstanding the provisions of paragraph 1730 of the Tariff Act of 1930, all fish oil produced from pilchards (Sardinia caerulea) processed on the high seas extending westerly from the territorial waters of the United States contiguous to the western coast of the United States, and brought directly or indirectly into the United States, shall be assessed with duty and with import tax at the lowest rates which would be applicable to such oil if produced in a foreign country other than Cuba. Such duty and import tax shall be assessed and collected pursuant to such regulations as the Secretary of the Treasury may prescribe.

Mr. KING. Mr. President, the amendment may go to conference.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from California will be agreed to. The Chair hears no objection.

Mr. LA FOLLETTE. Mr. President, I have been advised that the senior Senator from California [Mr. JOHNSON] secured an amendment to section 704, to be found on page 270, changing the effective date of title V, the amendments to taxes on certain oils, from 30 days to 60 days following the date of the enactment of the measure.

I ask unanimous consent for the reconsideration of that amendment in order that I may present certain considerations which I think are vital to the entire title.

Mr. JOHNSON. Mr. President, as the Senator who presented the amendment, I make no objection to reconsideration for the presentation that the Senator may require. It

was not a question of securing the adoption of an amendment of which the Senator from Wisconsin was not aware, however, because I saw him on the floor during the time of its presentation and during the time that the Senate acted upon the amendment; but I am perfectly willing to consent to a reconsideration so that he may be heard.

The PRESIDING OFFICER. The Chair inquires of the Senator from Wisconsin whether it will be necessary to reconsider the action on the committee amendment.

Mr. LA FOLLETTE. It will be necessary to reconsider the action on the committee amendment, and to reconsider the vote whereby the amendment offered by the senior Senator from California was adopted. I therefore make that request for unanimous consent.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was agreed to will be reconsidered. The Chair hears no objection.

Without objection, the vote by which the amendment of the Senator from California to the committee amendment was agreed to will be reconsidered. The Chair hears no objection.

Mr. LA FOLLETTE. Mr. President, I want the Senate to be apprised of the effect which I think will flow from the amendment offered by the Senator from California.

An attempt was made in the consideration of a previous revenue bill to lay certain excise taxes upon fats and oils. The immediate effect of that action was to increase the price of the domestic product. However, those in the United States who were using the particular fats and oils soon found that by taking byproducts of these oils, or substitutes for them, they could effectively defeat the action of Congress in imposing the excise taxes.

For the purpose of this discussion I wave aside any of the arguments pro and con concerning the action taken by the Congress. However, in connection with this particular bill, an effort was made by the Senator from North Carolina and the junior Senator from Texas to impose taxes against substitutes and derivatives of these fats and oils which had been employed to all intents and purposes as a means of avoiding and evading the policy of Congress as declared in the previous act.

When the pending bill was being considered by the committee, if my memory serves me correctly, the action of the committee, as publicly announced, took place some 10 days or 2 weeks ago. Therefore all of the consumers of these commodities were put on notice that favorable action had been taken by the committee to plug this loophole which had been discovered in the law.

We considered that allowing the 30-day period following the enactment of the act would be entirely sufficient to meet the situation. The point I desire to make and the point which I think the Senate should take into consideration is that under the amendment offered by the senior Senator from California, importers who desire to use these commodities which have been employed for the purpose of avoiding the policy of Congress and the Government, will have not only the 60-day period the amendment provides, but they have had the period which has elapsed since the time when the committee acted favorably on the amendment and announced its decision to the public.

Therefore, to all intents and purposes, 80 days will probably elapse before these provisions will become effective and after those who have been importing these products have had notice that the plugging of this loophole was to take place.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. CONNALLY. If it is not the purpose to permit the very thing the Senator is talking about, what is the purpose? The purpose of the amendment is to allow people to bring in large quantities of the imports before the law becomes effective.

Mr. LA FOLLETTE. The point I desire to make is that if we give the importers, the users of these commodities for domestic purposes, 80 days in which to import their supplies, without title V becoming effective, it is my firm conviction that we may be certain that the amendment will not be effective in a great many instances for an entire year. I do not believe the Senate realizes the effect of the amendment offered by the Senator from California.

Mr. President, if there is some particular commodity which, because of the crop year in which it is grown, or for some other reason, ought to be given special consideration, I shall not object to giving it special consideration, but the insertion of this amendment as to the effective date of the title will, in my opinion, operate to give the processors and manufacturers a full 80 days in which to import their supplies. It is certain, in my opinion, that most of them will import all they need for a whole year during that period of time.

Mr. JOHNSON. Just a word in response, Mr. President. Is this not much ado about nothing? Thirty days additional time was given under the amendment, making the effective date, instead of the thirtieth day, the sixtieth day, after the enactment of the bill. That is the amendment.

If such a wrong is about to be committed, is it not obvious that it will be committed within the 30-day period, or, as put by the distinguished Senator from Wisconsin, within the 50 days which he says will elapse? So that, after all, we are discussing 30 days of grace which would be accorded under any circumstances, it seems to me, in an amendment of this character.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. JOHNSON. I yield.

Mr. LA FOLLETTE. The action of the Senate committee was taken some time ago, and it was announced to the country. Furthermore, some period is going to elapse before the law will actually become effective. So it is a question of 80 days instead of 30 days.

Mr. JOHNSON. No; the question is whether or not any wrong is going to be done, not a question of 80 days or 50 days or 30 days. If a wrong is going to be done, then there may be some substance to the argument that is advanced by the Senator from Wisconsin. But when he says that 50 days grace are allowed—which I deny—if any wrong were to be committed, the entire wrong could be committed within that time.

If it be such an important thing that must be done to protect somebody who is undisclosed here, then that protection could be accorded by giving no days of grace at all. The committee accorded 30 days of grace. I asked for 60 days of grace, and it seems to me that we are wasting time in this period of the day in debate over whether we will give 60 days of grace to men who have asked it in good faith, men who live in the State from which I come, or whether we will give them, as the bill did originally, 30 days of grace.

Mr. LA FOLLETTE. Mr. President, just one word in reply. As I see it, it is not merely a question of 60 days or 30 days, because every importer of these commodities against which the tax is now proposed to be invoked has had notice ever since the Finance Committee adopted the amendment offered by the Senator from North Carolina and the Senator from Texas that there was a possibility that the tax would be imposed.

We can assume that the corporations and individuals who import these commodities are intelligent, and that at the moment they learned of that action by the committee they sought to procure from outside of the United States as great a supply as they could possibly procure within the terms of the amendment.

The Senator from California cannot contend, in my opinion, that there is no substantial difference between the 30-day period of grace and the 60-day period of grace, because it means that every boat coming to the United States from the countries of the world which produce these various commodities will be loaded with imports for the domestic processors. If we give them 60 days, we will simply double, or perhaps triple, the quantity of commodities which they can import within that time.

It may be that Senators are opposed to this proposition, and that is all very well and good. If they are opposed to it, they have a perfectly legitimate right to take whatever action here they see fit to take. But I contend that we should not have the policy which has been adopted by the committee and adopted by the Senate destroyed by allowing such a long period of time during which the processors can import huge quantities of these commodities.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. NORRIS. I confess, Mr. President, I do not understand why this time should be given at all.

Mr. JOHNSON. Exactly.

Mr. NORRIS. What are the articles that come in, and why do they need any time?

Mr. LA FOLLETTE. The articles are found on page 267, line 15, going to line 16 on page 268. A large number of commodities are covered by the amendment at that place.

Mr. NORRIS. What is the object of giving time?

Mr. LA FOLLETTE. That is the usual procedure to permit the usual period of readjustment, as we do, for example, in a tariff act. We do not make it effective on the day that it passes.

Mr. NORRIS. I think as a rule we do, but we make exceptions. I was wondering in this case why the exception was necessary.

Mr. LA FOLLETTE. This is the usual peroid of grace which, as I understand, is given following the enactment of legislation which affects competitive or import situations. All I am saying is that I believe the amendment offered by the Senator from California will go a long way toward making this provision which the Senate itself already has agreed to, ineffective so far as the next year is concerned.

Mr. JOHNSON. Mr. President, just a word. I thank the Senator from Wisconsin very much indeed for his gracious remark that some Senators may want to vote one way in this matter and some may want to vote another, and that all have a right so to vote. I am delighted with the admission that is accorded and the consent that is thus given me.

I have been for this amendment. I have been regularly in favor of the amendment and have voted for it when it has been voted on at all. I am not seeking to destroy the amendment. I do seek to protect, if I can, the small individuals who are called "crushers" in the State of California and who will be affected by a 30-day limitation. If what they are doing at the present time is such a wrong, then they ought not to be given any grace at all; and the case recurs, as I said in the beginning, merely to whether we shall give them 30 days' grace or 60 days' grace. They are given 30 days by this bill, and it will do no living soul any harm to accord them the privilege of having 60 days' grace within which to clean up.

Mr. McADOO. Mr. President, I should like to say a word in support of the amendment proposed by my distinguished colleague from California. I cannot see any harm whatever in allowing the 60 days' grace provision to go to conference. If any irremediable injury is going to be done to the Government by giving processors in California an opportunity to protect themselves in a reasonable way, then the amendment can be altered in conference. I earnestly hope that the amendment will not be stricken out and that it may be permitted to go to conference.

Mr. LA FOLLETTE. Mr. President, I shall make one brief statement in reply to the argument of the junior Senator from California. It will not be possible to cut this period down in conference. The action that the Senate takes now is the determinant action on the whole proposition.

The PRESIDING OFFICER. The question is on the amendment of the Senator from California [Mr. JOHNSON] to the committee amendment. [Putting the question.] The ayes seem to have it.

Mr. LA FOLLETTE. I ask for a division.

On a division Mr. JOHNSON's amendment to the committee amendment was agreed to.

The amendment as amended was agreed to.

Mr. CAPPER. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of title IV it is proposed to insert the following:

TITLE V—EXCISE TAXES

SEC. 701. TAX ON TAPIOCA, SAGO, AND CASAVA.

The Revenue Act of 1934, as amended, is amended by adding after section 611 the following new section:

"SEC. 611½. TAX ON TAPIOCA, SAGO, AND CASAVA.

"There is hereby imposed upon the first domestic processing or use of sago, sago crude, and sago flour, tapioca, tapioca flour, and casava, whether or not such products or any of them have been refined, modified, or otherwise processed, and in whatever combination or mixtures containing a substantial quantity of any one or more of such products, a tax of 2½ cents per pound, to be paid by the processor or user thereof in manufacturing or processing. For the purposes of this section the term 'first domestic processing' shall mean the first use in the United States, in the manufacture or production of an article intended for sale, of the article with respect to which the tax is imposed. The tax on the article described in this paragraph shall apply only with respect to such articles imported after the date of the enactment of this paragraph and shall not be subject to the provisions of subsection (b) (4) of section 601 of the Revenue Act of 1932, as amended (prohibiting draw-back), or section 629 of such act (relating to expiration of taxes)."

Mr. CAPPER. Mr. President, the amendment offered by me would impose an excise tax of 2½ cents a pound on the first domestic processing of sago, tapioca, and cassava flour.

These products—now on the free list—compete directly with starches produced from American corn, wheat, rice, white and sweet potatoes. These imported starches have taken over not only a great part of the previously developed business but are constantly absorbing a large part of the new business developed by the research departments of the domestic starch industry. This is evidenced by the following table, which gives the average annual imports, by 10-year periods, since the year 1905:

From 1905 to 1914, inclusive, 44,000,000 pounds.

From 1915 to 1924, inclusive, 90,835,000 pounds.

From 1925 to 1934, inclusive, 150,304,000 pounds.

In 1935 the imports amounted to 226,986,000 pounds; in the first 3 months of 1936, 77,711,000 pounds, or at the rate of 310,000,000 pounds per annum.

More than 80 percent of these starches are used industrially and displace starches produced from domestically grown agricultural products.

By virtue of this diversion from domestically produced starches to these imported starches many potato-starch mills have been closed, and a surplus of over 20,000,000 pounds of potato starch now remains unsold. At the same time the cornstarch manufacturers have been obliged to curtail their operations, with the result that in 1935 their purchases of corn were many million bushels less than in 1934.

I say that, in all fairness, the American farmer is entitled to the American market in the case of all commodities which can be grown to advantage on the farms of this country.

The imports of these foreign starches are increasing so rapidly from year to year because the price of corn in this country and the price of American labor and all materials used in the manufacture of starch result in a cost far above the cost of these Asiatic starches, which are produced in tropical countries and handled and converted with coolie labor who receive between 25 and 30 cents a day—long hours—as against a wage of 50 cents an hour in the starch-refining plants of this country; the policy of our Government results in a price level for the farmers' products at a figure which makes it entirely impossible to make these domestic starches cheap enough to compete with the Asiatic starches. It seems inconsistent to pay money to take starch-producing products out of production at around $10 an acre and then let these competing products come in duty free and take the market away from manufacturers who are buying and converting the American products.

The starch-refining industry must have its raw products hauled into the plants, which means heavy freight charges;

the finished starch products are transported to the industrial centers, again supplying considerable revenue to the railroads. The starch-refining industry has used over a million and a half tons of coal annually, which means large revenue from the railroads, as well as to the miners employed in mining that quantity of coal. The decline in business already occasioned by these imports has resulted in the industry decreasing purchases of coal 150,000 tons during each of the past 2 years, which was a loss of revenue to the miners and the railroads. There was a great loss of revenue to the railroads owing to the corn that was not bought and transported on account of the diversion of business to these foreign starches.

If the rate of import is maintained for the next three-quarters of 1936 at the rate of imports for the first quarter, we will have imported 310,000,000 pounds of these starches, which is equal to the corn starch produced from the corn grown on 400,000 acres of corn land, or 12,400,000 bushels of corn. If this starch were made from potatoes, it would take all the potatoes in several of the States. There are potato-starch plants closed in this country which should be operating and furnishing a market to farmers in the neighborhood. Owing to these free imports, there are 20,000,000 pounds of American potato starch now in storage in warehouses—while the market is being taken over by these imported starches.

I have a letter from the American Farm Bureau Federation, reading as follows:

WASHINGTON, D. C., *May 25, 1936.*

MY DEAR SENATOR CAPPER: At this time, when additional revenues are so greatly needed for proper conduct of the Government, the American Farm Bureau Federation urges the adoption of an excise-tax program on agricultural products enjoying entry into the United States, which compete effectively with American-grown agricultural products.

Products being imported, from which substantial revenues can be obtained, are tropical starches, such as tapioca and its processed forms, and sago flour and sago starch.

Importations of these commodities have been increasing annually in the last 5 years, notwithstanding relatively low prices for domestically produced starches made from corn, wheat, rice, and potatoes grown by American farmers.

The American Farm Bureau Federation has recognized the situation in each of the last 3 years, when, at each of its annual conventions, it has passed resolutions urging an excise tax on tropically produced starches.

We therefore urge the Senate Finance Committee and the Senate to include in the pending tax measure, H. R. 12395, adequate excise taxes on tropical starches.

Respectfully yours,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

Mr. KING. Mr. President, the Senator from Kansas [Mr. CAPPER] is a member of the committee. His amendment was presented to and carefully considered by the committee and rejected. I ask that the amendment be rejected by the Senate.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Kansas.

The amendment was rejected.

Mr. PITTMAN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 241, in section 401, after line 5, it is proposed to insert a new paragraph, as follows:

(b) Section 105 (f) of such act is amended by striking out the words in the first parentheses in the first sentence thereof and inserting in lieu thereof the following: "Which declaration of value may be amended biennially thereafter;".

And in line 6, to strike out "(b)" and insert "(c)".

Mr. PITTMAN. Mr. President, under the capital-stock-tax act which took effect in 1933, a corporation was allowed to fix the value of its capital stock upon which it would be called upon to pay a tax. The theory was that it would give the actual value because that would be the logical thing to do. It is perfectly evident that when the act expressly provided "which declaration of value cannot be amended", the facts with regard to the corporation could not be obtained.

For instance, a new company starts in business. It has nothing but its physical property. At that time it values its physical property. In 2 years' time, if it has succeeded in its business and its earnings have grown, the value of the physical property is entitled to earn more than the amount then fixed.

Let us take a new company with which I am familiar and with which Senators from California and Wyoming are familiar. A new oil company is organized and begins business.

It has nothing except a lease on a piece of ground owned by the Government of the United States. It has that lease and that is all it has. The value of that is $100,000, we will say. If it never strikes oil, that is all it has. If, on the other hand, it should strike oil the production would probably be anywhere from $100,000 to $1,000,000 a year. The capital stock of the company would be greatly enhanced in value, and yet if they could not amend that return they would have to hold that valuation at $100,000 when they would be earning $100,000 a year legitimately. Therefore, they would have to pay an enormous excess-profits tax by reason of the first valuation placed on the property.

That occurs more or less with regard to every new company that starts in business. A textile company starts in business. It has nothing except its physical property. However, it expects to do a big business. If it does a large business, then the original estimate of the value of the property is wrong and should be increased in accordance with its earning power. To say that when a new company starts, before it really has anything of value, it must fix its value and then when it establishes a real value by reason of its business success it shall not be allowed to state truthfully that value for the purpose of taxation seems to be not only an absurdity but absolutely unreasonable and unjust.

Mr. BARKLEY. Mr. President, may I inquire of the Senator from Utah, inasmuch as the House bill repeals completely the capital-stock tax, whether or not the whole subject would be in conference regardless of the amendment going into the bill at this time?

Mr. KING. Mr. President, there is some doubt as to whether it would be in conference. But I am constrained to the view that no technical rule would be invoked and that the matter might be fully considered.

Mr. BARKLEY. Why not? The section was repealed by the House.

Mr. KING. The bill as it passed the House would repeal the capital-stock provisions, but the corporations would have an opportunity to make another declaration of value for taxation purposes.

Mr. BARKLEY. The bill as it passed the House repealed it, and the bill as reported by the Senate committee keeps the provision in the bill, so it would be in conference.

Mr. LA FOLLETTE. Mr. President, the point I should like to make is that the Senate should not pass upon the amendment on the theory that the conferees will have an opportunity to study it. The bill as it passed the House repeals, after 1 year, the capital-stock and excess-profits tax and provides it shall operate at only 50 percent of the existing rate. The bill as reported by the Senate Finance Committee, in order to obtain revenue, provides for a continuation of the capital-stock and excess-profits tax at the full rate, and indefinitely. Therefore, if the amendment offered by the Senator from Nevada should prevail, the conferees would be in a situation where they would not be able to consider anything more drastic than the Senate has provided in its provision for continuation of the capital-stock and excess-profits tax.

The capital-stock and excess-profits tax is predicated upon the theory that one tax will operate so as to enforce the other. In my opinion, if the amendment proposed by the Senator from Nevada should become law—and in my opinion it would become law if adopted by the Senate, because the conferees would have no discretion in the matter—we may kiss good-bye to the revenue from capital-stock and excess-profits taxes because what is proposed is to give every corporation a chance to guess against the Government every 2 years.

Mr. PITTMAN. Mr. President, in the first place, I very seriously doubt whether the return from the capital-stock tax will be in conference on the present bill. The question would be, between the two, as to whether it should extend a year or whether it should extend longer than a year. That would be the only question in conference, because that is the only difference between the two bills with regard to the capital-stock tax. Therefore, if the Senate desires to ascertain, for the purpose of taxation, the actual value, as near as may be, of the capital-stock tax, this is the only way in which it can do so. To say that we are going to place a tax of so much on each thousand dollars' worth of capital stock of a corporation, and then say that we are not going to try to ascertain that fact, to me seems dishonest.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. PITTMAN. Pardon me for just a second.

The Senator from Wisconsin, of course, is correct in his statement. It was intended, by having the excess-profits tax, to force the corporation to give at least a reasonable valuation to its capital stock, and the theory was that every corporation would be induced to give a reasonable valuation to its capital stock. That is what we are trying to find out, and that is the fact; but in the case of a new company that is starting out, the stock of the company may have value, or it may not have value. When a stock is listed the public determine for themselves its value. If the enterprise is entirely speculative the stock has a speculative value, and it continues to have a speculative value until it has an investment value, which is proven by its return.

Assume that a company goes out as an exploration company. It has only $100,000 of capital. That is all it is worth; but in a period of 2 years' time it develops a company that is worth a million dollars. At the start it has been said that the company is worth only $100,000; and although in 2 years it becomes worth a million dollars, under the proposal here that fact may not be established before the collector of internal revenue, but the company will have to go on forever paying excess-profits taxes because it has underestimated the value of its capital stock.

There is not an exploration company in the world that can exist under this provision. An exploration could not be started for oil, for copper, for lead, for zinc, for any metal on earth, and succeed under that provision. No company that starts an exploration has anything to start with except its machinery. If it never discovers the things for which it is exploring, the value of the capital stock is very small; but if it makes its discovery, it gives a value to the capital stock by the very work it is doing and the work it intends to do. This provision would penalize such a company for a discovery. It would penalize it for becoming a successful company by saying to it, "You are bound by your $100,000 valuation, although the corporation is worth a million dollars, and you will pay a tax on all the excess profits over $100,000." That is an absolutely unjust thing.

Mr. LA FOLLETTE. Mr. President, just one word. The statements I have made were not made without consulting the experts; and I say that the Senate ought to hesitate before it jeopardizes $160,000,000 of revenue that is estimated for this year to be derived from the capital-stock and excess-profits tax.

So far as the oil and gas and mining companies are concerned, we give them the most generous kind of treatment in the income-tax law. We allow them percentage depletion and discovery allowances; and there are many companies in the country which have taken advantage of those provisions, and have depleted again and again, and have avoided paying taxes upon their net income after they have had an opportunity to recapture their original capital outlay.

I have no doubt the Senator from Nevada has just cases in mind, but I appeal to the Senate to recognize that when we are passing a tax bill it is impossible to take care of every hardship case, and some consideration must be given to the revenue of the Government. We cannot afford to jeopardize it.

I hesitate very much to argue with the Senator from Nevada about the parliamentary situation, but I am advised that in view of the fact that the House conferees have proposed a repeal of the tax at the end of 1 year, and the Senate has proposed to continue it, the House conferees are in a position where they cannot consider the particular amendment offered by the Senator from Nevada, and that it will be a question of accepting the Senate committee amendment as adopted by the Senate or of not accepting it at all.

Therefore, despite the fact that everything that is said may appeal to the Senate, in view of the fact that $160,000,000 of revenue for this taxable year is involved, I think the Senate should hesitate before it jeopardizes any opportunity to collect that amount.

Mr. HASTINGS. Mr. President, has the Senator any idea how much of the $160,000,000 would be lost by the adoption of the amendment?

Mr. LA FOLLETTE. No; I cannot answer that question It is 5 minutes after 7. There is no opportunity to get any estimate from the actuaries of the Treasury. The experts here upon the floor have no desire to affect policy in any way at all. That is a question for the committee, for the Senate, and for the Congress to decide. These gentlemen have been very circumspect in any attempt to influence policy; but I do wish to present to the Senate, before it votes upon the amendment, their apprehension that it will jeopardize the collection of the tax.

Mr. HASTINGS. Mr. President, I simply do not wish to have the impression prevail that we are likely to lose $160,000,000 by the adoption of this amendment.

Mr. LA FOLLETTE. Oh, I did not mean to leave that impression. I meant to say that that is the estimated revenue, and that I have been advised that there will be substantial losses from it if this amendment shall prevail.

Mr. HASTINGS. The Senator suggested that we would jeopardize $160,000,000 of revenue.

Mr. LA FOLLETTE. I may have made that statement, Mr. President; but the point I tried to make was that a return of $160,000,000 is estimated for this tax, and that there is grave apprehension on the part of those I have consulted, who know more about this provision than I do, that the amendment will result in very substantial diminution of the revenue received from the capital-stock and excess-profits tax. Therefore, I hope the Senate will pause before it acts on the amendment, because, as a matter of fact, the bill now falls short of producing the revenue which was requested by the President in his message.

Mr. PITTMAN obtained the floor.

Mr. BONE. Mr. President, may I ask the Senator a question?

Mr. PITTMAN. I yield to the Senator from Washington.

Mr. BONE. In view of the statement of the Senator from Wisconsin [Mr. LA FOLLETTE], I am wondering, in the event the adoption of the amendment offered by the Senator from Nevada is accomplished, whether it might not be wise to do something in the way of making it impossible for these companies to claim over and over and over and over again what amounts to several times their capital taken up in the form of depletion. It seems to me that should have been taken care of years ago. A company should not be permitted to write itself off time after time and still keep claiming that sort of thing.

Mr. LA FOLLETTE. Mr. President, if the Senator from Nevada will yield to me——

Mr. PITTMAN. Yes.

Mr. LA FOLLETTE. I desire to say that this matter of percentage depletion is a very complicated problem, and certainly could not be settled on the floor of the Senate at this late hour; but I pointed that out simply as an indication that the policy of the Government has been very generous toward those who are operating in what I admit to be a hazardous field of enterprise—namely, exploring for oil, gas, and minerals.

Mr. PITTMAN. No, Mr. President; the Government has not been very generous. The experts have been intelligent in a few matters, and that is one of them. When the copper is taken out of a mine, there is not anything left. When

water is taken out of a stream, it flows back; but the depletion of an oil well or a copper mine or a lead mine is complete, and none of them last over about 10 years.

Mr. LA FOLLETTE. I did not know that this matter was coming up, since it was not touched in the bill; but I should be very glad to furnish the Senator with 13 examples which have been given to me of companies which have taken out their original capital investment time and time again, and are not today paying taxes on their statutory net income, because they continue to take out their capital investment.

Mr. PITTMAN. That has not anything to do with this amendment.

Mr. LA FOLLETTE. It has something to do, if the Senator will pardon me, with the generous treatment which Congress and the Government have extended to those who are operating in these hazardous fields.

Mr. PITTMAN. I think the expression "generous treatment" with regard to taxes is not an accurate one. There never was any generous treatment with regard to taxes; so let us drop the idea of generous treatment.

Senators stand here and tell us that we have no right to consider a question before this body because some tax experts have told them so-and-so, and so-and-so. I think one of the curses of the way measures are passed through this body is the fact that we do not think for ourselves but constantly whirl around and ask what some tax expert thinks, or what some other kind of expert thinks. When we are dealing with a common-sense proposal, at least we do not have to consult some tax expert, who generally has not any common sense.

What we are dealing with in connection with this matter is that there is a law which we passed 2 years ago which provided a tax of so much on every thousand dollars of the capital-stock value of companies. We are supposed to know what the capital-stock value is. We are supposed to ascertain that value for the purpose of taxation. We leave it to the company itself, because if they report an undervaluation we recover what we would lose in excess-profits taxes.

The idea of the experts is that the actual value of a company having been given today, when its value increases in 2 years, they will not let them give the actual value, because they wish to have the Government collect the excess-profits tax not on the actual value of the stock but to collect it on the original value before it attained its new value.

The proposition of having a committee constantly attempt to howl down a Senator on this floor because he is not a member of the committee, and then to base that howl on the constant claim that some tax expert has said so-and-so, does not appeal to me. We do not know the facts ourselves; we do not know a thing on God's earth about it; we do not know how much loss there will be or whether there will be any loss; but the tax expert says so-and-so.

Mr. LA FOLLETTE. Mr. President, I am sorry that in this connection I brought in the tax experts to have them castigated by the Senator from Nevada. I have been on the Committee on Finance during four general revisions of the revenue laws, and have participated in their deliberations, and at this time I desire to pay tribute to the service rendered by the experts of the joint committee and of the Treasury in connection with those measures, and to state that, despite the study I have been able to give to the complex problems involved in the bills, I am still ready to acknowledge that there are a great many people who know more about the subject of taxation than I do, and the more I see of the way in which the Senate handles these matters the more I wish that we could have expert advice instead of having measures chucked out on the floor and passed on without proper consideration.

Mr. COUZENS. Mr. President, I desire to join with the Senator from Wisconsin in resenting the imputations against these so-called tax experts. There would be no legislation if it were not for the services of these men, who are constantly on the job, studying the questions presented to us.

No man should be permitted to come here and plead special privilege for some particular client without having a committee of Congress analyze the facts. This matter was never discussed in the committee. A single Senator comes on the floor pleading for a special interest, and we are supposed to jump through the hoop.

Mr. PITTMAN. Mr. President, for what special interest does the Senator charge the Senator from Nevada is pleading?

Mr. COUZENS. The interest the Senator has disclosed in the record, and I am only talking from the record.

Mr. PITTMAN. I represent no special interest.

Mr. COUZENS. The Senator's own argument, the defense of his amendment, speaks for itself.

Mr. PITTMAN. I resent the Senator attempting to place a construction on what I have said to the effect that it is plain that on this floor I am representing any special interest.

Mr. COUZENS. When a Senator rises and pleads for an amendment for a particular class of taxpayers, he certainly is pleading for that particular special interest.

Mr. PITTMAN. If the Senator holds that when the Senator from Nevada is pleading for new companies, no matter in what business they are engaged, and gives an example of various kinds of new companies whose value cannot be determined at the start, then I am willing for him to use the language he has employed, offensive as he intends it to be.

Mr. COUZENS. I had no intention of being offensive. I say that the Senator's own speech in pleading for the amendment speaks for itself and that is all I am making reference to.

Mr. President, what I particularly resent is having an intricate question like this brought up on the floor of the Senate at this hour of the night without it ever having been considered by any committee of the Senate. I do not know now why it was not presented to the committee for consideration, instead of the Senator coming here at the last hour and presenting an amendment, which undoubtedly has appeal, as all of these proposed amendments have appeal. But that does not justify the Senate, without any knowledge whatsoever of the facts, adopting such a broad amendment as this without consideration of its effect upon the Treasury's revenues, or without any information as to its effect upon the corporations.

Mr. PITTMAN. Mr. President, I am informed that several representatives, in testifying before the committee, urged the adoption of the amendment. Not being a member of the committee personally, I know nothing about it. I am satisfied, however, that members of the committee have discussed this proposed amendment before today. I do not know why they discussed it, or who brought it to their attention, but I am satisfied it has been discussed by members of the committee before today.

Not being a member of the committee, I did not present the amendment. As a matter of fact, I was never requested to present it. It came to my attention from the hearings before the committee that this amendment had been presented, and I think it is a sound proposal.

I do not think there will be any great loss of revenue as a result of the amendment. I think the result will be to force new companies, which hope to succeed, to pay a tax on an overvaluation, so that, if they do succeed, they will not pay an extra tax in the form of an excess-profits tax.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. COUZENS. Obviously the taxpayer is going to be allowed, in connection with this amendment, to fix his own schedules. In other words, wherever it is to his advantage to raise his capital-stock tax up or down he is going to do it so as to be able to regulate the extent to which he pays excess-profits taxes.

Mr. PITTMAN. That is now the law.

Mr. COUZENS. Yes; but he cannot keep changing from time to time. When he supplies the information he supplies it, and he abides by his judgment at the time. Whenever he finds the opportunity, under this amendment, to circumvent the Treasury he can change his return so as to fix his capital-stock tax as he desires.

Mr. PITTMAN. Under existing law he has been allowed a certain time in which to amend his valuation. I think that time extends to July.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. CONNALLY. I may suggest to the Senator from Nevada that these two taxes work somewhat concurrently. In other words, the corporation pays a capital-stock tax. If it puts the value too high, it will pay a great deal higher capital-stock tax.

On the other hand, we passed an excess-profits tax. If the corporation has a different basis of valuation, it pays that tax. So the corporation was given the privilege in the present law of fixing its own capital value on the theory that the gain or the loss would probably offset each other, and allow the corporation to fix its own basis of taxation. The corporations have had that advantage under the present law. Under the Senator's amendment they would be enabled to change their basis and readjust it in such a fashion as to take advantage of any ameliorating circumstances in the way of lowering the tax.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. COUZENS. The Senator from Texas knows human nature quite well, because through his great personality and influence he has now secured in the bill a nefarious amendment to protect certain oil investments. The Senator from Texas knows human nature well enough to know that a corporation is going to regulate its capital-stock basis up or down so as to pay no more tax than can be helped.

Mr. CONNALLY. Mr. President, the Senator from Michigan misunderstood me. I was endeavoring to support the position taken by the Senator from Michigan, and agree with him in his views. I must apologize to the Senator for being so obtuse as not to be able to make my meaning clear.

Mr. COUZENS. I desire to plead dumbness for not understanding.

Mr. PITTMAN. I will admit it on both sides and go on.

Mr. CONNALLY. I shall reserve for a later time reply to the remarks of the Senator from Michigan with reference to my having inserted a certain provision in the bill, and wish to say that the Senator from Texas is not the Committee on Finance. The committee inserted whatever is in the bill. With all due apology, I beg to remind the Senate that the Senator from Michigan is a very influential and very powerful member of that committee.

Mr. COUZENS. Mr. President, will the Senator again yield?

Mr. PITTMAN. I yield.

Mr. COUZENS. I simply desire to point out that the Finance Committee overwhelmingly defeated the amendment of the Senator from Texas at one time, but the members of the committee fell for his pleading and smiles and eloquence and reversed themselves.

Mr. KING. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. KING. My recollection is imperfect as to the discussion which took place in the committee concerning mining properties. A number of witnesses appeared and presented in a very comprehensive manner the problems involved in the development of mines and the hazards incident to mining operations. They made a number of suggestions for legislation, and my recollection is that among them was one indicating the importance of amending the law so that capital-stock valuations might be changed from time to time as conditions justified.

I recall that informally some of the members of the committee, as well as some of the experts, took the view that under the law revaluation might be made during this year, and that it was quite likely that before another revenue year should have elapsed further tax legislation would be enacted, and the whole question could then be investigated, with a view to granting such relief as would be fair and just not only to those engaged in mining operations but to the Government itself.

I am sure the members of the committee appreciated some of the problems and hazards incident to the development of the mining resources of our country; and, speaking for myself, I have no doubt that when the next revenue law is enacted—which I feel sure will be in 1937—ample provision will be made to meet the just demands of those engaged in the mining industry.

Mr. PITTMAN. Mr. President, I believe the Senator from Texas has stated the purpose of the amendment, which is that there shall be a self-balancing of the tax basis; that if the capital-stock tax is too low then the excess-profits tax will be collected, and vice versa. That is all true. I think it is not his conclusion, however, that one valuation having been fixed there should never be another valuation fixed, whether the actual value of the property is changed or not.

Mr. CONNALLY. Mr. President, will the Senator yield?

I think it was an unwise provision and I did not agree to that method. However, since that method was adopted and the corporation has received the benefit of it, I do not favor now changing it in a hurried and unstudied manner. If the general excess-profits tax is to be revised I shall be glad to give consideration to it. I thought it was unwise in the first place. To me the invested capital basis tax represented sounder doctrine.

Mr. PITTMAN. Mr. President, the act itself provided a period of time—I think 2 years' time—in which to amend it. That was probably satisfactory as to great and old-established companies which we have in mind. Let us assume, however, that a company is organized today and it is told, "On organizing your new company you must establish the value of your capital stock for the purpose of taxation." I say it is physically impossible for a new company which is just starting out actually to fix its capital-stock value, and such a new company should be given a period of 2 years, or some period after starting, in which to determine the facts upon which to base the tax on capital stock. If the amendment were to go to the conference, then the conferees would have something which they could change in any form they wanted to. They could provide a period of 2 years after the organization of a new company in which the company could determine what the actual value of its property was.

Mr. GEORGE. Mr. President, I think there is very much in what the Senator from Nevada has had to say upon this question. However, early in the deliberations of the Finance Committee I felt I was old enough to make the suggestion that the fair way of arriving at the value of capital investment was to multiply the ascertained net income under the income-tax law applicable to corporations by 8 or 10 or 12, or any other arbitrary amount the committee wished to fix. That is exactly what a corporation undertakes to do. If a corporation earns $100,000, and it were then privileged to fix the value of its capital assets, it would multiply its earnings by 8 or 10 or 12 and say that its capital investment was worth a million dollars.

The Treasury officials pointed out, however, that in times of prosperity earnings might be relatively large and that the capital-stock tax, based upon the values fixed upon the basis I suggested, would be rather heavy. But in times of depression, when the corporation was making no real profit, the Government would not get any money from a capital-stock tax. Of course, I was compelled to recognize the statement as being in large measure true. It is just one of those unfortunate situations that exist.

I repeat, there is much in what the Senator from Nevada says, because in the case of a new corporation starting out upon a rather venturesome program the capital fixed is not what it actually is, but what those who engage in the interprise hope it will be. If they happen to fix irrevocably the capital stock or capital invested, and have no privilege of revaluing, they may be caught with very high excess profits when, as a matter of fact, their investment may have increased in value.

I believe it to be eminently fair and just that the annual earnings of a corporation should be multiplied, say, by 10

or 12½, and the capital-stock tax automatically fixed in that way so that there will be no guessing on the part of those charged with the management of the corporation, and the Government would get a capital-stock tax on that basis.

I recognize, however, that in times of great depression or in times of great leanness, when the corporation did not make any earnings, then its capital-stock tax would be greatly reduced and could indeed pass out of the picture. However, it seems to me that there might be fixed some minimum of value, either on the basis of original investment or what not, and then the capital stock fixed in some proportion to the annual net taxable earnings of the corporation.

I may say to the Senator from Nevada that, if I rightly interpret the situation, the bill as it passed the House would repeal the capital-stock tax and the bill as reported by the Senate Finance Committee would reenact the capital-stock tax, so it seems to me that the whole matter would be open for conference, and the conferees might have a free hand to arrive at some fair basis of settling the particular controversy if no amendment were adopted.

I may say also that while, of course, we have come probably to a change in our national policy with reference to corporations, nevertheless the problem presented by the Senator from Nevada is not so important if one is dealing with one corporation, but in the case of a series of corporate enterprises or a number of corporations which are interlinked or affiliated under one management, where one management is responsible for fixing the value or valuing the investments in half a dozen or a dozen corporations if they are legitimate—and if they are not legitimate structures a different question would be involved—when those values have become fixed and have become irrevocable for a series of corporations, which are the result of a normal expansion of business on the lines along which we have allowed it to develop in this country, then we have a very acute problem, and what the Senator from Nevada points out is entitled to very grave consideration.

Of course I should like to get through with the tax bill, but while on that very point I desire to make this statement. I am not sure whether or not our business in America ought to be conducted under the corporate form. I am not sure but that a corporation with immense power, with immense holdings, may not be an evil as well as a benefit. That is not the question, it seems to me. If we are going to continue the corporate form of business—and we do most of our business under the corporate form—then these problems are coming back and back and back again for consideration and reconsideration year after year.

There is much justice and much good common sense and plain fairness in the suggestion made by the Senator from Nevada. On that very point the question whether or not under a pressure tax we are to force out corporate earnings and place them in the hands of the individual stockholders comes at last to our own conclusion as to whether business in America shall be carried on under the corporate form or whether the Congress has upon it the higher prerogative of determining a sound policy for the Nation.

It seems to me, if the Senator from Nevada will permit me to make this brief suggestion, that as the bill stands, as passed by the House and as reported by the Finance Committee, there is freedom on the part of the conferees to consider the suggestion which he makes and which I believe has in it a great deal of merit.

Mr. COUZENS. Mr. President, I do not object to the fixing of the capital-stock declaration based on a percentage such as the Senator from Georgia [Mr. GEORGE] has suggested, or on the basis of earnings, but when we leave it wide open in accordance with the amendment proposed by the Senator from Nevada, whenever the taxpayer finds he has his capital-stock declaration too low, and is paying more in excess-profits taxes than he thinks he ought to, he would be able to fix his own tax.

In that connection I point out that the excess-profits taxes may be a great deal higher than the capital-stock tax. He then elects to increase the capital-stock tax so as to pay a very small rate on capital stock and thereby save a great deal of money. The next year comes along and he says, "I have this too high. I am not going to have much excess-profits tax this year, because I am not going to have any excess profits, so I will reduce my capital-stock tax to secure a lower rate."

If we had a standard such as suggested by the Senator from Georgia [Mr. GEORGE], it might be applicable, but under the amendment submitted by the Senator from Nevada it seems to me it is left wide open for any taxpayer to fix his own tax.

Mr. KING. Mr. President, I feel that in justice to what has been said respecting the presentation of this matter to the committee I should refer to the hearings, in which I find this, among other statements:

> In the same connection we strongly urge the repeal of the capital-stock and excess-profits tax, particularly because a fair application of the law to the mining industry is almost impossible unless provision be made for the periodical revision of the declared value.

Suggestions were made by a number of persons who came before the committee that there should be an opportunity for a new declaration of value. Upon further reflection, I am inclined to believe that the conferees will have power to provide for revaluation so that the results sought by the Senator from Nevada may be accomplished.

Personally I believe there should be a modification of existing law in the matter of revaluation. The mining industry is to be differentiated from most other industries. Ore deposits are exhausted, mines are depleted, and values of mining properties are variable, as a result of which an opportunity should be afforded for redeclaring value where the capital-stock plan of taxation prevails.

Mr. PITTMAN. Mr. President, I wish to modify my amendment. I send the modified amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment as modified will be read.

The CHIEF CLERK. On page 241, in section 401, after line 5, it is proposed to insert a new paragraph, as follows:

> (b) Section 105 (f) of such act is amended by striking out the words in the first parenthesis in the first sentence thereof and inserting in lieu thereof the following: "which declaration of value may be amended within the period of 3 years after incorporation of a new corporation."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Nevada as modified.

The amendment was rejected.

Mr. McNARY. Mr. President, my colleague the junior Senator from Oregon [Mr. STEIWER] was called from the Chamber on important public matters. At his request and in his behalf I submit the amendment which I send to the desk and ask that it may be stated.

The CHIEF CLERK. On page 272, between lines 12 and 13, it is proposed to insert a new section, as follows:

> SEC. 812. TAX ON LUMBER.
>
> Effective on and after the date of enactment of this act, section 601 (c) (6) of the Revenue Act of 1932, as amended, is amended by adding at the end thereof the following:
>
> "For the purposes of this paragraph, lumber is defined as the product of the sawmill not further manufactured than by sawing, resawing, or passing lengthwise through a standard planing machine, crosscut to length and matched. The board measurement of dressed lumber shall be based upon the corresponding nominal dimensions of rough green lumber."

Mr. McNARY. Mr. President, this amendment in nowise contravenes the Revenue Act of 1932, which deals with this problem. Recently, in some of the Government agencies, different views have been taken with respect to the definition of the term "lumber." In order to remove that doubt which exists about the definition of the term, and to make the term accurate in its meaning, I have proposed, in behalf of my colleague, the amendment which has just been read. It does not in any way affect the duty or the revenue derived from the item under the Revenue Act of 1932. It is simply clarifying language, and I sincerely hope the Senator from Utah [Mr. KING], who is in charge of the bill, will take it to conference in order that the conferees may work out some language appropriate to meet the situation I have briefly described.

Mr. KING. Mr. President, I will say in response to the plea of my friend that his colleague [Mr. STEIWER] came before the committee and presented the substance of the amendment. My recollection is that the committee voted against the amendment on the suggestion of the Senator.

Mr. McNARY. Mr. President, I understood that my colleague did not present the amendment to the committee; that he made a statement, but did not propose the language. At the present time the amendment has been reduced to definite language. I am not familiar with the history of the matter; but for the reason that my colleague did not actually present his amendment, but made a statement, I should like to have the Senator take the language into conference and work out some language that may be an improvement.

Mr. BARKLEY. Mr. President, it is true that the Senator from Oregon [Mr. STEIWER] came before the committee and requested that the change be made, but he did not himself present an amendment in language. I have no objection to the amendment.

Mr. KING. Very well, Mr. President; the amendment may go to conference.

Mr. NORRIS. Mr. President, before the amendment is agreed to——

Mr. KING. I shall withdraw consent until I hear from my friend from Nebraska.

Mr. NORRIS. We have established the precedent this afternoon that if we wish to get a matter into conference the way to do so is to keep it out of the bill. In order to save the conferees a lot of trouble, I call attention to the fact that now the Senator in charge of the bill proposes to get something into conference by putting it in the bill. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. McNARY] in behalf of his colleague [Mr. STEIWER].

The amendment was agreed to.

Mr. SHIPSTEAD. Mr. President, I ask the Senator from Kentucky whether all the committee amendments have been presented and disposed of?

Mr. BARKLEY. No; I have two or three more.

Mr. SHIPSTEAD. I have an amendment to offer; but, as I understand, the committee wishes to finish presenting its amendments before other amendments are offered.

Mr. BARKLEY. It is desirable, but not absolutely necessary, that that be done.

Mr. SHIPSTEAD. Then I shall offer mine now, because I wish to get it before the Senate. I shall be as brief as possible.

I have an amendment on the table which I ask to have read.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. —. Section 5219 of the Revised Statutes is amended to read as follows:

"SEC. 5219. The legislature of each State may determine and direct the manner and place of taxing national banking associations located within its limits upon their real and tangible personal property and also upon their shares: *Provided*, That in lieu of such tax upon the shares, the legislature may impose either a tax upon the net income of such associations or an excise tax measured by net income received by them from all sources: *Provided further*, That such taxation shall not be at greater rates than are imposed, respectively, upon the real and tangible personal property or shares or income of, or by way of excise (or franchise) tax upon State banks: *And provided further*, That a State which imposes a tax on the net income of individuals or corporations, or an excise or a franchise tax on corporations measured by their net income, may also include in such income of individuals or corporations the dividends from national banking associations located in the State, but only if dividends from the State banks of such State are similarly included; and may also tax dividends from such associations located without the State, but in such case at no higher rate than is imposed on the dividends from foreign corporations. As herein used, the words 'State banks' shall mean and include all persons and corporations engaged primarily in the business of commercial banking; and the word 'shares' in its application to individuals engaged primarily in the business of commercial banking shall mean the capital and surplus of such business, and the word 'dividends' shall in such case mean the distributed profits therefrom."

Mr. SHIPSTEAD. Mr. President, in spite of the fact that this amendment is very important to half or all of the States of the Union, I shall be very brief. I should not bring the amendment here at all at this hour, or offer it to this bill, were it not for the fact that in the various States a very serious emergency exists in the matter of taxation of national banks, due to an outrageous provision of the Federal law.

The amendment speaks for itself. In short, it provides that the Federal statute shall be amended so that States may tax national banks on the same basis and at the same rate that State banks are taxed in the various States.

This matter has been coming here since 1921 or 1922. To the best of my knowledge, it was first brought to the attention of the Congress by the Senator from California [Mr. JOHNSON]. For several years the Senator from South Dakota [Mr. NORBECK], introduced bills to provide equality or to do away with discrimination against State banks such as now is provided by the Federal law. The matter has never been permitted to come to the floor of the Senate. It has had hearings before the Banking and Currency Committee. All sides have been heard on many occasions, but the discrimination against State banks still exists.

As a matter of fact, in a number of States—I do not know how many, but I understand in at least 16 States from which I have communications here—the tax commissioners are in favor of the enactment of a bill of this character. For instance, in my State—and I think the same thing is true in other States—national banks pay taxes on their real estate only. State banks must pay taxes on their real estate and also on their capital, surplus, and undivided profits.

As a result, in communities where during the depression the relief problem has been so severe as to strain the taxpaying power of the entire community, the national banks have not carried their load.

As a result of this situation, we find that in the United States as a whole, from the time this situation arose in 1922, the capital and surplus of national banks increased 11 percent, but taxes on them decreased an average of 39½ percent. To repeat, in the United States as a whole, the local taxes on national banks have decreased 39½ percent since 1922, while their capital and surplus have increased 11 per cent.

If there is any other form of corporation or industry or business which has had a special privilege from the Federal Government in saving it from carrying its burdens of local taxation, I should like to know what it is.

In showing what the various States that have sent communications on the subject have to say, I shall be very brief.

A communication from Jackson, Miss., signed by A. S. Coody, secretary of the Mississippi State Tax Commission, reads as follows:

MISSISSIPPI STATE TAX COMMISSION,
Jackson, Miss., August 24, 1932.

Hon. GEORGE H. SULLIVAN,
Chairman, Bank Tax Commission,
St. Paul, Minn.

DEAR SENATOR: I have your letter of the 16th with reference to the proposed amendment to section 5219, United States Revised Statutes. This commission agrees with the action taken by your commission. It seems that enough time has been spent in attempting to reach a compromise on this matter.

It seems to me that the matter of discrimination could be disposed of by the simple proviso that national-bank shares could not be taxed to a greater extent than the shares of State banks. States would certainly not overtax State banks. The amendment suggested in item 4 of your letter would likely have the same effect.

With best wishes and regards, • • •

Yours very truly,

A. S. COODY, *Secretary.*

These communications were written to the chairman of the Minnesota Bank Tax Commission, which was organized for the purpose of obtaining relief; and these communications came to that body from the tax commissions of other States.

From the Indiana State Board of Tax Commissioners, Mr. Zoercher writes as follows:

STATE BOARD OF TAX COMMISSIONERS,
Indianapolis, Ind., August 15, 1932.

GEORGE H. SULLIVAN,
Chairman, Bank Tax Commission of Minnesota,
St. Paul, Minn.

MY DEAR MR. SULLIVAN: Yours of recent date received and in reply will say that the members of this board feel that the amendment proposed by the Senate committee at its recent session is the proper way to solve this question of section 5219—that is, other money capital shall be capital engaged in the banking business. As long as national banks are treated the same as State banks and trust companies are treated, they ought to be satisfied. There is no reason for any objection to that provision in the statute.

People are getting disgusted with the fight these high-powered attorneys are making in trying to have the banks not pay any taxes at all. It seems to me that the committee representing the States in the Union ought to meet the objections by a statement that is clean- and clear-cut, without any doubt as to its meaning, and the last Senate amendment is clear- and clean-cut and ought to settle the whole controversy.

Very truly yours,

PHILIP ZOERCHER.

From the State of California I have the following letter signed by Dixwell L. Pierce, secretary of the State board of equalization, at Sacramento:

STATE BOARD OF EQUALIZATION,
Sacramento, Calif., August 16, 1932.

Hon. GEORGE H. SULLIVAN,
Chairman, Bank Tax Commission of Minnesota,
St. Paul, Minn.

DEAR SIR: This is in acknowledgment of your letter of August 12 in which you enumerate the tentative conclusions reached by the members of your commission at a meeting held on August 10.

This board finds itself in agreement as to all of your conclusions. As you know, we have felt for sometime that the compromise bill introduced last April by Mr. STEAGALL as H. R. 11118 would not entirely meet our needs and has not given much promise of passage.

We definitely favor the Norbeck bill and have urged favorable action on it. While we realize that the bankers are strongly represented, we think that through concerted effort on the part of the States we would stand a better chance of getting the Norbeck bill passed than any other that has recently been offered. It does not seem to us that the banks required any further protection than that which is afforded by the fourteenth amendment and that the alleged discrimination has never been proved so far, at least, as California is concerned.

Very truly yours,

DIXWELL L. PIERCE, *Secretary.*

The Norbeck bill, to which Mr. Pierce refers, is to the same effect as the pending amendment.

From the State of South Carolina, Mr. W. G. Query, chairman of the South Carolina Tax Commission, says:

SOUTH CAROLINA TAX COMMISSION,
Columbia, June 1, 1932.

Mr. GEORGE SULLIVAN,
Chairman, Bank Tax Commission of Minnesota,
St. Paul, Minn.

DEAR MR. SULLIVAN: I have your letter of May 26, enclosing report no. 625, in re Senate bill 4291. I have written the South Carolina Senators and expect them to support the bill when taken up for consideration.

W. G. QUERY,
Chairman, South Carolina Tax Commission.

From the State of Montana comes a letter signed by James H. Stewart, from the board of equalization, in which he states:

STATE OF MONTANA,
BOARD OF EQUALIZATION,
Helena, September 1, 1932.

Hon. GEORGE H. SULLIVAN,
Chairman, Bank Tax Commission of Minnesota,
State Capitol, St. Paul, Minn.

MY DEAR SENATOR: Replying to your communication respecting the bank-tax legislation so long under consideration, beg to say that I am confident that with the efforts you are making and with the opportunity you have to give consideration to the matter that whatever conclusion you reach will be the best that could be had under the circumstances.

No fair-minded person could object to the legislation proposed, in that the property of banks should bear no higher rate of taxation than would the property in the hands of individual citizens or corporations other than banks. * * *

With very best personal regards to you and others of our acquaintance working in cooperation with you, I am

Yours sincerely,

JAMES H. STEWART.

John P. Hennessey, tax commissioner of the State of New York, has this to say:

STATE OF NEW YORK,
DEPARTMENT OF TAXATION AND FINANCE,
Albany, September 2, 1932.

Hon. GEORGE H. SULLIVAN,
Chairman, Bank Tax Commission of Minnesota,
State Capitol, St. Paul, Minn.

DEAR SIR: In the absence of Hon. Thomas M. Lynch, president of the Department of Taxation and Finance of New York State, I am replying to your letter of August 26, addressed to Hon. Mark Graves and referred by him to President Lynch.

I have been unable to confer with President Lynch or John J. Merrill, members of the tax commission, to ascertain their views concerning the subject of taxation of national banks, mentioned in your letter.

This matter was carefully considered by the Mastick commission, a local commission reviewing the tax laws of New York State.

I am personally in favor of the recommendation contained in this report, that a State should be authorized to tax the property of national banks to the same extent and in the same manner as it taxes other property and to tax national banks' business to the same extent and in the same manner that it taxes other business and to tax stockholders in national banks to the same extent and in the same manner as it taxes other stockholders. In other words, the authority conferred by section 5219 of the United States Revised Statutes should be broadened somewhat so that it might be exercised in the several States without imposing restrictions and making compliance therewith difficult and subject to possible constitutional objections.

The representatives of New York State at the National Tax Conference, to be held in Columbus, Ohio, September 12–19, will be pleased to attend any suggested conference to consider proposed amendments to section 5219 of the United States Revised Statutes.

Very truly yours,

JOHN P. HENNESSEY,
Tax Commissioner.

From the State of Utah, R. E. Hammond, commissioner of the State tax commission, says:

THE STATE OF UTAH,
STATE TAX COMMISSION,
Salt Lake City, August 25, 1932.

Your letter of August 18, relative to proposed amendments to section 5219, has just come to my attention and I have read it with considerable interest. In answer to your request for my opinion on certain points, I suggest the following:

1. I think it would be advisable to recede from the support of the compromise bill.

2. I agree with you that we should favor and support the Norbeck bill. * * *

With best wishes, I remain,

Yours truly,

R. E. HAMMOND, *Commissioner.*

From the State of Wyoming comes a letter signed by F. Chatterton, chairman of the board of equalization, in which it is stated:

THE STATE OF WYOMING,
BOARD OF EQUALIZATION,
Cheyenne, September 2, 1932.

Replying to your favor of August 19 relative to amending the Norbeck bill for amendment of section 5219, relative to taxation of national banks, I think your suggestion is O. K.

I still think that a simple provision that national banks should not be taxed differently or at a higher rate than State banks are taxed in the respective States would be most satisfactory.

Yours truly,

F. CHATTERTON, *Chairman.*

From the State of Michigan Mr. Wayne Newton, of the State commission of inquiry into county, township, and school-district government, Lansing, Mich., comes this letter:

STATE COMMISSION OF INQUIRY INTO COUNTY, TOWNSHIP, AND SCHOOL-DISTRICT GOVERNMENT,
Lansing, October 11, 1932.

Speaking for myself alone, I heartily applaud the return of a common-sense point of view upon the subject of bank taxation. I believe the States should have the power to tax national banks in the same manner that State banks are taxed.

Very truly yours,

R. WAYNE NEWTON, *Secretary.*

From the State of Missouri there is this letter from the chairman of the State tax commission, Mr. J. T. Waddill:

STATE TAX COMMISSION OF MISSOURI,
Jefferson City, Mo., October 13, 1932.

I have your letter of October 6 with reference to taxation on banks. I most heartily agree with your views with reference to taxation of banks. Undoubtedly National banks, State banks, and trust companies doing a banking business should be taxed to the same extent.

Yours truly,

STATE TAX COMMISSION,
By J. T. WADDILL, *Chairman.*

From the State of Washington comes this letter from S. H. Chase, State tax commissioner of the State of Washington:

OCTOBER 19, 1932.

We are in receipt of your letter of the 12th instant in re bank taxation, with enclosure as stated, for which we thank you.

This commission is in full accord with the provisions of the resolution adopted at the Columbus meeting and with those of the proposed bill drafted thereunder. We shall be glad to forward copies of the same to our Senators and Representatives in Congress and to urge upon them the desirability of the enactment of this bill into law.

For your information we are enclosing copy of our letter of September 30, 1932, to Mr. John Miller, tax editor of the United States Daily, Washington, D. C.

If we can be of other service, please advise.

Yours truly,

TAX COMMISSION OF THE STATE OF WASHINGTON,
By S. H. CHASE, *Chairman.*

Then there is a resolution which I should like to have printed in the RECORD. It was adopted in 1932 in a convention at Columbus by the representatives of States constituting the Association of States on Bank Taxation. It is as follows:

Resolved, That the representatives of States constituting the Association of States on Bank Taxation, being in attendance upon the twenty-fifth annual conference on taxation under the auspices of the National Tax Association, held at Columbus, Ohio, September 12 to 16, 1932, having given consideration to the problems confronting the States respecting the taxation of national banking associations, take the position that the existing Federal statutes limiting, restricting, and, we believe, in effect, prohibiting States from lawfully imposing reasonable taxes in any form upon such associations and upon their shares in the hands of holders, should be amended, and that in lieu thereof Congress should enact a statute extending to States the power to tax such association by the employment of such methods under their own systems of taxation as they may consider desirable, limited only by the provisions of the fourteenth amendment to the Constitution of the United States, provided that such taxation does not impose a greater burden than is assessed or imposed by the taxing State upon the property, income, and/or shares of banks organized and existing by authority of the taxing State: Be it further

Resolved, That we do hereby approve and reaffirm the resolution adopted at the 1921 session of the National Tax Association, reading as follows: "Be it

"*Resolved,* That, in the opinion of this conference, section 5219 of the United States Revised Statutes should be so amended as to permit the States to tax national banks or the shares thereof or the income therefrom, according to such systems as they may consider desirable, provided that such taxation shall not be at a greater rate nor impose a heavier burden than is assessed or imposed upon capital invested in general banking business and the income derived therefrom."

From the State of New Mexico comes a letter from Mr. Byron O. Beall, State tax commissioner, as follows:

NEW MEXICO,
STATE TAX COMMISSION,
Santa Fe, January 29, 1934.

MR. GEORGE H. SULLIVAN,
President, Association of States on Bank Taxation,
State Capitol, St. Paul, Minn.

DEAR SIR: In connection with your recent letter relative to the proposed amendment to section 5219, United States Revised Statutes, please be advised that our commission will prepare and forward to our Representative in Congress a resolution urging the support of this amendment.

Assuring you that we are glad to assist, we are,

Respectfully yours,

STATE TAX COMMISSION,
By BYRON O. BEALL,
Chief Tax Commissioner.

Mr. President, these are a few communications in regard to this subject. I have already called attention to the fact that since this situation arose while capital and surplus of the national banks in the United States have increased 11 percent, and their taxes have decreased 39½ percent, showing that they are not carrying their just share of the burdens in the various local communities to pay for relief and to pay for local government, a situation which has existed entirely too long.

Because of the lateness of the hour, I do not care to impose upon the Senate by making a long, technical, and detailed discussion. I have stated the facts as to the situation which exists. I have brought here the testimony of tax commissioners from the various States who have probed and explored this subject for years. We have not been able to get relief from the Committee on Banking and Currency of the Senate.

I am sure that they have acted, in denying the relief, to their best judgment, and according to their consciences, but I cannot agree with them, and because of the emergency which exists in the taxing policies of the local governments supporting relief and local government, I have at this hour and on the pending bill offered the amendment which I have suggested in order that relief shall be granted by the only authority that has the power to grant relief. Failure to act will mean a discrimination against the States which works a hardship on every local community, and it is a situation which the Federal Government should not tolerate and should not be guilty of continuing.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Minnesota [Mr. SHIPSTEAD].

Mr. SHIPSTEAD. I ask for the yeas and nays.

Mr. GLASS. Mr. President, this is by no means a new proposal. It has been brought before the Congress and before the Committee on Banking and Currency from time to time for 14 years. Every Secretary of the Treasury since 1920 and every Comptroller of the Currency up to the present time has been opposed to the suggestion.

The Senator from Minnesota has not fully stated the question. It is not merely a question of States taxing national banks at the same rate at which they tax State banks. The proposal of the Senator from Minnesota is to segregate all banks, national as well as State banks, and to let the States tax them as they please.

I have here the last letter from the Secretary of the Treasury on the subject, a communication to the chairman of the Committee on Banking and Currency of the Senate, the Senator from Florida [Mr. FLETCHER], and referring to the bill to which the Senator from Minnesota has addressed himself, the Secretary stated:

This bill would place both State and National banks in a segregated class for taxation purposes. National banks are still instrumentalities of the Government. While they are no longer the chief source of paper money, they are the compulsory and most numerous members of the Federal Reserve System, and as such are essential not only to the currency function, but to an adequate supply of credit in other forms. The bill would in effect place power in individual States to wreck these Federal instrumentalities by unsound taxation if the States should so desire, and it is therefore dangerous.

It must be remembered that it is often difficult to reach the property of individuals for taxation purposes and that where the burden of taxation on moneyed capital employed upon individuals becomes too great, it can and usually does leave the State which imposes the heavy burden. On the other hand the bank's property may be easily ascertained and reached. It cannot leave the State and must either pay the tax or cease to do business. Moreover, the individual would look with favor upon the burden of heavy taxation on banks when the result would be to lighten his taxes, thus giving to the legislature which enacts the tax law a strong temptation to impose the heavy burden on the banks. The safety of the Federal banking structure should not be left to the powers of the legislature to resist such temptation. Therefore the Treasury is opposed to the enactment of S. 3009 into law but does favor the enactment of S. 2788, which has already been reported by the Banking and Currency Committee of the Senate.

That is with reference to the bill that was passed by the Senate at the last session but failed of enactment in the House.

In the same connection T. J. Coolidge, one of the clearest-headed men who has ever been connected with the Treasury Department, vigorously opposes the segregation of banks for taxation purposes.

The Senator has quoted some banking commissioner from Utah. I have a letter here from Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, whose home is in Utah, agreeing entirely with Under Secretary Coolidge in opposition to this bill.

Mr. BENSON. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. BENSON. The Senator has just quoted from Marriner S. Eccles, the present Chairman of the Board of Governors of the Federal Reserve Board.

Mr. GLASS. Yes.

Mr. BENSON. Would it surprise the Senator to know that probably Governor Eccles from Utah has a personal interest in this matter?

Mr. GLASS. No; that would not surprise me the least bit in the world.

Mr. BENSON. Would it surprise the Senator to know that Mr. Eccles himself had stated that he does not pay his taxes in Utah? Naturally he would be in favor of maintaining the law as it now is. Governor Eccles has stated publicly that he does not pay his taxes in Utah.

Mr. GLASS. That is a matter with which I cannot deal. I know nothing in the world about Governor Eccles' taxes—whether he pays them or does not pay them. I do know that he is the Chairman of the Board of Governors of the Federal Reserve System, and this bill was referred to him for his consideration, and that he is utterly opposed to it.

Not only that, Mr. President, but the State banks are utterly opposed to the bill. They have opposed it for 14 years successively by resolution and by the appearance before the Banking and Currency Committee of their representatives. The American Bankers' Association has uniformly and persistently opposed this proposition.

Mr. BENSON. Mr. President, will the Senator further yield?

Mr. GLASS. I yield.

Mr. BENSON. When the Senator says the State banks of this country are opposed to the bill, is the Senator referring to the American Bankers' Association or is he referring to the State banks?

Mr. GLASS. I am referring to the American Bankers' Association, in which the State banks are very largely represented.

Mr. BENSON. Very largely misrepresented, the Senator means.

Mr. GLASS. No; I do not mean that at all. I mean they are largely represented, and I should venture to say that a majority of the State banks belong to the American Bankers' Association.

Mr. BENSON. They may belong to it, but that does not say that they are getting representation by officers of the American Bankers' Association.

Let me ask the Senator another question. He stated that it would be highly improper to agree to the amendment because it would have a tendency to segregate banks for taxation purposes? I call his attention to page 31 of the bill and ask him if the last paragraph in section 14 is not a segregation of banks for exemption purposes.

Mr. GLASS. The Senator is talking about the tax bill?

Mr. BENSON. Yes; I am.

Mr. GLASS. I am talking about the amendment presented by the Senator from Minnesota.

Mr. BENSON. Yes; but is it not just as logical to segregate banks for taxation purposes as it is to segregate them in the bill for exemption purposes?

Mr. GLASS. I am stating to the Senate that the American Bankers' Association, to which belong all the national banks, and I think a considerable majority of the State banks, has uniformly objected to a provision similar to the one under discussion; that the Banking and Currency Committee over and over again has had hearings on the subject and has disapproved such a provision; that every Secretary of the Treasury since 1920 has disapproved such a measure, as has every Comptroller of the Currency. I do not think at this late hour of the night as the last proposition in connection with the tax bill we ought to take up a complex subject of this sort and put it onto the tax measure.

Mr. SCHWELLENBACH. Mr. President, I had not intended to speak upon this amendment, and I do not want to take up very much time to speak on it, but in view of the letter which the Senator from Virginia has read from an Under Secretary of the Treasury, Mr. Coolidge, I think the Democratic side of the Senate should not permit a statement which is so palpably fallacious to come from a representative of the Democratic administration without some effort upon the part of the Democrats in the Senate to answer it.

In the first place it is assumed in that letter that the result of an amendment of this kind would be to segregate banks for taxation purposes. I wish to say to the Members of the Senate that the banks of this country are today segregated for the basis of taxation. They are segregated out of all taxation, and they certainly would not object to some sort of segregation within the class of those that should be taxed.

I can see no reason for objection upon the part of the banks to join with the rest of the businesses of the country and the people of the country and pay some tax upon their assets and upon their businesses.

The second argument used by the Under Secretary is that it is dangerous to tax banks—that it may affect the business of the country adversely if we tax banks. I have no quarrel with banks. I at one time was the president of a bank, and I know something about the banking business, and I do not think that bankers are all crooks, because I do not agree that I was a crook.

Mr. GLASS. If the Senator thinks that banks do not pay taxes at all he knows very little about banks.

Mr. SCHWELLENBACH. I know what taxes are paid upon the assets of the banks in 16 States in the country, and I know that the national banks are not paying any taxes, and I know that as the result of that situation in many of the States the State banks are not paying any taxes. They pay a tax upon the real estate and upon nothing else. They do not pay a tax upon their assets. They do not pay a tax upon the amount of money that they used in their business for the purpose of owning property.

Mr. President, I am sorry to disagree with the Senator from Virginia, but I have been engaged in multitudinous litigation about this subject. I have carefully studied and presented to the court all of the decisions of the Supreme Court on the subject, and I do know something about it. I am sorry to disagree with him when the Senator from Virginia says that I do not know anything about it; but I do know something about it as the result of a very careful study of the subject.

Mr. GLASS. The Senator made the bald statement that the banks do not pay any taxes. The banks do pay taxes.

Mr. SCHWELLENBACH. I say that in 16 States of this country the national banks do not pay taxes, and that in many of those States the State banks do not pay taxes. I do not agree with the Under Secretary of the Treasury when he said that we have a banking institution in this country that is so close to the danger line that we do not dare entrust them to the State legislatures for the purpose of taxing. I have more confidence in the banking structure of the country than that. The Under Secretary of the Treasury completely overlooks one of the fundamental principles of taxation, and that is that taxation should be fair, and that in securing fair taxes we should levy taxes that are possible of accurate ascertainment. When he says that one danger about taxing banks is that their property can be easily taxed, that it is easily possible to ascertain proper taxes upon them, and that we should tax them because it is difficult in other instances, the Under Secretary simply flies in the face of the fundamental principles of taxation known to anybody who has ever studied the most simple principles of taxation or economics.

Mr. GLASS. In some way the Senator simply emphasizes the Under Secretary when I told him that every Secretary of the Treasury, including the present incumbent of that office, has been opposed to this principle.

Mr. SCHWELLENBACH. I stated in the beginning that my reason for speaking at this time was that I did not feel that there should be left in the RECORD a statement made by a Democratic Under Secretary of the Treasury that is as absolutely fallacious as the one read by the Senator from Virginia without someone on the Democratic side of the Chamber attempting to answer it.

Mr. GLASS. The letter I read was from Secretary Morgenthau.

Mr. SCHWELLENBACH. If it was, then there is twice the reason. I understood it was written by the Under Secretary.

Mr. GLASS. I said it was concurred in by the Under Secretary.

Mr. SCHWELLENBACH. There is twice the reason if the Secretary of the Treasury does not know anything more

about taxation or about the principles of economics than that. If that be true then somebody ought to rise and answer his argument.

Here is the fundamental controversy: The reason why we do not tax these banks is that they contend that competing capital is not taxed. We have savings-and-loan associations. They contend they are taxed and they come before every committee and draw their comparisons.

We have a bank with a capital of $1,000,000 and deposits of $20,000,000, $21,000,000 altogether. We having a savings-and-loan association with shares sold at $21,000,000.

Every time bankers appear before a legislative committee their contention is that the savings-and-loan associations should have a tax upon their entire $21,000,000, while the banks should not be taxed except upon $1,000,000. That is not fair.

A few years ago I presented to the banks of my State a proposition to enact a law in that State by which savings-and-loan associations and mortgage companies would be taxed on precisely the same basis; that the percentage the capital in the banks of the State bore to the capital, surplus, and deposits should be taxed, and that the same percentage should be taxed with reference to savings-and-loan associations. Does anyone think they were willing to agree to it? Absolutely not. They were not willing to agree upon any fair basis of taxation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. BARKLEY. The illustration given by the Senator from Washington of the bank with $1,000,000 of stock and $20,000,000 of deposits, and the savings-and-loan association with $21,000,000 worth of stock, seems to me to present a situation which is not analogous. The $20,000,000 of bank stock is not the property of the bank. Of course, it is used by it to do business with; but in many States, if not most of them, that $20,000,000 is assessable against the depositor who has the money in the bank at a given date during the year which is the assessable date. Some States provide the bank shall pay the tax upon the deposit, but it is a tax chargeable against the depositor and not against the bank.

In the case of the savings-and-loan association the shares of stock are not the property of the association, but of the shareholders, so the provision of the law dealing with the subject provides the method by which the shares of the banks may be taxed, not the money which is on deposit in any of them. It seems to me that is really not a fair illustration of the situation.

Mr. SCHWELLENBACH. I may say to the Senator from Kentucky that the savings-and-loan association shareholders are in no different position than the depositors of the banks. It is true they own shares. If they could be taxed upon the same basis that the capital and surplus of the bank, which is the property of the shareholders in the bank, bear to the total amount of capital, surplus, and deposit liability, and if that same tax should be levied against savings-and-loan associations, then we would have a fair tax upon every one of them; but the bankers continually have refused to permit proposals of that kind to be carried out and have always said, "It would be unfair to tax us because you do not tax competing capital."

Mr. BARKLEY. Congress never made any effort to dictate to the States how they should tax deposits in national banks. They may be taxed by States as real estate may be taxed, as a bank building itself may be taxed. They are taxed in my State and in most States against the depositor of the bank who owns the deposit which is there, according to the amount at a certain time.

Mr. SCHWELLENBACH. That does not tax the $1,000,000 of capital on which the money is earned.

Mr. BARKLEY. No; that does not tax the $1,000,000 of capital. The present law provides that the $1,000,000 of capital represented in shares may be taxed by the State at the same rate and in the same manner that the State taxes are levied against competing financial institutions.

Mr. SCHWELLENBACH. Then they insist on taxing the entire $21,000,000 of the shares of the savings-and-loan association.

Mr. BARKLEY. That situation grows out of a decision of the Supreme Court in the Minnesota case, which holds that inasmuch as the State of Minnesota does not tax the other competing financial institutions in the same way it proposes to tax the shares of national banks, therefore the tax is not lawful; in other words, if they do not tax the shares of the competing companies under the national law, then they cannot tax the shares of national banks.

Mr. BENSON. Mr. President, will the Senator from Washington yield?

Mr. SCHWELLENBACH. Certainly.

Mr. BENSON. I want to make one slight correction. The decision of the Supreme Court does not state in so many words what the Senator from Kentucky attempted to say it does. The decision does say they cannot tax national banks on any different basis than that on which they tax any other moneyed capital coming in competition with national banks. Suppose the Jones Grocery Co. loans money to someone who may not, perchance, have an opportunity to borrow money from a national bank. Are we going to say that we cannot tax the national bank on any different basis than that on which we tax the Jones Grocery Co.?

Mr. BARKLEY. I do not know whether the Jones Grocery Co. would come under the definition of "moneyed institution" in the sense in which section 5219 contemplates.

Mr. BENSON. It does not have any bearing in this case because the Supreme Court has legislated on the matter and has said "other moneyed capital."

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Minnesota?

Mr. SCHWELLENBACH. I yield.

Mr. SHIPSTEAD. It depends on what we call competing capital. The national bank does a commercial banking business. I do not know of any other institution that does that kind of business unless it is the State bank doing a commercial banking business. I cannot understand how mutual loan associations, if conducted for mutual benefit, or building-and-loan associations can be said to compete with a national bank or even a savings bank.

Mr. SCHWELLENBACH. Mr. President, it does not lie with us here to discuss the question. That was discussed by the Supreme Court.

I want to apologize for having taken the time of the Senate at this hour in the evening. I have no quarrel with the Senator from Virginia [Mr. GLASS]. It was really the letter from Secretary Morgenthau which I thought should be answered, and I am sorry so much time has been taken.

Mr. GLASS. Just let me correct one impression that is sought to be made, perhaps inadvertently, and that is that the States are not authorized to tax national banks as they tax State banks.

The existing law says:

> The legislature of each State may determine and direct, subject to the provisions of this section, the manner and place of taxing all the shares of national banking associations located within its limits. The several States may (1) tax said shares, or (2) include dividends derived therefrom in the taxable income of an owner or holder thereof—

That is what they do in Virginia—

> or (3) tax such associations on their net income, or (4) according to or measured by their net income, provided the following conditions are complied with:

And therein comes the decision of the Supreme Court of the United States which this amendment seeks to evade. The Supreme Court decided that under the law, moneyed capital that comes in competition with banks could be taxed at the same rate at which the banks are taxed.

Mr. GEORGE. Mr. President, may I ask the Senator a question? Of course everybody recognizes the right of a Senator to put anything on a tax bill; but is there any possible reason why we should be considering here, on a tax bill, what power the State ought to have to tax the capital invested in a national bank?

Mr. GLASS. The Supreme Court has already decided that question, and this amendment is simply designed to evade the decision of the Supreme Court.

Mr. GEORGE. What possible jurisdiction of that subject ought we to have here when we are considering a tax measure? It is peculiarly a matter for the Banking and Currency Committee and for other committees of the Senate; and manifestly, while we have the sheer power, if we are to consider these matters which have no possible connection with a revenue act, we shall probably be here for an indefinite period of time yet.

Mr. SHIPSTEAD. Mr. President, has the Senator concluded?

Mr. GEORGE. Yes; I have concluded. I recognize the right of the Senator from Minnesota to urge the amendment, but I cannot see the purpose of urging it on a tax measure.

Mr. SHIPSTEAD. I tried to explain the purpose when I offered the amendment. I stated to the Senate that I did not like to bring in this matter on the tax bill; I did not like to bring it in here at this late hour; but because of the outrageous situation that exists, due to Federal law, I am here asking for relief on behalf of 16 States.

Mr. KING. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. Yes; I yield.

Mr. KING. As I understand, the bill is pending before the proper committee of the Senate, the Banking and Currency Committee, the membership of which is composed of outstanding men. They understand the banking business. They are competent to deal with this important question. Why should we siphon out of that committee this important measure—I assume the Senator believes it to be important—and take it over into the Finance Committee, which has no jurisdiction at all over the subject?

While, as the Senator from Georgia stated, the Senator from Minnesota has the power to offer the amendment to this bill, I do not think he ought to exercise it. I think he ought to pretermit any discusison of the matter on this bill, if the Senator will pardon the suggestion.

Mr. SHIPSTEAD. Mr. President, the Banking and Currency Committee has power to prevent action by the Senate on this subject, and it has exercised that power. While I disagree with the committee, I find no fault with it for exercising the power according to its judgment; and I assume the same right and take this opportunity to get relief.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. BARKLEY. Not only has the Senate Committee on Banking and Currency declined to act favorably on this measure, but the Senate itself declined to do so when the proposal was offered as an amendment to the last banking bill which was passed in the last session of Congress. If the Senate declined to put the proposal on a banking bill, why should the Senate be asked to put it on a tax bill?

Mr. SHIPSTEAD. Mr. President, I have presented the matter to the Senate. I ask for a vote on the amendment.

Mr. BENSON. Mr. President, before we go on to other business I wish to make a brief statement.

It has been said here that the Congress is not attempting to legislate on how the States should tax banks; and yet just a moment ago the Senator from Virginia [Mr. GLASS] read from the banking law, in which he contends the Congress has given the States the right to tax national banks. It seems to me there is some inconsistency between what was said just a few minutes ago and the law which the Senator has read. I should like to have that matter explained.

Mr. GLASS. Oh, no; that is not important. Let us vote.

Mr. BENSON. Just a minute.

It has been represented to the Senate time and time again, several times in the short time I have been here, that Congress is in no position to pass laws giving the States the right to tax national banks; and yet the Senator from Virginia just a moment ago read a portion of the Banking Act which he said gives the various States a perfect right to tax national banks in any manner they see fit.

Mr. GLASS. Oh, no; not in any manner they see fit. That is just what we wish to avoid.

Mr. BENSON. Just so long as they do not tax national banks in a different manner from that in which they tax State banks.

I contend that is not the case. It is true if the law should be interpreted as the Senator from Virginia has just interpreted it, and probably as Congress intended when it passed the law. The Supreme Court of the United States has interpreted it otherwise, however; and there are today 16 States in the United States which cannot tax their national banks on the same basis on which they tax their State banks.

It has also been said, both by the Senator from Virginia and in the letter from the Secretary of the Treasury, that it would be dangerous to permit the various States to tax national banks on any basis on which the legislatures of the various States should decide. It is also stated there that it would be segregating banks and putting them into a special class. I desire to call the attention of the Senate again to page 31 of the bill we are now considering, in which the Senate today is placing banks in a separate class and segregating them; but we are not segregating them for purposes of taxation. We are segregating them so that they may be exempt from taxation. If we have a right to segregate banks for the purpose of exempting them from taxation, we ought to be willing to give the various States the right to tax them in the manner they deem best.

The PRESIDING OFFICER (Mr. GERRY in the chair). The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. SHIPSTEAD].

Mr. SHIPSTEAD. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. SHIPSTEAD. Mr. President, how many hands have to be held up—what percentage of the Senators present?

The PRESIDING OFFICER. Eighty-five Senators were present on the last quorum call. It is necessary to have one-fifth of that number. Seven hands only were raised.

The question is on agreeing to the amendment offered by the Senator from Minnesota. [Putting the question.] The noes have it, and the amendment is rejected.

Mr. HAYDEN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 76, line 19, after the word "organizations", it is proposed to insert a comma and the words, "or water-users' associations operating Federal reclamation projects".

Mr. KING. I accept the amendment.

Mr. LA FOLLETTE. Mr. President, may I ask the purpose of the Senator's amendment?

Mr. HAYDEN. To place water-users' associations in the same status as municipal water districts.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the RECORD a statement regarding the amendment.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The statement is as follows:

Water users' associations operating Federal reclamation projects should not be subject to corporate income tax.

Federal reclamation projects are operated in three ways: (1) By the United States directly; (2) by irrigation districts which are municipal corporations; and (3) by incorporated water users' associations. The United States has contracts with water users' associations, as distinguished from irrigation districts, on 12 projects out of a total number of 37.

All of the revenues of a Federal reclamation project, whether operated by the Government, by a district, or by an association, are derived from Government properties; that is, operation of Government-owned power plants and Government-owned water canals. There are power plants on six water users' association projects, on four of which the association has assumed operation.

There should be no discrimination in the tax laws between the various types of projects. Power revenues on all of them are pledged by statute to the United States to repay the Government the cost of constructing the project and, if power revenues are taxable, the deficit paid by the farmers in the form of assessment is increased.

A water users' association is not a municipal corporation but, as the Supreme Court of Arizona has said:

"It can probably be best described as a private corporation with a public purpose, and having quasi-governmental powers" (*Citrus, etc., Assn. v. Salt River, etc., Assn.*, 34 Ariz. 105).

Federal statutes recognize water-users' associations and irrigation districts indiscriminately as instrumentalities for operating Federal reclamation projects. Thus the reclamation law authorizes Federal projects to be operated under contract with the Secretary either by irrigation districts or water users' associations. Title 43, United States Code, section 500 provides:

"Subsection G. (Transfer of project to water users—receipts credited as part of construction repayments.) That whenever two-thirds of the irrigable area of any project, or division of a project, shall be covered by water-right contracts between the water users and the United States, said project shall be required, as a condition precedent to receiving the benefits of this section to take over, through a legally organized water-users' association or irrigation district, the care, operation, and maintenance of all or any part of the project works, subject to such rules and regulations as the Secretary may prescribe, and thereafter the United States, in its relation to said project, shall deal with a water-users' association or irrigation district, and when the water users assume control of a project the operation and maintenance charges for the year then current shall be covered into the construction account to be repaid as part of the construction repayments (43 Stat. 702)."

Section 36 of the Farm Mortgage Act of 1933, as amended by the joint resolution of June 27, 1934, makes the following authorization:

"SEC. 36. The Reconstruction Finance Corporation is authorized and empowered to make loans as hereinafter provided, in an aggregate amount not exceeding $125,000,000 to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts, mutual nonprofit companies, and incorporated water users' associations duly organized under the laws of any State, and to or for the benefit of political subdivisions of States, which prior to the date of enactment of this act have completed projects devoted chiefly to the improvement of lands for agricultural purposes."

Under that section the Reconstruction Finance Corporation has made loans to irrigation districts and water users' associations, including the Salt River Valley. All of the other organizations named in that section are nontaxable and the statute apparently grouped them all as one class.

The counsel for the Securities and Exchange Commission, in exempting from registration securities proposed to be issued by the Salt River Valley Water Users' Association under the Reconstruction Finance Corporation refunding loan, just referred to, ruled, on November 16, 1935:

"In the light of the history of your association, and in view of the provisions of the Reclamation Act and the provisions of its several contracts with the United States by which it operates the Salt River project, it is my opinion that your association is a 'person controlled or supervised by and acting as an instrumentality of the Government of the United States.' I therefore feel that securities (including guaranties) issued by your association are exempted from the registration requirements of the Securities Act of 1933."

Department of the Interior, Bureau of Reclamation—Water users organizations on Federal reclamation projects under contract to repay construction charges

State and project	Name of water users association	Date organized	Contractual relations
Arizona:			
Yuma Valley division	Yuma County Water Users Association	Nov. 2, 1903	Joint liability contract for repayment of construction charges and advancing funds for operation and maintenance. Net power revenues credited to construction charges annually.[1]
Salt River	Salt River Valley Water Users Association	Feb. 4, 1903	Joint liability contract for repayment of construction charges. Association has assumed operation and maintenance of irrigation facilities and power plants.[1]
California: Orland	Orland Unit Water Users' Association	Mar. 19, 1907	Contract executed for repayment of construction and operation and maintenance charges under designation as fiscal agent of United States. No power involved.
Colorado: Grand Valley	Grand Valley Water Users' Association	Feb. 7, 1905	Joint liability contract for repayment of construction charges and advancing funds for operation and maintenance. Power revenues from lease of power site credited to construction and operation and maintenance charges.[1]
Colorado: Uncompahgre	Uncompahgre Valley Water Users Association.	May 11, 1903	Joint liability contract for repayment of construction charges and assumption of operation and maintenance at association's expense. No power involved.
Wyoming: North Platte	Lingle Water Users Association	1916	Contract for repayment of pro-rata share of storage and right to use interstate canal. No power involved.
Utah: Strawberry Valley	Strawberry Water Users Association	Aug. 2, 1905	Joint liability contract for repayment of construction charges and assumption of operation and maintenance at association's expense. Association operates power plant and distributes net earning annually to credit of construction charges.[1]
Salt Lake, first division	Weber River Water Users Association	Jan. 9, 1926	Joint liability for repayment of construction cost and assumption of operation and maintenance at association's expense.
Hyrum	South Cache Water Users Association	Sept. 30, 1933	Do.
Moon Lake	Moon Lake Water Users Association	1934	Do.
Ogden River	Ogden River Water Users Association	1934	Do.
Washington: Yakima-Tieton division	Tieton Water Users Association	Mar. 10, 1906	Contract for repayment of pro-rata share of construction charges and O. & M. charges under designation as fiscal agent of United States.

[1] Power credits involved.

Mr. MURRAY. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Montana will be stated.

The CHIEF CLERK. It is proposed to insert, at the proper place in the bill, the following:

The Secretary of the Treasury is hereby authorized and directed to collect an excise tax on the entry into the United States of all goods, articles, or commodities, which goods, articles, or commodities were made dutiable under the Tariff Act of 1930, or carry an excise tax by action of the excise taxes of 1932. The tax herein assessed and levied shall represent the difference, less 8 percent allowed for profits and handling charges, between foreign costs and the American wholesale selling prices, or cost of production, whichever is higher, of a similar or comparable goods, articles, or commodities, the products of American workers or farmers. Such tax shall be assessed and collected notwithstanding any other provision of law.

Mr. KING. Mr. President, this is not a tariff bill under consideration, and speaking for the committee, I may say the amendment cannot be accepted. I hope it will be voted down.

Mr. MURRAY. Mr. President, I should like to have it go to conference.

Mr. KING. I could not agree to that, in view of the position of the committee.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. KING. Mr. President, may I ask whether there are any other amendments to be offered by Senators?

Mr. BARKLEY. Mr. President, I have two or three more to offer.

Mr. COPELAND. Mr. President, I can see no reason why I should not go forward with my amendment.

Mr. BARKLEY. I did not desire to take the Senator off the floor.

Mr. COPELAND. In the absence of the chairman of the committee, the Senator from Mississippi [Mr. HARRISON], I call attention to a conference which we had last August relative to an amendment which I proposed to a bill then pending providing a different system of liquor taxation.

The bill before us is one to provide revenue. I have a proposal here which will raise $250,000,000 of revenue and it is well worth considering.

I call attention to the RECORD of August 24, 1935, and to the inclusion in the RECORD of an agreement entered into at that time. I quote this what the Senator from Mississippi [Mr. HARRISON] stated:

This matter was brought to the attention of the chairman of the Finance Committee and the members of the committee, and I wish to congratulate the Senator from New York for having brought it to our attention. I will say that the Senator performed a great public function in bringing it to our attention. I can assure him, in view of a conference with the Ways and Means Committee which we had this afternoon, that this matter will receive all due consideration.

I place in the RECORD, as it appears on page 14951, a statement I made at that time. I quote my own language:

I had a talk with the chairman of the House committee [Mr. DOUGHTON], and the chairman of the Finance Committee [Mr. HARRISON], and with our leader [Mr. ROBINSON], and with the Senator from Wisconsin [Mr. LA FOLLETTE]. I want this to appear in the RECORD, and I want Senators to remember it. I had been solemnly promised that a joint subcommittee of the two committees should be appointed to study the plan.

Mr. President, I do not desire to take the time of the Senate further. I have this amendment, which I should like to have taken to conference, and I ask the Senators whether they will accept it.

Mr. NORRIS. Mr. President, I just heard the Senator express a hope that they would take the amendment to conference. The way to have that done is to have it defeated. That is the rule we have established.

Mr. BARKLEY. Mr. President, this matter was presented to the Committee on Finance, and given very careful consideration in connection with the alcohol-control bill, which has passed both Houses, and upon which a conference report has been agreed to. It has no real business in a tax bill of this sort and, so far as I am personally concerned, I will say frankly that I was unable to support the proposal when it was offered as an amendment to the alcohol tax bill, and I have not changed my attitude toward it. But if it is agreeable to the Senator from Utah and other Senators on the committee who are in charge of the bill, I see no objection to letting it go to conference, and having it dealt with there.

Mr. COPELAND. I appreciate that, Mr. President.

Mr. KING. May I say that I gave consideration to this proposal at the time indicated by the Senator from Kentucky, and I was opposed to it and am still opposed to it. However, if the members of the committee are willing that it go to conference, I shall not attempt to prevent such action, but I wish to have it understood that I do not favor the amendment or the plan which it involves.

The PRESIDING OFFICER. The clerk will state the amendment proposed by the Senator from New York.

The CHIEF CLERK. It is proposed to insert at the proper place in the bill title II of the Liquor Taxing Act of 1934, as follows:

(c) Title II of the Liquor Taxing Act of 1934 is amended to read as follows:

"SEC. 201. (a) There shall be levied, collected, and paid upon all distilled spirits sold at retail a tax of $2 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon.

"(b) No tax shall be imposed upon any distiller or importer under paragraph (4) of subdivision (a) of section 600, as amended, of the Revenue Act of 1918, in respect to any distilled spirits taxable under this section.

"SEC. 202. The internal-revenue tax imposed by the preceding section upon distilled spirits shall be collected from retailers, who shall affix to every bottle or other container of distilled spirits at the time of its first retail sale or retail transfer unopened in a container for on- or off-premise consumption, and to every bottle or other container of distilled spirits out of which any part of the contents is removed for the purpose of retail sale, transfer, or use on or off the premises, before such container is opened, a stamp or stamps indelibly canceled, denoting the quantity of distilled spirits contained therein and evidencing payment of all internal-revenue taxes imposed on such spirits, and in the case of imported spirits, of all customs duties imposed thereon.

"SEC. 203. Any licensed retailer possessing or coming into possession of distilled spirits upon which all internal-revenue taxes and customs duties imposed by law shall have been paid, shall be entitled to purchase such stamps as are necessary for stamping the containers of distilled spirits in the manner required by the preceding section. Stamps for this purpose may be purchased by such retailer only from the collector of internal revenue for the revenue district in which such retailer's place or places of business for retail sales shall be located. Such retailer shall present satisfactory proof to such collector of internal revenue that such tax and customs duties on such distilled spirits have been paid. Such stamps shall be sold by the collector to such retailer at a price of 1 cent for each stamp, except that in case of stamps for containers of less than one-half pint, the price shall be one-fourth of 1 cent for each stamp.

"SEC. 204. No person shall manufacture, distill, rectify, import, transfer, or sell at wholesale or at retail any distilled spirits unless such person shall have furnished a surety-company bond given by a company, companies, or syndicate of companies approved by the Commissioner of Internal Revenue and guaranteeing the payment of all taxes and customs duties imposed by law on such distilled spirits, with such terms and conditions and in such penal sum as may be approved by said Commissioner. The provisions of this section shall not apply to any regularly established common carrier receiving, transporting, delivering, or holding for transportation or delivery distilled spirits in the ordinary course of its business as a common carrier.

"SEC. 205. The Commissioner, with the approval of the Secretary of the Treasury, shall prescribe (a) regulations with respect to the time and manner of applying for, issuing, affixing, and canceling stamps required by this title, the form and denominations of such stamps, proof that applicants are entitled to such stamps, and the method of accounting for receipts from the sale of such stamps; and (b) such other regulations as he shall deem necessary for the enforcement of this title.

"SEC. 206. All distilled spirits found in any container required to bear a stamp by this title, which container is not stamped in compliance with this title and regulations issued thereunder, shall be forfeited to the United States.

"SEC. 207. Any person who violates any provision of this title, or who, with intent to defraud, falsely makes, forges, alters, or counterfeits any stamp made or used under this title, or who uses, sells, or has in his possession any such forged, altered, or counterfeited stamp, or any plate or die used or which may be used in the manufacture thereof, or any stamp required to be canceled by this title, or who makes, uses, sells, or has in his possession any paper in imitation of the paper used in the manufacture of any such stamp, or who reuses any stamp required by this title to be canceled, or who affixes any stamp issued under this title to any container of distilled spirits on which any tax is unpaid, or who makes any false statement in any application for stamps under this title, or who has in his possession any such stamps obtained by him otherwise than as provided in this title, or who sells or transfers any such stamp otherwise than as provided in this title, shall on conviction be punished by a fine not exceeding $1,000 or by imprisonment at hard labor not exceeding 5 years, or by both. Any officer authorized to enforce any provisions of law relating to internal-revenue stamps is authorized to enforce the provisions of this section and the provisions of section 7 of the act of March 3, 1897, relating to the bottling of distilled spirits in bond."

(d) This section shall take effect 60 days after the date of enactment of this act.

The amendment was agreed to.

Mr. COPELAND. I ask unanimous consent to have inserted in the RECORD a statement regarding the amendment just voted on.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The amendment which is offered is designed to accomplish four specific objectives:

First, as I view it, there will be an increase in Federal and State revenues from distilled spirits by more than $300,000,000 annually.

Second, it will eliminate bootlegging, rum-running, and other illicit selling, as far as it is possible to do that, because all liquor sold at retail will be tax paid.

Third, it will reduce liquor prices to consumers by from 25 to 50 percent, which in itself will interfere seriously with bootlegging operations.

Fourth, it makes the buyers, as well as the sellers, of non-tax-paid spirits liable to conviction as conspirators defrauding the Government of lawful taxes.

The tax now being paid at the bonded warehouse is pyramided. The tax is $2 a gallon. On a case of liquor, assuming that they are quart bottles, that is $6 a case at the bonded warehouse. Now, when that liquor goes to the wholesaler he adds 16⅔ percent, so that the case of liquor, when it leaves the wholesaler for the retailer, has its tax increased to $7. The retailer gets his 40 percent, and so that adds about $2. By this pyramiding process, as I view it, the liquor is materially increased in price at the retail store because of the pyramiding of the tax. If that could be prevented in some manner it would mean that the liquor sold to the consumer would be at least 25 percent cheaper than it is today, and also would be discouraging to the bootlegger, because, improved as his methods are, he cannot make liquor as cheaply as the large commercial concerns.

Mr. President, last year this amendment was passed by the Senate. Then, in conference with the House, the amendment was eliminated because the House Members took the position they had not had an opportunity to study the proposal. Of course, I was disappointed and when the conference report came in, expressed my disappointment.

I had a conference, which I mentioned on the floor of the Senate on the 24th of August, with Mr. DOUGHTON of the House, Mr. HARRISON of the Senate, Mr. ROBINSON, our leader, and Mr. LA FOLLETTE, and I think one or two others, and it was agreed then that both committees would this year give serious consideration to my proposal.

There was a hearing held last year by a subcommittee of the Committee on Finance, presided over by Mr. WALSH, and, as I understand the matter, he made a favorable report of the amendment and it was adopted by his committee and included in the bill.

I was convinced last year, and I am now, that this amendment will accomplish all of these four objectives, and whoever has

taken the time to study the detailed workings of this proposed system of tax collection agrees with this position. This has been submitted to a great many persons who have, after studying it, taken the same view of the matter as I have.

It will put the responsibility of the tax payment where it belongs—on the man who passes the distilled spirits to the ultimate consumer who pays the taxes. Then, and only then, can bootlegging be eliminated and all tax evasion overcome.

And I claim that at least 200 million dollars annually is being lost to the Treasury through such tax evasion.

Under the present system we are inviting any or all of three individuals who are between the consumer and producer to evade taxes, namely, the distiller or rectifier or importer; second, the wholesaler; and third, the retailer, who either sells by bottle for off-premises consumption or sells liquor by the glass for consumption on the premises.

The present system, as I view it, has two outstanding disadvantages which operate to defeat tax-collecting machinery. First, because taxes and import duties are now collected at the source the result is what I have already mentioned. The pyramiding of overhead and profit create not only a profit on the manufacturer's cost but on each successive distributing turn-over because each successive handler adds his operating profit, not only on the manufactured value of the goods, but on the additional taxes and duties as well. On each dollar of tax and duty collected by the Federal Government the consumer pays approximately $2. Every dollar that the Government collects by the pyramiding process is doubled; it becomes $2.

I have mentioned one disadvantage of the present system, that of defeating tax collection. The second one is this: a strip stamp attached to the neck of a bottle acts as the sole evidence that all tax and import duties have been paid. Huge tax evasions are possible, because the strip stamp costs only 1 penny while that stamp might authenticate tax payment of from 50 to 200 times the cost of the strip stamp.

Now I will show you a little later that it is possible to obtain these strip stamps, which cost only a penny, and put them on liquor which has been made by a bootlegger. And yet, so far as the honest retail man is concerned, and the consumer who desires to be square with the Government, he has no evidence of the fact that this tax or that this liquor is actually liquor which has passed through a bonded warehouse and paid the Government the tax.

We are talking now about increased taxes and the necessity for having more money from the taxpayer.

If I am right about this, there are here two or three hundred million dollars' revenue for the Government which will not come out of the taxpayer but will come out of the profits of a group of bootleggers who are certainly not entitled to the money.

This amendment is based upon the tax plan of the District of Columbia, slightly modified. Here in the District taxes are collected by affixing tax stamps to bottles which cost the amount of the 50 cents per gallon tax. In other words, instead of allowing the tax to be evidenced by the issuance of stamps costing 1 cent, which might represent a tax payment of $1, the District sells stamps which cost the amount of the actual tax due. And then the retailer, or the wholesaler who sells the retailer, affixes these stamps to the bottles. The retailer cancels them with an imprint bearing his license number.

And what are the results?

Figures were submitted at the hearings proving that the District of Columbia is collecting taxes on approximately six times the gallonage on either an outlet or per-capita basis that the Federal Government is collecting. I am going to enlarge upon this. In other words, the District tax-collecting method is six times as effective as is the method now used by the Federal Government.

Of course such a result prompts the suggestion that the District system must cost more money to administer. It just so happens, however, that it costs the District of Columbia only about 25 percent of the cost per gallon that it costs the Federal Government. Therefore, it may be said the District is collecting six times the tax at one-fourth of the cost. Surely such a demonstration should remove any question as to the desirability of adopting this proposal.

I have already told you what the action was last year. I am more than ever impressed that this amendment should be enacted into law. I am convinced that it will result in hundreds of millions of dollars in Federal revenue at a time when we are compelled to find new methods of taxation to raise additional revenue to balance our Budget.

My proposal does not contemplate new taxes on liquor. It imposes a hardship on no legitimate-business man or industry. It merely proposes to get for the Government money and profits which are now going into the pockets of bootleggers or racketeers. It will reduce liquor prices to the consumer by from 25 to 50 percent, which is another reason why it would discourage the bootlegger. I am sure it will work, because a similar plan is working here in the District getting four times better tax-collecting results than is the Treasury.

Now you may properly ask, If this method is so good, why has it not been adopted before? Frankly, I don't know. You would imagine that any plan which held out the hope of collecting from two hundred to three hundred million dollars more than is now being collected annually and of also reducing liquor prices and stamping out bootleggers would be pounced on eagerly by Treasury officials.

There are some persons who believe that the Treasury Department is gifted with infallibility. Most of these persons are in the Treasury Department. I am convinced very few of the gentlemen on this floor share that belief. Their experiences with the Treasury Department have tended to set up a contrary feeling. At least that is the case with me.

A considerable number of the Treasury Department personnel seem supersenitive to intrusion. They resent outsiders and any ideas begotten by outsiders with reference to their duties. So they find it difficult to discover merit in conceptions or calculations that do not originate among themselves. That is a sad state of affairs, because it excludes a great many valuable ideas from which constructive tax legislation might be evolved.

Are these Treasury officials so infallible in their judgment, so sure of their facts that if they disapprove of some plan or program we must accept their views without question?

By no means, as I shall soon show you. Not only are they not infallible, not only are their representations of facts often incorrect (as the Finance Committee found out when Mr. May testified before it on this very bill), but if they decide for some reason best known to themselves that they are against something they will fight with every resource at their command.

However, this is one time that a Member of this body also has some resources to marshal. There was offered before the Finance Committee incontrovertible evidence of gross inefficiency and incompetence in the collection of liquor taxes due the Government which today result in a tax loss of at least $200,000,000. If you will bear with me, I will prove it. And I want you to follow me closely, because if I am right, and I am sure I am, then the requirements of the tax bill we have under consideration now can be reduced by at least $200,000,000.

The time has come for us to stop extravagance, waste, and inefficiency in administration. If I can show you a loss annually of $200,000,000 on one item alone—liquor—would it not cause you to ask, how much more might there now be collectible were our tax-collecting machinery more efficient? No department that allows that much to slip through each year can be wholly competent in all other tax-collecting procedure.

As I told you, this amendment was introduced by me last year. It was accepted by the Finance Committee as an amendment to the F. A. A. bill, passed by the Senate and then went to conference with other Senate amendments. When the bill came back from conference this amendment had been deleted.

When the conference report was offered to the Senate for passage, I reintroduced the amendment, knowing that such action on my part might delay the program before us.

But I insisted then, as I do now, that too much money is not being collected from liquor taxes which are due. In the discussions which followed assurance was given me that the matter would be carefully studied. So I withdrew my objections to the conference report.

Two months ago a subcommittee sat with my good friend from Utah as chairman and took testimony for and against my amendment. I spent the whole day in the committee room. I testified myself and heard expert testimony for the amendment. I heard the testimony of Mr. Berkshire representing the Treasury. I am going to tell you about the Treasury testimony first.

The Treasury set forth seven main arguments, namely:

1. That bootlegging has steadily diminished since last year, due to more vigorous enforcement methods and to the steadily improving quality and diminishing price of legitimate spirits.

In the testimony before the subcommittee on my amendments Treasury records were introduced that conclusively proved that illicit liquor still seizures in 1935 exceeded those of 1934 by more than 50 percent. This shows that illicit distilling was sufficiently profitable in 1935 to encourage more bootleggers to operate illicit stills in that year than in the previous year. Obviously, bootleggers do not build stills with a capacity, computed on Mr. Choate's basis, exceeding 600,000,000 gallons annually, unless an established market exists for this illicit product.

Furthermore, evidence was introduced showing that there were twice as many liquor-law commitments to Federal prisons in 1935 as in 1934, which would indicate that there had been 69,000 prosecutions for liquor-law violations in 1935, a greater amount than in any prohibition year.

Now, you know as well as I do that this great army of bootleggers and rum runners would not remain in business, subjecting themselves to prison penalties and heavy fines, unless enormous profits continue to exist in illicit distillation and in illicit distribution.

The Treasury contends further:

"2. That the present-day consumption, if it reaches 110,000,000 gallons annually, would reflect true demand."

Mr. Berkshire testified before the committee that for the 5-year period from 1910 to 1914 average consumption was 127,000,000 gallons; that for the 5 years immediately preceding repeal consumption averaged 110,000,000 gallons annually. Hence, he argued, if present-day consumption would amount this year to 110,000,000 gallons from last year's 90,000,000 gallons, that in itself would prove that all is well, that we are collecting all the taxes due us, that there is no bootlegging.

Furthermore, Mr. Berkshire argued that "if it is a fact that the Government is today losing from $200,000,000 to $300,000,000 in taxes by reason of illicit sales, this means that the consumption of bootleg spirits amounts to from 100,000,000 to 150,000,000 gallons a year or in the neighborhood of from 200,000,000 to 260,000,000

gallons a year by comparison with the maximum preprohibition figure of approximately 127,000,000 gallons."

That is correct. That is my contention. Consumption is nearer the 200,000,000-gallon mark than the 110,000,000 mark. This I shall prove to you beyond reasonable doubt. But first let me call your attention to how the figures submitted by the Treasury to the committee were made to prove the one hundred and twenty-seven and the one hundred and ten million gallon maximums. Personally I am sorry that the Treasury estimate of liquor consumption is so far from the mark, and more regrettable is the way they select their figures in attempting to prove their argument.

In 1918, taxes on liquor were revised from $1.10 per gallon to $2.20 per gallon. Taxes were paid on 91,000,000 gallons in 1918, as against 167,000,000 gallons the previous year, when the tax was $1.10 per gallon. The Treasury did not state to the committee that for the years 1915, 1916, and 1917 the tax-paid consumption was one hundred and twenty-seven, one hundred and forty, and one hundred and sixty-seven million gallons, respective, making an average of 145,000,000 gallons annually for the 3 years, a high of 167,000,000 gallons, not 127,000,000 mind you. No. They took those 3 years and added them to the 2 following, when consumption was 91,000,000 and 83,000,000—due to increased taxes and wartime prohibition—added the 5 years together, and said 110,000,000 gallons was the average.

And therefore, they argue, if we ever get back to 110,000,000 gallons everybody should be satisfied and no one should question the Treasury's ability, efficiency, or system of tax collection.

Well, I for one am not satisfied. I question the efficiency of the system, of the efficiency and the ability of any official who submits such proof to substantiate his claim of efficient administration, who proves he knows so little about his subject, or else, what is worse, deliberately submits his figures in such fashion and by such groupings as to misinform us of the true facts. After reading of the Treasury's estimate of revenue offered to the committee on the tax bill we now have before us and looking over their figures on liquor one is prompted to question if any of their figures represent facts.

Now, what are the true facts regarding liquor consumption?

Simply this: In 1916 and 1917 our population was about 98,000,000 people. Of these, some 58,000,000 lived in the 20 States which were wet, 28 States of the Union being dry by statute.

Today we have 127,000,000 people, 115,000,000 of whom live in wet States. If 60,000,000 people living in wet States in 1917 consumed 167,000,000 gallons of liquor, how much liquor would you say was being consumed by 115,000,000 people living in wet States today? Were we to project our figures mathematically we could argue that if 60,000,000 people consumed 167,000,000 gallons in 1917, then 115,000,000 people in 1936 are consuming 320,000,000 gallons annually, which is 230,000,000 gallons above the amount on which the Treasury collected taxes last year.

Here is another reason why consumption surely exceeds 200,000,000 gallons annually.

The Treasury has stated that there are from 225,000 to 250,000 licensed retail outlets. This would mean that each licensee's sales averaged 480 gallons annually, or 40 gallons per month. Furthermore, the Treasury states that more than one-half of the whisky being sold today is priced at $1.50 per quart.

Now, license fees for retailers throughout the country average $500 annually; rent would average perhaps $1,200, without considering clerks, insurance, or the maintenance of the owner and his family, costing at least $350 monthly. How can a man remain in business if his gross sales per month amount to $240 of which (as in the case of a package store) his gross profit could not exceed $80, whereas his expenses amount to at least $500 per month?

I conclude, therefore, that since all these people are remaining in business and more are trying to take out licenses, that licenses are being used as cloaks to sell illicit spirits far in excess of the amount sold which has been tax paid. I contend that the average package store throughout the country must do a gross business exceeding $30,000 annually(this would mean 5,000 gallons, not 480, at $6 per gallon) in order that it might stay in business.

Mathematically speaking, if one-half of the consumption of the country is represented by sales from package stores, then the present consumption would be considerably in excess of 300,000,000 gallons. The best illustration of this is that consumption here, in the District, where a system similar to that proposed in my amendment is in operation, is at the rate of 3,000 gallons annually per outlet, or six times the tax-paid consumption reflected by Federal tax collections.

The Treasury contends:

3. That counterfeit labels, counterfeit strip stamps, and counterfeit bottles are not being used due to improved enforcement methods and to the supervision by the Department over the manufacture and distribution of liquor bottles and strip stamps.

An expert witness testifying before the committee offered to produce counterfeit labels, counterfeit American strip stamps, counterfeit Canadian bottled-in-bond stamps, and counterfeit bottles in any quantity, to prove that they are as readily available today as ever they were in prerepeal days. Furthermore, if the committee guaranteed immunity, he offered to have delivered to it as much as it desired of 100-proof whisky of good quality in quarts or pints bearing legitimate strip stamps and District of Columbia tax stamps, at a cost not exceeding $7.50 per case of 3 full gallons. Obviously this liquor is bootleg, because the $7.50 is only sufficient to cover the cost of the Federal and District tax.

The Treasury contends:

4. That because excise taxes on distilled spirits are now collected from distillers and importers, and because these collections are under the supervision of revenue officers, there can be no evasion: That there is no loophole "save for possible instances of collusion between producer and Government officers."

I have not raised the issue of possible collusion between producer and Government officers. The quotation is Mr. Hester's. It is general knowledge, however, that considerable collusion existed in pre-repeal days. If the same men are in the Department in responsible posts who were there during the prohibition days it might be argued that since collusion existed then it continues to exist now.

However, whatever taxes are being collected from distilleries and importers under revenue officers have no bearing on the taxes which are not collected from those who do not pay taxes.

For instance, Treasury agents in 1935 captured more than 16,500 stills. Additionally, the State enforcement agencies captured about an equal amount. These stills were in operation making illicit liquor. Did not the Treasury Department fail to collect the $2 Federal tax which was due the Government on every gallon of liquor distilled by these stills? If they ran only an average of 2 months, the tax loss to the Government would be far greater than the total amount of tax collected from legitimate distillers, rectifiers, and importers.

Let me read you from the report to the Governor and Legislature of the State of New Jersey, by D. Frederick Burnett, Commissioner, Department of Alcoholic Beverage Control:

"Alcohol costs but 20 cents a gallon to produce. It bears a Federal tax of $2 and a State tax of $1 per gallon, or a tax of 1,500 percent. When to this is added the expense of distribution and the reasonable profits of the distiller, the wholesaler, and the retailer—say, $1.27 altogether—the minimum price at which legitimate alcohol may reach the consumer is $4.47. The bootlegger, however, sells it for $2.50 a gallon. Fair competition is obviously out of question. As long as these high taxes remain, the differential between legitimate and illicit industry is a standing invitation to violate the law. Because the bootlegger pays no tax, he can always undersell the legitimate licensee by a substantial margin. He captures the market of the price-conscious public, who gulp his products while he gobbles the profit.

An illicit still that produces 1,000 gallons per day costs $10,000 to install. The sale of 1,000 gallons brings a gross income of $2,500. If the cost of bootleg production is 40 cents per gallon, or twice that of legitimate mass production, he has left $2,100. Assuming his distribution cost to be extremely high—say, $1,100 to include the "pay-off" to dishonest officials—he still has left $1,000 per day net profit. If he pays less for protection, his net profit is even higher. If he runs 10 days unmolested, his capital cost is repaid. If we are able to detect and seize his still in a month from the time it started, he forfeits his property, to be sure, but he has his original investment in hand and enough profit to start two new stills "on velvet." The result is the same whatever the gallon capacity, since the ratio to cost of installation is roughly 1 to 10. Thus a still of 100-gallon capacity costs $1,000. Hence, with a small capital investment, the bootlegger is on his way to fortune. He himself not only pays no taxes, but every gallon sold slakes a demand which otherwise would be satisfied from the lawful supply and so bear its share of tax. He is not only a tax evader, but he deprives the State of taxes, which, otherwise, would be collected from legitimate sources. So long as enormous profits are to be made, men will take the risk.

The Treasury contends:

5. That the proposed system would very substantially increase the rate of taxes on distilled spirits. This is not so.

The custom of the trade is to add a percentage for operating expense and profit on the cost of the product. It stands to reason that where the cost is reduced initially, by perhaps one-half, because the taxes are not included, the retail price must be substantially less than the price now charged.

The Treasury contends:

6. That the cost of the proposed system would be very great, requiring not fewer than 20,000 additional employees.

Less employees would be needed rather than more. In the statement made before the committee a comparison was made between the Secretary's estimate of the Treasury's cost in collecting revenue and the actual expenses of the District A. B. C. Board's entire operation. This showed that the District is collecting six times as much revenue at one-fourth cost, due to the system it is using in the District, similar to the one I propose should be nationalized. The District has two investigators on its pay roll covering 653 outlets. On the same basis the Federal Government would need some 700, or about one-fourth of the number now in the Treasury doing similar work.

The Treasury contends:

7. That the tax as now imposed is not pyramided by reason of a percentage mark-up; that all handlers of liquor fix arbitrary amounts on each transaction in dollars and not in percentages; that the dollar element would remain constant regardless of the cost of the goods to manufacturers, wholesalers, and retailers.

I am prepared to submit printed price lists showing what are the retail mark-ups on practically all distilled spirits now being sold throughout the country. These price lists are compiled by manufacturers and establish the retail selling price. They show that the mark-up is a definite percentage, ranging from 33⅓

percent to 40 percent on the cost of the goods to the retailers, regardless of the price of the goods.

All retailing is done in all lines of business on what is known as a retail mark-up, namely, a specified percentage on the cost to the vendor of the goods. If the goods cost less, the mark-up in dollars is less; if the goods cost more, the mark-up in dollars is more and the percentage remains constant. Hence, if the goods included prepaid taxes, which on all liquors represent from two to five times the actual value of the distilled spirits themselves, the pyramiding of these taxes means that the consumer pays from 30 to 50 percent more for goods which are tax paid than he would under my amendment.

Those are the seven main arguments set forth by the Treasury. They claim that bootlegging has diminished and I have proven to you that it has increased.

They claim that present-day consumption, if it reaches 110,000,000 gallons annually, would reflect the true demand of the country, and I have shown you that the true demand would amount to at least twice this much either on a population basis or if all those now licensed to handle liquor can continue to remain in the business.

They claim that there are no counterfeit labels, counterfeit strip stamps, or counterfeit bottles being used due to the supervision by the Department, and I have proven that counterfeit labels, counterfeit strip stamps, and counterfeit bottles are as readily available today as ever before, and also that 100-proof whisky can be bought bearing both legitimate strip stamps and District stamps at a cost equal to the taxes these stamps represent.

They claim that because excise taxes are now collected from distillers and importers there can be no evasion. I show that hundreds of millions of gallons were illicitly distilled in the 16,000 stills captured by them before the stills were destroyed. What happened to the liquor made in these stills before they were destroyed? Surely it was introduced into channels of distribution.

They claim that the proposed system would require many additional employees. I have shown that if they do as well as the District A. B. C. Board is doing, they can probably cut the cost of supervision and administration by 70 percent.

They claim that adopting my plan would increase the cost of liquor. I have proven to you conclusively that it will reduce liquor prices to the consumer by from 25 to 50 percent.

Here is an additional piece of information:

As I told you before, the Treasury records show that there were captured by Treasury agents last year 16,500 stills, 50 percent more than in 1934. If these stills ran only 2 months their output would have exceeded 100,000,000 gallons of moonshine.

To distribute this liquor through licensed retail channels, strip stamps were needed to give it the appearance of legitimacy and authenticity. Bottles, labels, and caps and corks are easy to get, but strip stamps must be on the bottle when it's sold to the public.

Well, strip stamps come from two sources. Large quantities are being counterfeited and sold to bootleggers. But also large amounts were issued to the collectors of internal revenue which are unaccounted for. A witness testified before the committee that some 400,000,000 of these stamps were unaccounted for.

Here is what is shown in the printed record of the hearings:

Now practically every citizen who sees a strip stamp on a bottle assumes that the stamp itself costs the amount of the tax. This is not so. This stamp costs 1 cent, whereas for domestically made liquor, in the case of a quart, it would represent the evidence of tax payment of 50 cents. In the case of a quart of foreign liquor, such as Canadian bottled in bond whisky, it would represent only the 50-cent full excise tax, but also, up to January 1 of this year, $1.25 of import duty. Furthermore, the tax in most States approximates $1 per gallon and this too is covered by the strip stamp except where local taxes are paid by stamps as they are here in the District.

Hence, if large-scale operators could secure these strip stamps they could, for the small cost of the strip stamp, authenticate liquor which had avoided tax payment of from 50 to 200 times the value of the strip stamp.

Have the stamps been available? The Treasury Department says, "No." We say they are available in enormous quantities, perhaps to the extent of from two hundred to four hundred million, not counting counterfeit stamps which are being counterfeited in large quantities by various groups, who then sell them to the illicit producer, who thereby authenticates his products and gives it the appearance of legitimacy.

Mr. Chairman, I went to the Bureau of Engraving and Printing and obtained detailed information on the strip-stamp situation from the date the Liquor Taxing Act of 1934 became effective through December 31, 1935. The figures I am putting into the record now cover three periods, namely—

(1) From February 1934 to June 30, 1934.
(2) From July 1, 1934, to June 30, 1935.
(3) From July 1, 1935, to December 31, 1935.

These figures cover the issuance of strip stamps to collectors of Internal Revenue, of whom there are, I believe, 62. These stamps are sent out from the Bureau direct to collectors on their own order. The Bureau keeps on hand at all times, of different denominations, from 2 to 3 months' supply. The Bureau's inventory on December 31, 1935, was:

Red strip stamps, 263,320,964.
Green bottled-in-bond stamps, 14,970,384.
Blue export stamps, 457,984.

Any stamps which do not reflect actual excise-tax payments in the Treasury Department's Form 7095 (which details monthly collections of internal revenue) should be in the hands of collectors or the trade.

Below, in detail, is the history of the issuance of these stamps to collectors. The column "Gallons authenticated" represents the amount of gallonage-tax payment the issuance of these stamps should cover.

[All figures are in thousands]

Red strip stamps, Revenue Act 1934	Feb. 1 to June 30, 1934	Fiscal year 1935	July 1 to Dec. 31, 1935	Total stamps issued to collectors	Gallons authenticated
Serves less than 1934:					
½ pint	68,383	16,360	17,562	102,307	1,279
Do	51,555	35,240		86,795	5,424
Pints	131,070	87,072		218,142	27,268
½ gallon	65,115	30,585		95,700	19,140
Quarts	46,470	24,842		71,312	17,818
Serves 1934 A:					
½ pint		147,365	146,580	293,945	18,371
¾ pint		10,512	674	11,186	4,195
⅘ pint		9,588	1,522	11,111	4,444
Pints		247,726	174,594	422,320	52,715
¾ quart		10,092	968	11,060	2,074
⅘ quart		82,975	64,134	141,109	29,422
Quarts		90,252	101,052	191,304	47,826
½ gallon		4,096	128	4,224	2,112
1 gallon		5,402	560	5,963	5,963
Total	362,593	812,112	507,775	1,707,788	2,308,051
Bottled in bond stamps:					
1/10 pint	4,027	2,025	211	6,264	2,577
¼ pint	331			331	10
½ pint	692	798	993	2,484	155
Pints	14,457	3,909	2,251	20,618	78
½ gallon	195	392	70	658	131
Quarts	1,999	1,628	1,275	4,093	1,226
Total stamps issued	384,298	810,867	512,577	1,743,050	243,228

Gallonage the above would authenticate

[All figures are in thousands]

	From Feb. 1 to June 30, 1934	Fiscal year 1935	July 1 to July 31, 1935	Actual gallonage tax-paid
Taxes received, 90 cents per gallon, floor taxes	$5,685	$3,021	$344	$9,722
$2 or $1.10 import excise tax	6,577	15,107	7,682	13,533
$2 or $1.10 domestic excise tax	61,889	150,525	106,210	167,358
Less floor tax gallonage and less sales made before strip stamps went into effect (gallons)				28,186
Actual gallonage authenticated by stamps	18,790	79,459	56,456	154,705
Excess stamps issued to collectors or trade (estimated by computing percent tax paid with stamps)	215,207	304,059	107,641	
Total excess in hands of collectors and trade (cumulative)		519,266	626,907	[1] 651,907
In hands of trade (estimated)				25,000
In hands of collectors (estimated)				200,000
Unaccounted for				429,000

[1] Including January 1936.

This table discloses, perhaps better than anything else which can be submitted, the fallacy of using strip stamps to authenticate tax-paid liquor. During the period from February 1, 1934, to December 31, 1935, the Bureau of Engraving and Printing issued 1,743,050,000 strip stamps, which, when affixed to the neck of a bottle, would certify that all taxes and import duties on that particular bottle had been paid.

This amount of stamps actually would authenticate more than 242,000,000 gallons.

The actual amount of gallonage which was authenticated as a result of taxes received by the Federal Treasury in this period was less than 155,000,000. Hence the amount of strip stamps in the hands of collectors and the trade would be sufficient to authenticate more than 87,000,000 gallons. In terms of stamps, this would mean that at the present time more than 650,000,000 stamps are in the hands of collectors and the trade.

The trade carries for its total requirements a running inventory of between twenty and twenty-five million stamps. Hence the excess in the hands of collectors should be more than 625,000,000.

The Bureau of Engraving and Printing has on hand more than 275,000,000 stamps available to all collectors within no more than 2 weeks' time.

These facts show that collectors received in excess of their tax-paid requirements of 215,000,000 stamps in the fiscal year of 1934, 304,000,000 stamps in the fiscal year of 1935, 107,000,000 stamps between July 1 and December 31, 1935, and an estimated 25,000,000

for January 1936, an estimated excess of 625,000,000 since the act went into effect.

We admit that some of the stamps are in the hands of collectors and some are in the hands of the trade. Just how many are in the hands of collectors we have been unable to find out. An inquiry to the Treasury Department from Senator COPELAND'S office brought the following letter from the Honorable Guy T. Helvering, Commissioner of Internal Revenue:

FEBRUARY 1, 1936.

MY DEAR SENATOR: Further reference is made to your letter of January 24, 1936, in the third paragraph of which you request information relative to the number of strip stamps for distilled spirits which were in the possession of various collectors of internal revenue and any other agency of the Treasury Department as of June 30, 1935.

It may be stated for your information that there are three types of strip stamps supplied for the use of the liquor industry for application to containers of distilled spirits, namely, red strips for the ordinary liquor and imported spirits, green strips for bonded liquor marketed in the United States which must be at least 4 years old before it is bottled, and blue strips for the same type of bonded liquor which is exported. The records of the Bureau do not disclose the number of these strip stamps in the hands of collectors of internal revenue on June 30, 1935. However, the records show that during the fiscal year beginning July 1, 1934, and ended June 30, 1935, this Bureau shipped to collectors of internal revenue for sale to the liquor industry a total of 928,540,420 strip stamps of the three types mentioned, in denominations ranging from one-tenth pint to 1 gallon.

Very truly yours,

GUY T. HELVERING, *Commissioner.*

The Commissioner says in his letter that "the records of the Bureau do not disclose the number of these strip stamps in the hands of collectors of internal revenue on June 30, 1935."

Mr. Chairman, these 625,000,000 stamps could, in the case of imported liquor on which duties as well as taxes are collectible, represent evidence of possible tax revenue exceeding $700,000,000.

Does it reflect efficient supervision on the part of the Treasury that there are no records of their disposal?

We have done some checking on our own initiative and set forth as our unqualified conviction that these 625,000,000 stamps are not all now in the possession of the various collectors of internal revenue. If they are not, Mr. Chairman, it means that they have found their way into the hands of those who propose to use them to avoid paying the duties and taxes which are due the Federal Government under law. Furthermore, the fact that any appreciable amount of these stamps may have been secured by illicit operators would constitute definite evidence that the system which the Treasury Department insists is the most perfect which can be devised breaks down completely in its operation because it does not accomplish the purpose for which it was designed, namely, the assurance of collection of all taxes which are due.

Another point which may interest you is the fact that the strip stamp is perhaps the only revenue stamp used by the Treasury Department as an evidence of tax payment which does not cost the buyer the full amount of tax which it represents.

The strip stamp which costs 1 penny can be used to authenticate as much as a $2 tax payment—in other words, 200 times its actual cost. No illicit operator would try to obtain these stamps if they cost the full amount of tax payment which they authenticate.

Let me furnish you an additional example which shows that strip stamps are being used to authenticate liquor on which taxes have not been paid. Here is another letter from Commissioner of Internal Revenue Helvering to Senator COPELAND:

FEBRUARY 17, 1936.

Hon. ROYAL S. COPELAND,
United States Senate.

MY DEAR SENATOR: Referring further to your inquiry of January 24, 1936, the total number of each size liquor bottle manufactured during the fiscal year ending June 30, 1935, as reported by bottle manufacturers, is as follows:

Size of container:	*Number of bottles*
½ pint	151,767,360
*¾ pint	2,817,216
⅘ pint	4,135,824
*⅞ pint	117,360
1 pint	255,917,520
*¾ quart	884,448
⅘ quart	67,458,240
⅞ quart	1,609,632
1 quart	88,246,224
½ gallon	1,102,608
1 gallon	2,507,904
*13 ounce	16,128
*12⅘ ounce	28,656
*20 ounce	1,872

The figures preceded by asterisks denote containers for "specialties", which are not eligible for use in packaging whisky, brandy, rum, gin, or alcohol.

Very truly yours,

GUY T. HELVERING,
Commissioner.

This letter, translated into stamps needed and stamps actually issued, offers the following comparison:

[All figures in thousands]

	Gallonage represented	Stamps needed to reflect tax payments	Stamps actually issued	Percent issued to those needed
½ pint	9,485	151,767	182,605	121
⅘ pint	413	4,135	9,588	234
1 pint	31,989	255,917	334,790	131
⅘ quart	13,491	67,458	113,560	170
1 quart	22,061	88,246	115,094	130
½ gallon	555	1,102	4,096	372
1 gallon	2,507	2,507	5,046	200
Total	80,504	517,135		
Domestic gallonage, tax paid	75,262			
Imported gallonage, tax paid	7,553			
Total gallonage, tax paid	82,816	589,535	829,540	141

These bottles, bought by distillers and rectifiers during the fiscal year of 1935, are sufficient for about 80,000,000 gallons. Tax-paid imports in bottles of foreign manufacture added to domestic tax-paid gallonage would increase this total to less than 83,000,000 gallons. The domestic and import requirements, therefore, would amount to bottles sufficient for 83,000,000 gallons. These bottles, based upon Commissioner Helvering's report of bottle sizes, would need less than 590,000,000 stamps.

Up to June 1934 there had been issued to collectors and the trade 215,000,000 stamps more than needed to authenticate all tax-paid consumption to that date. Hence, these excess stamps should have represented the inventory available to legitimate producers. No stamps are needed by the legitimate trade in excess of the amount of bottles legitimately used. It is against the law to reuse bottles, so the amount of stamps used should equal the bottles bought.

There were some 250,000,000 more stamps issued than bottles bought during 1935, despite the fact that there had been some 215,000,000 more stamps issued in 1934 than required by the gallonage-tax payments.

Furthermore, during the next 6 months again more stamps were issued than needed to the extent of 107,000,000.

Also in January of this year an additional fifteen to twenty million more than required went to collectors.

What becomes of them? Where are they? Commissioner Helvering says the records of his Bureau do not disclose the number in the hands of collectors. Well, our investigation has proved to us that they are not all in the hand of collectors and the legitimate trade, that many are and have been available to the illicit industry; and if these were used exclusively to authenticate liquor on which duties as well as taxes were due, then the tax evasion could amount to many hundreds of millions of dollars.

Mr. BARKLEY. Mr. President, I send to the desk two amendments, one to be inserted on page 262 and the other on page 266. The amendments are exactly alike, and I ask that they be considered together.

The PRESIDENT pro tempore. The clerk will state the first amendment.

The CHIEF CLERK. It is proposed, on page 262, line 3, to strike out the phrase "or mistake in mathematical calculation", and after the word "section", in line 6, to insert the words "and the mathematical calculation therein",

Mr. BARKLEY. Mr. President, the object of the amendment is to save about 90 days in the payment of the refunds already provided for in the bill. It will save the necessity of the General Accounting Office making calculations after the Bureau of Internal Revenue has already done so and determined the amounts due.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment offered by the Senator from Kentucky.

The CHIEF CLERK. It is proposed on page 266, lines 12 and 13, to strike out the words "or mistake in mathematical calculation", and on line 15, after the word "section", to insert a comma and the words "and the mathematical calculation therein".

The amendment was agreed to.

Mr. BARKLEY. I offer another amendment, which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 290, after line 17, it is proposed to insert the following:

Section 605 of the Revenue Act of 1932 is hereby repealed.

The amendment was agreed to.

Mr. POPE. Mr. President, I offer an amendment, which I send to the desk.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert at the proper place the following:

Section 604 and section 608 of the Revenue Act of 1932, as amended, are hereby repealed and the following provisions are substituted therefor and shall be known as section 604:

"SEC. 604. TAX ON FURS.

"There is hereby imposed upon the following articles, sold by the manufacturer, producer, or importer, a tax equivalent to 3 percent of the price for which so sold, articles made of fur on the hide or pelt of which any such fur is the component material of chief value."

Mr. KING. Mr. President, the committee is familiar with the amendment, and it may go to conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. POPE. Mr. President, I desire to insert in the RECORD a letter which I have written to the chairman of the committee which fully explains this amendment. I desire also to have inserted in the RECORD as a part of my remarks a letter from the representative of the National Grange in support of this amendment, a letter from the American Farm Bureau Federation in support of the amendment, and a letter from the Farmers National Grain Corporation in support of the amendment, all representing the fur growers of the United States. I desire also to have inserted in the RECORD a letter from the National Fur Tax Committee giving a list of all the associations of furriers, cleaners, manufacturers, and fur producers throughout the United States in support of this amendment.

I desire to say also that, so far as the fur industry is concerned, the farmers, those who produce the furs on the farm—and about 80 percent of all the furs are produced by farmers—as well as all the dyers and cleaners and manufacturers, are united in support of this amendment; and, in addition to that, the Treasury Department also supports this amendment. It will provide just as much revenue as is now being received.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Idaho for the printing in the RECORD of the letters referred to by him?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 6, 1936.

Hon. PAT HARRISON,
Chairman, Finance Committee,
United States Senate, Washington, D. C.

DEAR SENATOR HARRISON: Pursuant to our conversation concerning the matter, I desire to call to your attention the enclosed suggested amendment to the revenue bill which the Finance Committee now has under consideration. It is the intent of this amendment to revise the tax on furs. I realize that it is not the intention of the administration to open the excise-tax question to discussion, but I feel that there are several reasons why this amendment can be adopted as an exception, without opening the general excise question to discussion.

The fur industry and the Treasury Department have indicated to me that the luxury tax on furs imposed under sections 604 and 608 of the Revenue Act of 1932 is in a chaotic condition. Evasions of the tax have become so prevalent that the Treasury feels that a 3-percent "over all" tax will yield just as much revenue as the present 10 percent on articles over $75. Farmer-trappers have reported to me that prices offered them for furs valued from $75 to $100 have been reduced by buyers to $74.95 to evade the tax. The fur manufacturers in many instances are further evading the tax in the following manner:

A $150 fur coat is sent in two packages, one containing the collar, one containing the coat. These articles are billed separately at $74.95 each.

Sometime ago I introduced Senate bill 3654, which changed the point of taxation from manufacturing to processing, reduced the tax to 4 percent, and eliminated the $75 exemption. In reporting on that bill the Secretary of the Treasury said:

"In the event that a change with respect to the tax on furs now imposed under section 604 of the Revenue Act of 1932, as amended by section 608 of the Revenue Act of 1934, should be in contemplation for the relief of the industry, it is the recommendation of this Department that a revision of the law be effected by eliminating the exemption with respect to articles selling for less than $75 and substantially lowering the rate of tax. The exemption in the case of articles selling for less than $75 has afforded a broad field of tax evasion, and has increased substantially the difficulties encountered in administering the law and the cost of such administration."

Pursuant to that suggestion I introduced the bill S. 4375, which merely revised the existing tax by reducing it to 3 percent and eliminating the $75 exemption. In reporting on this bill Acting Secretary of the Treasury Wayne C. Taylor made certain routine suggestions, which have been complied with, with respect to the bill, and stated:

"Your attention is directed to my letter of February 21, 1936, relative to the merits of S. 3654 (74th Cong., 2d sess.). In view of the recommendation contained in that letter in the event a change was contemplated in respect to the tax on furs, this Department does not offer any objections to the enactment of S. 4375 (74th Cong., 2d sess.), other than the suggestions noted above."

I believe, therefore, that the proposed amendment enclosed herewith is agreeable to the Treasury Department. The National Fur Tax Committee, representing the industry as a whole, has advised me of its desire that the amendment be adopted. Many individual interests within the fur industry have likewise advised me.

Trappers and farmers of the West have expressed support of the bill. I am sure you will be interested in the enclosed letters from the American Farm Bureau Federation, the Farmers National Grain Corporation, and the National Grange, which are in support of the amendment.

In view of the peculiar conditions surrounding this situation and the urgent need for a reform of the tax on furs, I would appreciate the consideration of the Finance Committee in placing this amendment in the bill.

Very sincerely yours,

J. P. POPE.

THE NATIONAL GRANGE,
Washington, D. C., May 7, 1936.

Hon. JAMES P. POPE,
Senate Office Building, Washington, D. C.

DEAR SENATOR: My attention has been called to your bill repealing the 10-percent tax on all fur garments costing more than $75 and imposing in lieu thereof a 3-percent ad valorem tax on all manufactured furs.

It is our belief that the existing tax on furs has not worked out as was intended, but that it has resulted in lower prices on furs and pelts to trappers and producers.

Under the circumstances we would be satisfied to see the provisions of your bill incorporated in the pending revenue act.

Sincerely yours,

FRED BRENCKMAN,
Washington Representative.

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., May 7, 1936.

Senator JAMES P. POPE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR POPE: Perhaps I have previously called your attention to the position of the American Farm Bureau Federation in regard to the Federal luxury tax on furs. However, in looking over our farm bureau policy on tax matters generally, I notice, in connection with your bill, S. 4375, a resolution of the federation, adopted at the last annual meeting in December 1935, which reads as follows:

"We favor the elimination or modification of the so-called luxury tax on furs, which now has a depressing influence on prices received by farmer-trappers for raw furs."

The present luxury tax on furs begins at a $75 value on the garment, the result of which is to force garments below the $75 price line which otherwise would sell above that line. This tendency forces the purchaser of raw furs to pay less prices for these products which are produced very largely by farmer-trappers in all parts of the Nation. In fact, I believe it is approximately right to state that between 75 percent and 80 percent of the furs of this Nation are gathered by farmer-trappers and their sons. Anything which tends to beat down the prices on raw furs is serious to a large list of farmers who, in the winter months mostly, when work is light, gather the fur crop of the Nation.

Your pending measure modifies the present luxury tax on furs by substituting for it a 3-percent tax on furs, irrespective of the prices at which such furs are sold. This plan will produce approximately the same amount of revenue as is secured from the present luxury tax on furs, will not depress prices received by farmer-trappers for raw furs, will be easier to enforce and less costly than is the present tax, and will apply to imported as well as domestic furs.

It is hoped that you can secure the incorporation of your measure in the pending revenue bill, and you may feel free to

call on me to help in any way in which this objective may be attained.

Very respectfully,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

FARMERS NATIONAL GRAIN CORPORATION,
Chevy Chase, Md., May 7, 1936.

Hon. JAMES P. POPE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: The leaders in our organization, as well as those in the Northwest Farmers Union group, whom I have the honor to represent here at Washington, have become very much interested in your bill, S. 4375.

We have come to the conclusion that it will best serve the purposes of both the Government and those interested in the first sale of furs to reduce the excise tax from 10 to 3 percent and entirely eliminate the $75 exemption.

We will be deeply obliged for your advice as to what we may do to gain the favorable consideration of Congress in this matter.

Respectfully yours,

M. W. THATCHER.

NATIONAL FUR TAX COMMITTEE,
New York, May 18, 1936.

Senator JAMES P. POPE,
Senate Office Building, Washington, D. C.

DEAR SENATOR POPE: This committee, which represents the majority of the fur industry, doing about 90 percent of the fur business, heartily endorses your bill which calls for elimination of the $75 exemption and the taxing of all manufactured furs at 3 percent.

Not only will this measure produce more money for the Government, but it will, in addition, eliminate all of the evils of the present tax.

With very few exceptions, every worth-while association of the industry, whether it be an association of retailers or manufacturers, is strongly in favor of your bill. The American Farm Bureau Federation, the National Grange, all recognize the value of the bill and in letters to this committee have expressed themselves in favor of the measure.

If there is any way that this committee can help you, please call upon us.

Very sincerly yours,

NATIONAL FUR TAX COMMITTEE,
MICHAEL HOLLANDER,
National Chairman.

NATIONAL FUR TAX COMMITTEE,
New York City, May 20, 1936.

Senator JAMES P. POPE,
Senate Office Building, Washington, D. C.

DEAR SENATOR: Here is a list of a number of associations which have written the national headquarters and put themselves on record in favor of your bill.

In every case a poll of membership was taken by the association, and its board of directors were authorized to issue a statement to National Fur Tax Committee headquarters expressing the feeling of the membership: Washington State Fur Dealers Association, 72 Columbia Street, Seattle, president, C. B. Coselman; Louisiana Fur Dealers Association, 413 Decatur Street, New Orleans, secretary, Edward H. Ceite; the Raw Fur Dealers Association of the State of New York, Syracuse, N. Y., president, Joseph F. Brightman; Association of Landowners and Lessees of Landowners of Fur Industry, 413 Decatur Street, New Orleans, secretary, Edward H. Ceite; Association Fur Merchants Salesmen's Association, Hotel Governor, Clinton, N. Y., secretary, Sidney Kramer; Iowa-Nebraska Furriers Association, 613 Pierce Street, Sioux City, Iowa, president, August Williges; Chicago Wholesale Fur Credit Association, Inc., 190 North State Street, Chicago, Ill., president, S. Watzer; Illinois Silver Fox & Fur Breeder Association, room 1476, 208 South La Salle Street, Chicago, Ill., president, Lou Silverman; San Francisco Retail Fur Merchants' Association, 625 Market Street, San Francisco, Calif., president, L. J. Grueger; Technical Association of the Fur Industry, 199 Pacific Street, Newark, N. J., vice president, Leo Altenberg; National Association of Resident Fur Commission Salesmen, 36 South State Street, Chicago, Ill., president, Frank L. Finch.

I venture to say that nine out of ten associations are in favor of your bill. These associations represent those devoted to fur farming, dressing and dyeing, manufacturing, and retailing. In other words, a complete cross-section of the fur industry shows strong support for you.

I am also sending you under separate cover a poll of the outstanding men of the industry on questions of interest to you. You will see that here, too, there is a great majority in favor of your plan.

A thousand thanks to you, Senator, for your efforts to relieve us of a horrible state of affairs which exists in the fur trade today. Your bill will help everyone who has anything to do with furs, from the farmer-trapper to the retailer.

I want you to know how much we appreciate your very splendid efforts.

Very sincerely yours,

NATIONAL FUR TAX COMMITTEE,
MICHAEL HOLLANDER,
National Chairman.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. POPE].

The amendment was agreed to.

Mr. BONE. Mr. President, in 1935 we negotiated successfully a reciprocal agreement with Canada. In section 1760 of that agreement shingles were placed on the free list and all shingles are now brought into the United States duty free. There was, however, a provision in the agreement that the Canadian producers of red-cedar shingles might export to the United States from Canada the equivalent of 25 percent of the total consumption in the United States, which is equal to about 75 percent of the total production in Canada. There was a provision in section 1760 reserving to the United States the right to limit the total quantity of red-cedar shingles, which are only a fraction of the free shingles coming into the country, and to restrict Canada to 25 percent of the combined total of the shipments of red-cedar shingles by producers in the United States and the imports of such shingles during the preceding half calendar year.

Let me say to my colleagues and to the Chair that under the N. R. A. there had been a 25-percent import arrangement entered into between the producers of this country and the producers in Canada as affecting red-cedar shingles, and the amendment which my colleague [Mr. SCHWELLENBACH] and myself offer, and which has been presented to the Committee on Finance and the Senator from Utah [Mr. KING], merely implements this provision of section 1760 of the reciprocal-trade agreement, and authorizes the President to breathe the breath of life into it. It was assumed that the 25-percent arrangement as to red-cedar shingles, which, as I have said, are only a fraction of the shingles introduced into this country, would be entered into subsequently; but there was some question in the mind of the Secretary of State as to the right of the President to do that; and the amendment we are now tendering to the pending bill is, I repeat, merely to implement the section and breathe the breath of life into it. We are asking that it be adopted so that at least it may go to conference. I understand that the Senator from Utah has no objection to it.

Mr. KING. If the Senator from North Dakota [Mr. NYE] has no objection, speaking for the committee, the amendment may go to conference.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. NYE. I inquire if the amendment offered by the Senator from Washington has been reported at the desk.

The PRESIDENT pro tempore. It has been agreed to.

Mr. NYE. Was it reported to the Senate?

Mr. KING. I understood that it was reported while I was conferring with the clerk.

Mr. BONE. The amendment follows, in considerable measure, the exact language of the reciprocal treaty itself.

Mr. NYE. Yes; but is it not rather a departure from the rule to agree to amendments without having them even reported to the Senate?

Mr. KING. I ask that the amendment be stated.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 272, after line 12, it is proposed to insert the following:

Whenever any organization or association representing the producers of more than 75 percent of the red cedar shingles produced in the United States during the previous half-year period shall request the President to limit the importation of red cedar shingles from Canada under paragraph 1760 of the reciprocal trade agreement entered into with the Dominion of Canada under date of November 15, 1935, and the President finds from available statistics that the total quantity of red cedar shingles produced in the Dominion of Canada which is entered, or withdrawn from warehouse, for consumption in the United States, during any given half of any calendar year exceeds or will exceed 25 percent of the combined total of the shipments of red cedar shingles by producers in the United States and the imports during the preceding half year, the President shall issue an order limiting for the 6 months immediately following the half of the calendar year in which said excess occurred, the quantity of red cedar shingles to be imported from Canada to 25 percent of the combined total of the shipments and imports of red cedar shingles for such preceding half calendar year. The President shall issue a new order

for each half of the calendar year thereafter during the continuation of the operation of the reciprocal trade agreement entered into with the Dominion of Canada, under date of November 15, 1935, with the same limitations as hereinbefore set forth.

Mr. NYE. Mr. President, understanding that the amendment is going to be taken to conference, I ask unanimous consent that at this point in the RECORD a memorandum concerning the amendment prepared by the New York lumber trade may be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON THE AMENDMENT PROPOSED BY SENATORS BONE AND SCHWELLENBACH TO REVENUE BILL (H. R. 12395)

Senators BONE and SCHWELLENBACH introduced on May 15, 1936, an amendment which they intend to propose to the revenue bill. The amendment provides that whenever the manufacturers of 75 percent of the domestic production of red-cedar shingles may request, the President shall be compelled to issue an order limiting imports of red-cedar shingles to 25 percent of the domestic consumption in the preceding half year.

This proposal should be defeated. It is not revenue legislation. It has no place in a revenue bill. It cannot produce and is not designed to produce revenue. It is purely and simply a matter of customs administration.

Furthermore, this legislation is not necessary. Under existing law (the Tariff Act of 1930, as amended by the Trade Agreements Act, Public, No. 816, 73d Cong.) the President has the power "to proclaim * * * such additional import restrictions * * * as are required or appropriate to carry out any further trade agreement that the President has entered into * * *."

"Import restrictions" are further defined as including "limitations, prohibitions, charges, and exactions other than duties imposed on imports or imposed for the regulation of imports."

Exercising his authority under this act, the President entered into a trade agreement with Canada in which it was provided that the President could limit imports of shingles to 25 percent of the domestic consumption.

In enacting the Trade Agreements Act in 1934, the Congress repealed all of the countervailing provisions in the tariff act. The amendment of Senators BONE and SCHWELLENBACH is an attempt to insert again a provision equivalent to the old countervailing provisions with respect to shingles, a commodity which was not before subject even to a countervailing duty, although lumber had such a provision in paragraph 1803 of the Tariff Act. Worse, it makes the countervailing provision mandatory and removes the discretionary authority of the President to limit imports which he specifically retained in enacting the trade agreement with Canada. The amendment would change the terms of the trade agreement with Canada. To enact the amendment would be a breach of faith and might lead to serious retaliatory measures on the part of Canada, such as a log-export embargo, which would seriously injure the lumber and shingle mills of Washington, which are dependent on imports of cedar and fir logs for their raw material supply.

Senators BONE and SCHWELLENBACH by the use of the word "shall" in their amendment wish to make mandatory the provision in the trade agreement which authorizes the President to limit the imports of shingles to 25 percent of domestic consumption. But the proposal goes much further that this. They propose to split the year into two 6-month periods and limit importations in any 6-month period to the basis of the preceding 6 months.

In an industry such as the shingle industry, which is highly seasonal in character, importations in the busy 6 months would be limited to the basis of the preceding slack 6 months' period. Then in the following 6 months, when business was again poor, importations could be increased to 25 percent of the consumption during the preceding period when business was good, if the importers could get the necessary orders in a slack period, which would be extremely difficult and expensive, if not impossible.

In considering this matter it might be well to go back and consider the economic situation in the shingle industry in Washington, Oregon, and British Columbia. Shingles are manufactured from red-cedar logs. Red cedar grows in the forest intermingled with various other timber species, usually but a small percentage of the total cut in any logging operation being red cedar. The best quality of red cedar is found in the North. Stands to the South are of poorer quality. As a consequence, the best cedar timber is found in British Columbia. The most accessible stands of the better quality in Washington, particularly around Puget Sound, have been cut out.

Many American shingle mills which formerly secured their timber from nearby Puget Sound stands are now importing large quantities of cedar logs from British Columbia. In many instances mills not located on tidewater have been forced to suspend operations because of the serious depletion of cedar timber in Washington. It has been estimated that the total remaining stand of cedar in the State of Washington is sufficient for no more than 15 years of continued operation at the present rate of use, but the better grades will be exhausted in 10 years or less.

Shingles were put on the free list by the Underwood Tariff Act of 1913.

In 1921 a serious effort was made in the Fordney-McCumber tariff bill to impose a duty on shingles. It was overwhelmingly rejected by the Congress.

In July 1926, at the instance of domestic manufacturers of red-cedar shingles, the President of the United States ordered an investigation of the red-cedar shingle industry with a view to ascertaining conditions prevailing in the industry. The Tariff Commission made an exhaustive investigation of the competitive positions of the shingle-manufacturing industries in the United States and Canada. The Tariff Commission found no facts which would justify the imposition of a tariff on Canadian shingles imported into the United States. (See the report of the Tariff Commission to the President on red-cedar shingles, Feb. 27, 1927.)

A further appeal was made by the domestic manufacturers in the consideration of the tariff bill by the Congress in 1929 and 1930. Congress, after hearing all of the testimony and examining the evidence, quite overwhelmingly refused to impose a tariff on shingles.

When the National Recovery Act was passed, domestic shingle manufacturers saw an opportunity to use the act as a lever to exclude British Columbia shingles. Immediately upon passage of the act, the Red Cedar Shingle Bureau, an organization of the major part of the shingle industry in Washington, Oregon, and British Columbia, assembled in Seattle for the purpose of devising a code for the shingle industry. British Columbia manufacturers were invited to attend the meeting, but when they arrived there was some argument as to the propriety of their presence. After some discussion, the Canadians were asked to withdraw. Later the Canadian representatives were informed that the American manufacturers had decided to form a new association which would eliminate the British Columbia shingle manufacturers.

This was somewhat of an affront to the British Columbia manufacturers as they had for many years worked hand in hand with the better manufacturers of shingles in Washington and Oregon as members of the Red Cedar Shingle Bureau which had for its purpose the combating of antishingle ordinances and propaganda, promoting shingle trade, advertising, and other activities calculated to increase the demand for red-cedar shingles and during all these years shared the expense of developing and saving the American market for shingles.

British Columbia manufacturers, as members of the Red Cedar Shingle Bureau, meticulously cooperated in every possible way in the promotion and development of the shingle business in the United States. These manufacturers expected that when the code for the shingle industry was adopted, the association of long standing (the Red Cedar Shingle Bureau), would prepare the code and administer it. They expressed a willingness to participate and bind themselves to the N. R. A. and a code was prepared with that expectation in view.

However, the militant minority of the American industry, which desired the exclusion of the British Columbia shingles, obtained enough support to become a militant majority and they succeeded in forcing the formation of the new association to be known as the Washington and Oregon Shingle Association. This new association presented its code in the lumber and timber industries code and it was adopted.

British Columbia manufacturers cooperated in every possible way in maintaining the code, though they were not a part of it. In order to definitely limit imports and get them on a controlled-quota basis, an agrement was entered into between the Washington-Oregon Shingle Association and the Canadian manufacturers. There was considerable argument as to the size of the quota to be allotted to British Columbia manufacturers. The Americans wanted to arbitrarily assign them a quota of 20 percent of the consumption, although in the preceding 2 years the British Columbia manufacturers had supplied approximately 35 percent of consumption.

British Columbia manufacturers were not only willing, but anxious to cooperate in maintaining the code, but to have their market cut in two appealed to them as something in the nature of a dry bone thrown to the dog in view of the fact that they had been largely instrumental in developing the shingle market and saving it from the competition of substitute materials through their association work, contributions, and advertising.

Through the coercion of the Washington and Oregon manufacturers, the Canadians were compelled to sign an agreement to limit shipments to 20 percent but with a condition precedent that the American manufacturers were to provide the method of regulation so as to secure substantial equality and justice as between the various manufacturers. As a result, the domestic manufacturers requested the N. R. A. to approve the contract and put it in force.

The N. R. A. presented the matter to the Tariff Commission in 1934 for investigation and the facts with reference to the competition between Washington and Oregon and British Columbia manufacturers were carefully examined. Costs and other competitive factors were considered but no facts were found which would justify any tariff restriction on shingle imports. Inasmuch as the British Columbia manufacturers under the coercion of their American competitors had signed an agreement to limit exports, the Tariff Commission accepted the contract and made it official. But the Tariff Commission, on its own initiative, increased the quota 5 percent, making it 25 percent.

British Columbia manufacturers accepted and continued their voluntary cooperation, limiting their production and shipments to this basis and voluntarily increasing their wages to code levels on the shingles produced for the American market. They were enabled to exercise this control under the authority of the Canadian Marketing Act—a Canadian legislative act comparable in some

respects to the N. R. A. Under the terms of this act, which the Canadian shingle manufacturers voluntarily accepted to make possible their cooperation with the American lumber code, no exports of cedar shingles can be made from Canada without first securing a certificate from the agency established under the act.

At the termination of the N. R. A. on May 27, 1935, the Canadian Marketing Act was still in existence, and even during the time of the N. R. A. the Canadian Marketing Act was in existence. The lumber code had practically collapsed. The strike among the American shingle mills on the west coast which had not been able to ship American shingles for many months was resulting in rapid depletion of stocks of shingles in retail lumber yards. The matter was brought to the attention of Members of Congress, who intervened with N. R. A., and were informed by N. R. A. that under the circumstances they could not offer any objection to an increase in the shipments of shingles from Canada in order to save the situation.

As a result, contacts were made with the representatives of Canadian mills, and upon pleadings of dealers in the United States, the Canadian shippers increased their quota and rapidly took care of the situation, which was impossible of handling by the American mills. The action saved the day, and it was only upon agreement of protection that the Canadian mills agreed to increase their quota which had previously been agreed to. This is a very good example of what can happen if the American mills suddenly find themselves in the position of being unable to take care of the demand. With heavy increases reported in all lumber-producing territories, and with forecasts of estimated building of 200,000 homes during the next year, it is vitally important to consider whether the American mills can supply this demand without the aid of the British Columbia mills, over and above the 25-percent quota. If this quota is rigidly enforced and cannot be changed except through action of Congress, the supply would be limited, and naturally would result in heavily increased prices to the consumers and loss of business to the shingle manufacturers, to shingle substitutes and asphalt products.

After the settlement of the labor difficulties in Washington and Oregon, the British Columbia Shingle Marketing Authority resumed its control and maintains it today. They are attempting, and the individual manufacturers of shingles in Canada are cooperating in the attempt, to maintain Canadian shingle imports to the United States at a reasonable level of approximately 25 percent of the American consumption.

There has been no complaint that they have exceeded this figure. Ex-Senator Dill, testifying before the Senate Finance Committee, conceded that Canadian exports have been maintained below this figure. Ex-Senator Dill only emphasized the possibility that British Columbia might exceed the 25-percent quota after Congress had adjourned. There is absolutely no ground for this fear.

Canadian manufacturers are at this time voluntarily limiting their shipments for the sake of orderly marketing. If they should discontinue this policy and imports should increase to an unreasonable level over 25 percent of the domestic consumption, the President, as above stated, has in his power to invoke the limitation provided in the trade agreement.

The proposed control to be inaugurated if the amendment is enacted would take at least 6 months to place in operation. The Congress will have returned to Washington before that time has expired and will be able to deal directly with any problem which may arise in the unlikely event of excessive shipments from Canada.

Certainly the Congress would be ill-advised to enact legislation so out of spirit with the express terms of the trade agreement entered into by the President with the Canadian Government, on the mere possibility of the occurrence of an event which all past records indicate is extremely unlikely to happen.

It is proposed that the amendment of Senators JONES and SCHWELLENBACH shall be operated on the basis of statistics to be gathered by the Census Bureau of the shipment of shingles from mills in Washington and Oregon. They propose to take the figures thus gathered as being representative of the domestic consumption. While there could be no objection to the use of these figures, inasmuch as more exact figures would be impossible if not impracticable to obtain, there is no assurance that the census reports on which the totals would be based would be as comprehensive as the figures furnished by the import statistics. Every shingle imported into the United States is counted, but it would be almost impossible for the Census Bureau or any other agency to get as complete and accurate a record of the shipments (including local consumption of the many small backwoods shingle mills) which operate in some cases only a few weeks out of the year. If the Senators from Washington are sincere in their desire to get accurate and complete consumption statistics, it might be suggested that a statutory enactment specifically requiring complete reports from every manufacturer of shingles of his production, local sales, and shipments made periodically would be more likely to result in accurate total figures for consumption. Such a provision should be incorporated in the amendment if it is to be seriously considered.

Mr. KING. Mr. President, if the RECORD does not already so show, I will say, in behalf of the committee, that the amendment just offered by the Senator from Washington may be accepted and go to conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. BONE].

The amendment was agreed to.

Mr. GEORGE. Mr. President, I have two amendments I desire to offer. The first amendment which I present relates to citizens doing business in the Philippine Islands. If unincorporated, a citizen who does business in the Philippine Islands is not subject to our Federal individual income-tax law; but if incorporated, he is subject to the corporation tax, and his competition with the German, French, Filipino, and Japanese in the islands is very greatly aggravated and increased. I offer the amendment for the sake of having it go to conference so that it may be there considered, although I do not commit myself to it.

Mr. KING. For that purpose only, I accept the amendment, so that it may go to conference.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 201, line 13, after the word "another", it is proposed to strike out the period and to insert a comma and the following proviso:

Provided, however, That for the purposes of this paragraph, dividends received from a corporation, sociedad anonima, partnership, trade, or business, shall be deemed to be gross income derived from the active conduct of a trade or business, when such citizen is actively engaged in the conduct of such corporation, sociedad anonima, partnership, trade, or business.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. LA FOLLETTE. Mr. President, does the Senator from Utah state that he will accept the amendment so that it may go to conference for consideration?

Mr. GEORGE. Yes; I ask that it be taken to conference, without committing myself to it, but I think it has enough merit to be considered.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. GEORGE. Mr. President, I have an additional amendment. I wish to explain that this amendment was presented to the Finance Committee at a time when there was not a full attendance. I am not offering it as a committee amendment, but in my place as a Senator. I ask that it be taken to conference, in order that if it should be deemed proper that something may be done.

The amendment simply proposes to give to the payer of excise taxes the right to appeal to the Board of Tax Appeals, as in the case of estate taxes, income taxes, and all other taxes.

I realize that there are some objections to the amendment, but I should like to ask the acting chairman of the committee to let it go to conference, so that it may be there studied and, if found meritorious, that it may be placed in the bill.

The PRESIDENT pro tempore. The amendment offered by the Senator from Georgia will be stated.

The CHIEF CLERK. On page 272, after line 12, following the amendments heretofore agreed to, to insert the following:

SEC. 815. SECTION 700—REVIEW OF EXCISE-TAX DEFICIENCIES BY BOARD OF TAX APPEALS.

Deficiences in respect of taxes imposed by title IV of the Revenue Act of 1932 as amended shall from and after the enactment of this act be assessed, collected, and paid in the same manner and subject insofar as applicable to the same provisions of law as deficiencies in respect of taxes imposed by title I of this act.

Mr. KING. The amendment may be accepted and go to conference.

Mr. VANDENBERG. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. VANDENBERG. Is this the greatest deliberative body in the world?

Mr. KING. It is when the Senator is present. [Laughter.]

The PRESIDENT pro tempore. If there are no further amendments to be offered the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lonergan	Russell
Austin	Couzens	Long	Schwellenbach
Bailey	Davis	McGill	Sheppard
Barbour	Donahey	McNary	Shipstead
Barkley	Duffy	Maloney	Steiwer
Benson	Fletcher	Moore	Thomas, Utah
Bilbo	George	Murphy	Townsend
Black	Gerry	Murray	Truman
Bone	Glass	Neely	Tydings
Brown	Hale	Norris	Vandenberg
Bulkley	Hatch	Nye	Van Nuys
Bulow	Hayden	O'Mahoney	Wagner
Byrnes	Holt	Overton	Walsh
Capper	Keyes	Pittman	Wheeler
Carey	King	Pope	White
Chavez	La Follette	Radcliffe	
Connally	Lewis	Reynolds	
Coolidge	Loftin	Robinson	

Mr. LEWIS. I announce the absence of the senior Senator from Tennessee [Mr. McKELLAR], the junior Senator from Tennessee [Mr. BACHMAN], the Senator from Missouri [Mr. CLARK], the Senator from Pennsylvania [Mr. GUFFEY], the junior Senator from Arkansas [Mrs. CARAWAY], the Senator from Nebraska [Mr. BURKE], the Senator from Indiana [Mr. MINTON], and the Senator from Wisconsin [Mr. DUFFY], who have been called away to attend the funeral of the late Speaker of the House of Representatives.

I also announce the absence, because of illness, of the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], and the Senator from Nevada [Mr. McCARRAN].

The Senators from Oklahoma [Mr. GORE and Mr. THOMAS], the Senator from Kentucky [Mr. LOGAN], the Senator from South Carolina [Mr. SMITH], and the Senator from California [Mr. McADOO] are necessarily detained.

I announce, also, the absence of my colleague the junior Senator from Illinois [Mr. DIETERICH], who is necessarily detained.

The PRESIDENT pro tempore. Sixty-nine Senators having answered to their names, a quorum is present. The bill having been read the third time, the question is, Shall the bill pass?

Mr. McNARY. On that question I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. HAYDEN (when Mr. ASHURST's name was called). The senior Senator from Arizona [Mr. ASHURST] is necessarily absent because of the death of his brother. If present, the Senator from Arizona would vote "yea."

Mr. BLACK (when his name was called). On this vote I have a pair with the junior Senator from Tennessee [Mr. BACHMAN]. If he were present, he would vote "yea", and if I were at liberty to vote I should vote "nay."

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN], who, if present, I understand, would vote "yea." I transfer my pair with the junior Senator from Kentucky to the junior Senator from Vermont [Mr. GIBSON] and vote "nay." If the junior Senator from Vermont [Mr. GIBSON] were present, he would vote "nay."

Mr. LEWIS (when his name was called). Mr. President, I have insisted that the privilege of my motion to postpone the whole consideration of the measure and send it back to the committee should be reserved until——

Mr. ROBINSON. Mr. President, I rise to a point of order. Debate is not in order during a roll call.

The PRESIDENT pro tempore. The point of order is well taken.

Mr. LEWIS. I announce my pair with the senior Senator from North Dakota [Mr. FRAZIER]. I understand if he were present he would vote "yea." If I were at liberty to vote, I should vote "nay."

Mr. BARKLEY (when Mr. LOGAN's name was called). I announce the absence of my colleague the junior Senator from Kentucky [Mr. LOGAN], who is unavoidably detained. If present, he would vote "yea."

Mr. MALONEY (when his name was called). On this vote I have a pair with the junior Senator from Nebraska [Mr. BURKE]. If he were present, he would vote "yea", and if I were permitted to vote I should vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who if present would vote "yea." I transfer my pair to the junior Senator from Rhode Island [Mr. METCALF] and vote "nay." If the junior Senator from Rhode Island [Mr. METCALF] were present, he would vote "nay."

Mr. RUSSELL (when his name was called). On this question I have a special pair with the junior Senator from Pennsylvania [Mr. GUFFEY]. If the Senator from Pennsylvania were present, he would vote "yea", and if I were at liberty to vote I should vote "nay." I withhold my vote.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR]. If the Senator from Tennessee were present, he would vote "yea", and if I were at liberty to vote I should vote "nay." I withhold my vote.

The roll call was concluded.

Mr. AUSTIN. I announce the following pairs:

The Senator from Idaho [Mr. BORAH], who if present would vote "nay", with the Senator from California [Mr. McADOO], who if present would vote "yea."

The Senator from Delaware [Mr. HASTINGS], who if present would vote "nay", with the Senator from Indiana [Mr. MINTON], who if present would vote "yea."

The Senator from California [Mr. JOHNSON], who if present would vote "nay", with the Senator from Virginia [Mr. BYRD], who if present would vote "yea."

I also announce that the Senator from South Dakota [Mr. NORBECK] would vote "yea" if present.

The Senator from Rhode Island [Mr. METCALF] and the Senator from Iowa [Mr. DICKINSON] are necessarily absent. If present, these Senators would vote "nay."

Mr. BILBO. The Senator from Iowa [Mr. DICKINSON], with whom I am generally paired, is specially paired on this question with the Senator from Missouri [Mr. CLARK]. If present, the Senator from Iowa would vote "nay", and the Senator from Missouri would vote "yea." I am paired on this question with the Senator from Wisconsin [Mr. DUFFY]. If present, he would vote "yea", and if I were at liberty to vote I should vote "nay."

Mr. LEWIS. I announce the absence, because of illness, of the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], and the Senator from Nevada [Mr. McCARRAN].

The Senators from Oklahoma [Mr. GORE and Mr. THOMAS], the Senator from Virginia [Mr. BYRD], the Senator from South Carolina [Mr. SMITH], and the Senator from California [Mr. McADOO] are unavoidably detained.

The Senators from Tennessee [Mr. McKELLAR and Mr. BACHMAN], the Senator from Missouri [Mr. CLARK], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Nebraska [Mr. BURKE], the Senator from Indiana [Mr. MINTON], the Senator from Wisconsin [Mr. DUFFY], the Senator from Vermont [Mr. GIBSON], and the Senator from North Dakota [Mr. FRAZIER] are absent in attendance upon the funeral of the late Speaker of the House of Representatives.

The Senator from Arkansas [Mrs. CARAWAY], who if present would vote "yea", is paired with the Senator from South Carolina [Mr. SMITH], who if present would vote "nay."

The Senator from Arizona [Mr. ASHURST] is paired with the Senator from Nevada [Mr. MCCARRAN]. If the Senator from Arizona were present, he would vote "yea" on the passage of the bill, and the Senator from Nevada, if present, would vote "nay."

My colleague the junior Senator from Illinois [Mr. DIETERICH] is necessarily detained. I am advised that if present and voting he would vote "yea."

The result was announced—yeas 38, nays 24, as follows:

YEAS—38

Bailey	Gerry	Murray	Schwellenbach
Barkley	Glass	Neely	Sheppard
Bone	Hatch	Norris	Thomas, Utah
Bulow	Hayden	O'Mahoney	Truman
Byrnes	King	Overton	Van Nuys
Chavez	La Follette	Pittman	Wagner
Connally	Loftin	Pope	Walsh
Coolidge	Lonergan	Radcliffe	Wheeler
Fletcher	Long	Reynolds	
George	McGill	Robinson	

NAYS—24

Adams	Capper	Hale	Nye
Austin	Carey	Holt	Shipstead
Barbour	Copeland	Keyes	Steiwer
Benson	Couzens	McNary	Tydings
Brown	Davis	Moore	Vandenberg
Bulkley	Donahey	Murphy	White

NOT VOTING—34

Ashurst	Clark	Harrison	Metcalf
Bachman	Costigan	Hastings	Minton
Bankhead	Dickinson	Johnson	Norbeck
Bilbo	Dieterich	Lewis	Russell
Black	Duffy	Logan	Smith
Borah	Frazier	McAdoo	Thomas, Okla.
Burke	Gibson	McCarran	Townsend
Byrd	Gore	McKellar	
Caraway	Guffey	Maloney	

So the bill was passed.

Mr. KING. Mr. President, I send to the desk a request for unanimous consent, which I ask to have read.

The PRESIDENT pro tempore. The proposed unanimous-consent agreement will be read.

The Chief Clerk read as follows:

I ask unanimous consent that in the engrossment of the amendments of the Senate to the bill H. R. 12395 the Secretary of the Senate be authorized to make such changes in the table of contents of the bill as may be necessary to make it conform to the action of the Senate on the bill, and that such changes be treated as one amendment.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent agreement requested by the Senator from Utah? The Chair hears none, and it is so ordered.

Mr. KING. I also ask unanimous consent that House bill 12395, as passed by the Senate, be printed with the amendments of the Senate numbered.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KING. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. KING, Mr. GEORGE, Mr. WALSH, Mr. BARKLEY, Mr. CONNALLY, Mr. COUZENS, Mr. KEYES, and Mr. LA FOLLETTE conferees on the part of the Senate.

Mr. COUZENS. Mr. President, feeling as I do about this tax bill, both as it passed the House and as it passed the Senate, I desire to resign as a conferee.

Mr. KEYES. Mr. President, sharing the feeling of the Senator from Michigan, I also prefer not to serve as a conferee.

Mr. McNARY. Mr. President, in view of that unexpected situation, I hope the conferees will not be appointed until tomorrow.

The PRESIDENT pro tempore. What is the pleasure of the Senator from Utah having charge of the bill with regard to the request of the Senator from Oregon?

Mr. McNARY. Mr. President, in view of the resignation as conferees of two members of the Finance Committee, I have asked that the appointment of conferees go over until tomorrow at our regular session. I should like to have an opportunity to consider the matter and to confer with the Senator from Arkansas [Mr. ROBINSON].

Mr. KING. I suppose the Senator is appealing for delay only in behalf of the Republican vacancies?

Mr. McNARY. Yes. I think the minority are entitled to some consideration.

Mr. KING. The acting chairman has not insisted that they should not receive consideration; and, acceding to the request of the Senator from Oregon, the matter of the further appointees may go over until tomorrow.

Mr. McNARY. I thank the Senator very much.

TAXATION OF INTOXICATING LIQUOR—CONFERENCE REPORT

Mr. KING submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9185) to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 55, 60, 77, 81, 85, 86, 102, 111, and 120.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 56, 57, 58, 59, 62, 63, 65, 66, 70, 71, 72, 73, 74, 75, 76, 78, 79, 80, 83, 84, 87, 90, 91, 92, 93, 94, 97, 98, 99, 100, 101, 103, 104, 105, 106, 107, 108, 109, 110, 112, 113, 114, 115, 116, 118, and 119; and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "Act, as amended)"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 202. Section 3295 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1236), is further amended to read as follows:

"'SEC. 3295. (a) Whenever an application is received for the removal from any Internal Revenue Bonded Warehouse of any cask or package of distilled spirits on which the tax has been paid, the storekeeper-gauger shall gauge and inspect the same, and shall, before such cask or package has left the warehouse, place upon such package such marks, brands, and stamps as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall by regulations prescribe, which marks, brands, and stamps shall be erased when such cask or package is emptied.'"

And the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with amendments as follows: On page 9 of the Senate engrossed amendments, in lines 7 and 8, strike out "heretofore or hereafter entered for deposit in a bonded warehouse" and in lieu thereof insert "heretofore entered for deposit in a distillery, general, or special bonded warehouse, or hereafter entered for deposit in an Internal Revenue Bonded Warehouse" and a comma; and on page 9 of the Senate engrossed amendments, in lines 12 and 13, strike out "heretofore or hereafter deposited in any bonded warehouse" and in lieu thereof insert "heretofore deposited in any distillery, general, or special bonded warehouse, or hereafter deposited in any Internal Revenue Bonded Warehouse" and a comma; and on page 12 of the Senate engrossed amendments, in line 23, before the period, insert a colon and the following: "*Provided*, That loss allowances for such spirits for the period prior to the effective date of this section shall be made pursuant to the provisions of the act of February 6, 1925 (43 Stat. 808)"; and on page 12 of the Senate engrossed amendments, in line 25, before the period, insert a colon and the following: "*Provided*, That a regauge to determine the losses to be allowed under subsection (c) shall be made prior to the effective date of this section"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "Once in every four years, or whenever"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(d) The brewery premises shall consist of the land and buildings described in the brewer's notice and shall be used solely

for the purposes of manufacturing beer, lager beer, ale, porter, and similar fermented malt liquors, cereal beverages containing less than one-half of 1 per centum of alcohol by volume, vitamins, ice, malt, and malt syrup; of drying spent grain from the brewery; of recovering carbon dioxide and yeast; and of storing bottles, packages, and supplies necessary or incidental to all such manufacture. The brewery bottling house shall be used solely for the purposes of bottling beer, lager beer, ale, porter, and similar fermented malt liquors, and cereal beverages containing less than one-half of 1 per centum of alcohol by volume. Notwithstanding the foregoing provisions, where any such brewery premises or brewery bottling house is, on the date of the enactment of the Liquor Tax Administration Act, being used by any brewer for purposes other than those herein described, or the brewery bottling house is, on such date, being used for the bottling of soft drinks, the use of the brewery and bottling house premises for such purposes may be continued by such brewer. The brewery bottling house of any brewery shall not be used for the bottling of the product of any other brewery. Any brewer who uses his brewery or bottling house contrary to the provisions of this subsection shall be fined not more than $50 with respect to each day upon which any such use occurs."

And the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: On page 23 of the Senate engrossed amendments, in line 12, after the word "wines" insert "on bonded winery premises or bonded storeroom premises"; and the Senate agree to the same.

Amendments numbered 68 and 69: That the House recede from its disagreement to the amendments of the Senate numbered 68, and 69, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by Senate amendments numbered 68 and 69, insert the following:

"(c) So much of section 611 of the Revenue Act of 1918, as amended (relating to the tax on still wines) (U. S. C., 1934 ed., title 26, sec. 1300 (a) (1)), as reads:

" 'On wines containing not more than 14 per centum of absolute alcohol, 10 cents per wine gallon, the per centum of alcohol under this section to be reckoned by volume and not by weight;

" 'On wines containing more than 14 per centum and not exceeding 21 per centum of absolute alcohol, 20 cents per wine gallon;

" 'On wines containing more than 21 per centum and not exceeding 24 per centum of absolute alcohol, 40 cents per wine gallon;'

"is amended to read as follows:

" 'On wines containing not more than 14 per centum of absolute alcohol, 5 cents per wine gallon, the per centum of alcohol under this section to be reckoned by volume and not by weight;

" 'On wines containing more than 14 per centum and not exceeding 21 per centum of absolute alcohol, 10 cents per wine-gallon;

" 'On wines containing more than 21 per centum and not exceeding 24 per centum of absolute alcohol, 20 cents per wine-gallon.'

"(d) Section 613 of the Revenue Act of 1918, as amended (U. S. C., 1934 ed., title 26, sec. 1300 (a) (2); U. S. C., 1934 ed., Supp. I, title 26, sec. 1300 (a) (2), is amended to read as follows:

" 'SEC. 613. (a) Upon the following articles which are produced in or imported into the United States, after the date of the enactment of the Liquor Tax Administration Act, or which on the day after such date or on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes imposed thereon by law prior to such date, taxes at rates as follows, when sold, or removed for consumption or sale:

" 'On each bottle or other container of champagne or sparkling wine, 2½ cents on each one-half pint or fraction thereof;

" 'On each bottle or other container of artificially carbonated wine, 1¼ cents on each one-half pint or fraction thereof;

" 'On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, or apple wine, fortified, respectively, with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, or apple brandy, 1¼ cents on each one-half pint or fraction thereof;

" 'Any of the foregoing articles containing more than 24 per centum of absolute alcohol by volume (except vermouth, liqueurs, cordials, and similar compounds made in rectifying plants and containing tax-paid sweet wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, or apple wine, fortified, respectively, with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, or apple brandy) shall be classed as distilled spirits and shall be taxed accordingly.

" 'The Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, is authorized to remit, refund, and pay back the amount of all taxes on such liqueurs, cordials, and similar compounds paid by or assessed against rectifiers at the distilled spirits rate prior to the date of the enactment of the Liquor Tax Administration Act.' "

And the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(g) Notwithstanding the forgoing provisions of this section, each person making sales of fermented malt liquor to the members, guests, or patrons of bona-fide fairs, reunions, picnics, carnivals, or other similar outings, and each fraternal, civic, church, labor, charitable, benevolent, or ex-service men's organization making sales of fermented malt liquor on the occasion of any kind of entertainment, dance, picnic, bazaar, or festival, held by it, if such person or organization is not otherwise engaged in business as a dealer in malt liquors, shall pay, before any such sales are made and in lieu of the special tax imposed by subdivision (a) of this paragraph, a special tax of $2 as a retail dealer in malt liquors, for each calendar month in which any such sales are made."

And the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert a comma and the following: "or was returned from such bottling house to the brewery in which made for use therein as brewing material"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(b) No such claim shall be allowed unless filed within 90 days after such destruction or return to the brewery for use as brewing material, or, in the case of any beer, lager beer, ale, porter, or other similar fermented malt liquor so destroyed or returned before the date of the enactment of this act, within 90 days after such date."

And the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 330. The last paragraph of section 610 of the Revenue Act of 1918, as amended (U. S. C., 1934 ed., Supp. I, title 26, sec. 1310 (4)), is amended to read as follows:

" 'The provisions of the internal-revenue laws applicable to natural wine shall apply in the same manner and to the same extent to citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, and apple wines, which are the products, respectively, of normal alcoholic fermentation of the juice of sound ripe (1) citrus-fruit (except lemons and limes), (2) peaches, (3) cherries, (4) berries, (5) apricots, or (6) apples, with or without the addition of dry cane, beet, or dextrose sugar (containing, respectively, not less than 95 per centum of actual sugar, calculated on a dry basis) for the purpose of perfecting the product according to standards, but without the addition or abstraction of other substances, except as may occur in the usual cellar treatment of clarifying or aging.' "

And the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment, as follows: In addition to inserting the matter proposed to be inserted by the Senate amendment, on page 48 of the House engrossed bill, in line 14, strike out "section" and in lieu thereof insert "paragraph"; and the Senate agree to the same.

Amendment numbered 121: That the House recede from its disagreement to the amendment of the Senate numbered 121, and agree to the same with an amendment, as follows: Omit the matter proposed to be inserted by the Senate amendment; and the Senate agree to the same.

Amendment numbered 122: That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment, as follows: Omit the matter proposed to be inserted by the Senate amendment; and the Senate agree to the same.

Amendment numbered 123: That the House recede from its disagreement to the amendment of the Senate numbered 123, and agree to the same with an amendment, as follows: In the first line of said amendment strike out "404" and insert "402"; and the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment, as follows: In the first line of said amendment strike out "405" and insert "403"; and the Senate agree to the same.

Amendment numbered 125: That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment, as follows: In the first line of said amendment strike out "406" and insert "404"; and the Senate agree to the same.

Amendment numbered 126: That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with amendments, as follows: In the first line of said amendment strike out "407" and insert "405"; and in the tenth line of said amendment strike out "distilled spirits other than alcohol" and in lieu thereof insert "spirits distilled at a registered distillery"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with amendments, as follows: In the first line of said amendment strike out "408" and insert "406"; and in the eleventh line of said amendment strike out "distilled spirits (other than alcohol)" and in lieu thereof insert "spirits distilled at a registered distillery"; and the Senate agree to the same.

Amendment numbered 128: That the House recede from its disagreement to the amendment of the Senate numbered 128, and agree to the same with amendments, as follows: In the first line of said amendment strike out "409" and insert "407"; and in the fourth line of said amendment strike out "distilled spirits (other than alcohol)" and in lieu thereof insert "spirits distilled at a registered distillery"; and the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with amendments, as follows: In the first line of said amendment strike out "410" and insert "408"; and in the last two lines of said amendment strike out "distilled spirits (other than alcohol)" and in lieu thereof insert "spirits distilled at a registered distillery"; and the Senate agree to the same.

Amendment numbered 130: That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment, as follows: In the first line of said amendment strike out "411" and insert "409"; and the Senate agree to the same.

Amendment numbered 131: That the House recede from its disagreement to the amendment of the Senate numbered 131, and agree to the same with an amendment, as follows: In the first line of said amendment strike out "412" and insert "410"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with amendments, as follows: In the first line of said amendment strike out "413" and insert "411"; and in the seventeenth, eighteenth, and nineteenth lines of said amendment strike out "such period of time as the Commissioner, with the approval of the Secretary of the Treasury, shall prescribe" and in lieu thereof insert "a period of four years"; and the Senate agree to the same.

Amendment numbered 133: That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with amendments, as follows: In the first line of said amendment strike out "414" and insert "412"; and on page 52 of the Senate engrossed amendments, in lines 14, 15, and 16, strike out "such period of time as the Commissioner, with the approval of the Secretary of the Treasury, shall prescribe" and in lieu thereof insert "a period of four years"; and the Senate agree to the same.

Amendment numbered 134: That the House recede from its disagreement to the amendment of the Senate numbered 134, and agree to the same with an amendment, as follows: In the first line of said amendment strike out "415" and insert "413"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows: In the first line of said amendment strike out "416" and insert "414"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

The committee of conference report in disagreement amendments numbered 95 and 136.

WILLIAM H. KING,
ALBEN W. BARKLEY,
ROBERT M. LA FOLLETTE, JR.,
ARTHUR CAPPER,
Managers on the part of the Senate.

R. L. DOUGHTON,
SAM B. HILL,
THOS. H. CULLEN,
FRED M. VINSON,
FRANK H. BUCK,
FRANK CROWTHER,
DANIEL A. REED,
THOS. A. JENKINS,
Managers on the part of the House.

The report was agreed to.

Mr. KING. Mr. President, I desire to add, as supplemental to the conference report, that the senior Senator from Missouri [Mr. CLARK] has dissented from the report, and may desire to file minority views.

REPORT OF COUNSEL, SPECIAL COMMITTEE TO INVESTIGATE RECEIVERSHIP AND BANKRUPTCY PROCEEDINGS, ETC.

Mr. HAYDEN. From the Committee on Printing, I report back favorably without amendment Senate Resolution 308, and ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be read.

The Chief Clerk read Senate Resolution 308, submitted by Mr. McADOO on May 29, 1936, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the report of Percival E. Jackson, the legal counsel in New York, submitted to the special committee of the Senate appointed to make an investigation of the administration of bankruptcy and receivership proceedings and the administration of justice in the United States courts, be printed as a document.

COMPILATION OF FEDERAL LAWS RELATING TO VETERANS

Mr. HAYDEN. From the Committee on Printing, I report back favorably, without amendment, the joint resolution (H. J. Res. 583) authorizing the Veterans' Administration to prepare and publish a compilation of all Federal laws relating to veterans of wars of the United States; and I ask unanimous consent for its present consideration.

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

AIR CORPS OF THE ARMY

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 11140) to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SHEPPARD. I move that the Senate insist on its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. SHEPPARD, Mr. FLETCHER, and Mr. CAREY conferees on the part of the Senate.

C. T. HIRD

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 3441) for the relief of C. T. Hird, which were, on page 1, line 8, after "him", to insert "for the year 1920"; and on page 1, line 11, after "limitation", to insert "although his claim had previously been timely made and rejected by the Bureau of Internal Revenue pending decision of the legality of the tax by several circuit courts of appeals which found it illegal."

Mr. MURPHY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

JOHN WALKER

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3371) for the relief of John Walker, which was, on page 1, line 10, after "reservation", to insert ", in the winter of 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. WHEELER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

JACOB KAISER

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3956) for the relief of Jacob Kaiser, which was on page 1, line 7, to strike out "$500" and insert "$350".

Mr. WHEELER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AMENDMENT OF THE NAVY COMPOSITION ACT—CONFERENCE REPORT

Mr. WALSH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5730) to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, and 3.

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same.

DAVID I. WALSH,
MILLARD E. TYDINGS,
FREDERICK HALE,
Managers on the part of the Senate.

CARL VINSON,
P. H. DREWRY,
GEORGE P. DARROW,
Managers on the part of the House.

The motion was agreed to.

"MODERN MIRACLE"—ARTICLE BY REX BEACH

Mr. FLETCHER. Mr. President, I ask unanimous consent that there be printed as a public document a very excellent article appearing in the Cosmopolitan Magazine for June 1936, by Rex Beach, entitled "Modern Miracle."

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

NATIONAL PLANNING BOARD—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof, which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

REPORTS OF THE COMMITTEE TO AUDIT AND CONTROL THE CONTINGENT EXPENSES OF THE SENATE

Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, to which were referred the following resolutions, reported them severally with an amendment:

S. Res. 227. Resolution continuing Senate Resolution 71, authorizing an investigation of interstate railroads and affiliates with respect to financing, reorganizations, mergers, and certain other matters;

S. Res. 282. Resolution increasing the limit of expenditures of the special committee to investigate the administration of receivership and bankruptcy proceedings in United States Courts;

S. Res. 299. Resolution increasing the expenditures, and directing the filing of a final report, in the matter of the investigation of the conservation of wild animal life; and

S. Res. 313. Resolution extending the authority for Senate Resolution 185, concerning expenditures by the Federal Government for cotton cooperatives, etc.

Mr. BYRNES also from the Committee to Audit and Control the Contingent Expenses of the Senate, to which were referred the following resolutions, reported them severally without amendment:

S. Res. 266. Resolution to investigate violations of the right of free speech and assembly and interference with the right of labor to organize and bargain collectively;

S. Res. 280. Resolution to pay a gratuity to Atala N. Lamar;

S. Res. 286. Resolution relative to the employment of Crampton Harris as attorney by the so-called Senate Lobby Investigation Committee;

S. Res. 297. Resolution to pay certain funeral expenses of the late Senator Park Trammell; and

S. Res. 315. Resolution increasing the limit of expenditures for the investigation of the production, transportation, and marketing of wool.

WORKS PROGRESS ADMINISTRATION IN WEST VIRGINIA

Mr. HOLT. Mr. President, I am sending to the desk to be printed in the RECORD two resolutions passed by the Council of the City of Wheeling and the County Commissioners of Ohio County, also a letter written by Robert Plummer, manager of the Wheeling district of the Works Progress Administration. It is very interesting to check the votes in the counties mentioned by Mr. Plummer. One will find, where the relief load was carried in Harrison, Marion, Preston, and Barbour Counties, that the Works Progress Administration slate had a much larger percentage of votes than in Ohio, Hancock, Brook, and Marshall, where the relief load was materially reduced.

Mr. Plummer's letter, coupled with a survey of the election figures, adds further proof that the Works Progress Administration has built a huge political machine in the State of West Virginia, and coupled with the letters and affidavits which I have presented, indicates that the workers were coerced into voting for the Works Progress Administration candidates in the recent primary.

It could not be just a strange coincidence that the records were so definite.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

After more than a month of effort I have at least succeeded in compiling a comparative statement showing the reduction in relief personnel of the Works Progress Administration in the 11 counties of the second district. The delay in this compilation was due, of course, to the week-to-week changes since this reduction has been under way, beginning in early April.

The result puts credulity to a severe strain. I feel that no person with fit sense of responsibility toward the needy relief workers of this district can avoid reaching the conclusion that most unfair discrimination has been made among the various counties, particularly those of the panhandle district, Hancock, Brooke, Ohio, and Marshall.

Here is what the figures show:

Ohio County since April 3 has suffered a reduction of 669 workers, leaving employed only 1,279 workers of a former total of 1,948, or a forced decrease of 34.3 percent.

In Hancock County the reduction for the same period was from 657 to 456, or 30.6 percent; in Brooke County, from 362 to 190, or 47.5 percent, and in Marshall County, from 823 to 622, or 24.4 percent.

Wetzel County, adjoining the panhandle section, was another to suffer a similarly heavy cut of 28.1 percent. Next comes Monongalia County with a reduction of 27.5 percent.

These figures are fairly unbelievable when compared with Harrison, Marion, Preston, Taylor, and Barbour Counties, with an average reduction of but 12.4 percent.

BORE 22.8 PERCENT OF CUT

One finds it difficult to believe that Ohio County has been made to bear 22.8 percent of the reduction for the entire district.

The hardship on the unemployment here has been made all the greater by the fact that Ohio County never was assigned its full work quota by some 260 men.

Based on district quota figures, issued from Fairmont in January, the local district is now exactly 940 workers short of what would be an effective relief program.

Compared to this, and estimated by means of this same quota, Harrison and Preston Counties, even today, have an excess over their quotas as originally announced. Marion County, too, is but 191 workers under quota.

There has been still another discrimination against this district and a most serious one. This is the low percentage of women workers assigned in Ohio County. Whereas this county, on May 23, has 551 women of first priority certified for work, the total employed is but 239. Until the recent flood brought this situation to the attention of State and National officials of the Works Progress Administration, the total women employed was but 159. Compare this percentage to that of Marion County, with, 414 eligible women workers and 288 at work, or Harrison County, with 560 eligibles and 286 at work most of the entire program.

You cannot but agree that employment of women relief workers is especially desirable. For one thing, the money they earn goes so unselfishly toward the support of dependents and, too, their opportunity for private employment in times of depression is far more restricted than for men workers. And the service of their projects in making clothing for destitute families and conducting feeding centers for undernourished families, meets a social need

more essential than repairing streets and roads. There can be no doubt that this district has not been taken care of adequately in the employment of women, a condition to be thoroughly deplored.

NO RELIEF

I sincerely trust that I need not remind you that these figures I have quoted do not represent dollars and cents. They stand for a casualty list of distressed victims of depression, heads of families in many cases hungry and shelterless, who have no place to turn for aid, not even to the State relief administration, which takes the attitude that the Works Progress Administration, having once assigned these persons to work, is responsible for their welfare until they find private employment. While we may deplore this shifting of duty on the part of the State, it is no help to these workers cut off from the meager wages that have been keeping them alive.

The local district may not have felt this drastic reduction so badly in the cases of single men without dependents, but here, too, there has been neglect toward those who were told they could be assigned to transient camps. Scores of these men have passed weeks awaiting some word or action on their applications. I am now advised that far more were removed from the Works Progress Administration rolls than the camps can possibly provide quarters.

Repeated inquiries and requests directed to Fairmont for some action in this matter have brought only form-letter regrets at such times when there has been any reply at all. Incidentally, many of these men are in no sense transients. Their homes are in Wheeling, and their only handicap is that in most cases they have reached an age at which mines, mills, or factories will not employ them. Certainly they are entitled to some consideration better than the heedless manner in which they were cut adrift with no provision made for those who cannot find work.

But far more tragic is the lot of those men with families who have received their dismissal notices from Fairmont. There can be no condoning the inroads which have been made into large family groups in the Panhandle district counties. It is not a pleasant sight to see grown men in tears, pleading desperately for their wives and children, asking frantically what they are to do, while knowing that much of this distress would have been avoided if the reduction you were called upon to make, and of which you had sole charge, had been fairly divided among the 11 counties of the district.

As the situation stands, and as these reports which have been quoted indisputably prove, there has been little or no reduction at all in some counties, while Ohio and neighboring counties have been made to bear the burden and face the stark problem of human suffering.

PROGRAM CRIPPLED

There will be still another consequence resulting from this local disparity, but in which I have less immediate concern. This is the crippling of the work program. Already we have been forced to suspend two operations, and other shut-downs will probably be necessary. The number of emergency projects has been substantially increased here since the flood, and there is now a general shortage of available workers. In the end this discrimination against the local workers will also mean discrimination against the communities in the number of projects that can be operated or that will be approved.

It is axiomatic that this particular section of the State rarely receives its due in the matter of governmental dispensations. This has come to be an accepted condition in many ways, but in this particular matter, with needy and destitute families affected, nothing less than fair treatment can be demanded.

Therefore, I feel it to be my solemn duty, as one of the few persons acquainted with what has occurred, to request in behalf of the employed of the local district a complete readjustment of this reduction, to the end that every unemployed and needy worker with a family group to support may be reassigned to work. If the reduction is changed to a basis of fair treatment among the various counties of the district, this can be done.

I cannot believe that you can afford to be left in the position of having been anything less than fair. Since the time the Wheeling area office opened under Mr. George W. Oldham in September of last year there have been many things take place from which one might draw quite positive conclusions that you were unfriendly toward this district, and office, and that one of your chief desires would be to have the latter closed. I am sure there have been many, many instances in which the importance of the Wheeling office has been demonstrated, particularly during the recent flood emergency, as you doubtless realize.

However, as long as such feeling would be confined to administrative heads and their activities, it might be regarded as of no great moment. But it becomes quite another kind of matter when the rights of unemployed workers are involved, and something altogether inimical to the spirit of the great humanitarian who has conceived this relief program and to whom every person placed in a position of responsibility owes allegiance.

I ask again that there be a prompt readjustment among the counties in this reduction, and that the many deserving family heads in this district who have been made the victims of this inequality, be returned to work.

CITY OF WHEELING,
Wheeling, W. Va., June 3, 1936.

Hon. RUSH D. HOLT, *Senator,*
Washington, D. C.

DEAR MR. HOLT: Attached herewith please find copy of a resolution presented at last night's council meeting by Attorney Russell B. Goodwin, one of our councilmen, which resolution was unanimously adopted.

Cutting down the force on the Works Progress Administration projects in this district is not only going to be a great hardship on the unemployed, but it is also going to cause lengthy delay on the 38 projects that have already been started, only 1 of which has been actually finished.

Some of these projects, which were started under the old E. R. A. over a year and a half ago, are not yet finished, and it certainly is causing a great hardship on the citizens living on the streets where the street and sewer jobs are under construction because they have been dragged out so long.

We have requested Mr. Robert L. Plummer, director of the Wheeling office of the Works Progress Administration, to put additional men on these jobs. He agrees with us that this should be done in order that the jobs could proceed more efficiently and quickly, but he is unable to do so because he does not have the labor.

The reduction in the work personnel in our local Works Progress Administration office is not only going to work a great hardship on both present and future projects in Wheeling and Ohio County, but it has caused a serious problem through unemployment.

We would appreciate it if you would give this matter your immediate attention and consideration with a view of giving this county some relief from this unfortunate situation.

Yours very truly,

H. J. HUMPHREY, *City Manager.*

At a meeting of the Council of the City of Wheeling on June 2, 1936, the following resolutions were adopted:

Whereas it has come to the attention of this body that a reduction in the number of employees of the Works Progress Administration has recently been effected, in which residents of this city and county were victims of obvious discrimination because of the number discharged here as compared to other counties under the administration of the Fairmont office of the Works Progress Administration; and

Whereas we believe that in administration of unemployment relief most scrupulous impartiality should be observed among various districts and everything possible done to avoid suspicion of political influence in favor of one district as against another; that the number of workers laid off in Ohio County as compared to Marion, Harrison, Taylor, Preston, and Barbour Counties is unreasonable, unfair, and unjust, and will cause great hardship and suffering among our needy and unemployed citizens, especially those with dependent families; and that the projects now under way will, in many instances, fail of completion; that this entire district will suffer in the apportionment of future work by the Works Progress Administration: Therefore be it

Resolved, That we respectfully petition our United States Senators and Representative in Congress, Hon. Harry L. Hopkins, Administrator of the Works Progress Administration, and Hon. F. Witcher McCullough, Administrator for the Works Progress Administration in West Virginia, for immediate readjustment of this disparity, to the end that the rights of our unemployed citizens may be protected; and

Resolved, That a copy of these resolutions be transmitted to these officials by the city manager, with the request that the matter be given immediate consideration.

RUSSELL B. GOODWIN.

I hereby certify that the foregoing is a true and exact copy of a resolution adopted by the Council of the City of Wheeling at a regular meeting, held June 2, 1936.

HOWARD C. LANE, *City Clerk.*

Be it remembered that at a regular meeting of the Board of Commissioners of the County of Ohio, W. Va., held in regular session on the 1st day of June 1936, among other proceedings the following was a part:

Commissioner Gavin presented the following resolution and moved its adoption:

Be it resolved by the Board of Commissioners of the County of Ohio, W. Va.—

Whereas it has come to the attention of this body that a reduction in the number of employees of the Works Progress Administration has recently been effected, in which residents of this county were victims of obvious discrimination because of the number discharged here, as compared to the reduction in other counties under the administration of the Fairmont office of the Works Progress Administration; and

Whereas we believe that in the administration of unemployment relief the most scrupulous impartiality should be observed among the various districts; that everything possible should be done to avoid any suspicion of political influence in favor of one district as against another; that the number of workers laid off in Ohio County as compared to Marion, Harrison, Taylor, Preston, and Barbour Counties, will cause great hardship and suffering among our needy and unemployed citizens, especially those with dependent families; that the projects now under way will in many instances fail of completion; that this entire district will suffer in the apportionment of future work by the Works Progress Administration, and that unemployed men and women of Ohio County will be denied opportunity for relief equal to that in more favored counties: Therefore be it

Resolved, That we respectfully petition our United States Senators and Representative in Congress, Hon. Harry L. Hopkins, Administrator of the Works Progress Administration, and Hon. F.

Witcher McCullough, administrator for the Works Progress Administration in West Virginia, to use their influence to secure prompt readjustment of this disparity among the various counties of this district to the end that justice may be done and the rights of our distressed citizens protected; and

Resolved, That a copy of these resolutions be transmitted to the officials indicated herein, with the request that the matter be given immediate consideration.

The foregoing resolution having been read by all members of the board, Commissioner Koller seconded the motion for the adoption of the said resolution.

Vote being called, Commissioners Gavin, Koller, and President Lally voted aye, and it was so ordered.

EDWARD J. LALLY, *President.*
ORION KOLLER, *Commissioner.*
THOMAS F. GAVIN, *Commissioner.*

A true copy teste:

I. T. KILLEEN, *Clerk.*

ORDER OF BUSINESS

Mr. ROBINSON. Mr. President, I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon tomorrow, and that when the Senate convenes tomorrow it proceed to the consideration of unobjected bills on the calendar.

Mr. McNARY. Mr. President, may I supplement the request by the suggestion that we have a morning hour because of several matters on the desk which ought to be brought up?

Mr. ROBINSON. Very well. I modify the request and ask unanimous consent that when the Senate completes its labors today it adjourn until 12 o'clock noon tomorrow, and that upon the conclusion of the routine morning business tomorrow the Senate proceed to the consideration of unobjected bills on the calendar.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting a supplementary convention and sundry nominations (and withdrawing two nominations), which were referred to the appropriate committees.

(For nominations this day received and nominations withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred Executive M, Seventy-first Congress, second session, a convention between the United States of America and His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, in respect of the Dominion of Canada, for the protection, preservation, and extension of the sockeye salmon fisheries of the Fraser River system, signed at Washington on May 26, 1930, reported it with the recommendation that the Senate advise and consent to the convention, subject to certain understandings to be made a part of the ratification, and submitted a report (Exec. Rept. 5) thereon.

He also, from the same committee, reported favorably the nominations of several officers in the Diplomatic and Foreign Service.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Brig. Gen. James Kelly Parsons, United States Army, to be major general, from June 1, 1936, vice Maj. Gen. Johnson Hagood, United States Army, retired.

He also, from the same committee, reported favorably the nomination of Col. Lorenzo Dow Gasser, Infantry, to be brigadier general, vice Brig. Gen. James Kelly Parsons, United States Army, nominated for appointment as major general.

He also, from the same committee, reported favorably the nominations of sundry officers for promotion in the Regular Army.

He also, from the same committee, reported favorably the nominations of several officers for appointment, by transfer, in the Regular Army.

Mr. McGILL, from the Committee on the Judiciary, reported favorably the nomination of Herbert S. Phillips, of Florida, to be United States attorney for the southern district of Florida, vice John W. Holland, nominated to be United States district judge.

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of Benigno Fernandez Garcia, of Puerto Rico, to be attorney general of Puerto Rico.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, reported favorably the nomination of Charles M. Hite, of Hawaii, to be secretary of the Territory of Hawaii, vice Arthur A. Greene, deceased.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

SALMON CONVENTION

Mr. COPELAND. Mr. President, may I ask the Presiding Officer, in his capacity as chairman of the Committee on Foreign Relations, whether it is his intention to bring up at this session for action the international convention respecting the sockeye salmon?

The PRESIDENT pro tempore. It is the desire of the chairman of the Committee on Foreign Relations to bring that convention before the Senate for action.

The clerk will state the first nomination on the calendar.

ROBERT LINCOLN O'BRIEN

The legislative clerk read the nomination of Robert Lincoln O'Brien, of Massachusetts, to be a member of the United States Tariff Commission.

Mr. WALSH. I ask that the nomination be confirmed.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

CLAUDE L. DRAPER

The legislative clerk read the nomination of Claude L. Draper, of Wyoming, to be a member of the Federal Power Commission.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation.

Mr. McNARY. I have no objection.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the President will be notified.

MRS. BELLE D. BYRNE

The legislative clerk read the nomination of Mrs. Belle D. Byrne, of Bismarck, N. Dak., to be register of the land office at Bismarck.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

RUSSELL R. WAESCHE

The legislative clerk read the nomination of Russell R. Waesche, of Maryland, to be Commandant in the Coast Guard, with the rank of rear admiral.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. COPELAND. I ask unanimous consent that the President be notified of the confirmation.

The PRESIDENT pro tempore. Without objection, the President will be notified.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE NAVY

The legislative clerk read the nominations of Richard R. Bradley, Jr., and Clinton McKellar, Jr., to be ensigns in the Navy.

Mr. WALSH. Mr. President, I ask that the nominations be confirmed.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed.

Mr. WALSH. I ask unanimous consent that the President be immediately notified of the confirmations.

The PRESIDENT pro tempore. Without objection, the President will be notified.

CHARLES M. HITE

Mr. TYDINGS. Mr. President, there has just been reported from the Committee on Territories and Insular Affairs the nomination of Charles M. Hite to be secretary of the Territory of Hawaii. I ask unanimous consent that the rule under which the nomination would have to lie over be not invoked, and that the nomination be considered immediately.

Mr. McNARY. Mr. President, may I ask the Senator whether the nomination was acted on by the committee today?

Mr. TYDINGS. The nomination was sent to the Senate only a day or so ago, and the situation in Hawaii makes it imperative that the nomination be confirmed, because if anything were to happen to the Governor there would be no acting Governor in the interim before a new Governor could be appointed, since the secretary, who would be the Acting Governor, has died.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Maryland for immediate consideration of the nomination? The Chair hears none, and, without objection, the nomination is confirmed.

Mr. TYDINGS. I ask that the President be immediately notified.

The PRESIDENT pro tempore. Without objection, the President will be notified.

HERBERT S. PHILLIPS

Mr. FLETCHER. Mr. President, I ask unanimous consent that the rule respecting such matters be waived and that the nomination of Herbert S. Phillips to be United States district attorney for the southern district of Florida, reported favorably by the Committee on the Judiciary, be confirmed.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination? The Chair hears none, and the nomination is confirmed.

Mr. FLETCHER. I ask unanimous consent that the President be immediately notified.

The PRESIDENT pro tempore. Without objection, the President will be notified.

ADJOURNMENT

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 9 o'clock and 15 minutes p. m.) the Senate, under the order previously entered, adjourned until tomorrow, Saturday, June 6, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 5 (legislative day of June 1), 1936

MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Chester C. Davis, of Maryland, to be a member of the Board of Governors of the Federal Reserve System for the unexpired portion of the term of 8 years from February 1, 1936.

MEMBER OF THE BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION

Emil Schram, of Illinois, to be a member of the board of directors of the Reconstruction Finance Corporation for the unexpired term of 2 years from January 22, 1936, vice Stephens, resigned.

STATE ADMINISTRATOR IN THE WORKS PROGRESS ADMINISTRATION FOR WASHINGTON

Don Abel, of Washington, to be State administrator in the Works Progress Administration for Washington, vice George H. Gannon.

STATE DIRECTORS OF THE PUBLIC WORKS ADMINISTRATION

William J. Maguire, of Rhode Island, to be State director of the Public Works Administration in Rhode Island.

Harold J. Lockwood, of New Hampshire, to be State director of the Public Works Administration in Maine, New Hampshire, and Vermont.

UNITED STATES ATTORNEY

John C. Lehr, of Michigan, to be United States attorney, eastern district of Michigan, vice Gregory H. Frederick, term expired.

UNITED STATES MARSHAL

Frank C. Blackford, of New York, to be United States marshal for the western district of New York, vice Joseph Fritsch, Jr., term expired.

PROMOTIONS IN THE NAVY

MARINE CORPS

Lt. Col. David M. Randall to be a colonel in the Marine Corps from the 29th day of May 1936.

Maj. Graves B. Erskine to be a lieutenant colonel in the Marine Corps from the 1st day of March 1936.

The following-named captains to be majors in the Marine Corps from the 29th day of May 1936:

Joseph H. Fellows
Louis G. DeHaven
Lester A. Dessez

The following-named first lieutenants to be captains in the Marine Corps from the 29th day of May 1936:

Lionel C. Goudeau	Hawley C. Waterman
Alfred R. Pefley	James O. Brauer
John H. Stillman	Thomas C. Green

The following-named first lieutenants to be captains in the Marine Corps from the 1st day of June 1936:

Andrew J. Mathiesen	Verne J. McCaul
Joseph C. Burger	Leslie F. Narum
Calvin R. Freeman	

The following-named second lieutenants to be first lieutenants in the Marine Corps from the 1st day of June 1936:

Sidney S. Wade	James M. Masters, Jr.
Guy M. Morrow	William A. Kengla
Paul E. Wallace	Wilbur J. McNenny
James F. Climie	Robert O. Bowen
Edward E. Authier	James L. Beam
David S. McDougal	Joslyn R. Bailey
Nixon L. Ballard	James Rockwell
Marshall A. Tyler	Ethridge C. Best
Theodore C. Turnage, Jr.	

POSTMASTERS

ALABAMA

John P. Cox to be postmaster at Collinsville, Ala., in place of D. B. Crow. Incumbent's commission expired April 4, 1936.

Lucile W. Hereford to be postmaster at New Market, Ala. Office becomes Presidential July 1, 1936.

Frank Poole to be postmaster at Wetumpka, Ala., in place of F. D. Perkins. Incumbent's commission expired January 23, 1935.

CALIFORNIA

Blanche E. White to be postmaster at Chatsworth, Calif. Office becomes Presidential July 1, 1936.

Walter L. Murphy to be postmaster at Sonoma, Calif., in place of M. C. Stofen. Incumbent's commission expired January 9, 1936.

COLORADO

Bailey M. Wells to be postmaster at Campo, Colo., in place of J. M. Miller. Incumbent's commission expired April 4, 1936.

IDAHO

Gladys A. Johnson to be postmaster at Prichard, Idaho. Office becomes Presidential July 1, 1936.

Marie E. McCarty to be postmaster at Plummer, Idaho, in place of A. O. Holmes. Incumbent's commission expired May 3, 1936.

ILLINOIS

Paul Therien to be postmaster at Momence, Ill., in place of Lester Cromwell. Incumbent's commission expired December 18, 1934.

George E. Kull to be postmaster at Strasburg, Ill. Office becomes Presidential July 1, 1936.

Frank F. Lietz to be postmaster at Buckley, Ill., in place of W. F. Lammers. Incumbent's commission expired March 17, 1936.

Clara Belle Pevehouse to be postmaster at Clayton, Ill., in place of H. M. Bennett. Incumbent's commission expired February 9, 1936.

Claude Wilson Pyle to be postmaster at Sidell, Ill., in place of J. R. Atkinson. Incumbent's commission expired March 17, 1936.

Frank B. Laking to be postmaster at Grant Park, Ill., in place of J. R. Hanlon. Incumbent's commission expired February 9, 1936.

Charles J. Ator to be postmaster at Jacksonville, Ill., in place of W. A. Fay. Incumbent's commission expired March 2, 1935.

INDIANA

Henry E. White to be postmaster at Franklin, Ind., in place of G. F. Freeman. Incumbent's commission expired February 5, 1936.

Joe C. Hoopingarner to be postmaster at Rockville, Ind., in place of F. B. Harding. Incumbent's commission expired January 9, 1936.

IOWA

Ora F. Ward to be postmaster at Dallas Center, Iowa, in place of E. A. Rhinehart. Incumbent's commission expired January 12, 1936.

Edgar V. Pohlman to be postmaster at Melvin, Iowa, in place of P. M. Kraft. Incumbent's commission expires June 10, 1936.

Oliver Van Syoc to be postmaster at Milo, Iowa. Office becomes Presidential July 1, 1936.

Harold H. Johnson to be postmaster at Mondamin, Iowa, in place of J. E. Klutts. Incumbent's commission expired March 17, 1936.

Arthur R. Otto to be postmaster at Bettendorf, Iowa, in place of R. W. Petersen. Incumbent's commission expired January 27, 1936.

William T. Oakes to be postmaster at Clinton, Iowa, in place of O. H. Henningsen. Incumbent's commission expires July 13, 1936.

Leonard A. Moran to be postmaster at Granger, Iowa. Office becomes Presidential July 1, 1936.

Mary M. Hollingsworth to be postmaster at Marion, Iowa, in place of A. E. Granger. Incumbent's commission expired February 19, 1936.

Robert C. Campbell to be postmaster at Mount Pleasant, Iowa, in place of C. S. Rogers. Incumbent's commission expired January 12, 1936.

Glenn C. Bowdish to be postmaster at Springville, Iowa, in place of Ralph Hunte. Incumbent's commission expired April 27, 1936.

Lester P. Sauser to be postmaster at Worthington, Iowa. Office becomes Presidential July 1, 1936.

Leona B. Miller to be postmaster at Van Meter, Iowa. Office becomes Presidential July 1, 1936.

KENTUCKY

Joseph P. Gozder to be postmaster at Campbellsville, Ky., in place of E. A. Ellis. Incumbent's commission expired January 27, 1936.

Daniel S. Mitchell to be postmaster at Crofton, Ky., in place of J. M. Burkholder, deceased.

Henry Roe Thompson Kinnaird to be postmaster at Edmonton, Ky., in place of Ruth VanZant. Incumbent's commission expired May 19, 1936.

Raymond E. Doyle to be postmaster at Glasgow Junction, Ky. Office becomes Presidential July 1, 1936.

Roy Fraim to be postmaster at Alva, Ky., in place of Roy Fraim. Incumbent's commission expired January 27, 1936.

Vallette McClintock to be postmaster at Paris, Ky., in place of C. O. Wilmoth. Incumbent's commission expired April 5, 1936.

MARYLAND

Mattie Grace Rambo to be postmaster at Sudlersville, Md., in place of G. W. Stevens. Incumbent's commission expired January 11, 1936.

Mayme B. Boulden to be postmaster at Cecilton, Md., in place of W. A. Brown. Incumbent's commission expired April 12, 1936.

John Mercer Terrell to be postmaster at Elkton, Md., in place of G. M. Evans. Incumbent's commission expired January 22, 1935.

Nina Amelia Calvert to be postmaster at Perryville, Md., in place of E. H. Owens. Incumbent's commission expired April 27, 1936.

Raymond L. Westerfield to be postmaster at Port Deposit, Md., in place of A. M. Vanneman. Incumbent's commission expired June 4, 1934.

MASSACHUSETTS

Stephen W. Bartlett to be postmaster at Barnstable, Mass., in place of W. P. Lovejoy. Incumbent's commission expired April 12, 1936.

F. Thomas Ellis to be postmaster at Brewster, Mass., in place of H. T. Crocker. Incumbent's commission expired March 8, 1934.

John E. Little to be postmaster at Island Creek, Mass. Office becomes Presidential July 1, 1936.

James A. Murphy to be postmaster at New Bedford, Mass., in place of Harold Winslow. Incumbent's commission expired January 27, 1936.

Gertrude H. Mortimore to be postmaster at Russell, Mass. Office becomes Presidential July 1, 1936.

James Everett Marvelle to be postmaster at Wareham, Mass., in place of B. E. Robinson. Incumbent's commission expired January 27, 1936.

Thomas E. Hynes to be postmaster at Wayland, Mass., in place of T. E. Hynes. Incumbent's commission expired January 27, 1936.

Vincent C. Ambrose to be postmaster at Winchester, Mass., in place of G. H. Lochman. Incumbent's commission expired January 23, 1935.

James R. Delaney to be postmaster at Dedham, Mass., in place of J. R. Delaney. Incumbent's commission expired January 9, 1936.

Mae E. McLaughlin to be postmaster at Onset, Mass., in place of A. K. Adams. Incumbent's commission expired April 27, 1936.

Raymond T. Mulvaney to be postmaster at Shrewsbury, Mass., in place of M. H. Hickey. Incumbent's commission expired February 27, 1935.

MICHIGAN

James Kent Torrey to be postmaster at Dowagiac, Mich., in place of B. E. Paul, retired.

Harold H. Mickle to be postmaster at Homer, Mich., in place of J. D. Watson. Incumbent's commission expired February 14, 1935.

Gordon M. Gould to be postmaster at Lawrence, Mich., in place of M. W. Thomas, removed.

Alfred C. Maurer to be postmaster at Monroe, Mich., in place of M. L. Osgood. Incumbent's commission expired February 5, 1936.

Frank L. Thome to be postmaster at St. Johns, Mich., in place of W. G. Wykoff. Incumbent's commission expired January 25, 1936.

Joseph L. Winslow to be postmaster at Alma, Mich., in place of F. O. Parker. Incumbent's commission expired July 3, 1934.

Stanley J. Risk to be postmaster at Muskegon, Mich., in place of Lincoln Rodgers. Incumbent's commission expired January 25, 1936.

MINNESOTA

Joe M. Licari to be postmaster at Biwabik, Minn., in place of C. H. Schuster. Incumbent's commission expired April 27, 1936.

John S. Stensrud to be postmaster at Canby, Minn., in place of J. S. Stensrud. Incumbent's commission expired February 24, 1936.

Mae Kirwin to be postmaster at Chokio, Minn., in place of Mae Kirwin. Incumbent's commission expired April 27, 1936.

Fred A. Gerber to be postmaster at Donnelly, Minn., in place of L. F. Hodgson. Incumbent's commission expired February 9, 1936.

Emma Jones to be postmaster at Gonvick, Minn., in place of H. O. Halverson. Incumbent's commission expired April 12, 1936.

Carl A. Smaby to be postmaster at Halstad, Minn., in place of N. O. Strommen. Incumbent's commission expired March 31, 1936.

Hans P. Becken to be postmaster at Hanska, Minn., in place of H. P. Becken. Incumbent's commission expired April 12, 1936.

Earl P. Brackin to be postmaster at Herman, Minn., in place of C. E. Cater, Jr., resigned.

Edward J. Farrell to be postmaster at Marietta, Minn., in place of O. E. Nelson. Incumbent's commission expired February 24, 1936.

Fred C. Keith to be postmaster at Princeton, Minn., in place of H. E. Milbrath, transferred.

William F. Priem to be postmaster at Bellingham, Minn., in place of W. F. Priem. Incumbent's commission expired April 12, 1936.

Edwin Silver to be postmaster at Granite Falls, Minn., in place of E. B. Whitney. Incumbent's commission expired March 17, 1936.

John E. Doyle to be postmaster at Lake Benton, Minn., in place of John Briffett. Incumbent's commission expired February 17, 1936.

George W. Strand to be postmaster at Taylors Falls, Minn., in place of L. S. Lundberg. Incumbent's commission expired May 19, 1936.

MISSOURI

Barbara L. McLin to be postmaster at Willard, Mo. Office becomes Presidential July 1, 1936.

Velma B. Watt to be postmaster at Green City, Mo., in place of W. W. Shoop. Incumbent's commission expired March 29, 1936.

Shelby Feely to be postmaster at Shelbyville, Mo., in place of H. H. Forman. Incumbent's commission expired April 27, 1936.

NEBRASKA

George M. Gaskill to be postmaster at Albion, Nebr., in place of W. S. Burrows, transferred.

Justin Clay Douthitt to be postmaster at Beatrice, Nebr., in place of Adam McMullen. Incumbent's commission expires June 15, 1936.

Given G. Reber to be postmaster at Naper, Nebr., in place of G. G. Reber. Incumbent's commission expired April 27, 1936.

Leonard L. Rook to be postmaster at Stratton, Nebr., in place of M. A. Gordon. Incumbent's commission expired May 23, 1936.

Leora E. Bowley to be postmaster at Taylor, Nebr. Office becomes Presidential July 1, 1936.

Harry E. Christensen to be postmaster at Valparaiso, Nebr., in place of Carl Carlson. Incumbent's commission expired May 23, 1936.

Floyd A. Garrett to be postmaster at Whitman, Nebr. Office becomes Presidential July 1, 1936.

Alfred A. Ristow to be postmaster at Scribner, Nebr., in place of C. M. Steil. Incumbent's commission expired February 5, 1936.

NEW JERSEY

Lemuel E. Miller, Jr., to be postmaster at Cape May, N. J., in place of J. E. Chambers, deceased.

J. Field Garretson to be postmaster at Zarephath, N. J., in place of Louis Meretta. Incumbent's commission expired December 20, 1932.

Leo S. Swanwick to be postmaster at West New York, N. J., in place of H. H. Ahlers. Incumbent's commission expired February 9, 1936.

NEW YORK

Frances K. Jude to be postmaster at Angelica, N. Y., in place of R. B. Mott. Incumbent's commission expired January 18, 1936.

Edward C. Laughlin to be postmaster at Akron, N. Y., in place of R. C. Downey. Incumbent's commission expired February 17, 1936.

Otis J. West to be postmaster at Bayville, N. Y., in place of R. W. Schoverling. Incumbent's commission expired February 17, 1936.

Joseph F. Murphy to be postmaster at Beacon, N. Y., in place of E. F. Cummings. Incumbent's commission expired February 24, 1936.

William L. Divver to be postmaster at Cedarhurst, N. Y., in place of J. C. McNicoll. Incumbent's commission expired March 22, 1936.

Katherine M. Raps to be postmaster at Clarence Center, N. Y., in place of C. A. Bratt. Incumbent's commission expired January 27, 1936.

Lee R. Smith to be postmaster at Hammond, N. Y., in place of E. E. Rodger. Incumbent's commission expired February 17, 1936.

Abner B. Woodworth to be postmaster at Hensonville, N. Y., in place of W. J. Pelham. Incumbent's commission expired February 17, 1936.

Allen M. Nesbitt to be postmaster at Jordan, N. Y., in place of J. R. Cowell. Incumbent's commission expired February 17, 1936.

Frank McBriarty to be postmaster at Loomis, N. Y., in place of V. M. Hill. Incumbent's commission expired February 17, 1936.

Willis Meabon to be postmaster at Sherman, N. Y., in place of F. A. Erickson. Incumbent's commission expired February 17, 1936.

Daniel F. Sullivan to be postmaster at Winthrop, N. Y., in place of A. J. Folsom. Incumbent's commission expired February 17, 1936.

John F. McGrath to be postmaster at Auburn, N. Y., in place of T. C. Richardson. Incumbent's commission expired April 12, 1936. (Removed without prejudice.)

John R. Clements to be postmaster at Bible School Park, N. Y., in place of E. L. Sinclair. Incumbent's commission expired December 16, 1933.

Eva M. Wood to be postmaster at Elbridge, N. Y., in place of G. F. Carpenter. Incumbent's commission expired February 17, 1936.

Alice L. Lyon to be postmaster at Fort Ann, N. Y., in place of W. A. Pierce. Incumbent's commission expired February 17, 1936.

Peter J. Daub to be postmaster at Hewlett, N. Y., in place of C. E. Craig. Incumbent's commission expired March 23, 1936.

Antoinette Ducharme to be postmaster at Lyon Mountain, N. Y., in place of C. L. Stackpole. Incumbent's commission expired January 27, 1936.

Thomas J. Fay to be postmaster at Massena, N. Y., in place of E. G. Fisher. Incumbent's commission expired March 23, 1936.

John Kenneth Hoffman to be postmaster at Old Forge, N. Y., in place of P. W. Burdick, removed.

Robert L. Molyneux to be postmaster at Ransomville, N. Y., in place of J. E. Uline, deceased.

Irma R. Bennett to be postmaster at Ripley, N. Y., in place of P. J. Johnson. Incumbent's commission expired February 17, 1936.

Fred Schweickhard to be postmaster at Rushville, N. Y., in place of M. C. Headley. Incumbent's commission expired February 17, 1936.

Anna Fallon to be postmaster at Setauket, N. Y., in place of E. F. Tyler. Incumbent's commission expired January 18, 1936.

Americo Masucci to be postmaster at Sparkill, N. Y., in place of W. M. Ackerman. Incumbent's commission expired February 17, 1936.

William Henry Nolan to be postmaster at Stillwater, N. Y., in place of C. S. Hoskins. Incumbent's commission expired February 17, 1936.

Claude K. Cooper to be postmaster at Williamson, N. Y., in place of John De Frine. Incumbent's commission expired February 17, 1936.

Glen S. McBratney to be postmaster at Heuvelton, N. Y., in place of C. H. Preston. Incumbent's commission expired April 12, 1936.

NORTH DAKOTA

Claude L. Arildson to be postmaster at Alexander, N. Dak., in place of Marie Toenberg. Incumbent's commission expired April 12, 1936.

Chris Bertsch to be postmaster at Bismarck, N. Dak., in place of W. A. Sather. Incumbent's commission expired March 10, 1936.

Arthur C. Pagenkopf to be postmaster at Dickinson, N. Dak., in place of W. H. Lenneville. Incumbent's commission expired April 27, 1936.

Arthur E. Bean to be postmaster at Donnybrook, N. Dak., in place of Nellie Ribb. Incumbent's commission expired March 10, 1936.

Joseph M. Moem to be postmaster at Galesburg, N. Dak. Office becomes Presidential July 1, 1936.

Louis F. Ellsworth to be postmaster at Forman, N. Dak., in place of R. E. Hurly. Incumbent's commission expired January 13, 1935.

Mary T. Ness to be postmaster at Grand Forks, N. Dak., in place of J. H. McNicol. Incumbent's commission expired April 5, 1936.

Ethel J. Hinschberger to be postmaster at Sanborn, N. Dak. Office becomes Presidential July 1, 1936.

Anna F. Jones to be postmaster at Verona, N. Dak. Office becomes Presidential July 1, 1936.

OHIO

Paul C. Patterson to be postmaster at East Sparta, Ohio, in place of L. W. Hall. Incumbent's commission expired January 7, 1936.

Cleo B. Brockman to be postmaster at Fort Jennings, Ohio, in place of C. M. Rose, transferred.

Myron G. Swaller to be postmaster at Navarre, Ohio, in place of E. H. Garver. Incumbent's commission expired May 3, 1936.

Mahara D. Barns to be postmaster at Wilmington, Ohio, in place of W. F. Hains. Incumbent's commission expired February 4, 1935.

Orville R. Bently to be postmaster at Bay Village, Ohio, in place of R. O. Cady. Incumbent's commission expired January 7, 1936.

Viola L. Wisnieski to be postmaster at Independence, Ohio, in place of W. F. Kubicek. Incumbent's commission expired June 1, 1936.

Homer W. Rider to be postmaster at Spencerville, Ohio, in place of R. A. Medaugh. Incumbent's commission expires July 15, 1936.

Hattie E. Lewis to be postmaster at Greenwich, Ohio, in place of W. H. Noble. Incumbent's commission expired January 7, 1936.

Otto K. Evers to be postmaster at Napoleon, Ohio, in place of R. H. Curdes. Incumbent's commission expired March 23, 1936.

OKLAHOMA

William F. Hughes to be postmaster at Bokchito, Okla., in place of R. J. Miller. Incumbent's commission expired February 5, 1936.

Buford E. Stone to be postmaster at Manchester, Okla. Office became Presidential July 1, 1935.

Oliver H. Graham to be postmaster at Dustin, Okla., in place of Edith White, removed.

OREGON

Andrew J. Boe to be postmaster at Parkdale, Oreg., in place of H. R. McIsaac. Incumbent's commission expired January 26, 1936.

PENNSYLVANIA

Philip Joseph McNally, to be postmaster at Aliquippa, Pa., in place of W. R. Troxel. Incumbent's commission expired June 1, 1936.

Alexander Rankin to be postmaster at McKeesport, Pa., in place of J. J. Haughey, deceased.

J. Merrell Mattern to be postmaster at Mars, Pa., in place of P. L. Boyd. Incumbent's commission expired June 1, 1936.

Charles S. Shaw to be postmaster at Waterford, Pa., in place of C. W. Schlosser. Incumbent's commission expired May 2, 1934. (Removed without prejudice.)

John G. Lefever to be postmaster at Boyertown, Pa., in place of L. E. Mayer. Incumbent's commission expired May 10, 1936.

James A. Modey to be postmaster at Creighton, Pa., in place of B. S. Kuns. Incumbent's commission expired May 19, 1936.

Edna M. Transus to be postmaster at Delaware Water Gap, Pa., in place of J. E. Young. Incumbent's commission expires June 28, 1936.

Helen P. Harter to be postmaster at Laurelton, Pa. Office becomes Presidential July 1, 1936.

Charles G. Kleckner to be postmaster at Millmont, Pa. Office becomes Presidential July 1, 1936.

Edgar L. Ely to be postmaster at Polk, Pa., in place of W. H. McKinley. Incumbent's commission expired February 25, 1935.

John T. Grady to be postmaster at Tobyhanna, Pa. Office becomes Presidential July 1, 1936.

John B. Brennen to be postmaster at Wilcox, Pa., in place of C. H. Borgeson. Incumbent's commission expired February 10, 1936.

Ralph L. Bell to be postmaster at Burgettstown, Pa., in place of W. M. Culley. Incumbent's commission expired February 10, 1936.

John A. O'Donovan to be postmaster at Coraopolis, Pa., in place of E. R. Dithrich. Incumbent's commission expired May 19, 1936.

Walter E. Snyder to be postmaster at Lykens, Pa., in place of C. W. Keiser. Incumbent's commission expires June 10, 1936.

Ruth Elizabeth Mackley to be postmaster at Manheim, Pa., in place of J. L. Coldren. Incumbent's commission expired February 10, 1936.

Harry E. Merritt to be postmaster at Ulysses, Pa., in place of W. D. Lewis. Incumbent's commission expired June 1, 1936.

James P. Monahan to be postmaster at St. Clair, Pa., in place of W. T. Collihan, removed.

PUERTO RICO

Jose Alejandro Principe to be postmaster at Juncos, P. R., in place of Antonio Molira, resigned.

Enrique Rossy to be postmaster at San German, P. R., in place of H. R. O'Neill, deceased.

SOUTH CAROLINA

Amelia B. Blackmon to be postmaster at Orangeburg, S. C., in place of E. H. Blackmon, deceased.

SOUTH DAKOTA

Joseph E. Kurka to be postmaster at Custer, S. Dak., in place of L. W. Willis, resigned.

Eugene L. Bangs to be postmaster at Rapid City, S. Dak., in place of William Zwicky. Incumbent's commission expired February 8, 1936.

TENNESSEE

Lindsay N. Smith to be postmaster at Culleoka, Tenn., Office becomes Presidential July 1, 1936.

Thaddeus C. Haley to be postmaster at Friendship, Tenn., in place of S. H. Bedwell. Incumbent's commission expired February 5, 1936.

Edgar D. Hagan to be postmaster at Redboiling Springs, Tenn., in place of C. C. Davis. Incumbent's commission expired June 11, 1936.

TEXAS

George S. Brownell to be postmaster at Charlotte, Tex. Office becomes Presidential July 1, 1936.

Jerome H. Moyers to be postmaster at Ferris, Tex., in place of R. F. Myers. Incumbent's commission expired April 4, 1936.

Henry F. Priesmeyer to be postmaster at Garwood, Tex. Office becomes Presidential July 1, 1936.

Corinne H. Sewell to be postmaster at Pearsall, Tex., in place of J. R. Davis, removed.

Naomi M. Lewis to be postmaster at Royalty, Tex. Office becomes Presidential July 1, 1936.

Walter E. McRee to be postmaster at Eagle Lake, Tex., in place of A. L. Wahrmund. Incumbent's commission expired January 26, 1936.

Jimmie L. Holford to be postmaster at Hico, Tex., in place of J. V. Lackey. Incumbent's commission expired March 10, 1936.

VIRGINIA

Alexander H. Cave to be postmaster at Madison, Va., in place of E. C. Hay, deceased.

Benjamin Harrison to be postmaster at Boyce, Va., in place of G. W. Garvin, deceased.

Samuel R. Gault to be postmaster at Scottsville, Va., in place of S. R. Gault. Incumbent's commission expired May 10, 1936.

WASHINGTON

John M. Hurley to be postmaster at La Conner, Wash., in place of C. R. Kern. Incumbent's commission expires June 28, 1936.

WEST VIRGINIA

Asa T. Miller to be postmaster at Madison, W. Va., in place of C. F. Baldwin. Incumbent's commission expires June 10, 1936.

Lucien Edward Felty to be postmaster at Rowlesburg, W. Va., in place of D. A. Jackson. Incumbent's commission expires July 15, 1936.

WISCONSIN

Alice S. Port to be postmaster at Amberg, Wis. Office becomes Presidential July 1, 1936.

Nellie Drew to be postmaster at Footville, Wis. Office becomes Presidential July 1, 1936.

John A. Brannen to be postmaster at Gratiot, Wis. Office becomes Presidential July 1, 1936.

Clarence L. Peck to be postmaster at Kennan, Wis. Office becomes Presidential July 1, 1936.

Effie M. Jewell to be postmaster at Mindoro, Wis. Office becomes Presidential July 1, 1936.

Fred W. Krohn to be postmaster at Mount Hope, Wis. Office becomes Presidential July 1, 1936.

Russell N. Fuller to be postmaster at Osseo, Wis., in place of B. R. Olson. Incumbent's commission expired May 3, 1936.

James Oliver Luce to be postmaster at Platteville, Wis., in place of C. T. Goodell. Incumbent's commission expired March 17, 1936.

Thomas M. Crawford to be postmaster at Readstown, Wis. Office becomes Presidential July 1, 1936.

John Schippers to be postmaster at Twin Lakes, Wis. Office becomes Presidential July 1, 1936.

Thor C. Gran to be postmaster at Menomonee Falls, Wis., in place of E. F. Pilgrim. Incumbent's commission expired January 18, 1936.

Fred V. Stephan to be postmaster at Shullsburg, Wis., in place of J. W. Harkin, deceased.

Thomas A. Wiora to be postmaster at Wild Rose, Wis., in place of C. E. Sage. Incumbent's commission expired May 3, 1936.

John J. Brogan, Jr., to be postmaster at Green Bay, Wis., in place of J. S. Farrell. Incumbent's commission expired April 12, 1936.

Mary E. Meade to be postmaster at Montreal, Wis. Office becomes Presidential July 1, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 5 (legislative day of June 1), 1936

UNITED STATES ATTORNEY

Herbert S. Phillips, of Florida, to be United States attorney, for the southern district of Florida.

SECRETARY OF TERRITORY OF HAWAII

Charles M. Hite, of Hawaii, to be Secretary of the Territory of Hawaii.

MEMBER OF THE UNITED STATES TARIFF COMMISSION

Robert Lincoln O'Brien to be a member of the United States Tariff Commission.

MEMBER OF THE FEDERAL POWER COMMISSION

Claude L. Draper to be a member of the Federal Power Commission.

REGISTER OF LAND OFFICE

Mrs. Belle D. Byrne to be register of the land office at Bismarck, N. Dak.

PUBLIC HEALTH SERVICE

John J. Bloomfield to be passed assistant sanitary engineer.

Judson L. Robertson, Jr., to be passed assistant sanitary engineer.

Charles T. Wright to be passed assistant sanitary engineer.

COAST GUARD

Russell R. Waesche to be commandant with the rank of rear admiral.

APPOINTMENTS IN THE NAVY

Richard R. Bradley, Jr., to be ensign.
Clinton McKellar, Jr., to be ensign.

POSTMASTERS

ALABAMA

Leon H. Hinds, Arab.
Martin L. Allen, Ashland.
Mark C. Clayton, Cedar Bluff.
Annie M. Campbell, Lexington.
George C. Nix, Opp.
Oscar Sheffield, Pine Hill.
William H. Hoffman, Summerdale.

ALASKA

Harold T. Jestland, Bethel.
Augustus H. Kingsbury, Jr., Haines.

ARIZONA

William J. Philipson, Ray.
Ettie Owens, Thatcher.

ARKANSAS

Bunyan Gilbert, McRae.

CALIFORNIA

Jerome Beatty, Claremont.
Lawrence C. Murphy, San Gabriel.

COLORADO

John R. Kraxberger, Arriba.
Albina D. Mackey, Climax.
Nea G. Gallegos, San Luis.

CONNECTICUT

Lillian N. Snow, Milldale.

GEORGIA

Joseph R. Nease, Lumber City.
William H. Freeman, Toomsboro.

ILLINOIS

Fred C. Watermann, Bartlett.
Charles T. O'Boyle, Ingleside.
Florence E. Stoerp, Prairie View.

INDIANA

Roy L. Marquis, Bunker Hill.
Walter E. Huber, Centerpoint.
Roy L. Jones, Colfax.
Edward G. Arnold, Dubois.
Jacob De Groot, Highland.
Guy C. Davison, Lewisville.
Harvey W. Crouse, Losantville.
Jeannette Manifold, Mooreland.
Stephen A. Blood, Jr., Owensville.
Orith A. Imhof, Porter.
Faye C. Winsor, Versailles.

IOWA

George H. Abernathy, Blakesburg.
Raymond W. Baxter, Burlington.
Ellen B. Neff, Calamus.
Omar H. Brooks, Cleghorn.
Walter H. Eppens, Colesburg.
Margaret Davidson, Crawfordsville.
Genevieve M. Lattin, Dakota City.
Samuel H. Sater, Danville.
Vernon M. Hill, Davis City.
Juanita Springer, Fremont.
Ida Kelly, Harpers Ferry.
Benjamin Roy Bogenrief, Hinton.
Emilie B. A. Krause, Ionia.
Emmett S. Armstrong, Nevada.
Anna Bliem, Plymouth.
Ruby E. Shinabargar, Randolph.
William H. Rehberg, Rowley.
Claude A. Baber, Rudd.

KANSAS

Emil R. Schwemmer, Durham.
John F. Holshouser, Dwight.
Arden S. Morris, Elmdale.
William H. Schehrer, Eudora.
Albert J. Anderson, Green.
William T. Flowers, Havensville.
Susanna J. Jones, Maplehill.
Carl Eickholt, Offerle.
Helen L. Green, Silver Lake.
Peter J. Romme, Victoria.
Henry M. Otis, Wilsey.
Irene M. Warrell, Zenda.

KENTUCKY

Charles F. Vest, Berry.
George A. Buckner, Blue Diamond.
Lela O. Sanders, Burgin.
James H. Bean, Danville.
John W. Cox, Evarts.
Gilbert Adams, Jr., Flemingsburg.
John B. Pendleton, Hardyville.
John D. McDonogh, Jeffersontown.
Mary Elvira Johnson, Kevil.
James H. Bondurant, La Center.
James C. Morris, Masonic Home.
Everett E. Warren, McHenry.
William M. Back, Monticello.
Irene S. Fentress, Rockvale.
Anna Clare Rapier, Waverly.
William R. Livermore, Waverly Hills.
Sanna Bowling, White Plains.

LOUISIANA

Frank Reed, Basile.
Richard Broussard, Iota.
Henry P. Sobert, Labadieville.
Jacques L. Goudchaux, Le Moyen.
Homer L. Jolley, Morgan City.
John A. Williams, Oakdale.
Mark D. Sutherlin, Oberlin.
Bertha S. Jarnagin, Rochelle.
Albert G. Boudreaux, Thibodaux.
Dudley V. Wigner, Vidalia.

MARYLAND

Isabelle Chaney, Capitol Heights.
Benjamin F. Johnson, Denton.
James H. Bowling, Hughesville.
Elizabeth E. Wood, Sandy Spring.

MASSACHUSETTS

Alfred L. Little, Marion.
Karl F. Koch, Montague City.
Alexander Wylie, Webster.
Mary E. Cooney, West Newbury.

MICHIGAN

Benjamin J. Beasley, Britton.
Royce Glen Hayward, Casnovia.
Mabel E. Sbonek, Cedar.
George T. Deline, Columbiaville.
Floyd Harrison, Conklin.
Ross W. Gilliom, McBain.
Wallace Reynolds, Peck.
Charles J. Schmidlin, Rockland.
Jake D. Bowers, Sodus.
Edgar L. Erskin, Vestaburg.

MONTANA

Nels K. Peterson, Bigfork.
Lee Biggerstaff, Charlo.
Lars E. Kodalen, Dodson.
Frank H. McLean, Fairfield.
Arthur D. Liberman, Fort Harrison.
Theodore P. Hendrickson, Hingham.
Jessie G. Rolph, Joplin.
John C. Abrahamson, Roberts.

NEBRASKA

Richard M. Britt, Doniphan.
Peter P. Braun, Henderson.
Arthur H. Logan, Ponca.

NEW HAMPSHIRE

Stuart W. Heard, Center Sandwich.

NEW JERSEY

Walter K. Bittle, Berlin.
Andrew R. Brugler, Blairstown.
Austin W. Thompson, Chester.
Graham B. Coe, Delair.
Charles Roth, Jr., East Paterson.
David A. Skelley, Fort Lee.
Joseph F. Kour, Little Ferry.
Ethel B. Leisy, Mantua.
William D. Hand, Nixon.
Harry W. Barry, Palmyra.
James W. Potter, Riverdale.
Herbert Schneider, Riverside.
James Powers, Jr., Sewell.
Rose C. O'Hanlon, South Orange.
Otto F. Heinz, Springfield.
John H. Traynor, Westfield.
Thomas H. Heslin, Wharton.
Peter H. Larkins, Yardville.

NEW YORK

Howard C. Gould, Alfred.
William H. O'Brien, Jr., Baldwinsville.
James J. O'Brien, Ballston Spa.
Carl L. Baker, Candor.
George A. Rackett, Greenport.
Peter Loef, Katonah.
Frederic F. Sheerin, Middletown.

NORTH CAROLINA

Miriam H. Calhoun, Laurel Hill.
James C. Helms, Wingate.

NORTH DAKOTA

O. Ingmar Oleson, Ambrose.
Harvey W. Emanuel, Berthold.
Inez Evelyn Donovan, Bowbells.
Mayme E. Fleming, Bowman.
Roald B. Halvorson, Buxton.
Stephen J. Dunn, Center.
Ella J. Fay, Columbus.
Francis Higgins, Dunseith.
Susie Drummond, Esmond.
Louisa A. Bird, Flaxton.
James L. Hatfield, Fullerton.
Florence M. Law, Halliday.
Ethel E. Hall, Hettinger.
John W. Virden, Larimore.
John M. Lipp, Linton.
Lawrence L. Walker, Maddock.
Bernhard C. Hjelle, Mercer.
Carrie M. Chapman, Minnewaukan.
Howard B. Pruitt, Pettibone.
Sarah Alice Ralston, Powers Lake.
David L. Bottom, Rolette.
Mary J. Dunbar, Souris.
Jennie M. Buck, Tappen.
Kermit A. Peterson, West Fargo.

OHIO

Anna L. Adams, Beaver.
Alice B. Romie, Fort Loramie.
Homer P. Galloway, Lore City.
Ann W. Knotts, Magnolia.
Henry G. M. Rolston, McGuffey.
Jessie W. Graham, North Fairfield.
Chester L. Jones, Otway.
Sylvie E. Sovacool, Peninsula.
Charles Calvin Myers, Risingsun.
Frank Thompson, Senecaville.
John Burton Wells, Waynesfield.

OKLAHOMA

Glenn D. Burns, Dover.
Mart R. Sargent, Indiahoma.
Joseph A. Waggoner, Mounds.
Lester F. Wray, Terral.

OREGON

Ethel M. Foster, Clackamas.
Charles W. Perry, Richland.
Gladys M. Heath, Rogue River.

SOUTH DAKOTA

Theodore G. Weiland, Bridgewater.
Herbert C. Hagen, Britton.
Loyal H. McKnight, Bruce.
Charles Gordon Finley, Bryant.
Granvel N. Collins, Camp Cook.
Winfield C. Clark, Canistota.
Violet Ellefson, Castlewood.
John R. Knapp, Colome.
Doris L. Stewart, Cresbard.
Alva I. Addy, Dallas.
Hollis M. Hill, De Smet.
Thomas H. Ryan, Elk Point.
Gladys W. Stanek, Fairfax.
Joseph A. Conlon, Faulkton.
Ernest F. Heuer, Florence.
Albert A. Schmidt, Freeman.
Lucy I. Wright, Hoven.
Aglae Bosse, Jefferson.
Robert C. Baker, Lake Andes.
Ralph H. Lemon, Lake Norden.
Sebastian A. Archer, Lake Preston.
Minnie H. Vickers, Langford.
Fred J. Hepperle, Leola.
Michael P. Garvey, Milbank.
Michael F. McGrath, Morristown.
Arthur A. Kluckman, Mound City.
Paul A. Wiest, Newell.
Eugene M. Coffield, Oelrichs.
John Loesch, Oldham.
Fred J. Foley, Olivet.
Olga R. Otis, Pierpont.
Randolph Y. Bagby, Pierre.
Orval Ogle, Pine Ridge.
Harry F. Evers, Pukwana.
Harvey J. Seim, Revillo.
Albert H. Fogel, Rosholt.
Otto C. Brubaker, Scotland.
Leroy F. Lemert, Spencer.
Agnes Parker, Timber Lake.
James L. Simpson, Veblen.
William A. Bauman, Vermillion.
Roy B. Nelson, Viborg.
Jesse V. Heath, Vivian.
Clarence J. LaBarge, Wakonda.
Marion Peterson, Waubay.
Frank D. Fitch, Wessington.
Frank B. Kargleder, White Rock.

TEXAS

Oliver P. Ford, Fabens.
Vera Harris, Forsan.
Hugh P. English, Kennard.
William A. Gatlin, Lakeview.

VERMONT

Raymond P. Streeter, Franklin.
Agnes M. Bullard, Marshfield.
James McGovern, North Bennington.
Olive M. Mayo, Randolph.

VIRGINIA

James W. Foster, Arrington.
William H. Ranson, Bremo Bluff.
Joseph A. Turner, Hollins College.
Harrison H. Dodge, Mount Vernon.
Walter S. Wilson, Raphine.
Richard F. Hicks, Schuyler.
Lawrence Hottle, Toms Brook.

WASHINGTON

Harvey H. Hartley, Goldendale.

WISCONSIN

Alfred E. Von Wald, Sauk City.
Eva K. Sheen, Union Grove.
Walter H. Sprangers, Waldo.

WITHDRAWALS

Executive nominations withdrawn from the Senate June 5 (legislative day of June 1), 1936

POSTMASTERS

ALABAMA

William H. Stroud to be postmaster at Verbena, in the State of Alabama.

MASSACHUSETTS

Charles W. Hardie to be postmaster at Harwich Port, in the State of Massachusetts.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 5, 1936

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, unto whom all hearts are open, all desires known, and from whom no secrets are hid, cleanse the thoughts of our hearts by the inspiration of Thy Holy Spirit, that we may perfectly love Thee and worthily magnify Thy holy name. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

INVITATION TO ATTEND FUNERAL SERVICES

Mr. O'CONNOR. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 545

Resolved, That the Clerk of the House is hereby directed to invite the Vice President and the Senate to attend the funeral of the late Speaker, the Honorable JOSEPH W. BYRNS, in the House of Representatives at 12 o'clock meridian on Friday, June 5, 1936.

Resolved, That invitations be extended to the President of the United States and the members of his Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the Diplomatic Corps (through the Secretary of State), the Chief of Staff of the Army, the Chief of Naval Operations of the Navy, the Major General Commandant of the Marine Corps, and the Commandant of the Coast Guard to attend the funeral in the Hall of the House of Representatives.

The resolution was agreed to.

ADJOURNMENT FROM JUNE 8 TO JUNE 15, 1936

Mr. O'CONNOR. Mr. Speaker, I offer a concurrent resolution and ask for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 53

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Monday, June 8, 1936, they stand adjourned until 12 o'clock meridian Monday, June 15, 1936.

The House concurrent resolution was agreed to.

ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. O'CONNOR. Mr. Speaker, I offer a concurrent resolution and ask for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 54

Resolved by the House of Representatives (the Senate concurring), That notwithstanding any recesses of the Senate or House of Representatives or the adjournment of the second session of the Seventy-fourth Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

The House concurrent resolution was agreed to.

CONFERENCE REPORTS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment or recess of the House until June 15, 1936, it may be in order to file conference reports with the Clerk for printing under the rules.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PRINTING OF FUNERAL SERVICES IN THE RECORD

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the order of services for the exercises today in honor of the late Speaker and the proceedings thereunder be printed in today's RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE TO ATTEND FUNERAL

The SPEAKER. Pursuant to House Resolution 544, the Chair appoints as members of the committee to attend the funeral of the late Speaker at Nashville, Tenn., the following Members of the House, which the Clerk will read.

The Clerk read as follows:

The committee to attend the funeral is as follows: Hon. WILLIAM B. BANKHEAD, of Alabama; Hon. BERTRAND H. SNELL, of New York; Hon. J. R. MITCHELL, of Tennessee; Hon. CLARENCE W. TURNER, of Tennessee; Hon. HERRON PEARSON, of Tennessee; Hon. JERE COOPER, of Tennessee; Hon. WALTER CHANDLER, of Tennessee; Hon. B. CARROLL REECE, of Tennessee; Hon. J. WILL TAYLOR, of Tennessee; Hon. WILLIAM B. OLIVER, of Alabama; Hon. HENRY B. STEAGALL, of Alabama; Hon. CLAUDE A. FULLER, of Arkansas; Hon. JOHN A. MARTIN, of Colorado; Hon. JAMES A. SHANLEY, of Connecticut; Hon. CLARENCE F. LEA, of California; Hon. CARL VINSON, of Georgia; Hon. E. E. COX, of Georgia; Hon. D. WORTH CLARK, of Idaho; Hon. JAMES McANDREWS, of Illinois; Hon. CLAUDE V. PARSONS, of Illinois; Hon. ARTHUR H. GREENWOOD, of Indiana; Hon. GUY MARK GILLETTE, of Iowa; Hon. JOHN M. HOUSTON, of Kansas; Hon. BRENT SPENCE, of Kentucky; Hon. RILEY J. WILSON, of Louisiana; Hon. WILLIAM J. GRANFIELD, of Massachusetts; Hon. WILLIAM P. COLE, Jr., of Maryland; Hon. JOHN D. DINGELL, of Michigan; Hon. CLARENCE CANNON, of Missouri; Hon. WALL DOXEY, of Mississippi; Hon. WILLIAM M. WHITTINGTON, of Mississippi; Hon. CHARLES F. McLAUGHLIN, of Nebraska; Hon. JAMES G. SCRUGHAM, of Nevada; Hon. WILLIAM N. ROGERS, of New Hampshire; Hon. MARY T. NORTON, of New Jersey; Hon. JOHN J. DEMPSEY, of New Mexico; Hon. THOMAS H. CULLEN, of New York; Hon. SOL BLOOM, of New York; Hon. ROBERT L. DOUGHTON, of North Carolina; Hon. ROBERT CROSSER, of Ohio; Hon. JED JOHNSON, of Oklahoma; Hon. WALTER M. PIERCE, of Oregon; Hon. PATRICK J. BOLAND, of Pennsylvania; Hon. FRANCIS E. WALTER, of Pennsylvania; Hon. JOHN J. McSWAIN, of South Carolina; Hon. FRED H. HILDEBRANDT, of South Dakota; Hon. JAMES P. BUCHANAN, of Texas; Hon. SAM RAYBURN, of Texas; Hon. ABE MURDOCK, of Utah; Hon. A. WILLIS ROBERTSON, of Virginia; Hon. MONRAD C. WALLGREN, of Washington; Hon. JOE L. SMITH, of West Virginia; Hon. MICHAEL K. REILLY, of Wisconsin; Hon. PAUL R. GREEVER, of Wyoming; Hon. ALLEN T. TREADWAY, of Massachusetts; Hon. CARL E. MAPES, of Michigan; Hon. ISAAC BACHARACH, of New Jersey; Hon. FRANK CROWTHER, of New York; Hon. WILLIAM E. HESS, of Ohio; Hon. BENJAMIN K. FOCHT, of Pennsylvania; Hon. CHARLES W. TOBEY, of New Hampshire; Hon. DEWEY SHORT, of Missouri; Hon. WILLIAM M. BERLIN, of Pennsylvania; Hon. WILBURN CARTWRIGHT, of Oklahoma; Hon. JACK NICHOLS, of Oklahoma; Hon. JAMES M. MEAD, of New York; Hon. R. EWING THOMASON, of Texas; Hon. SIMON MOULTON HAMLIN, of Maine.

AIR CORPS OF THE ARMY OF THE UNITED STATES

Mr. ROGERS of New Hampshire. Mr. Speaker, on Wednesday of this week the Speaker appointed the gentleman from Alabama [Mr. HILL], the gentleman from New Jersey [Mr. McLEAN], and myself to act as House conferees on the bill (H. R. 11140) to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States.

Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. McSWAIN] and the gentleman from Vermont [Mr. PLUMLEY] be added as House conferees.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection; and the Speaker appointed Mr. McSWAIN and Mr. PLUMLEY as additional conferees on the part of the House.

AMENDMENT OF EMERGENCY FARM MORTGAGE ACT OF 1933

Mr. KLEBERG submitted a conference report and statement on the bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BROWN of Michigan on account of important business.

MESSAGE OF CONDOLENCE

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a telegram received from the Speaker of the House of Puerto Rico.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

JUNE 4, 1936—7 P. M.

Hon. SOUTH TRIMBLE,
Clerk of the House of Representatives:

Deeply moved by death illustrious Speaker, Hon. JOSEPH W. BYRNS. I desire to extend to the House of Representatives the expression of my heartfelt sympathy for irreparable loss sustained.

MIGUEL A. GARCIA MANDEZ,
Speaker of the House.

RECESS

Mr. O'CONNOR. Mr. Speaker, I move that the House stand in recess, subject to the call of the Chair.

The motion was agreed to.

Accordingly the House (at 11 o'clock and 13 minutes a. m.) stood in recess subject to the call of the Chair.

AFTER RECESS

The House was called to order by the Speaker at 11 o'clock and 55 minutes a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, the Father of us all, give ear to our supplication. Loneliness and silence are broken as our hearts move on through the stillness at the bidding of the voice divine. "O grave, where is thy sting?" Through its gloom and anguish our faith arises. Blessed Lord, we thank Thee for this great soul who has fallen amid his earthly labor and glory. How deep are Thy mysteries and how inscrutable are Thy ways, yet Thy voice is heard. It is heard in solemn warning; it is heard in sweet encouragement to virtue; it is heard in the monitions of conscience and in the aspirations of our better natures. Our beloved Speaker has left us; how blessed his memory. His heights of thought were the hilltops of the common heart; his broad philanthropy reached over all classes with revealing benediction. His loftiness of patriotism fell upon the ears of the reluctant and summoned them to a higher plane. His great nature touched poverty, toil, and wealth. We praise Thee for this statesman whose conscience was ever the pilot of his reason. O divine One of love and mercy, give peace and comfort to his family circle. Bless her who has been at his side with heavenly devotion. Help us all to rise above the gloom of this great shadow into the upper air of spiritual outlook, where there are palaces made without hands and crowns of glory that never fade away. Through Christ our Savior. Amen.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had

Resolved, That the Senate accepts the invitation of the House of Representatives to attend the funeral of the late Speaker of the House, Hon. JOSEPH W. BYRNS, in the Hall of the House of Representatives at 12 o'clock m., June 5, 1936.

The message also announced that the Senate had agreed, without amendment, to concurrent resolutions of the House of the following titles:

H. Con. Res. 53. Concurrent resolution providing that when the two Houses adjourn on Monday, June 8, 1936, they stand adjourned until 12 o'clock m., Monday, June 15, 1936; and

H. Con. Res. 54. Concurrent resolution providing that notwithstanding any recesses of the Senate or House of Representatives or the adjournment of the second session of the Seventy-fourth Congress, the President of the Senate and the Speaker of the House of Representatives are authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 8271. An act to amend the act entitled "An act to insure adequate supplies of timber and other forest products for the people of the United States, to promote the full use for timber growing and other purposes of forest lands in the United States, including farm wood lots and those abandoned areas not suitable for agricultural production, and to secure the correlation and the most economical conduct of forest research in the Department of Agriculture, through research in reforestation, timber growing, protection, utilization, forest economics, and related subjects, and for other purposes", approved May 22, 1928.

The message also announced that the Senate had adopted the following resolutions:

Senate Resolution 317—June 1 (calendar day, June 3), 1936

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. A. PIATT ANDREW, late a Representative from the State of Massachusetts.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now take a recess until 10 o'clock ante meridian tomorrow.

Senate Resolution 318—June 1 (calendar day, June 4), 1936

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOSEPH W. BYRNS, late Speaker of the House of Representatives.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed by the House of Representatives to take order for superintending the funeral of the deceased, and that a committee of 14 Senators be appointed by the Vice President to join the committee on the part of the House to attend the funeral of the deceased at Nashville, Tenn.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 11 o'clock and 30 minutes ante meridian tomorrow.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 3467. An act amending the Shipping Act, 1916, as amended;

S. 3770. An act to award a special gold medal to Lincoln Ellsworth;

S. 4052. An act for the relief of of W. D. Gann;

S. 4116. An act for the relief of Grant Anderson;

S. 4140. An act for the relief of Homer Brett, Esq., American consul at Rotterdam, Netherlands;

S. 4379. An act for the relief of the Indiana Limestone Corporation;

S. 4391. An act authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; and

S. 4444. An act directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3531) entitled "An act to amend the act entitled 'An act for the control of floods on the Mississippi River and its tributaries, and for other purposes', approved May 15, 1928."

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2456) entitled "An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. NEELY, Mr. HATCH, and Mr. AUSTIN to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 11915) entitled "An act to amend the Coastwise Load Line Act, 1935", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COPELAND, Mr. SHEPPARD, and Mr. WHITE to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 5730) entitled "An act to amend section 3 (b) of an act entitled 'An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes', approved March 27, 1934", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WALSH, Mr. TYDINGS, and Mr. HALE to be the conferees on the part of the Senate.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 1435. An act conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of Elizabeth Kurau;

S. 1464. An act for the relief of Frank P. Hoyt;

S. 1687. An act to incorporate The National Yeoman F;

S. 1769. An act for the relief of Percy C. Wright;

S. 2075. An act to provide for the appointment of additional district judges for the eastern and western districts of Missouri;

S. 2137. An act to provide for the appointment of one additional district judge for the eastern, northern, and western districts of Oklahoma;

S. 3067. An act for the relief of A. J. Watts;

S. 3080. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard;

S. 3334. An act to make provision for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps who are injured or contract disease while engaged in military training, and for other purposes;

S. 3369. An act providing for the posthumous appointment of Ernest E. Dailey as a warrant radio electrician, United States Navy;

S. 3389. An act to provide for the appointment of two additional judges for the southern district of New York;

S. 3467. An act amending the Shipping Act, 1916, as amended;

S. 3531. An act to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928;

S. 3600. An act for the relief of S. C. Eastvold;

S. 3607. An act for the relief of T. H. Wagner;

S. 3608. An act for the relief of Vinson & Pringle;

S. 3652. An act for the relief of George E. Wilson;

S. 3663. An act for the relief of William Connelly, alias William E. Connoley;

S. 3768. An act for the relief of E. W. Jermark;

S. 3770. An act to award a special gold medal to Lincoln Ellsworth;

S. 3781. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases;

S. 3824. An act for the relief of Maud Kelley Thomas;

S. 3850. An act for the relief of Mrs. Foster McLynn;

S. 3861. An act for the relief of the Alaska Commercial Co., of San Francisco, Calif.;

S. 3992. An act for the relief of Capt. Laurence V. Houston, retired;

S. 4052. An act for the relief of W. D. Gann;

S. 4116. An act for the relief of Grant Anderson;

S. 4119. An act for the relief of Bernard F. Hickey;

S. 4140. An act for the relief of Homer Brett, Esq., American consul at Rotterdam, Netherlands;

S. 4233. An act for the relief of William H. Brockman;

S. 4265. An act to authorize the Secretary of War to set apart as a national cemetery certain lands of the United States Military Reservation of Fort Bliss, Tex.;

S. 4358. An act for the relief of Harry L. Parker;

S. 4359. An act for the relief of W. D. Reed;

S. 4374. An act for the relief of Ruth Edna Reavis (now Horsley);

S. 4379. An act for the relief of the Indiana Limestone Corporation;

S. 4391. An act authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered;

S. 4400. An act for the relief of Barbara Jaeckel;

S. 4444. An act directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States;

S. 4524. An act to provide a civil government for the Virgin Islands of the United States;

S. 4542. An act authorizing the Comptroller General of the United States to settle and adjust the claim of the Merritt-Chapman & Scott Corporation;

S. 4713. An act validating a town-lot certificate and authorizing and directing issuance of a patent for the same to Ernest F. Brass;

S. J. Res. 61. Joint resolution to repeal an act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", and to provide for the relief of William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.;

S. J. Res. 110. Joint resolution authorizing Brig. Gen. C. E. Nathorst, Philippine Constabulary, retired, to accept such decorations, orders, medals, or presents as have been tendered him by foreign governments;

S. J. Res. 151. Joint resolution making provision for a national celebration of the bicentenary of the birth of Charles Carroll of Carrollton, wealthiest signer of the Declaration of Independence;

S. J. Res. 226. Joint resolution authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition in 1939 at San Francisco, Calif.; and

S. J. Res. 267. Joint resolution authorizing the President to invite foreign countries to participate in the New York World's Fair, 1939, Inc., in the city of New York during the year 1939.

CONSTRUCTION OF CERTAIN NAVAL VESSELS

Mr. VINSON of Georgia submitted a conference report (Rept. No. 2949) and statement on the bill (H. R. 5730) to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels, and for other purposes", approved March 27, 1934.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on June 3, 1936, present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 190. An act granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years;

H. R. 1997. An act to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State Park System, approved March 3, 1933;

H. R. 2479. An act for the relief of Charles G. Johnson, State treasurer of the State of California;

H. R. 2501. An act for the relief of Mrs. G. A. Brannan;

H. R. 2737. An act extending and continuing to January 12, 1938, the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.", approved January 12, 1925;

H. R. 3914. An act for the relief of Oscar Gustof Bergstrom;

H. R. 5722. An act to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia;

H. R. 7025. An act authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes;

H. R. 7688. An act to provide for the appointment of substitute postal employees, and for other purposes;

H. R. 7825. An act for the relief of Michael Stodolnik;

H. R. 7930. An act to eliminate certain lands from the Craters of the Moon National Monument, Idaho;

H. R. 8039. An act for the relief of John B. Meisinger and Nannie B. Meisinger;

H. R. 8074. An act to amend the act of March 3, 1925, relating to Fort McHenry;

H. R. 8278. An act for the relief of Earl Elmer Gallatin;

H. R. 8312. An act to add certain lands to the Rogue River National Forest in the State of Oregon;

H. R. 8495. An act to amend certain plant-quarantine laws;

H. R. 8884. An act for the relief of Mrs. Ollie Myers;

H. R. 9009. An act to make lands in drainage, irrigation, and conservancy districts eligible for loans by the Federal land banks and other Federal agencies loaning on farm lands, notwithstanding the existence of prior liens of assessments made by such districts, and for other purposes;

H. R. 9170. An act for the relief of Montie Hermanson;

H. R. 9991. An act to extend the time for applying for and receiving benefits under the act entitled "An act to provide means by which certain Filipinos can emigrate from the United States", approved July 10, 1935;

H. R. 10174. An act for the relief of Ezra Curtis;

H. R. 10849. An act to authorize an appropriation for improvement of ammunition storage facilities at Aliamanu, Territory of Hawaii, and Edgewood Arsenal, Md.;

H. R. 11006. An act providing for the examination of the Nueces River and its tributaries in the State of Texas for flood-control purposes;

H. R. 11052. An act for the relief of Joseph M. Purrington;

H. R. 11164. An act for the relief of Arthur Van Gestel, alias Arthur Goodsell;

H. R. 11616. An act to fix the compensation of the Director of the Federal Bureau of Investigation;

H. R. 11768. An act authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose;

H. R. 11792. An act declaring Bayou St. John, in the city of New Orleans, La., a nonnavigable stream;

H. R. 11821. An act to correct an error in section 16 (e) (1) of the Agricultural Adjustment Act, as amended, with respect to adjustments in taxes on stocks on hand, in the case of a reduction in processing tax;

H. R. 11929. An act granting to the State of Iowa for State park purposes certain land of the United States in Clayton County, Iowa;

H. R. 11969. An act to promote national defense by organizing the Air Reserve Training Corps;

H. R. 12370. An act to authorize a preliminary examination of Big Blue River and its tributaries with a view to the control of their floods;

H. J. Res. 377. Joint resolution to enable the States of Maine, New Hampshire, New York, Vermont, Massachusetts, Rhode Island, Connecticut, Pennsylvania, West Virginia, Kentucky, Indiana, Illinois, Tennessee, and Ohio to conserve and regulate the flow of and purify the waters of rivers and streams whose drainage basins lie within two or more of the said States;

H. J. Res. 465. Joint resolution to amend the joint resolution of July 18, 1935, relating to the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in September 1936;

H. J. Res. 497. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Petroleum Exposition, Tulsa, Okla., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 499. Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes; and

H. J. Res. 570. Joint resolution authorizing the President of the United States to award posthumously a Distinguished Service Medal to Maj. Gen. Clarence Ransom Edwards.

RECESS

Mr. O'CONNOR. Mr. Speaker, I move that the House stand in recess during the funeral services.

The motion was agreed to.

Accordingly (at 12 m.) the House stood in recess.

FUNERAL OF THE LATE SPEAKER JOSEPH W. BYRNS

ORDER OF SERVICE

Prayer, Dr. James Shera Montgomery, Chaplain of the House of Representatives.
Selection, Representative LOUIS C. RABAUT.
Funeral services, the Chaplain of the House of Representatives.
Address, Mr. Speaker BANKHEAD.
Selection, Representative LOUIS C. RABAUT.
Address, Hon. BERTRAND H. SNELL.
Benediction, the Chaplain of the Senate, Rev. ZeBarney Thorne Phillips.

At 12:05 p. m. the Vice President and Members of the Senate entered the Chamber and occupied the seats assigned to them, the Vice President occupying a seat at the left of the Speaker.

The Ambassadors, the Ministers, and the Chargé d'Affaires of foreign governments, the Major General Commandant of the United States Marine Corps, the Commandant of the United States Coast Guard, the members of the President's Cabinet, the President of the United States, and the members of the family of the deceased Speaker entered the Chamber and were escorted to the seats assigned to them.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou art not only our Father in Heaven but Thou art our Father upon earth. Thou wilt surely hear us when we call and answer us when we pray. Thou hast been our dwelling place in all the generations. Before the mountains were brought forth Thou hast formed the earth and the world, even, yea even, from everlasting to everlasting Thou art God. O look upon us in our sorrow. Pity us, Heavenly Father, in our weakness and our limitations, and shed upon us all the light of Thy Holy countenance and claim us as Thine own. O let the blessings of Almighty God, our Heavenly Father, be upon this stricken family circle. Remember her in rich blessings who has been his support and his encouragement all these years. God bless her with great peace and consolation. Heavenly Father, remind us of the uncertainty of life and the brevity of time and meet us each day by this wisdom and Thy mercy. We praise the memory of him, Heavenly Father. O we have lost such a friend, such a brother, such a Speaker! Gracious God, the armament of his character was courtesy. God bless his memory unto us. Do Thou hear us as we breathe the Savior's prayer.

Our Father, who art in heaven, hallowed be Thy name, Thy kingdom come, Thy will be done in earth as it is in heaven. Give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us, and lead us not into temptation but deliver us from evil. For Thine is the kingdom, the power, and the glory forever. Amen.

LOUIS C. RABAUT sang Absent (Metcalf).

Reading of Scripture by the Chaplain.

The Chaplain also read the following verses by CLARE GERALD FENERTY:

O Death, thou wert unkind; Why didst thou dim
Those smiling eyes that saw but to console,
Like windows pouring light from out his soul
Into our sunless hearts? Why didst thou limn
With icy touch those lips that knew to brim
With love made vocal for our land? Now toll
Ye bells!—immortal now upon our roll
He lives; and eyes are wet with thought of him.

Ah, Death, not thine the laurels; he shall rob
Thee of thy verdict, nor canst thou decree
A stillness to that heart that knew not dross,
That sacrificial heart whose every throb
Was but a bead in Honor's Rosary,
Whose mysteries have led him to the Cross.

Mr. BANKHEAD. The heart of every Member of the House of Representatives is sorely torn and bruised this day as we contemplate the scene before us—for there lies the recumbent figure of that great American who only the day before yesterday presided over the popular branch of our Federal Government with such grace, dignity, and ability. The cruel blow of destiny which fell with such merciless devastation upon us leaves us chilled and unreconciled. It is but another illustration of the saying that "those who stand high have many blasts to shake them", for there is no question but that the arduous and exacting duties of the Speaker of the House must have contributed very largely to his untimely end.

And so we come, in this solemn and historic hour, to pay sincere but necessarily limited tribute of praise and affection for our departed friend. I use the word "friend" advisedly, for there were so tempered in the heart and soul of JOE BYRNS elements of tolerance, patience, and sympathy that he had drawn to him the ungrudging regard and affection of all men who came within the radius of his genial influence.

It will not be possible within the limitations of this hour to undertake even a partial summary of the long and distinguished public career of our late beloved Speaker. At a later day those who loved and admired him will have fuller opportunity to lay upon the bier of memory the tender flowers of tribute and devotion which his remarkable personality and career so amply justify. Mr. Speaker BYRNS came of a long line of sturdy, devoted, patriotic American ancestors. He was bred and nourished within the bosom of a great Commonwealth, one which has contributed so plentifully to the roster of distinguished men who have played heroic parts in the development of our Republic and in the perpetuation of our institutions.

I imagine that he found constant and enduring inspiration from that sanctuary in his home district where repose the blessed ashes of one of the most picturesque and distinguished sons of America, the indomitable Andrew Jackson. However some men in these modern times seem to find gratification in undertaking to belittle in the estimation of the people the character and ability of their Representatives in Congress, a thoughtful public must believe that under the spirit of our Democratic institution it is no small tribute of praise to be elected to this body for even one term of service, and when such service is extended year by year and into the decades as was the case of JOSEPH W. BYRNS, it is indisputable evidence that he had by his character and ability gained such a high place in the esteem and affection of his constituency that no thought entered their minds of replacing by another this invaluable public servant.

Mr. BYRNS served in the House of Representatives for 28 years and was at the time of his passing away only exceeded in length of service by one Member of the House. No man from the great State of Tennessee during all of its long history had ever served in the Congress of the United States continuously for as long a consecutive period as had Speaker BYRNS. It is needless for me to remind those who hear me of his ability, of his courage, of the equity of his decisions as a presiding officer, of the unfailing patience and generosity with which he treated every approach of his colleagues in the discharge of his public duties, of the dignity with which he presided over a great parliamentary body. These things were part and parcel of the daily life of our late Speaker. There was no vanity in him. There was no retribution in his spirit. There was no littleness in the man. His portrait will be hung in the lobby of the House of Representatives along with those of other great Americans who have presided throughout the years over the destinies of Federal legislation and his portrait well deserves to be placed alongside of those other great Americans. He earned his distinction. It was not in any wise a gratuity.

One other reference—and I trust that I will not violate the cloistered environments of the grief-stricken room where I heard these words fall from the lips of his lovely and devoted companion, with so many years of married happiness, when in speaking of the spiritual courage of JOE BYRNS, she told me that they had been married for 35 years and that never under any circumstances had her husband failed to kneel at his bedside every night to pay his devotion to his Maker and to invoke upon himself the blessings that always come to a humble and a contrite heart. To such a man the grave cannot be a charnel house. It must be a lighted thoroughfare whereby one may pass into a happier and a better world.

I employ a quotation from the eulogy to Ben Hill delivered in the Senate of the United States.

> Every man's life is the center of a circle. Within its narrow confines he is potential. Beyond it, he perishes. And if immortality be a splendid but delusive dream—if the incompleteness of every human career, even the longest and most fortunate, be not perfected and supplemented after its termination here, then he who dreads to die should fear to live, for life would be a tragedy more desolate and inexplicable than death.

I believe JOE BYRNS has gone that way, head up and unafraid.

LOUIS C. RABAUT sang My God and Father, While I Stray (Marston).

Mr. SNELL. My personal friend and colleague, JOE BYRNS, is gone. He has entered that Great Beyond from which no voyager returns.

That inexorable and inevitable thing we call death beckoned our friend away with terrible swiftness, leaving us stunned and our hearts filled with grief.

His life and character cannot better be described than in his own words spoken of another. Eulogizing the late Martin Madden, Mr. BYRNS said:

> We all know that a leader has fallen, a truly great man has passed away; a great legislator and statesman; a splendid, outstanding citizen; * * * a devoted and tender husband and father; a good and intensely loyal friend.

This, he said, epitomized the life and record of Madden, whose sudden death deeply grieved his colleagues and shocked the entire country.

Is not this eulogy by BYRNS in life peculiarly applicable to BYRNS in death?

He died as he had lived—a real man; loved, honored, and respected by his colleagues, and a distinguished Speaker of the House of Representatives.

Our friend "Joe", as we like to think of him, preceded me in the House by three terms. We were contemporaries for 22 years. He apprenticed in lawmaking in the Tennessee Legislature. His experience there as speaker of the house and as a State senator was a firm foundation upon which he reared a notable record of achievement in the larger arena of this House. He went from strength to strength.

Not many days ago, on the one hundredth anniversary of the birth of "Uncle Joe" Cannon, the business of the House was suspended to enable us to pay tribute to his unique life and character as a man and a statesman. And now, today, with heavy hearts, but with unfaltering trust we gather around another "Joe", beloved of all of us, whose mortal, tired body lies in the embrace of death, but the transition of whose soul we behold reborn into a never-ending life.

He and "Uncle Joe" Cannon, who was Speaker when JOE BYRNS first came here, were warm personal friends. "Uncle Joe" was always kind and tolerant toward newcomers. So was JOE BYRNS. This characteristic endeared them to their fellow Members, and many of our colleagues will always remember JOE BYRNS' helping hand, kindly advice, and guidance. Kindliness, I would say, was his outstanding characteristic.

This House, accustomed to appraising men at their true worth, long since came to regard Mr. BYRNS as a potential Speaker. Step by step his conduct in the House and in committee led unerringly to the Speakership. He passed through all the gradations which make for higher honors and greater responsibilities. His successful chairmanship of Appropriations Committee and his deportment on the floor

marked him for leadership, and in the fullness of time he became majority floor leader. This service he rendered with marked ability and resourcefulness.

This duty was laid upon him at a crucial period, during the first 2 years of the present administration, when the greater part of the administration's policy and program was enacted into law. And while, as minority leader, I was not in political accord with all that was done, and often took issue with him, it is only fair to say that no more worthy nor more dauntless friend nor foe than JOE BYRNS ever smiled across yonder dividing aisle. No floor leader was ever put to a greater test. No President ever had a more loyal, faithful, and dependable ally. In good report and ill JOE BYRNS stood steadfast, and it was his intense loyalty to the Chief Executive and his adroit and skillful leadership that piloted administrative measures through the shoals and over the rocks of legislative processes.

The Speakership was the next logical and upward step. And if we consider this elevation as a reward for past political and legislative services well and faithfully discharged, the mantle could not have fallen upon more deserving shoulders than those of JOE BYRNS, of Tennessee, and no man in recent years has come to this high office better equipped by ability, character, and rich experience to perform the exacting duties of Speaker of the House of Representatives.

Speaker BYRNS was a prodigious worker. He did not conserve his energies. This was true to such an extent that his closest friends were alarmed lest he overworked. But his sense of duty was such that he persisted in carrying the full load to the journey's end. If he could have been consulted, he would not have said "nay" to the summons. For an indomitable spirit such as his was would have proclaimed "Let me die at the post of duty, let me go in my harness."

And so the busy, useful, earthly career of JOSEPH WELLINGTON BYRNS is ended.

A busy workman has been beckoned away. The door is shut. We realize that our friend "Joe" has gone, leaving us the rich legacy of an exalted example of life's work well done.

BENEDICTION

Rev. ZeBarney Thorne Phillips, D. D., LL. D., Chaplain of the Senate, pronounced the benediction, as follows:

May the peace of God which passeth all understanding keep your hearts and minds in the knowledge and love of God and of his son Jesus Christ, our Lord, and may the blessing of God Almighty, the Father, the Son, and the Holy Spirit, be upon you and all who are near and dear unto you, both here and yonder, and remain with them and with you forever. Amen.

Thereupon the President and his Cabinet, the Diplomatic Corps, the General of the Armies, the Chief of Staff of the United States Army, the Chief of Naval Operations of the Navy, the Major General Commandant of the Marine Corps, the Commandant of the United States Coast Guard, the Vice President, and the Senate retired.

AFTER RECESS

The House was called to order at 12:55 o'clock p. m.

Mr. O'CONNOR. Mr. Speaker, I desire to make an announcement that the congressional funeral party will leave on a special train over the Southern Railway from the Union Station at 4:55 o'clock p. m. this afternoon.

Mr. Speaker, I move that the House do now adjourn until Monday, June 8, 1936, at 12 o'clock noon.

The motion was agreed to; accordingly (at 1 o'clock p. m.) the House adjourned until Monday, June 8, 1936, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HEALEY: Committee on the Judiciary. S. 3055. An act to provide conditions for the purchase of supplies and the making of contracts, loans, or grants by the United States, and for other purposes; with amendment (Rept. No. 2946). Referred to the Committee of the Whole House on the state of the Union.

Mr. BURDICK: Committee on Indian Affairs. H. R. 11800. A bill to reimpose a trust on certain lands allotted on the Yakima Indian Reservation; with amendment (Rept. No. 2947). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 11221. A bill to amend the last two provisos, section 26, act of Congress approved March 3, 1921 (41 Stat. L. 1225–1248); with amendment (Rept. No. 2948). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WOLVERTON: A bill (H. R. 12954) to authorize the Crew Levick Co., and such other corporation or individuals as may be associated with it, to construct a bridge across the portion of the Delaware River between the mainland of the county of Camden and State of New Jersey, and Petty Island in said county and State; to the Committee on Interstate and Foreign Commerce.

By Mr. BOLAND: A bill (H. R. 12955) to provide for the completion of the 25-mile spacing of horizontal and vertical control surveys in the State of Pennsylvania; to the Committee on Merchant Marine and Fisheries.

By Mr. PETTENGILL: Joint resolution (H. J. Res. 621) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana supporting Senate bill 3475 and House bill 9680; to the Committee on Labor.

SENATE

SATURDAY, JUNE 6, 1936

The Senate met at 12 o'clock meridian.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou whose throne is raised upon the skies, whose footstool is the pave whereon we pray, who dost transcend and yet pervadest all things: Manifest Thyself to us who seek Thee in the shades of ignorance, for seeking Thee and finding Thee are one. Order Thou the ritual of this holy hour, that, rapt into still communion which exceeds the imperfect offices of prayer and praise, we may find in silence the sublimest eloquence of worship as we contemplate Thy blessedness and love. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 5, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bulow	Fletcher	La Follette
Austin	Byrnes	George	Lewis
Bailey	Capper	Gerry	Loftin
Barbour	Carey	Glass	Lonergan
Barkley	Chavez	Hale	Long
Benson	Connally	Hastings	McAdoo
Bilbo	Coolidge	Hatch	McGill
Black	Copeland	Hayden	McNary
Bone	Couzens	Holt	Maloney
Borah	Davis	Johnson	Moore
Brown	Dieterich	Keyes	Murphy
Bulkley	Donahey	King	Murray

Neely	Radcliffe	Smith	Vandenberg
Norris	Reynolds	Steiwer	Van Nuys
Nye	Robinson	Thomas, Okla.	Wagner
O'Mahoney	Russell	Thomas, Utah	Walsh
Overton	Schwellenbach	Townsend	Wheeler
Pittman	Sheppard	Truman	White
Pope	Shipstead	Tydings	

Mr. LEWIS. I announce that the Senator from Nebraska [Mr. BURKE], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Wisconsin [Mr. DUFFY], the Senator from Pennsylvania [Mr. GUFFEY], the senior Senator from Tennessee [Mr. MCKELLAR], the Senator from Indiana [Mr. MINTON], and the junior Senator from Tennessee [Mr. BACHMAN] are absent in attendance on the funeral of the late Speaker of the House of Representatives, Joseph W. Byrns.

I also announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], and the Senator from Nevada [Mr. MCCARRAN] are absent because of illness, and that the Senator from South Carolina [Mr. SMITH], the Senator from Virginia [Mr. BYRD], the Senator from Oklahoma [Mr. GORE], and the Senator from Kentucky [Mr. LOGAN] are necessarily detained. I ask that this announcement may be entered in the RECORD for the day.

Mr. AUSTIN. I announce that the Senator from Vermont [Mr. GIBSON] is absent in attendance on the funeral of the late Speaker of the House of Representatives, and that the Senator from Iowa [Mr. DICKINSON] and the Senator from Rhode Island [Mr. METCALF] are necessarily absent.

Mr. NYE. I announce that my colleague [Mr. FRAZIER] is absent in attendance on the funeral of the late Speaker of the House of Representatives.

The VICE PRESIDENT. Seventy-five Senators have answered to their names. A quorum is present.

INTERNAL-REVENUE TAXATION—APPOINTMENT OF SUBSTITUTE CONFEREES

The VICE PRESIDENT. To fill the vacancies caused by the resignations of the Senator from Michigan [Mr. COUZENS] and the Senator from New Hampshire [Mr. KEYES] as members of the committee of conference on the part of the Senate on House bill 12395, the tax bill, passed last evening, the Chair appoints the Senator from Delaware [Mr. HASTINGS] and the Senator from Rhode Island [Mr. METCALF].

RUTH J. BARNES—VETO MESSAGE (S. DOC. NO. 266)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Military Affairs and ordered to be printed, as follows:

To the Senate:

I return, without my approval, S. 920, entitled "An act for the relief of Ruth J. Barnes."

This bill provides for the payment to Ruth J. Barnes, wife of Joseph A. Barnes, an amount equal to 6 months' pay at the rate said Joseph A. Barnes was receiving at the date of his death.

Joseph A. Barnes entered upon active duty for 1 year as a second lieutenant, Air Corps Reserve, March 1, 1932, and remained on active duty continuously until his death on October 12, 1932, as a result of an airplane accident on that date while piloting an Army plane. Death was in line of duty and not as a result of the deceased's own misconduct. Had he held a commission in the Regular Army of the United States, his wife would have been entitled under existing law to receive the gratuity in question. However, the Congress, in enacting the law governing the granting of such gratuities, provided in the act of December 17, 1919 (41 Stat., p. 367)—

That nothing in this act shall be construed as making the provisions of this act applicable to officers or enlisted men of any forces or troops of the Army of the United States other than those of the Regular Army, and nothing in this act shall be construed to apply in commissioned grades to any officers except those holding permanent or provisional appointments in the Regular Army.

This law is, and has been since its enactment, applicable in equal measure to all persons coming under its provisions, and, while I have the greatest sympathy for the widow of the young Reserve officer in question who gave his life for his country, I do not feel that it would be just to single her out for preferential treatment not accorded the widows or other dependents of other Reserve officers who have heretofore or may hereafter suffer death while on active duty under their Reserve commissions. In this connection I would suggest the propriety of the Congress giving consideration to the changed conditions affecting the employment of Army Reservists which have intervened since the passage of the above-mentioned act of December 17, 1919, with a view to remedying such inequalities and inequities as may be found to exist between the treatment accorded personnel of the Regular Army and that of the Army Reserves.

While I am withholding my approval of this measure for the reasons above stated, it should be noted that the beneficiary named therein has already been afforded such relief by the Government as existing law permits, namely, the granting to her on June 15, 1933, of a widow's pension at the rate of $22 per month.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 5, 1936.*

ESTATE OF TERESA DE PREVOST—VETO MESSAGE (S. DOC. NO. 265)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed, as follows:

To the Senate:

I am returning, without my approval, S. 1360, Seventy-fourth Congress, entitled "An act for the relief of the estate of Teresa de Prevost."

This bill authorizes and directs the Secretary of the Treasury—

To pay, out of any money in the Treasury not otherwise appropriated, to the estate of Teresa de Prevost the sum of $25,000, in full satisfaction of her claim against the United States for losses sustained by reason of alleged irregularities in the distribution through the State Department to claimants under the so-called "Alsop award of July 4, 1911", made by the King of Great Britain as arbitrator.

The Alsop award provided for the payment of a sum of money by the Government of Chile to the United States for the benefit of certain citizens thereof, in liquidation of Chile's indebtedness to Alsop & Co., a group of American citizens organized as a partnership for the purpose of doing business in Valparaiso, Chile, and Lima, Peru, and distribution of the award was made by the Secretary of State under authority of the act of February 27, 1896 (29 Stat. 32), which provides that all moneys received by the Secretary of State from foreign governments and other sources in trust for citizens of the United States shall be deposited into the Treasury, and that the Secretary of State shall determine the amounts due claimants and certify the same to the Secretary of the Treasury for payment.

Among the claims was one presented by Teresa de Prevost, heir of Stanhope Prevost, for payment from the share of the estate of George G. Hobson, in the Alsop award, of $25,000, with accrued interest, on account of a loan alleged to have been made in 1867 by Prevost to Hobson, both of whom were partners in Alsop & Co., and beneficiaries under the award.

In the distribution of the award the Secretary of State followed an opinion of the Solicitor for the Department of State, in which it was held that the interests in the fund could be readily classified into two groups, as follows:

(1) Those having initial or primary rights, that is, those who have rights by reason of having suffered the injury at the hands of the foreign government, who will, under normal conditions, be those for whom this Government intervenes; and

(2) Those who have secondary or derivative rights, that is, rights arising either by operation of law or out of transactions between themselves and the persons having the primordial rights. These will be such rights, for example, as result from inheritance, assignments, bargain and sale, etc.

The Prevost claim fell within the latter classification, and although the Secretary of State authorized the payment of

certain derivative claims which were not contested by the parties from whom they were derived, as a matter of grace and convenience to the parties, he refused to pass on the claim of Mrs. Prevost and other similar claims of a derivative nature because these claims were contested by the parties from whom they were alleged to be derived.

However, the justness of the present claim is based upon alleged irregularities on the part of officials of the Department of State, who were concerned in the distribution of the trust fund, but such irregularity has not been shown. There would seem, therefore, to be no justification for my approval of this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 5, 1936.*

REAL-ESTATE BONDS—REPORT OF SECURITIES AND EXCHANGE COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, part III (committees for the holders of real-estate bonds) of a report on the study and investigation of the work, activities, personnel, and functions of protective and reorganization committees, which, with the accompanying report, was referred to the Committee on Banking and Currency.

REPORTS OF COMMITTEES

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 4183) to authorize the city of Pierre, S. Dak., to construct, equip, maintain, and operate on Farm Island, S. Dak., certain amusement and recreational facilities, to charge for the use thereof, and for other purposes, reported it with amendments and submitted a report (No. 2312) thereon.

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 4684) for the relief of the First, Second, and Third National Steamship Cos., reported it without amendment and submitted a report (No. 2313) thereon.

Mr. BENSON, from the Committee on Claims, to which was referred the bill (S. 3606) for the relief of M. K. Fisher, reported it with an amendment and submitted a report (No. 2315) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (S. 4490) for the relief of F. W. Elmer, reported it with an amendment and submitted a report (No. 2317) thereon.

Mr. BLACK, from the Committee on Claims, to which was referred the bill (S. 4518) for the relief of the dependents of W. R. Dyess, reported it without amendment and submitted a report (No. 2319) thereon.

Mrs. LONG, from the Commitee on Claims, to which was referred the bill (S. 3925) for the relief of Mrs. Peter Peiper, reported it with amendments and submitted a report (No. 2320) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (H. R. 12353) to amend an act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925, reported it without amendment and submitted a report (No. 2314) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 255) to provide for the participation of the United States in the commemoration of the seventy-fifth anniversary of the Battle of Antietam, reported it with an amendment.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 4268) to establish additional national cemeteries, reported it with amendments and submitted a report (No. 2316) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the bill (S. 543) to promote the safety of employees and travelers upon common carriers engaged in interstate commerce by railroad by compelling such carriers to maintain tracks, bridges, and appurtenances thereto in safe and suitable condition, reported it without amendment and submitted a report (no. 2318) thereon.

REPORT OF SPECIAL COMMITTEE ON INVESTIGATION OF THE MUNITIONS INDUSTRY (REPT. NO. 944, PT. 6)

Mr. NYE, from the Special Committee on Investigation of the Munitions Industry, submitted a supplemental report, pursuant to Senate Resolution 206 (73d Cong.), on the adequacy of existing legislation pertaining to munitions, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. WAGNER, from the Committee on Interstate Commerce, reported favorably the nomination of George Henry Payne, of New York, to be a member of the Federal Communications Commission for the term of 7 years from July 1, 1936 (reappointment).

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILL AND JOINT RESOLUTION INTRODUCED

A bill and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred or ordered to lie on the table, as follows:

By Mr. WALSH:

A bill (S. 4756) to exempt fraternal societies from the tax on employers under the Social Security Act; to the Committee on Finance.

By Mr. MURRAY:

A joint resolution (S. J. Res. 284) providing for the appointment of a National Unemployment and Relief Commission; to the table.

CHANGE OF REFERENCE

On motion by Mr. COPELAND, the Committee on Commerce was discharged from the further consideration of the bill (H. R. 10509) authorizing the President to Present Distinguished Service Medals to James J. Meade and Harold R. Wood, and it was referred to the Committee on Naval Affairs.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT—AMENDMENT

Mr. HATCH submitted an amendment intended to be proposed by him to the bill (S. 4702) to amend the Soil Conservation and Domestic Allotment Act, which was ordered to lie on the table and to be printed.

PROHIBITION OF PRICE DISCRIMINATION—CONFERENCE REPORT (S. DOC. NO. 267)

Mr. VAN NUYS submitted the following report, which was ordered to lie on the table and to be printed:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8442) to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That section 2 of the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), is amended to read as follows:

" 'SEC. 2. (a) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use, consumption, or resale, within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them: *Provided*, That nothing herein contained shall prevent differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered: *Provided*,

however, That the Federal Trade Commission may, after due investigation and hearing to all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce; and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona-fide transactions and not in restraint of trade: *And provided further*, That nothing herein contained shall prevent price changes from time to time where in response to changing conditions affecting the market for or the marketability of the goods concerned, such as but not limited to actual or imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned.

"'(b) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price or services or facilities furnished, the burden of rebutting the prima-facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however*, That nothing herein contained shall prevent a seller rebutting the prima-facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

"'(c) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, except for services rendered in connection with the sale or purchase of goods, wares, or merchandise, either to the other party to such transaction or to an agent, representative, or other intermediary therein where such intermediary is acting in fact for or in behalf, or is subject to the direct or indirect control, of any party to such transaction other than the person by whom such compensation is so granted or paid.

"'(d) That it shall be unlawful for any person engaged in commerce to pay or contract for the payment of anything of value to or for the benefit of a customer of such person in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such person, unless such payment or consideration is available on proportionately equal terms to all other customers competing in the distribution of such products or commodities.

"'(e) That it shall be unlawful for any person to discriminate in favor of one purchaser against another purchaser or purchasers of a commodity bought for resale, with or without processing, by contracting to furnish or furnishing, or by contributing to the furnishing of, any services or facilities connected with the processing, handling, sale, or offering for sale of such commodity so purchased upon terms not accorded to all purchasers on proportionally equal terms.

"'(f) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, knowingly to induce or receive a discrimination in price which is prohibited by this section.'

"SEC. 2. That nothing herein contained shall affect rights of action arising, or litigation pending, or orders of the Federal Trade Commission issued and in effect or pending on review, based on section 2 of said Act of October 15, 1914, prior to the effective date of this amendatory Act: *Provided*, That where, prior to the effective date of this amendatory Act, the Federal Trade Commission has issued an order requiring any person to cease and desist from a violation of section 2 of said Act of October 15, 1914, and such order is pending on review or is in effect, either as issued or as affirmed or modified by a court of competent jurisdiction, and the Commission shall have reason to believe that such person has committed, used or carried on, since the effective date of this amendatory Act, or is committing, using or carrying on, any act, practice or method in violation of any of the provisions of said section 2 as amended by this Act, it may reopen such original proceeding and may issue and serve upon such person its complaint, supplementary to the original complaint, stating its charges in that respect. Thereupon the same proceedings shall be had upon such supplementary complaint as provided in section 11 of said Act of October 15, 1914. If upon such hearing the Commission shall be of the opinion that any act, practice, or method charged in said supplementary complaint has been committed, used, or carried on since the effective date of this amendatory Act, or is being committeed, used or carried on, in violation of said section 2 as amended by this Act, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and serve upon such person its order modifying or amending its original order to include any additional violations of law so found. Thereafter the provisions of section 11 of said Act of October 15, 1914, as to review and enforcement of orders of the Commission shall in all things apply to such modified or amended order. If upon review as provided in said section 11 the court shall set aside such modified or amended order, the original order shall not be affected thereby, but it shall be and remain in force and effect as fully and to the same extent as if such supplementary proceedings had not been taken.

"SEC. 3. It shall be unlawful for any person engaged in commerce, in the course of such commerce, to be a party to, or assist in, any transaction of sale, or contract to sell, which discriminates to his knowledge against competitors of the purchaser, in that, any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount, rebate, allowance, or advertising service charge available at the time of such transaction to said competitors in respect of a sale of goods of like grade, quality, and quantity; to sell, or contract to sell, goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition, or eliminating a competitor in such part of the United States; or, to sell, or contract to sell, goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.

"Any person violating any of the provisions of this section shall, upon conviction thereof, be fined not more than $5,000 or imprisoned not more than one year, or both.

"SEC. 4. Nothing in this act shall prevent a cooperative association from returning to its members, producers, or consumers the whole, or any part of, the net earnings or surplus resulting from its trading operations, in proportion to their purchases or sales from, to, or through the association."

And the Senate agree to the same.

FREDERICK VAN NUYS,
GEO. MCGILL,
WM. E. BORAH,
WARREN R. AUSTIN,
Managers on the part of the Senate.

HUBERT UTTERBACK,
JNO. E. MILLER,
CHARLES F. MCLAUGHLIN,
U. S. GUYER,
JOHN M. ROBSION,
Managers on the part of the House.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, informed the Senate that the Speaker had appointed Mr. MCSWAIN and Mr. PLUMLEY additional managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11140) to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States.

FEDERAL CONTRIBUTION TO EXPENSES OF THE DISTRICT

Mr. THOMAS of Oklahoma. Mr. President, on a former date I introduced Senate Joint Resolution 279 in the hope, by the passage of the joint resolution, to bring about an adjustment of the differences between the conferees on the part of the House and the part of the Senate on the District of Columbia appropriation bill. At the time of the introduction of the joint resolution, when request was made for its consideration, objection was made by the Senator from Oregon [Mr. MCNARY]. I am going at this time to renew the request for the consideration of the joint resolution, and I hope there will be no objection to its passage.

The PRESIDENT pro tempore. The joint resolution will be stated by title.

The CHIEF CLERK. A joint resolution (S. J. Res. 279) establishing a commission to make a study and report with respect to the fair and equitable amount to be paid by the United States toward the expense of the government of the District of Columbia, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas (a) the 1937 District of Columbia appropriation bill is now in conference; (b) the Budget estimate for the Federal contribution toward the support of the District of Columbia is $5,700,000; (c) the House of Representatives reduced said Budget estimate to $2,700,000; (d) the Senate approved said Budget estimate in the sum of $5,700,000; (e) the two Houses are in disagreement over the amount of such Federal contribution: Therefore, in order to adjust the difference between the House and Senate on said item, be it

Resolved, etc., That the conferees of the respective Houses are hereby authorized and directed to agree to the Budget estimate in the sum of $5,700,000 as the Federal Government's contribution

to the support of the District of Columbia for the 1937 fiscal year; and be it further

Resolved, That there is hereby established a commission, to be known as the Commission on Federal Expenditures for the District of Columbia (hereinafter referred to as the Commission), to be composed of three members to be appointed as follows: One member, the chairman, to be appointed by the President; one member to be appointed by the President of the Senate; and one member to be appointed by the Speaker of the House of Representatives. No person shall be eligible for appointment as a member of the Commission who is a resident of the District of Columbia or who is, directly or indirectly, the owner of or interested in any real or other property in the District of Columbia. The members of the Commission shall be paid such compensation for their services as shall be fixed by the President and shall receive their necessary traveling and subsistence expenses while engaged in the work of the Commission.

SEC. 2. It shall be the duty of the Commission to study and report to the President not later than January 1, 1937, the fair and equitable amount to be paid by the United States as a contribution toward the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1938, and the Commission shall include in such report its recommendations with respect to a fair and equitable formula for the annual computation of the amount of such contribution for succeeding fiscal years. The Commission is authorized to make such surveys and conduct such investigations as it may deem necessary and advisable for carrying out the purposes of this resolution.

SEC. 3. The Commission is authorized, without regard to the civil-service laws, to employ, and, without regard to the Classification Act of 1923, as amended, to fix the compensation of such employees and assistants, and to make such expenditures as may be necessary for carrying out the purposes of this resolution. The Commission is further authorized to request information from any officer, department, or agency of the United States or the District of Columbia to aid it in carrying out such purposes, and all such officers, departments, and agencies are hereby authorized and directed to supply such information upon request.

SEC. 4. For carrying out the purposes of this resolution there shall be made available immediately out of the amount of the contribution by the Federal Government toward the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1937, the sum of $50,000.

SEC. 5. The Budget for the District of Columbia for the fiscal year ending June 30, 1938, may be submitted to the Congress without any provision therein as to the amount of the Federal contribution toward the expenses of such District for that fiscal year, but the President, upon receipt of the final report of the Commission, shall transmit the same to the Congress, together with his recommendation as to the amount of such Federal contribution, if any, for that fiscal year.

The preamble was agreed to.

PROPOSED INVESTIGATION OF WORKS PROGRESS ADMINISTRATION

Mr. DAVIS. Mr. President, 10 weeks ago I introduced a resolution—Senate Resolution 243—asking for an impartial investigation of the Works Progress Administration. The resolution was referred to the Senate Committee on Expenditures in the Executive Departments. That committee was enlarged by the addition of two very prominent Democratic Members of the Senate, the Senator from Kentucky [Mr. BARKLEY] and the Senator from Nevada [Mr. PITTMAN], and it was agreed to ask for an investigation of the F. E. R. A. as well as the W. P. A. The resolution was then referred to the Senate Committee to Audit and Control the Contingent Expenses of the Senate. This committee held the authority to report the resolution to the Senate for favorable action but delayed action for many weeks. The Committee to Audit and Control the Contingent Expenses of the Senate has now voted to postpone action indefinitely, thereby preventing the consideration of the resolution on the floor of the Senate. I understand that the Senator from South Carolina [Mr. BYRNES], the Senator from Tennessee [Mr. BACHMAN], and the Senator from Maryland [Mr. TYDINGS] voted against this resolution and that the Senator from Delaware [Mr. TOWNSEND] voted for it. This partisan action coming at this late date will precipitate the work-relief issue into the campaign as a question of first magnitude. Even though the investigation would have cost $100,000 or more, it would have been worth while to determine constructive and permanent policies of relief, so as to avoid further waste of public funds. Certainly the refusal of the Senate Committee to Audit and Control the Contingent Expenses of the Senate to report this resolution could not have been determined by a desire to save taxpayers' money; the only other explanation is partisan politics.

Despite numerous requests—private and public—for the names, addresses, and salaries of W. P. A. workers in administrative posts drawing $90 a month or more on pay rolls in Pennsylvania, the information necessary for a public understanding of public business has been withheld.

The integrity, competence, and program of the administrative officials of the W. P. A. in Pennsylvania have been severely criticized. An opportunity now exists for those in question to explain their point of view. I should be most reluctant to close this session without assuring them a hearing for any statement which they may wish to make bearing on this issue so important to public welfare.

Mr. President, I have repeatedly warned against the danger of permitting partisan politics to invade the field of relief. Those who have these matters in charge have agreed that such practices are a violation of the purposes for which relief and work-relief appropriations have been made. Nevertheless, these conditions grow steadily worse and now those to whom the public business of social welfare has been entrusted close the doors of investigation by postponing action on an issue of supreme importance to the American people and in effect say, "the public be damned." The arrogant, high-handed way in which this problem has been arbitrarily settled by a few men will not be forgotten.

Mr. President, the refusal of the Senate to take action on this issue before the adjournment of Congress will project the issue of relief for partisan politics or relief for human welfare as the most hotly contested question of the election campaign. An opportunity has existed for the last 10 weeks for constructive investigation and impartial report to be made upon these matters. Now, by its action to postpone consideration of this matter, the Committee to Audit and Control has placed the Senate majority in a position where many will justly say that the Government has found billions for New Deal activities but not one penny for a study of constructive policies and a long-range program of work relief. If this be the desire of the administration, I am willing to leave the answer with American taxpayers, no matter how deeply I deplore the unleashing of bitter spirit, uninformed by an impartial report, which will now be increasingly in evidence as we move into an election campaign.

Unemployment and work relief are the most important problems before the Nation today. In many ways the problems are now more difficult than in 1932, because we have just as many unemployed now as then and the resources of the Government with which to meet the problem are now limited by the pressure of the unprecedented national debt.

Mr. President, again I wish to state that in the closing days of this session an opportunity now exists for those in Pennsylvania whose administration of the W. P. A. has been called in question to explain the position which they have taken. If they present no evidence to the contrary, it will be assumed by many that they have no defense to offer against the charges of maladministration made against them.

I ask for a favorable consideration of this resolution by the Senate at this time, as this is public business which should be available to reputable newspapers and prominent citizens who have asked for a report upon it.

Is there any just reason why this information should be withheld from the public?

Is this not public business which should be open to the scrutiny of the taxpayers who vote to make it possible?

Is there anything about the operation of W. P. A., aside from the usual run of administrative errors common to all large-scale enterprises, which must be kept secret?

Has the time come when taxpayers no longer have a right to ask for an accounting of public business?

Mr. President, a refusal to entertain this resolution will not be understood by the American public and will call for a sharp criticism of all who seek to oppose it.

I wish at this time to read the resolution, being Senate Resolution 314, submitted by me on the calendar day of June 2, as follows:

Whereas serious charges have been made by Members of this body and by newspapers reflecting upon the administration and operation of the Works Progress Administration in the Commonwealth of Pennsylvania; and

Whereas all official information on this subject has been denied to the General Assembly of Pennsylvania: Therefore be it

Resolved, That the Director of the Works Progress Administration transmit to the Secretary of the Senate within 15 days after the adoption of this resolution all records relating to the personnel of the Works Progress Administration in Pennsylvania, together with all disbursements on Works Progress projects in Pennsylvania, including the names and addresses, amounts of compensation, and personnel employed by the Works Progress Administration in Pennsylvania, and the names and addresses of all persons receiving employment under the Works Progress Administration.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Pennsylvania?

Mr. ROBINSON. I object.

The PRESIDENT pro tempore. Objection is heard.

AMERICA MUST CHOOSE—ADDRESS BY SENATOR WHEELER

Mr. BORAH. Mr. President, I ask to have inserted in the RECORD a radio address entitled "America Must Choose", delivered Friday night, June 5, 1936, by the senior Senator from Montana [Mr. WHEELER].

There being no objection, the address was ordered to be printed in the RECORD as follows:

On the eve of the two national conventions which are going to formulate the policies of the Government for the next 4 years, I want to discuss a problem which this country must face with a clear understanding and without partisan prejudice. One cannot look around and observe what is happening in all of the important nations of the world, with uprising of labor in many countries and with dictatorships the vogue, without wondering at times where we ourselves are headed. One of our difficulties is that our complacency keeps us feeling that this country is so powerful and so richly endowed, and has such a strong heritage of freedom, that we need not give serious thought to what may seem abstract economic trends; we have felt that our American infallibility will take care of us.

Our American society has been based on competition, but the plain truth about it is that lately we have been rendering lip service to the competitive system, and in fact have been getting farther away from it all the time. Whether or not we are going to have the competitive system, or are going to have price fixing not only by industry but by agriculture and labor and every other section of trade and industry, is something the American people must choose while the choice is still left open to them. At the outset it must be stated that with the present personnel of the Supreme Court we must have a constitutional ammendment before we can do anything toward fixing prices for either agriculture or labor.

Any business history of the United States would have to be devoted largely to the constantly recurring attempts on the part of businessmen to stifle competition not only by merging into such huge companies as Standard Oil and United States Steel but by using certain formulas for fixing prices. From 1890 to 1914 many attempts were made by the people, through the Government, to curb the depredations of the trusts. It was in this period that the so-called antitrust laws were enacted. That these laws did not accomplish their object can be laid to the fact that the Supreme Court, through a process which they termed "judicial interpretation" decided that Congress did not really mean what plainly appeared on the face of the laws. When the Government tried to break up the great Standard Oil Trusts the Supreme Court conceded that the trusts amounted to a restraint on trade, which restraints were made unlawful by the antitrust laws, and went on to say that Standard Oil put a reasonable restraint on trade and that surely Congress didn't mean to make reasonable monopolies unlawful.

Since the trust-busting days the problem has not abated but, on the contrary, has become more acute. Industry after industry has been falling under the domination of a single company or a small group of companies whose economic power is sufficient to eliminate price competition. To illustrate: The law requires the Secretary of the Interior to advertise for competitive bids when articles are purchased for the use of the Government in both the regular and emergency work under his direction. When the bids are submitted from various companies all over the country he is required to accept those which are lowest. During one 9-month period the Secretary received 257 different bids from 48 industries where the price submitted on each article was exactly the same from every company bidding. In other words, 48 of the industries submitting bids have some sort of agreement among themselves whereby they fix the price for their product, making it the same for all producers, regardless of cost of production and regardless of transportation costs to the place of delivery.

One instance will serve to illustrate how the Government was gouged by the Cement Trust. The Secretary of the Interior advertised for competitive bids on a project in Colorado for 365,000 barrels of cement. Four cement companies at varying distances from the site of the project in Colorado submitted prices that were identical to the fourth decimal point, even though one plant was much closer than the others. After paying freight rates on this cement the company farthest away would have received $165,000 less net to itself than the company closest to the project. In a hearing before the Senate Interstate Commerce Committee the president of one of the cement companies admitted that the company closest to the project could have made money if it had bid at a price which would have netted itself the same as the farthest mill, or $165,000 less. The Government had no choice between the companies, because the delivered price was the same for all of them.

The company closest to the project was given the contract and received in excess profits $165,000 of the money that we in Congress thought we were appropriating to take care of the unemployed. From 1933 to 1935, 76,000,000 barrels of cement were used on projects financed either wholly or partly from the public-works fund. These purchases were made in order to place at work thousands of the unemployed. I have not had an opportunity to examine the other contracts for cement; but, if this present contract for 365,000 barrels is any criterion of the way the Government has been gouged, the cement industry has penalized the taxpayers of this country an unbelievable sum in excess profits.

The unfortunate result of any system of price fixing is that the price fixed attempts to guarantee to everyone in the industry a return for his product which will enable him to make a profit. If the producer with high costs can make a profit, the necessary result is that the producer with the low cost is making profit out of reason and the public is paying a price that is too high. This system of price fixing inevitably leads to inefficiency in the industries which practice it.

But the fact that price-fixing industries may force the public to pay more for their products is not the most serious problem. In 1929 prices were high and were rapidly going higher. When the crash came, prices in the highly competitive fields came down. The farmer's prices hit a low point that did not permit returning his costs of production. Labor had to take a very general slashing in wages. In fact, all prices which were tied up to supply and demand were reduced to meet reduced purchasing power. This was not true in the price-fixing industries.

But those industries which were able to agree on prices did not reduce those prices to any extent. In steel, cement, and most forms of building materials prices remained on their same high level. Obviously such a policy deprives the public of the opportunity to buy these goods. One result was that building almost ceased during the depression. Contractors, architects, dealers, carpenters, bricklayers, plumbers, and laborers engaged in the building trades were thrown out of work because the public could not afford to pay for the materials and construction. In the cement industry, one of the most notorious offenders, where prices have been kept up unreasonably, sales to industrial users dropped off to such an extent that for a time over half of all the cement produced was being used by agencies of Government. And, although men were working at subsistence wages on these relief projects with money furnished by the taxpayers to relieve unemployment, the cement industry was able to exact every penny of the exorbitant price from the Government.

The theory of a competitive society embraces the proposition that when purchasing power in the hands of the consumer drops off prices must be reduced to a point where people will again be able to buy. It is based on the knowledge that in most commodities lowered prices will stimulate volume of sales. Intelligent selfishness should have pointed this out to the industrial leaders of this Nation. At the present time both the steel and cement industries are not in the best of health, and it can be attributed to a great extent to the fact that they did not reduce prices during the depression. In England prices for building materials have been substantially reduced and this reduction has been followed by a building boom that has aided that country to lift itself out of the depression. In the United States the automobile industry is probably the most notable for its achievements in reemployment and increased volume of sales and this has been the result of reduced prices. Certainly I agree that it is asking a lot of any businessman to reduce his price to a point where he may at first suffer a loss, but many examples can be shown where just that policy is good business. At any rate it is the backbone of a competitive system and must be carried out if capitalism is to survive.

If the price-fixing privilege is to be continued as the policy of the industrialists of this Nation and with no responsibility to the public, sooner or later the people will demand that business be completely policed by the Government. The profit motive cannot be trusted to make private individuals exercise such life-and-death power in the public interest. Also, we cannot allow price fixing in industry without agriculture being placed in the same position. It is unjust, for instance, to keep the farmer on a basis where he must sell for whatever he can get in the market, and to allow the farm-machinery manufacturer to sell him plows and harvesters at a fixed and almost unvarying price. Price fixing must, if continued, permeate the entire body of manufacturing and trade. If the farmers cannot get together and fix their own prices, the Government will have to act as the intermediary for them. If the Supreme Court denies the power of the Government to accomplish this, either the powers of the Court must be curbed or the Constitution changed. Certainly we should never have been so slow in recovering from this depression had all prices been flexible enough to reach the level of demand. If even a very small corner is held high enough, the whole balance upon which the smooth functioning of the system depends is lost, and that balance will remain lost until prices and demand meet.

Consider the implications of ultimate price fixing for trade and industry by either the Government or private groups. It radically changes our form of government.

The Government would be forced into a system of regimentation of industry that would not only be onerous to the people but that might very well be inefficient. Certainly the greatest totalitarian, bureaucratic state the world has ever seen would be the result. Price fixing by private groups will inevitably lead to price fixing by Government. It will be a fascist state in every sense of the word.

I will admit that the competitive system is not gentle and that as we progress under it, as new machinery is invented, as new forms of transportation develop, those plants which formerly made a profit may no longer be able to exist. This is progress—this is change. It is upon this inevitable weeding out that our progress has been built. When the weeding out comes some men will suffer a loss, but no group or individual is responsible for causing this loss; it is caused by progress and the system itself. Improvements come, and the system makes the changes. But through price fixing many industries try to halt this progress by keeping their prices up so high that obsolete and ordinarily unprofitable factories can make a profit. The benefits of new inventions and of labor-saving devices are not passed on to the public in the form of lower prices but are drained off of the new plants in order to pay for overcapitalization and inflation of real values. This is true in the steel industry, in the cement industry, and in many others. It is one of the primary reasons for our present unemployment. Naturally, when a new machine is developed it throws thousands of men out of work. Unless the benefits and savings of the new process are given to the public there is no chance to reemploy the thousands of men whose purchasing power is suddenly cut off. This is the way the competitive system lops off the dead branches from our industrial tree. It would be utterly impossible to give the power to lop these dead branches off to any Government agency, because they would not have the courage nor the wisdom to carry it out. It is doubtful that under the Constitution we could give them this power.

As an illustration, the Interstate Commerce Commission may order a rate to go into effect. One or two roads, being more efficient or better located, can make a profit at the new low rate. The Supreme Court places an interpretation on the Constitution to the effect that if the low rate might be unprofitable to inefficient railroads, then as to the latter the order can be declared illegal as taking property without due process of law. Certainly the Interstate Commerce Commission is as good a regulatory body as the Government has ever set up, and yet if they are compelled to fix rates so high that poorly located, inefficient railroads can make a profit, they are not rendering a very valuable service to the public. Busses and trucks have done more to bring about efficiency and lower rates in railroads than all the years of regulation by the Interstate Commerce Commission. It is a clear illustration of the fact that competition is able to accomplish for the public what a Government agency is powerless to do.

If you have followed me with your approval thus far, you must have reached the conclusion that the continuation of our present form of government necessarily calls for a return to price competition as our fundamental economic basis. You will ask, "What should be done about it?"

Within a few days the two national conventions will meet. In one of these conventions will sit the representatives of all the powerful corporations which have been the worst offenders in the matter of price fixing. These men, and I say it without fear of contradiction, have been doing more to change the American form of government than all the soap-box orators and parlor pinks in the country. According to the daily press, I understand that the Republican Party, sponsored by these men, is about to adopt a "vigorous antitrust plank." I suppose that this plank will call for the same sort of enforcement of the antitrust laws which we witnessed during the Harding-Coolidge-Hoover era. But do not be misled by their lip service to competition.

This is not a political speech, but I should like to suggest here a plank for the platform of either party. If it does not become a burning issue in the present campaign, I venture the prediction that in some succeeding campaign the American people will realize that it has already been settled irrevocably without their having the right to consider the real facts.

The suggested plank reads as follows: We believe that there is inherent in all price fixing an economic fallacy. Prices, if fixed, are placed at levels so as to protect producers generally, irrespective of their efficiency. They are fixed at levels higher than would result from the free play of competitive forces under the law of supply and demand.

In our judgment, therefore, price fixing cannot succeed because it creates and fosters the very things which tend toward depression and economic catastrophe.

It tends to destroy the ability of the masses to purchase goods, consume them, and return again to the market for more. It tends constantly to increase the lack of balance between producing power on the one hand and consuming and purchasing power on the other. It is this lack of balance which brought about the depression and which will bring about at an early date a greater catastrophe involving our fundamental conceptions of government if a remedy is not now supplied.

That remedy, we believe, is a return to price competition and a strict enforcement and strengthening of the antitrust laws. Price fixing in this country being largely accomplished at the present time through basing-point systems, we recommend the enactment of a statute which shall outlaw basing-point systems, together with such other amendments of the antitrust laws as shall safeguard competition and prevent price fixing and monopolies.

I should like to close with this thought: Some tell me that the idea of having competition in industry is archaic. Some tell me that we have tried it and found it wanting. The truth is that competition has been nonexistent in many industries because of a lack of courage on the part of those in charge of enforcing the antitrust laws, and because the Supreme Court has emasculated them.

If price fixing is necessary to our economic life, then we should face the facts and know what we are getting into. I am not ready to believe that the American people are willing to abandon their fundamental business privileges so easily. I am not ready to believe that the American people are yet willing to so radically change their form of government. Certainly I will never believe that the people should have their form of government changed in this way without being fully aware of the processes which are bringing about the change.

Thank you.

THE FARMER-LABOR PARTY OF 1936—ADDRESS BY SENATOR BENSON

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered over the Columbia Broadcasting System on Friday, March 20, 1936, by the junior Senator from Minnesota [Mr. BENSON].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I shall not attempt tonight to tell you what the Farmer-Labor Party will do in 1936. The party will determine that for itself because it is a movement of the people, and its course of action will be determined not by its officials but by the people who have elected those officials.

For 4 days you have listened with intense interest to your radio, bringing to your homes the news of the ravages of floodwaters that have descended on the Nation's capital.

Has it occurred to you of the West and the South that these waters are what you prayed for a year or two ago when your fields lay parched and yellow under a burning sun? If the floods of today were harnessed, they would have brought fertility and production, and their energy would have lighted the Nation's capital for many months. But they were not harnessed, not distributed, so they brought desolation and disaster.

That, my friends, is what is the matter with America. That is what is wrong with our American abundance. It is unharnessed, improperly distributed. Instead of being spread throughout the length and breadth of the land, bringing happiness to all, it is being concentrated in the hands of a few, causing want and suffering to many, instead of turning the wheels of industry. Wealth is restricting production so that vast undistributed surpluses may be built up in an economy of scarcity, in the name of profits.

The primary purpose of industry is to produce for the needs of the people, not for the profit of a few. Profits should be secondary. Human needs should be first. That, in brief, is what the Farmer-Labor Party stands for.

How was this great Nation built and its abundance made possible? It was accomplished through the labor of the masses, developing and utilizing the land and water resources with which the entire people, not just a few, were endowed.

Misrepresentations have been made deliberately to frighten you, to make you feel that some sinister force of a foreign people threatens control of your Government and your country. There is no such threat in the Farmer-Labor Party.

I want to tell you something about that party. In the first place, let me say that this movement will interest you, whoever you may be, if you are a man or woman who works for a living. It is your movement—your party.

The Farmer-Labor movement is not a dream child, born of the depression. This movement was conceived many years before the depression, and in Minnesota it had won success on the soundness of its principles before the dark days of this inexcusable depression.

In behalf of the Farmer-Labor Party in 1936, I want to address myself to you who sit by your firesides on the farm, and I wish I could speak also to your neighbors whose radios are dead tonight because they cannot afford to buy tubes or batteries. I want to address the toilers in shop and factory and mill and mine, or that large army of unemployed and relief workers. I want to talk to the white-collar man and woman and to the courageous salesman, whether behind the counter or on the road, who sees before him the world's greatest market among a people who need but have no money to buy. These are the people who made America a great nation.

Already I hear cries of a reactionary press, screaming that I am appealing to class. I am appealing only to one class, and that is the great class of all Americans who are interested in the future of this Nation and want to see its people prosperous and happy.

If there is anything wrong with your Government, it is wrong because you let it go wrong. You have in your own hands the power to correct it. The founders of this Nation saw to that when they gave you the ballot. You need no revolution in this country to reclaim your Government to yourselves. You need no revolution except in your own mind and in your own thought. May I say, a new Declaration of Independence in your own hearts. The Farmer-Labor Party does not believe in class hatred. It does

not believe in gross and inexcusable barriers set up between desolate poverty and unconscionable opulence.

Who has made this Nation a nation of classes, that certain interests are so fearful may be aroused? Did any of you who are struggling to pay off a mortgage on farm or home, or any of you who have tramped streets looking for a job? Did any of you divide this Nation into the classes of privilege and poverty?

For generations the selfish few have kept the American farmer and the city worker apart that they might exploit both. Subtle propaganda was preached to them. The farmer was told that the city worker was his enemy because he wanted low prices and high wages. The city worker was told the farmer was his foe because he wanted low wages and high prices. The city workers and farmers now know, and that propaganda falls on deaf ears in Farmer-Labor Minnesota.

Every one of you is earnestly seeking a solution of the depression, but what you really want is a way out of a social and economic system that has permitted this depression to occur and to continue into its seventh year. A system so futile that tens of millions live in hunger and want in the midst of overabundance, a system so silly that its only excuse for hunger is that there is too much food; its only excuse for exposure, that there is too much coal and wool and cotton; its only excuse for industrial paralysis, that there are too many men unemployed.

Millions of men and women, young and old, are awakening to the fallacies of our present system. Millions of them are seeking a remedy. If you question my estimate, let me remind you of the millions who followed the share-the-wealth program of the late Senator Long. Let me cite the other millions who are members of Father Coughlin's Union for Social Justice. Let me call your attention to the millions who have turned with fading hopes to the promises of the Townsend plan, and particularly to that movement for a national third party, the American Commonwealth Federation.

To the leaders of these movements I pay my sincere respects, for they have plowed the ground for an American movement in which we may look to a fair share in the happiness that the founding fathers proclaimed for the people.

Yet each of these groups has been built about one thought, or one slogan. Neither of them have proposed a real program. I said these leaders and their honest and sincere followers have plowed the ground of American political thought. Permit me to say that the Farmer-Labor Party awaits only the opportunity to sow that ground with the seeds of a true democracy and reap the harvest of happiness for the people of this Republic.

And here let me warn young men and women that down through the ages it has been the young who have blazed the trail for better things for humanity. You young people in high schools and colleges, or who would like to be in high schools or colleges, you who have tramped the streets looking for jobs, let me direct you for a moment to the aged who have risen in a militant demand for social security. Look upon and admire the courage of the old people of this country in breaking away from false precepts and insincere political promises. Then let me ask you this question: Will the hand of American youth falter in this American crisis until old age must seize the torch and lead the way to social and economic progress and happiness?

The Farmer-Labor movement offers to you a path of action and a program. It was the farmers of Minnesota who were first to organize politically, forming their ranks back of that sterling leader, Charles A. Lindbergh, Minnesota Congressman and father of the famous flying colonel.

Alarmed, the reactionary forces, with the aid of a powerful press, unloosed a flood of red propaganda. But the people were not to be fooled. They saw behind the scene the common foe of the farmer and the worker, the foe who had looted the State of its resources, oppressed its people, and plundered its treasury.

The Minnesota labor movement met the farmers halfway and the two joined hands for a common cause. Now, the Farmer-Labor Party has in office a Governor, a Lieutenant Governor, an attorney general, two members of the railroad and warehouse commission, the clerk of the supreme court, three Congressmen, and two United States Senators. It controls most of the State's administrative offices, but has never gained control of the State legislature.

The Farmer-Labor Party, therefore, is clearly the dominant party of Minnesota, but it is not a reformist party. It holds that the evils of the present economic order, the present economy of scarcity, cannot be remedied by reforms which fail to strike at fundamental defects. It holds that the present capitalistic system has run its course and must be replaced by one which gives the tillers of our soil and the workers in our cities, those who produce, whether by brain or brawn, economic security and a just share in the wealth they produce; proposes a cooperative society, as opposed to a society in which the strong combine to oppress the weak, in which the greedy, the unscrupulous, seize for themselves the great share of all benefits and leave the masses to economic oppression.

We hear the paid agents of the vested interests shout "radicalism" in the face of every liberal movement—in the face of every mass action of the American people to regain the share of freedom and happiness and equality of opportunity which their own Constitution guaranteed them.

We hear the defenders of the capitalistic order assail as impractical any proposed changes. Yet the present system has proved itself to be both impractical and unworkable, as well as vicious and unjust. How can any thoughtful person say that a system is practical which throws 12,000,000 workers on the bread line, permits a large part of the population to live on a bare subsistence standard at a time when wealth production is or can be brought to its highest peak? How can any person excuse a depression caused by an overproduction of wealth?

And how about the youth of this Nation graduating from high schools and colleges, with no place to go? No haven in the economic scheme of things. How about those other millions of young men and women who, at the rate of more than 2,000,000 a year, are attaining the employable age with no jobs?

There may be an excuse for the survival of a system that cannot utilize its aged, but the word "finis" must be applied to a social order which shuts the door of opportunity in the face of its youth.

I am frankly puzzled how any person can defend the economic maladjustment we see all about us, but Mr. Herbert Hoover did in Colorado a few days ago, assure American youth that they have as great a field of opportunity before them as ever before because "the people who run the machines are going to die."

But let me tell you these young men and women know the troubles that lie ahead of them. They know their plight under the present order. They are learning that it all adds up to the silly answer that millions in America are denied the right to work for a decent living, because, in America, there is too much of everything they want. These young people will not long be frightened by cries of radicalism. Millions of Americans have been in the dark so long they are no longer afraid of jack-o'-lanterns.

They demand a program, and what are industrial leaders, and political leaders of this Nation doing about it? They are shouting against taxes to feed the needy, screaming communism at every effort to cure our economic disease, and whining like spoiled children because the President has threatened to take away just a part of their six billions in idle, undistributed surpluses.

The opportunity for an independent career in business is becoming less and less, due to combination of capital.

The small independent businessman cannot survive under this system. His days are numbered. The independent merchants, the farmers, the professional men, and the home owners are being liquidated out of this capitalistic system. Their hope lies in the Farmer-Labor movement.

We have been pouring billions of dollars into relief, and still the living standard of our people is going progressively downward. The Farmer-Labor Party believes that it is the duty of government to see that no man, woman, or child go hungry or poorly clothed, but this movement also contends that the right to a full measure of life, liberty, and the pursuit of happiness have been superseded by property rights and the mad scramble for profits.

We contend that this is as un-American as was the institution of slavery. We believe in trade unionism and are convinced that American labor can never attain a square deal unless union organizations are recognized by law, the right of collective bargaining strictly upheld. We believe taxation should be based on the ability to pay. We urge higher inheritance, estate, and income taxes, capital taxes, and the abolition of tax-exempt securities. We are opposed to all forms of sales taxes that make the poor bear the burden of government for the rich.

We oppose monopolies of public services. These services have become so vital a part of our lives that they should be classed with water supply, roads, and schools, and be publicly owned and operated for the benefit of all.

Old-age pension, unemployment insurance, sickness insurance, and all such social measures have long been a part of the Farmer-Labor platform. We pioneered for this legislation. The Farmer-Labor Party of Minnesota has declared itself for public ownership and operation of key industries, and development of cooperative enterprises. In short, the entire system of production should be based on social needs, rather than on the single factor of yielding the greatest profit.

The Farmer-Labor Party believes in drastic means to preserve peace and neutrality. It believes in universal conscription of wealth and industry as well as manpower in the event of war. It believes in taking all profit out of war and war materials, whether in time of war or peace. It believes in an absolute ban on war loans, public and private. Loans and investments in foreign lands, we have been shown only too clearly, provided the motive for our entrance into the last war.

Senator NYE's investigation shows that a vast propaganda machine swayed the people of this Nation into a national hysteria for war. To preserve neutrality we must assure ourselves that no such propaganda machine will ever operate again.

The Farmer-Labor Party does not want to sabotage one constructive, progressive, or liberal thing that has been done by the present national administration, but it believes that efforts to patch up a crumbling system of capitalism are futile.

It believes that no permanent solution to the crisis in this country can be reached by any old political party, a large faction of which walks with the leadership of millionaires and munition makers.

The Farmer-Labor Party of Minnesota does not want to lose the recognition by Government of its responsibility for feeding and clothing and housing the Nation's needy. It does not want to go back to the principles and policies of Herbert Hoover, to the cruel pronouncement that relief is a problem for local charities. We know that in this country there is plenty for all.

In closing I should like to quote from a recent address of Minnesota's great Governor, Floyd B. Olson, who said, "We are Americans, whose faith and political philosophy sprung from the American soil and American experience.

"We enter the American scene to take the place of a system already dead. We offer to the American public an American solution of their ills. We are the true Americans.

"These are the alternatives. We offer you the choice. On one hand is uncontrolled capitalism with its attendant misery and selfishness, its Babylonian palaces in Newport and its bread lines in every city, its bank bulging with money, and thousands of small businessmen going bankrupt, its farmers poor because they are producing food which the hungry city laborer cannot afford to buy. On the other hand, we have a new system, predominantly cooperative, and completely Christian and American."

WHAT DO WE MEAN BY DEFENSE?—ADDRESS BY SENATOR BENSON

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address entitled "What Do We Mean by Defense?" delivered under the auspices of the National Council for Prevention of War, May 21, 1936, by the junior Senator from Minnesota [Mr. BENSON].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends, war clouds again hang darkly over Europe and Asia. Every radio news broadcast and every daily newspaper brings news of war. Our Western Hemisphere alone is enjoying peace.

I am not so vain as to believe that anything I may be able to do or say can stop what looms ahead as another possible world war.

But I do believe that it is my duty to do everything that lies within my power to prevent the 127,000,000 civilized men, women, and children of the United States from getting into that war when and if it comes. Trusting in the intelligence and growing enlightenment of our people, I do not feel that such an effort can be entirely futile.

I realize the futility of raising one human voice against the madness of war-mad nations, but I do not believe it futile to strive to prove that the greatest contribution we can make to world peace in the next few years will be to set an example for peace by staying out of war.

I believe that all of the efforts toward internationalism, toward world cooperation—forward movements that sprung, in 1919, from the disillusioned minds of blood-drenched people—are now in extreme danger of receiving a set-back that will turn international progress backward 17 years.

As we near the end of the Seventy-fourth Congress our national neutrality still hangs by inadequate, temporary, and makeshift legislation that I am fearful will not stand the strain that is likely to be put upon it.

Tens of millions of mothers throughout this Nation read their newspapers in daily terror of another war. Millions of our young men have reached that perilous maturity that the last world slaughter made known as "the draft age." They stand in wavering and anxious tensity before the bristling display of world armament.

The college boys and girls of the country have contributed their bit. They have brought down on their enlightened heads the bitterness and villification of both the patrioteers and the war lords, but they have torn the mask of glory away from the bloody face of war. They have exposed its gruesome unreality, its sham, its useless devastation, to the clear light of civilized intelligence and Christian reason.

Compulsory military training will be a thing of the past in a few more years. It has been abolished in my State, chiefly through the efforts of my party and the great leader of that party, Gov. Floyd B. Olson. The Christian people of Minnesota will not let the board of regents put it back.

Out of all the turbulence of the l apending world crisis, one clear, cool fact remains. We are in potential peril of being drawn into another war. And the people of this country do not want war. They have no enemy nations that they desire to lay low, nor any foreign people upon which they desire to bring the devastation of international slaughter. But what means are at our command to prevent war?

I have introduced in the United States Senate two measures that I believe merit your attention and your support.

I introduced them both just before this Nation set out to pay tribute to its womanhood on Mothers' Day, May 10. I introduced them on the day that a few of us in the Senate were futilely battling to prevent the passage of the big Navy bill that will bring our annual expenditures for war up to the unbelievable figure of $1,100,000,000 a year—as much money as all of our 2,000,000 overseas soldiers drew all the time they were in France and Germany.

One of these measures (S. 4610) is a bill to make it a criminal offense to deliberately circulate or disseminate false propaganda designed to incite the American people into wars between foreign powers.

The other is a resolution (S. J. Res. 263) intended to create a real and true defense policy for this Nation, a defense policy which will provide an adequate defense but put an end to our mounting expenditures of billions of dollars for an offensive war machine that would be antiquated and obsolete if a defensive war ever should occur.

Four years ago, at its national convention, the Democratic Party deplored the fact that expenditures for national defense were rapidly approaching the billion mark. Today they have passed the billion mark. At that 1932 convention the Democratic Party adopted a plank calling for a survey of all the facts concerning our defense establishment, for a policy under which the people of this country, in time of peace, would not be burdened by the expense of war.

For nearly 4 years the Democratic administration has had almost absolute control of the governmental functions. The resolution that I have introduced simply empowers the President to carry out that plank in his party platform and gives him the pledged support of the Congress in doing it.

My resolution cites that there is still no established policy of national defense. It recalls that our Government, under the Pact of Paris, has renounced war as an instrument of national policy and has declared its neutrality in the event of war between or among foreign nations.

For this situation the resolution seeks to provide a remedy. It provides that a special committee of civilians be appointed by the President. It provides that that committee shall survey all of the facts, hold public hearings, and make recommendations to Congress. I ask permission to read this resolution, Senate Joint Resolution 263:

"Whereas the Democratic Party, in party convention in Chicago, June 1932, submitted this platform:

" 'National defense: A navy and an army adequate for national defense, based on a survey of all facts affecting the existing establishments that the people in time of peace may not be burdened by an expenditure fast approaching $1,000,000,000, annually'; and

"Whereas the appropriations for the Army and the Navy during the 1937 fiscal year total more than $1,000,000,000; and

"Whereas there is no established policy for national defense and, therefore, no guide as to what is needed by way of military or naval establishments to assure such defense; and

"Whereas the Government of the United States under the Pact of Paris renounced war as an instrument of national policy; and

"Whereas the Government of the United States has declared its neutrality in the event of war between or among foreign nations; and

"Whereas a fundamental principle of our democratic Government as embodied in the Constitution is control of the military branches of the Government by the civilian authorities; and

"Whereas the absence of a policy of national defense leads to inefficiency, uncoordinated activities of our Army and Navy, growing demands on the National Treasury to support an Army and Navy for unknown purposes and results in misunderstanding both at home and abroad of the purposes of our Army and Navy: Therefore be it

"*Resolved, etc.*, That a special committee of civilians be appointed by the President of the United States and that the committee is hereby authorized and directed to make a survey of all the facts affecting the existing establishments of the Army and the Navy, to hold public hearings, and to recommend to the Congress of the United States a policy of national defense that shall be—

"In harmony with our agreement to renounce war as an instrument of our national course in international affairs;

"Designed only to defend the boundaries of the Nation against invasion;

"Actually as well as theoretically in keeping with our neutrality laws;

"Instrumental in insuring our peaceful relations with other nations of the world;

"Conducive to the elimination from the defense establishments of all agencies designed, or primarily useful, for aggressive purposes; and

"Determinative of a basic policy to guide expenditures for national defense so that the people in time of peace may not be burdened in the future by war appropriations fast exceeding $1,000,000,000 annually.

"SEC. 2. No member of the committee shall have any financial or economic interest in the production, distribution, or sale of materials used by the Army, Navy, or Air Forces of the United States; nor shall he hold any interest directly or indirectly in the sale, exchange, or transportation of articles, goods, or commodities to foreign nations; nor shall he have any financial or economic interest directly or indirectly in any foreign country.

"SEC. 3. The committee shall be authorized to expend a sum of up to $10,000 and to employ needed clerical help.

"SEC. 4. A report shall be prepared not later than March 1, 1937, and presented to the President of the United States, the Speaker of the House of Representatives, and the Vice President of the United States."

My friends, this resolution is sane and it is sensible.

On the same day that this proposal was placed before the Senate, a bill was passed appropriating $529,000,000 for a bigger Navy. We continue, in other words, to spend more and more money in preparation for war on the pretext that this will insure peace. If we mean it when we say to the world that we are a peaceful nation, then as a mark of sincerity let us take inventory of our own house and see how much of our equipment is truly designed for defense.

We have just ratified the London Naval Treaty. We have agreed to tell the other nations in advance just what our plans are—how many ships we will build, how big our ships will be, how many guns they will carry, how thick their armament plate. We must tell them that before we ever lay the keels. How silly we must look to Mars.

If we can agree to build only so many ships, then why agree to build any at all? Our limitation agreements are as futile as our

efforts to civilize war—to eliminate by agreement the use of poison gas, fire, and disease germs—to make war "humane."

If we can say we will not kill each other with guns that shoot over 20 miles, then why can't we say we will not kill each other with guns that shoot over half a mile? Then why not cut the range down further, and agree that we will not kill each other with guns that shoot over half a block? Then we can stay in our own yards and we won't get shot, and there won't be any wars.

Let me warn you not to be misled by any of these so-called efforts to civilize war. War is as uncivilized and as insane as any other form of dueling and human slaughter. No treaty, no arms pact, no naval agreement can civilize it. So scrutinize the sources of these moves to make war humane. Who contributes funds for these movements? I do not know, but look carefully and be sure that they do not come in part from the war profiteers, the munitions makers, the foreign investors.

The horrors of war became so revolting, the weapons so devastating that the peoples of the world have risen up against war itself.

I say beware that this movement to humanize war may not secretly be just a move of the warmakers themselves to preserve the institution of war, to postpone the day when enlightened people of the world will abolish it, even if they have to do so by abolishing all who advocate it.

There have been proposed many worthy measures for the prevention of war, neutrality measures, proposals of the war veterans themselves to conscript wealth as well as manpower, the demand to take all profit out of war.

Ray Murphy, of Iowa, national commander of the American Legion, on April 15, said: "I think we may conceive that there is no danger of the United States going looking for a war. If war comes, it will seek us. If we are prepared to defend ourselves, we have little to fear from a foreign aggressor. I doubt very much if we would have ever had to enter the World War if we had enacted neutrality laws and a Universal Service Act prior to 1917. The time has come when we must demand this protection. We want no more experience with other nations' wars."

The Veterans of Foreign Wars have demanded a truly defined defense policy. I quote from a resolution adopted by the V. F. W. in my home State: "We know by actual experience what war means in suffering, dead, mangled, and dying comrades, in broken homes, in the suffering of noncombatants, and the destruction of property. We believe that nearly all wars are caused by greedy individuals and serve no useful purpose. Seventy-two cents out of every tax dollar goes to pay the cost of past and future wars. We respectfully petition Congress to enact legislation establishing the policy that American soldiers, sailors, or marines shall not be used to protect property on foreign soil, and that before Congress can declare war in the future a vote must be taken on the question and must show that a majority of all citizens of voting age, favor the proposed war."

Six months before America plunged into the World War the people of this Nation would have voted overwhelmingly against war. Six months later our people might have voted in favor of that action.

What happened to cause this change in our national sentiment? We were subjected to a systematic and deliberate campaign of false war propaganda. We read false stories and saw fake pictures, which served the purpose of the war makers—the purpose of the house of Morgan and the international bankers.

Our American blood ran hot. We rushed into the war. Seeking to justify our action, we called it a war for democracy; a war to end wars.

Here let me call your attention to the fact that Sweden, Norway, Denmark, and Holland kept out of the last war. As my colleague, Senator HENRIK SHIPSTEAD, says, "They stayed out of it even though it was raging all around them." He also said, rightly, "They kept out because they had statesmen loyal to their own people and able to resist efforts of belligerents to involve them."

Let me add that neither their governments nor their public press were crying for war—fanning the flames of war.

We in America now have forgotten our post-war disillusionment. Again we are ripe to become victims of another propaganda campaign financed and inspired by munitions makers.

An unscrupulous and perverted press, in the hands of men like Hearst and Colonel McCormick, again holds its printing presses in readiness. Such publishers await the beck and call of the facist war lords and the munitions makers to fan our passions into a new war.

We fought the last war in the name of democracy and lasting peace. Let us see that we do not fight another one in the name of a national defense that we ourselves can't define. England made her conquests in the name of freedom of the seas. If we listen to the jingo triplets—Hearst, McCormick, and Patterson—we will probably fight the next in the name of freedom of the press.

What happened in the last war after the United States sent 2,000,000 men to fight on foreign land?

Those 2,000,000 men drew wages of just $1,100,000,000.

That is just what we have appropriated in this session of Congress for 1 year of a peacetime Army and Navy. And it is just what one company, the United States Steel Corporation, made in profits during the war period.

While 2,000,000 men fought for $1 a day, Eugene Grace, president of Bethlehem Steel, collected a bonus of $1,386,000 in 1918—for making his company colossal war profits.

The National Council for Prevention of War has shown there were two sides to the World War picture. Death on one hand, wealth on the other. Death for the millions, wealth for the few. On the side of death the nations involved in the World War spent $208,000,000,000 to kill 10,000,000 men, leave 5,000,000 women widows, and saddle on our Nation a debt of $22,000,000,000.

On the side of wealth American munitions companies made profits ranging up to 943 percent; the Du Ponts, of Liberty League fame, paid dividends of 100 percent on their common stock and still had enough money left over to pay $97,000,000 for new holdings that included General Motors, acquire control of 26 other corporations, and build up an industrial empire valued at $202,000,000.

In the face of such a cry as will be set up when new war profits loom, the voices of our noble peace organizations will be but whispers, unheard among the rattling of sabers.

Throughout 56 nations all over the world 45,000,000 women have united for peace and disarmament. The peoples' mandate to governments to end war will raise 90,000,000 hands pitifully, helplessly against the armored machinery of destruction. And after the propaganda mongers have had their day, it will be but months, maybe only days, until these mothers will not dare raise their voices in protest or they will be thrown in jail.

Do not say this is preposterous. Only 18 years ago that very thing happened in the name of democracy and under the Stars and Stripes.

If we really are to prevent war, we must guard not only our shores but our sentiments, our passions, our intelligence from war propaganda. For ages we have imprisoned men and women for truthfully preaching peace in time of war. I propose we shall imprison those who falsely preach war in time of peace.

The bill I have introduced to accomplish this is a brief one, to the point. It will make it a criminal offense to disseminate false information designed to incite participation by the United States in foreign wars. Any person who, knowingly or willfully, writes, publishes, or otherwise disseminates as statement of fact any false, fictitious, or purposely distorted statement, document, or illustration with intent to incite the people of the United States into war shall upon conviction be subject to fine and imprisonment.

I want to call your attention to a specific provision in this bill, that no interpretation that may be placed upon it shall operate in any court in the land to oppress in any way freedom of speech or freedom of the press.

I want you to note that it is directed at those who willfully disseminate false propaganda, with the deliberate intent to incite to war.

I know full well that the perverted press of the Hearsts, the Pattersons, and the McCormicks will attack this bill as a gag law, just as they attack every enlightened thought or movement as "un-American."

But I want to point out that the penalty provided for those who lie and distort in an effort to involve us in bloodshed and murder is the same penalty that our present laws provide for those who talk peace in time of war.

And now I want to show you how insincere, how viciously hypocritical these Hearst publishers are. If they attack this bill as a gag law, then what would you call the two laws that the bankers and the newspaper publishers have succeeded in having placed on the statute books in this country? The National Bankers Association has had enacted in 42 of the 48 States a law which makes it a criminal offense to circulate a false statement about a bank.

The newspaper publishers of my home State of Minnesota have succeeded in having passed by the State legislature a law which makes it a crime to give false information about a person or corporation to an editor or reporter or any employee of a newspaper.

In other words, the bankers already have laws that put men in jail for circulating false information about financial institutions—some of whose foreign loans have done most to involve us in foreign wars.

The newspaper publishers already have laws that put men in jail for giving them false information.

But they call it a gag law and shout "freedom of the press" when the peace-loving people of this country try to make it a criminal offense for these same newspaper publishers, or anyone else, to broadcast false information deliberately intended to lead them into war and bloodshed and slaughter.

What of the mothers of the boys in this Nation? Aren't they just as interested in seeing that their sons are not propagandized into another foreign war as the newspaper publishers are in seeing that their sheets get correct information about the latest town scandal?

And let me give you another assurance that nothing in this bill will offend in any way our sacred rights of free speech and free press. Let me cite the fact that several years ago the League of Nations recognized officially that propaganda for war is the root of the causes of wars.

And nearly 3 years ago the League of Nations conference at Geneva urged all nations to enact laws just like this Senate bill 4610. Three nations, led by progressive Poland, have already enacted laws to carry out this world peace mandate. But in this country, until this session of Congress, no one has taken the necessary step to incorporate into the laws of the United States.

Freedom of speech and press need have no fear of the liberals of this Nation. Let fear of oppression be directed where it belongs—toward reactionary servants of entrenched interests and militarists.

Only a few weeks ago our Secretary of War, Mr. Dern, was quoted in the newspapers as saying, "Anything and everything containing

implications unfavorable to compulsory military training in schools and colleges is seditious propaganda."

On top of this liberty-loving utterance of our Nation's war chief, Assistant Secretary Woodring launched an attack against what he chose to call "radical" groups and bitterly assailed 8,900 clergymen and professors who pledged themselves to peace.

At the moment I believe we need more defense against a jingo press within our gates than we do against any potential foreign enemy from without. So let us stop this mad spending for war until we know what we mean by defense. And let us, once and for all, put a stop to the greed and lust of the paid propagandists who infuriate us to war.

And, finally, I ask you who are interested in peace to do this: Write to your Senators and Congressmen. Urge that, even though efforts for a permanent neutrality have failed, they take at least these steps before adjournment to preserve the peace of the United States.

THE SOUTH'S CHALLENGE TO YOUTH—ADDRESS BY DAVID E. LILIENTHAL

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have incorporated in the RECORD an address delivered by the Honorable David E. Lilienthal, Director, Tennessee Valley Authority, at the commencement exercises of the University of Alabama on May 25, 1936. The subject of the address is The South's Challenge to Youth.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The next 10 years give promise of profound changes for the South—broad and fundamental changes which will be felt in the life of every one of us and which will affect the course of national destiny. At few times in history has an entire region looked forward to such a transition. To no one is this decade of development more important than to you young men and young women who are being honored here today and to the youth throughout this region.

For the past 3 years it has been my good fortune to have my life and my work in the South, to participate in many phases of the manifold activities of this region, and to come to know many of the South's finest spirits in every walk of life. Because of my intense interest and pride in the South—although myself a midwesterner by birth and rearing, just as many of you are—I welcome this chance to talk to you of the problems of the South in this period of transition and development.

My experience with your fellow citizens of the Southern States convinces me that nowhere are people more willing to face realities, even to face those facts which are disagreeable and unflattering. I am sure that if in my remarks tonight I evaded the unpleasant and ignored the great difficulties of which we are all aware, if I simply orated upon the genuine glories of your climate and justly famous cordiality, you would regard such a display as a waste of the time of earnest people. The tense and critical period of transition in which we are living makes it imperative that we discuss the ugly as well as the pleasant facts, and then resolutely, intelligently set our faces toward the course that we must follow.

The central problem of Alabama, as, indeed, of all the South, is economic. It is to those economic problems that I think our attention should be first directed. And I assure you I fully realize that the problems of the South cannot be solved by seeking to impose ideas developed in other regions of the United States, ideas based upon wholly different conditions that exist in other areas.

What are the focal points of the economic problems in the South? You might choose one set of factors, another person still another. To me, the most significant points are two:

(1) That the income which stays in the hands of our people in this region is too low for an adequate standard of living for all.

(2) That the South is being drained—steadily and persistently—of its wealth, of its resources, and of many of the best of its trained young men and women.

It must be clear to everyone that unless the level of spendable income can be raised, and unless our wealth and your youth and energy are kept at home for the building of the South, ultimate bankruptcy and disaster are inevitable, and that not far distant.

The unhappy circumstances are well known to you. Alabama is the forty-seventh State in the Nation in spendable income per person. For the year 1934 the spendable income per capita in Alabama was $207, and for the seven States of the Tennessee Valley region $259, to be compared with an average for the United States of $486, and $866 for New York State, $702 for California, and $664 for Massachusetts. Those figures need no elaboration. They tell the story.

The grave crisis in education and in public health services with which your State officials are faced simply reflects the impact of these figures. These are the inevitable consequences when the income remaining in the hands of the people of this potentially wealthy State is too small to permit of that support of public functions which all Alabamians desire.

How to use your rich heritage of natural wealth so that you will retain a fair share, is the crucial problem of Alabama and of the South. You may well ask, Can this be done? Is there a way out?

I think there is a way, one that is becoming more and more clearly recognized. It is a subject appropriate to discuss with this group, because to a large extent the outcome depends upon the driving force of young men and young women.

For more than a century, the South has produced cotton as its chief crop, unquestionably the world's greatest raw product. And during that century, cotton has been a cornerstone in the building of the prosperity of the whole country, and notably the manufacturing areas of the northeast. Your major product, cotton, was the basis of our export trade which gave this country a drawing account, a national surplus, so that we could build transcontinental railroads, new factories, and great industrial cities. Cotton gave this Nation its standing in world markets and made possible the rapid industrial expansion of our country.

Other sections produced vast quantities of raw products such as lumber and copper, but these raw products, for the most part, were used internally; they gave us little international trade balance. But cotton has had a world demand, and it was that world demand for the cotton you supplied that gave us the drawing account with which industrial America was built.

Such is the role cotton has played in the making of the United States. But cotton has cost you heavily. As everyone knows, you have been forced to sell cotton on the competitive world market, while things that you use you had to buy on a protected and artificial market. That produced a deficit. The deficit has not always been apparent, but it has been very real and has been mounting steadily. You have not only exported cotton; you have exported, in the cottonseed, the wealth of your soil fertility. You have had to meet the deficit out of your capital—the soil—the very basis of your life.

In the South, of your time, we can no longer build exclusively on cotton. To this, most observers are now about ready to agree. The inevitable adjustment of agriculture is rapidly on the way. Steady loss of soil fertility and the reliance on a single-crop agriculture are giving way to a different kind of farm management. In this development your universities and your State and National Governments are beginning to meet the responsibilities of leadership.

Such an adjustment of agriculture will aid in increasing our income in the only way income can be increased, by the proper utilization of our natural resources. This changed agriculture will help to stop that merciless draining of the fertility of the soil. But this is not the whole story. Perhaps the most important factor in increasing our income will not be agricultural diversification alone, but the development of industry—industry integrated with agriculture.

In this direction, a beginning has been made; but the crucial test lies just ahead. The outcome will depend upon the quality of young men and women like yourselves, upon the leaders of businessmen in the South, and upon the educational institutions of the region. The vision, the enthusiasm, the aggressive spirit—they are all here. Salvation will not come from afar. Only men and women thoroughly familiar with the region, sensitive to its problems, are likely to reach sound conclusions and develop a practical working program.

The development of industry in the South, as everyone will recognize, will benefit rather than injure other sections of the country. For when the income and purchasing power of the people of the South have been increased by industrial development, a new frontier of demand for goods will be opened. A higher income for our people means more goods purchased. A substantial part of these new goods will, of course, be produced in this area, but an equally important effect will be the strengthening of the capacity of our people to buy automobiles from Detroit, radios from Chicago, electric equipment from New York, and so on.

This is just common sense, as long-sighted businessmen are now recognizing. For example, a leading mail-order company, which sells its products in every nook and corner of the United States, has now adopted this policy: If it sells a million dollars' worth of goods in the State of Alabama, it proceeds to purchase a certain proportion of a million dollars in products manufactured in the State of Alabama. This is a clear recognition that, unless income is poured back into the sections from which that income must be drawn as a part of carrying on business, the business itself will soon run dry for lack of customers able to buy.

There has never been less than 70 percent of the Nation's manufacturing carried on in the northeastern part of the country, although only about 51 percent of the population lives there. Income follows manufacturing and commerce. Industrial research is supported by this income; there has been a continuous flow of money into technical research in the already industrialized areas of the country. This research, both public and private, has naturally and inevitably concentrated on the industrial opportunities of the Northeast. The need, therefore, is for business and the technical-research institutions of the South to find means of focusing brains and technical facilities on the South's industrial opportunities.

Many of the these large-scale industrial developments will, of course, come as a result of the industrial investigations which business itself carries out—the utilization of southern pine for the manufacture of newsprint, for example, or the development of future sources of tung oil for the paint industry. But there are also great fields in which already established industry may have no immediate business motive for concentrating its magnificent research facilities. The smaller units in the cottonseed-oil industry furnish an illustration of what I have in mind. There are in the South hundreds of small mills, no one of which can afford to maintain a technical staff. These mills operate ordinarily during only a few months of the year. They are, therefore, urgently in

need of new products whereby they can double the period of operation and thereby increase their profits. Here is an opportunity for public research in the public laboratories of the area.

Here is another such opportunity: Agriculturists tell us that soybeans are likely to be one of the important crops in helping the Cotton Belt to sustain its position, as income from cotton itself decreases.

Further, the engineering colleges through the South could make an invaluable contribution by determining in detail what type of manufacturing is technically and economically adapted to each subarea, particularly those operations closely related to the raw products of the soil. Studies ought to be made to determine upon how small a scale economic operation could be conducted, and what is the economic radius of distribution.

And there are other types of essential fact-finding research for the universities of the region to be carrying on. These relate to some of the special economic problems which hold back sound regional development—such as discriminatory freight rates, the stifling effect of rising farm tenancy, relations between labor and employer, economic issues involved in relations between the races, and a host of similar matters. These are the very stuff of which business and professional and governmental life in the South will be made in the coming decade. These are the problems which the universities are fitted to deal with, and that you are trained here to wrestle with when you take your place in the community.

But industry alone is not enough. We could have industrial development in this area and still be hardly better off, from the point of view of income, than we are today. It is not enough that factories be established and industrial pay rolls created, combining the resources of nature with the skill of men to produce goods. If the wealth resulting from this is drained out of the area, we may find ourselves industrialized but still impoverished. And this situation is not peculiar to the South. It exists, for example, in the Middle West, as well as in other sections.

As I have stated on another occasion, many of the large-scale industries of Alabama are directed and controlled from other points in the country. To these great concerns the State of Alabama is in the nature of a colonial possession. The policies of these industries are determined elsewhere and are often at direct cross-purposes with the best interests of this State and the South. The bulk of the revenues from them are sluiced out of the section. We do not find that increase in purchasing power which industry should bring. In short, the South has not had a fair share in its own economic advantages.

The figures dramatically demonstrate this inescapable fact. Remember, first, that the per capita spendable income in Alabama is about the lowest of any State in the country. And yet Alabama ranks high among the States of the country in industrial production. Figures for 1933, the most recent available, show that only four States in the country produced more cotton goods than Alabama. Only five States surpassed Alabama in the value of blast-furnace production. Taking into account all industrial products, Alabama, which stands fifteenth in population, is the twenty-ninth State in the Union in the value of industrial products. In the face of this relatively high rank in industrial production, we find that in per capita spendable income Alabama is the forty-seventh State in the Union, an average of about $200 a person a year. Let me repeat: The further industrialization of Alabama, without other fundamental changes in our course, may still leave us but little better off, judged by the real test—the amount of income in the hands of our people.

For a generation or more we have thought of industrial development as consisting of large-scale factories. That is part of the program, necessarily. But it may prove to be the least significant part. Here again we have looked to distant points for the answer to our problems. It is the view of many of us that more and more a permanent industrial development for a great region of this kind lies in our own front yard, in developing our own resources to as great an extent as possible with our own capital and our own brain power. This is not a provincial point of view. It is simply a frank facing of the facts. We simply must stem the tide of this draining process that has impoverished not only the South but other sections of the country, a draining that has left us with an unbalance in the geographical and individual distribution of income in this country injurious to the national welfare.

Any adequate industrial development must produce profits for those who invest their property, their skill, and their labor. More must come out of industry than goes in. But there are different kinds of profits. A profit to industry that unduly enriches one section of the country while it impoverishes and prostrates another is not a real profit. A profit that greatly enriches a few men for a few years but exhausts and sterilizes the earning power of a whole section and its people is not a genuine profit. A profit paid out of an area's capital is no more a profit than a dividend paid out of capital—both lead straight to bankruptcy. Profit? Yes. But it must be a long-time profit based on true regional and national bookkeeping.

Now, there is no magic formula for the kind of regional industrial development that I have been talking to you about—at least if there is, I certainly don't have it, and I have not yet met anyone who has. But a beginning can be made. The objectives can be thought through and we can get some clear idea of direction. Perhaps as important as anything is a change in point of view. We have got to begin to think about industry and industrial development, to become conscious of the need and to explore every possibility. A good deal depends upon our resourcefulness in seeing opportunities that lie around us.

The beginnings of this program may not be as spectacular as the location of large-scale industries—which, of course, are essential—but I venture to say that in the last analysis it will be more far-reaching and of greater permanent benefit. In some communities there have begun small-scale industrial operations which hold the seeds of that kind of integrated industrial development that I think will profoundly change your life and the life of your State.

Just one illustration of a good many that I might cite you: In a rural town in north Alabama there is a small cotton-oil-extraction mill. It operates under a plan by which practically all the cottonseed meal that the mill produces stays in the area. The operators of the mill trade the cottonseed meal back to the farmers in exchange for more cottonseed, and the farmers then use the meal to maintain the fertility of the soil. The company receives its money return and its profit from the sale of the oil. Bear in mind that in the industrial process of producing a ton of cottonseed meal the soil contributes $13 worth of plant food, and if that ton of cottonseed meal is sent to a distant market, with it goes $13 worth of capital resources. Thus this small industrial operation in this town—and I have deliberately selected a very small and unpretentious example—is improving the long-time prosperity of that area by maintaining its real basis—the soil.

I wish there were time to cite other illustrations of industrial operations which are more or less spontaneously springing up in various parts of the South. The capital required is relatively small and is available locally. The management is local. The products which are processed come from nearby. These small operations are soundly conceived, and their effect is to retain in the community and in the State the wealth and the income which they produce. Under proper direction they will grow, and in growing provide not only jobs for you and our fellow citizens, but opportunities for a more attractive way of living.

You have in Alabama an outstanding example, in the Comer family, of what men steeped in the traditions of a purely agricultural economy may do when they turn their talents into industrial channels. Starting out in life as a planter in your great Black Belt section, the elder Comer decided that manufacturing offered better opportunities. He turned his attention to the manufacture of cotton fabrics, using as a raw material one of the products of your soil. The results are known to all Alabamians. Mr. Comer was a conspicuous success as a manufacturer. His sons followed in his footsteps, and now Mr. Donald Comer heads one of your greatest industries.

There is another value that has flowed from this redirection of southern genius, entirely apart from the building of a great industrial enterprise in your midst. The members of this family know your traditions and your problems; they know your aspirations as a people; and they have made very important contributions to the advancement of the State's welfare outside the routine conduct of their manufacturing business.

We often fail to realize how great are the industrial possibilities in the South. The 10 States which we usually refer to as the South—Alabama, Tennessee, Georgia, Florida, North and South Carolina, Virginia, Kentucky, Mississippi, and Louisiana—contain about 20 percent of the population of the country. In this area is about 11 percent of the national purchasing power as measured by retail sales in 1929. Yet the South has only one-tenth of the total industrial production of the Nation. With 20 percent of the population and 11 percent of the purchasing power, it packs only 2 percent of the Nation's meat, it makes about 8 percent of the food products, only about 2 percent of the Nation's clothing, and only about 3 percent of its agricultural machinery. If you will compare these low percentages with the 11 percent of purchasing power and the 20 percent of national population in the area, you get something of an idea of the opportunity for industrial growth simply by the process of the South supplying a reasonable percentage of some of its own needs.

The South has not only been losing its wealth but has sustained an ever more critical loss. I refer to the steady migration out of the South of the young men and women trained in your universities. For many years it was a matter of pride on the part of universities in the South and in the Midwest, where I have personal knowledge, that they could place a large percentage of their most able and aggressive young graduates in industrial and professional positions in the large cities of the North and Northeast. University presidents and deans felt that it was a measure of their success that a large percentage of their graduates were "snapped up" and left their home areas, usually permanently.

Was that a good policy? A good many people now feel that it is a serious barrier to the industrial and business development of the South that so many of its able graduates are not devoting themselves to building up their State and region.

You may be interested in some of the figures showing the extent of the migration from the South of trained men and women who have assumed leadership in other parts of the United States. The loss of leaders in natural sciences, for example, has been very severe. Of the men listed in American Men of Science as having been born in the South, 60 percent have left this region. Professor Odum has calculated that there has been a net loss of 25 percent from the South of the men listed in Who's Who; and Professor Gee points out that of the 200 leading social scientists born in the South 45 percent are now working in some other section. Other figures indicate a similar result.

This draining of youth and energy and trained minds is perhaps more serious than the other forms of economic draining that I have been talking to you about. But it is not a matter over which you, as individuals, have complete control. It would be foolish of me to urge you to stay in the South simply as a

matter of loyalty and sentiment, for, as individuals, obviously you have a career to carve out. Unless you can find or create opportunities here, it is difficult to urge you to renounce opportunities elsewhere. And yet, if your heart is in the area, is that not the course that must be followed? Where shall we look for the brains and the determination to build a great region unless in the South's own young men and women?

Whatever may be the case today, and whatever may be your individual situation, it seems to me clear that opportunities for young trained minds in the South are as great, perhaps greater, than in any other part of the country.

And this is not the unfounded optimism so traditional among commencement-day speakers. All over the country there is a feeling among well-informed businessmen that the South presents fresh opportunities for youth trained as you have been trained. Let me read to you from an editorial from the Manufacturers Record, a magazine widely read by businessmen. The editorial is entitled "New Frontiers", and this is the closing paragraph:

"There is more reason today for young men in the South to remain at home to help in the development of their own section, where opportunities abound, than there is to let their fancy roam elsewhere in the belief that other pastures are greener and greater achievement is possible in other fields. It may be said very definitely to the young men of the Southern States, while it was estimated a few years ago that 5,000,000 men left the South to make their way in other parts of the world, there can no longer be a justifiable urge of this kind. There are opportunities at home which the scientist has uncovered of a variety and of such promise as were never before dreamed."

The responsibility to develop opportunities is obviously not entirely yours as young graduates. That responsibility in part is on the older men and women here and the business and governmental leadership of Alabama. Unless that leadership sets about at once to develop a kind of regional industrial development which will absorb the energies and provide the opportunities for you and your contemporaries, you may have no alternative but to join the migration elsewhere and to leave the South weakened by your absence.

The picture of the South at the end of the next decade seems to me a bright one. Not bright to those who are afraid of a fight—those who do not respond to a challenging situation or who shrink from a new experience. But one of the frontiers of the United States is in the South, and it is, I believe, not presumptuous of me to say of this new frontier, "Stay South, young man." A frontier calls for youth, whether the frontier is moving into new and unexplored land or moving into new and unexplored problems of economic life.

The development of the South is, first of all, of course, important to those who live here. But the building of the new South is not a local or sectional matter. The interest of the whole Nation is at stake. Obviously, a nation cannot be genuinely prosperous or genuinely successful if any part of its people are being bled of their resources and are living on inadequate income. Furthermore, an increase in the spendable income of the people of the South clearly means new markets for businessmen in other sections, which will supply much of the goods that will be bought with the added southern income.

A period of transition is youth's opportunity. In the dark days from which we are emerging, despair has often lodged in the hearts of young men and women. Finding employment and finding attractive and interesting work to do has been very difficult and disheartening to many fine young people. I may, of course, be unduly optimistic. But I have a sincere conviction that for those of you who stay in the South, the future is hopeful—hopeful for you as individuals and hopeful for the section you call home. Changes are taking place so rapidly in these days that older people have difficulty in adjusting themselves. You young people here today, whose minds are trained, who step out into the community with a fresh point of view, can take these rapid changes in your stride.

WHY BUSINESS IS WORRIED—ARTICLE BY MERLE THORPE

Mr. HASTINGS. Mr. President, I ask unanimous consent to have inserted in the RECORD an article by Merle Thorpe, entitled "Why Business Is Worried." The article was printed in the Saturday Evening Post under date of May 23, 1936.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post of May 23, 1936]

WHY BUSINESS IS WORRIED—ARE WE BUILDING WITH PAINTED PASTEBOARD?

By Merle Thorpe

A half dozen young Government officials were discussing, as they frequently do in Washington, the destiny of the Nation, when one of them asked, with an air of futility: "Why are businessmen so blind?"

To them the answer was probably obvious. Nevertheless, all eyes turned toward me.

"Meaning what?" I asked.

"Well, here are the heads of a big automobile company, a steel company, a mail-order house, a milling concern. All of them report to their stockholders that trade is picking up and earnings are increasing. They are better off than they have been for 5 years. Yet, in the same reports, they say they are apprehensive, that the country is going to the dogs. Are they just unregenerate Tories, shutting their eyes to plain facts, or are they allowing politics to warp their judgment? That attitude seems to be fairly typical of business leaders. They are enjoying better times, if news accounts are correct, but they talk about approaching disaster."

"That," I suggested mildly, "hardly seems consistent. If they are swayed by partisan politics and are proposing a change of policy, they are advocating something that will deprive them of profits. That doesn't square with your charge that they are the personification of greed. They may be stupid or blind, but neither does that square with your charge that they are so clever that they must be watched."

What, then, is the answer?

Business is better. For one thing, intensified by 5 years of self-denial, demands for goods have become insistently clamorous. For another, the Federal Government, in the 3 fiscal years, 1934, 1935, and 1936, will have distributed to the people $10,000,000,000 in cash and extended $9,000,000,000 more in credit. It would be a miracle if this money had not shown up in the market place. But the businessman asks, Is the country going back to work? Or is it like the man who turns in his life-insurance policy, takes its cash value, and goes out and spends it?

Are we looking to the form rather than the substance? Are we setting tomorrow's debts off against today's credits? Are we building with stone and steel or with painted pasteboard?

To get at this seeming paradox—skepticism going hand in hand with profit—it is necessary, first, to determine just what business is. The approach is not by way of the smooth road of economic transcendentalism or theoretical abstractions. It is not a matter of juggling with imposing aggregates or walking a statistical tight rope—of billions in bank clearances, of millions in carloadings, pig-iron production, and kilowatt consumption.

WHAT REAL RECOVERY DEPENDS ON

The businessman gets down to earth, takes a look at business in its working clothes, and this is what he sees:

For more than 5 years we have been praying for recovery. That indicates that we have lost something. What is it that has been lost? Business activity. What is business activity? An exchange between two persons, like you and me, of goods, services, and labor. Before we went astray in the enchanted forest of economic generalizations, we called it trade; barter; swapping. When we read today that United States Steel has had a 2-percent increase in orders, it means that 100 individuals in 100 localities decided yesterday to use steel in the form of an automobile, or a bridge, or a building, or what not.

This is elementary; even rudimentary. Recovery, the more active exchange of things, depends upon the decisions of millions of people. Along with our prayers we have made plans for recovery—literally thousands of them. Departmental files in Washington are bulging with them. All leave out of account we, the people. They might have been honestly conceived and patriotically brought forth, but they hang upon the premise that a more active exchange between individuals is to be stimulated, not by working for it but by voting for it; not by doing something but by not doing something. Our prayers are not to be answered in the "sweat of the face" but by political magic. Regeneration, they say, must come, not from the bottom up, as in the past, but from the top down.

It is estimated that there are 100,000,000 transactions in the United States every normal working day. These are business in the concrete. These exchanges take place in two areas—one, a comparatively small area, which has to do with meeting the demands for the bare necessities of life. For centuries this area encompassed most of the activities of mankind, and still does among backward peoples.

Above and beyond this is a larger area. Seventy-five percent or more of all business activity is expended in providing things that are not necessary or indispensable, the conveniences and luxuries which we can do without. In this larger field, the exchange depends wholly upon the inclination or the voluntary decisions of individuals.

The emphasis is upon the word "voluntary." The distinction is important. In this larger field business is not impelled by the hard, driving force of necessity. One must have bread, but one can do without fine raiment. In the 4 years from 1929 to 1933 the production of essential foodstuffs had a small decline, but the manufacture of silks dropped 80 percent. The best statistics available do not reflect this prime distinction between the kind of business activity that must go on and the kind that may or may not go on, as we, the people, choose.

In this voluntary area is the key to prosperity and depression. In it is to be found the practical answer to most of our economic problems. In it lies the controlling factor which determines business activity—the factor that is missing in all our political and academic planning, and which the businessman most anxiously weighs.

We condemn business in the abstract and denounce it for its derelictions in discharging its social responsibilities. We challenge it to restore employment, or ——! We exhort it to take up the burdens of society, but the fact remains that it does not speed up because the individual, multiplied a millionfold, is not inclined, or is afraid, to exchange something he has for something somebody else has, or, what amounts to the same thing, commit himself to obligations in the future.

The difference between this disposition to trade or not to trade is the difference between good times and bad.

Since the beginning of time man has been hesitant to give up something he has, or an advantage he enjoys, for something else. He wants to be shown to his satisfaction that the exchange will be

profitable. Not necessarily a money profit. It may be a convenience profit—an electric refrigerator; a health profit—a vacation trip; a cultural profit—books or music. But if the assurance of profit is not there, why take the hazard of replacing present resources with others unknown?

To that extent every exchange is a speculation. If we have faith in ourselves and in the future, we have the speculative spirit, which today is oftentimes denounced as reprehensible. But as the late President Hadley, of Yale, once said, the Nation has grown great because of the speculative spirit no other nation dared have. The farmer, when he puts the seed in the ground, speculates upon sunshine and rain. The merchant who puts $100 worth of goods on his shelves takes the chance that customers will want them.

If, in looking ahead, you feel that the time is ripe for a speculation of this kind, the exchange will be made. That, with 100,000,000 other transactions in the United States, makes up the Nation's business for the day. If we hesitate, if we are uncertain of the future and have fears, be they groundless or real, and decide to delay the transaction, business activity slows down.

LOOKING BACK OF THE STATISTICS

The business leader looks back of statistics to see if they mean a revival of the speculative spirit on the part of millions of people manifesting itself in quickened trade, or if they indicate an artificial stimulation. If it is the voluntary exchange of goods, services, and labor it is real recovery, not forced revival. It is not merely pumping water uphill to see it flow down again—the characteristic feature of the Townsend and countless other plans looking to economic restoration. To take from one and give to another is not exchange. Nor is taking something for which nothing is given in return. Real recovery is the urge to produce more in order to have more to exchange, not to pass what we have from hand to hand under compulsion in order to maintain a semblance of business activity.

So business leaders are alarmed at our willingness to cure our ills by redistributing our income, instead of adding to our income by stimulating production and exchange. They realize this stimulation comes from two sources: First, a more active exchange of things already known; and, second, the creation of new things for which there is a potential desire. They realize that political agencies, by their inherent nature, can do neither.

This present-day faith in political agencies must be explored not in a partisan spirit, nor in terms of this or that political party, nor in terms of the policies of one or another administration. It is the new thought, the New Deal, the new day, the new jurisprudence with which we have been bombarded in books, tracts, radio speeches, pamphlets, and magazine articles. For one thing, it is not new. It is a venerable idea that has long passed current in theoretical speculation here and practice abroad. It is the great expectation based upon the assumption that we are to be the great exception, the first of all nations and of all time to bring new wine out of old bottles.

Is it a weak reed, or a pillar of strength as advertised?

Businessmen must move cautiously. They blueprint the future from the past. They are realists. They know that political theorizing cannot be substituted for hard work. They know that 126,000,000 people can maintain a government, but that no government, without resorting to compulsion, can actuate and guide 126,000,000 people. And they know only too well that the fate of business is determined at the grass roots and not at the conference table in the board room. So when they see politics moving in to do the job of business they consider:

Political agencies since the world began have never created a wealth-producing enterprise which has provided continuous employment for men. Look about as you walk down the street. Telegraph and telephone, railways, department stores, motion-picture theaters, that truck delivering coal, the airplane overhead, the radio aerial, the automobile all owe their origin to individuals and their development to the voluntary cooperation of individuals.

CHANCES GOVERNMENT CAN'T TAKE

The bank is the development of the medieval jeweler who held his client's cash for safekeeping. The insurance company grew out of the pooling of risks by traders. The city waterworks, at first glance, might be an exception, but, as Herbert Spencer pointed out, only after 50 years of development by private individuals were municipal waterworks taken over by political management. Even the post office, in Great Britain and the United States, began with the private collection and distribution of mail.

No; political capitalism engages in nothing new. It simply takes over what has already been pioneered.

This is no disparagement of government or the men and women who operate it. It is inherent in the nature of government itself. Government is the balance wheel, not the source of power. It can retard, but it cannot advance.

A political administration would commit suicide if it attempted to develop the thousand new ideas necessary to find one that is practicable. A great New York newspaper, forty-odd years ago, reflecting the popular feeling of the day, ridiculed the idea of a man in South Orange, named Edison, who professed to have found something that would take the place of gas for lighting homes. In Washington they will tell you of a man who haunted the corridors of the Patent Office with the weird idea of "riding on air." They tapped their heads when they spoke of him. He was the inventor of the pneumatic tire.

In England Parliament passed a law against the laying of track on which Stephenson's locomotive was to run. Ministers of all denominations declared it to be "in direct opposition both to the law of God and to the most enduring interests of society." In the United States the people laughed at a queer scientist who made himself ridiculous by trying to fly in a machine. At the same time two men, working in a bicycle shop, were on their way to prove to a startled world that it was possible.

Even the humble bathtub aroused popular derision. England passed a law prohibiting its use during the winter months. Virginia put a prohibitive tax on it, and erudite Boston required a physician's license to permit one to take a bath.

Could politics invite the derision and the scorn that the inventor and the industrial pioneer must encounter?

Here, then, is the first cause of apprehension on the part of businessmen. In the past forty-odd years 18 great new industries have been created and developed in the United States.

Today they employ directly 1,200,000 workers. At secondary sources—such as service stations, in the case of the automobile—they employ between five and six millions, to which must be added between two and three million men and women in clerical positions—a total of nearly 10,000,000 jobs—nearly one-fourth of the total number of men and women gainfully employed today.

It is no coincidence that during this same period not 1 of the other 59 countries on the globe has developed a single great industry. America has had no monopoly on raw materials, methods, or ideas. As a matter of fact, ideas, such as radio and rayon, were picked up from foreign countries which, for some reason, could not develop them.

What was the reason? At the beginning of this period, in the United States, about 5 cents was taken from the income dollar for all governmental expenses, State, local, and Federal. (In 1850 it was 1 cent.) This left 95 cents for food, clothing, shelter, and the wherewithal to risk savings upon the thousands of new things in the hope that one would be a winner. With the least government on the face of the earth, leagues behind our closest rival, we had less governmental expense and more capital for private enterprise with which to experiment.

Today we are taking 35 cents out of each income dollar for governmental purposes, leaving only 65 cents, as against 95 for living expenses and new capital investments of 50 years ago.

Businessmen see business as it is. They know that if you have $10,000 saved up after years of work, and you are approached with the proposal "to go into something" which may be "another automobile success", and you are convinced it is a good hazard, you will not put up your entire $10,000. One thousand, perhaps, and with a secret hope that the enterpriser won't be able to find the rest. Dollars are so reluctant to put on overalls. Query the one in your pocket.

So with the Nation of individuals. It can take big chances only when it has a comfortable backlog, only when there is a generous remainder from one's earnings after living and Government expenses are paid.

WASHINGTON OVERHEAD

Farsighted men, whose judgment I respect, tell me they fear we shall have fewer and fewer new things brought to full fruition, new industries which of themselves provide for the continuous employment of men and women, because of excessive Government spendings from which there seems to be no practical relief. These enormous spendings are what businessmen call overhead, not productive expense. They are dollars representing the productive effort of someone, but once spent by political agencies, gone forever.

Thousands of new ideas are crying to get out of industrial laboratories, awaiting the practical test of business experiment. In some of them might exist the germs of industries, as yet unknown, which may provide millions of jobs and push up another notch the standard of American living. Capital must take the risk, if it is to be taken. Money must be available for purchasing the new products. Money, we are glibly told, is available. "The banks are filled with it." But the businessman is much too practical to overlook the fact that this money is already earmarked; that whereas 3 years ago 10 percent of the deposits in all the banks of the country were invested in Government I O U's, the proportion today is nearly 55 percent.

A businessman rode with me the other day through Washington. We saw a new Government building, a monumental structure, costing millions. Later, across the river in Alexandria, we passed a little frame factory building, costing a few thousand dollars, in which 8 or 10 men were employed. The businessman said:

"That factory means more to the national welfare than the marble structure. Charwomen and filing clerks do not produce anything that may be bartered or traded. The laborers in the factory do. The pity of it is that the laborers will be called upon to pay from their productive wages the unproductive wages of excessive governmental activities. A great tire and rubber company, employing 40,000 workers, including coolies on plantations, paid them last year an average of $1,089; it paid for each worker $453 in taxes."

PUMP PRIMERS OF THE PAST

How was the job of stimulating done in the past, before it was assigned to political agencies? Who were the pump primers of that business activity which we are trying to recover?

There is one class of people who make it their vocation to anticipate, develop, and meet the desires for goods and services which are the basis of exchange. They are the manufacturers, the bankers, the storekeepers, who act as go-betweens, bringing the bargainers together and encouraging them to trade. It might be the manager of the simple roadside exchange, who receives the goods of one group to be traded for the goods of another. It may be the guiding spirit of the great corporation who brings together the

savings of thousands of investors and the labor of thousands of workers to produce shoes or automobiles which are to be exchanged for countless other things represented by the wages and the dividends they receive. The swapping may have become a long and involved process of inventing, financing, manufacturing, transporting, and distributing, but it remains swapping.

These go-betweens are the business men and women of America. They are the enterprisers of the Nation. They arouse the desire for the comforts and conveniences which we vaguely designate as the "standard of living." They encourage dissatisfaction with things as they are and are constantly holding up before our eyes new things and urging us forward to a better and more comfortable order of existence. They combat stagnation, speed obsolescence, and accelerate turn-over. They fight the stubbornness of nature and the natural indolence of man. Their dominant purpose is to keep the currents of trade flowing, for upon this their own well-being depends.

This group of enterprisers—a comparatively small group, as population goes— is our most important national asset. But, curiously enough, they are most often subjected to denunciation and disparagement. Their motives are questioned, "intrenched greed" inspires them. Their attainments are made the occasion for public castigation. The better they have succeeded in advancing business progress the more they are penalized. Their efforts are circumscribed by bureaucratic regulation and political control. We put a premium upon the aptitude that expresses itself in painting, music, and literature, but the aptitude which launches and builds new industries, widens the area of business and employment, and develops new sources of wealth is publicly branded as undesirable. In no other field of activity is success deprecated and failure extolled.

For this business aptitude we have substituted political aptitude. Vote-getting has taken the place of industry-building. Lawmaking has replaced hard work. Instead of drafting the enterprisers, as we did when the shadows of war deepened, we turned to the politician.

Three years ago we were called upon to unite in war against depression. It was, we were told, no less real than a war against a foreign enemy. We campaigned in military fashion. There were parades, hundreds of them, 100,000 men marching down the street in New York City alone, with banners and flags flying—a new flag, with an eagle, distributed by the millions.

During the World War we set up a propaganda bureau. We resorted to every possible device to keep up the spirit of the men on the battle front, inspire confidence in their generals, and maintain the morale of the civilian forces at home. In the war against depression we also set up a propaganda bureau—to the same end, but not in the same way.

POLITICAL GENERALSHIP

We resorted to political generalship and not to business generalship. Reviewing the industrial and business army, drawn up regiment by regiment, the political general staff checked off its fighting resources.

There was, first, the division of bankers—22,000 of them in the United States. They had always, as a body, been loyal. If they were at fault, it was because they had cooperated too generously with industry. Foreign commissions, sent over to study their methods, attributed the vitality of American enterprise to the fact that the bank president was ready to take chances with business in launching new ventures. In the course of 11 years, with $50,000,000,000 in trust, less than 1 percent was in actual jeopardy. But the soldiers, the men who were to do the fighting, were told that the bankers were not to be trusted. They were "nonsocial money changers."

The next division—the manufacturers. They had been our economic backbone. They had produced more goods, sold them at a lower price, and paid more in wages than any similar group in the world. They had the best labor relations that obtain in any country, the most sanitary working conditions. Millions of their employees were on group insurance, and many of them had set aside large sums to pay old-age pension and sick benefits. (One would think that social security had only been discovered in the past 12 months!) But, according to the propaganda bureau, the industrial commanding officers were likewise not to be trusted. They were "chiselers" and "rebaters." They exploited child labor. They ground down their workers and amassed huge surpluses. Something had to be done about that, through N. R. A.'s and national labor boards, and tax measures that penalized.

G. H. Q. GETS BUSY

And the next division—the power and light industry. Starting with an incandescent bulb, which excited derision at the time, it built up a vast system, with thousands of employees and $15,000,000,000 of investment, which now lights 21,288,729 homes and which sold and installed 65,000,000 household appliances to lift the burden of household drudgery. For this service they are charging $702,682,000 a year—less than the men in those homes pay for cigarettes, less than the women pay for cosmetics. But that division, too, was accused of antisocial treason. It was in the hands of the unconscionable "Power Trust, bleeding the people white." That also had to be looked into; yardsticks must be set up to show it how to do the job.

And so on down the long industrial and business battle line. The commercial-aviation regiment, the newest of the lot, had to be watched. It was tricky and unreliable; its contracts must be broken. The merchant-marine regiment was untrustworthy. It was in the habit of stealing out of the public pay chest if it were not kept under surveillance. The retailers were gougers and the consumer had to be protected against them by Federal committees. The advertisers were simply hangers-on. They served no useful purpose and they spread false reports.

The chemical and steel regiments were also in bad shape. They were exploiters. They incited war to promote their own ends. The communications division was thoroughly bad. It had to be investigated and kept under the thumb of a commission.

All this we were told, and more.

With this sorry army, the political general staff opened the war on depression.

Charges against the brigadier and major generals, with their attendant court-martial investigations and legislative red tape, added little to their morale. The attack was launched by denouncing the generals, hitherto acclaimed for the many victories they had won, and charging them with corruption, inefficiency, and greed. Such a course did not inspire confidence in the privates in the line nor induce a spirited prosecution of the war. This attitude of our war-propaganda bureau raised the strong presumption—in the minds of the real enterprisers, at least—that the Nation was less interested in winning the war against depression than it was in reorganizing the Army, deposing its old leaders, and substituting for them political and academic generals who had never seen an industrial West Point or Annapolis.

Laws were passed, bureaus and commissions were created, swivel-chair officers were placed in high command to direct the conflict. A flood of statutes and regulations—war, or emergency, orders they were called—was poured out to limit the authority and direct the activities of the officers on the fighting line.

Countless orders, issued by numerous political bureaus, came out in an endless stream, only to confuse and confound those who were directing the fighting. Six new commissions have been set up since July. These are now working on regulations, violation of which may carry the threat of court martial.

These regulations, which have the force of law, have become so numerous that Congress, last July, authorized the publication of a Federal Register, so that those on the fighting front would know what they were permitted and what they were not permitted to do. The new Director of the Register states that the publication of the various orders, regulations, and what not of the various departments and governmental agencies in an average month would make a book of 350 pages. There have been issued thousands of Executive orders covering thousands of pages.

The Bureau of Internal Revenue has issued thousands of rules to govern the payment of taxes alone. The Couzens committee investigation revealed that more than 17,000 such regulations were actually secret and unknown outside the Treasury Department. The Social Security Board, the Labor Relations Board, the Securities and Exchange Commission—not to mention many others—are constantly adding to the formidable bulk of administrative laws, which are just as binding as if they had been issued by Congress itself in the form of a statute.

These harassing impediments to individual endeavor are the bitter fruit of the "new jurisprudence", or "administrative law", which our academic sponsors have grafted on the stem of our democratic Government. They are offshoots of the Old World political theory that the state is omniscient and omnipotent, the source of all wisdom, and the arbiter of our destinies—a theory that has been shocking to the American people up to now. The Lord Chief Justice of England wrote a book dealing with this new method of administrative law by regulation. The conclusion of his study can be summed up in the title of the book, which he called "The New Despotism."

BETTER BUSINESS WITHIN REACH

Furthermore, government itself has undertaken to step in and shoulder out the men who are directing this war on depression. It is operating in 250 fields of private business. The business commander does not know when his head may be laid upon the block.

Political activities thus cripple and hamstring enterprise, but, worse than that, they destroy the spirit, the most important factor in management.

If we really want more active business—and there seems to be some doubt about it—we can have it.

The stage is set. All the elements or factors of trade, as the political economists would designate them, are present. First, there is the need or desire for things. Five years of self-denial and depression have depleted our material supplies. America has been "growing out at the elbow." It will need around 400,000 dwelling places a year for the next decade to bring it back to normal in housing. It will need some $19,000,000,000 worth of machinery to reequip and modernize its industrial plants. It will need vast quantities of furniture, rugs, and other household equipment that has been wearing out.

Second. If human nature has not changed, there are a multitude of things not actually necessary to existence, but none the less desirable, which we would like to have if we could get them—new products, new facilities, new conveniences—eager to get out among us and grow to maturity. In the files of the Patent Office in Washington new devices and processes have been registered by the thousands—to be exact, 56,832 applications in 1935. Within them may be great industries yet unborn.

Third. If we may believe current statistics, an abundance of labor is awaiting employment. In other words, there are millions of men and women eager to exchange their labor for goods if given the chance.

Businessmen think we can recover this business activity we once had and move on to still higher levels, higher standards of living, if we bring common sense to the rescue and revise our beliefs that political agencies can either create new enterprises and new jobs or stimulate trade in present fields.

There is no desire to intensify the mists of doubt and misunderstanding which already obscure the fundamental issues. No man who has observed government and business at first hand, as I have for 20 years, can blink at the fact that the two are basically different in their fundamental usefulness. Each fails miserably when it enters the other's field. The few exceptions prove this. Politics has its job, a tremendous one—the protection of life and property, and adjudication of disagreements between citizens and, greatest of all, perhaps, the negotiations with foreign countries, which, if properly carried out, would prevent calling out 1,000,000 young men with guns to settle matters which it is the province of Government officials to settle by negotiation.

The choice we are put to is not that of following the philosophy of Adam Smith in economics, or of Jefferson in political theory. Rather, we must decide whether we shall set out arbitrarily to create a social order and then mold the individuals into subordination to it, or whether we shall center our efforts on the making of men and women who are themselves competent and are disposed to do what should be done.

LET US LOOK AT THE RECORD

In justification of the supplanting of private enterprise by political agencies, we are warned that our industrial buccaneers will take us around the same old corner and down the same old dreary road. And there seems to be none so poor to do reverence to the road we have come. Memories are so short. It was only 8 or 10 years ago that foreign commissions were flocking to this country to learn why its industrial taillights were showing themselves to the rest of the world. It might be well to recall the substance of their findings as a sort of reminder, bringing the figures up to date.

They found, with about 6 percent of the world's population, the United States has more purchasing power than all Europe combined. This little group has created and owns more than half of the world's wealth, and has distributed it so widely that the condition of the average man is a magnet to attract the nationals of all other countries. So insistent has been their appeal that we have had to build our immigration walls higher and higher to prevent a flood of them from swamping the boat.

[The trouble is that these barriers were not built high enough. While they have kept out individuals, over the top have come alien ideas which we, with eager hands, in our hour of temporary distress, are grasping to implement into the American way of life. These ideas, without exception, give more and more power to political agencies. They are panaceas in extremis, only resorted to when nations have passed over the top and are on the decline.]

Sixty percent of the world's minerals are extracted in America. Half the communication facilities, nearly half the railways and electrical energy, have been developed and are in use here. Individual transportation is triumphantly interpreted in the production of 75 percent of the world's automobile output, about 90 percent of which is kept at home to travel upon 271,845 miles of hard-surfaced highways.

This 6 percent maintains a standard of living which consumes half the world's coffee, half of its tin, half of its rubber, one-fourth of its sugar, three-fourths of its silk, one-third of its coal, two-thirds of its crude petroleum.

It expends more than $3,000,000,000 on education—an amount that tops the total spent by all other countries. Nowhere are there such luxurious buildings, such a wealth of educational facilities. European schools enroll only a small percentage of the number of children attending American schools.

Real and practical independence for women, political and economic; along the old road 11,000,000 women found gainful occupations, 7,000,000 since 1900.

What the common man was able to do for himself in this land of opportunity is eloquently suggested by the millions of depositors in savings banks and building-and-loan associations, by the 65,000,000 life-insurance policyholders, by the millions of security holders, by the 52 percent of farms unencumbered and the 55 percent of freeholders of urban homes.

Our foreign visitors ascribed the phenomenal progress they found to various causes. Natural resources was a favorite. But other countries have, and have had, resources equal to ours. The Indian had had them for thousands of years when Capt. John Smith stepped off the ship at Jamestown. Mass production, they said. But there is no patent on mass production. Other countries have tried it, but without much success because of something lacking—the spirit, the incentive, cooperation of labor, which was present here and which even immigrants are quick to catch. That should have been a cue for the commissions to seek the real causes. It would have sent them back to the cross roads of 1776. From there came the resolution to change the Old World concept, the relation of the individual to his political masters. The politicians were to be the servants, the individuals the masters. The rulers were to be restricted within narrow bounds. While political freedom was the slogan, back of it was economic freedom, a freedom the New World yearned for, demanded, and has practiced for 150 years. The individual was not to be frozen in any caste or held to the trade of his father. If he saw something he felt he could do better than it was being done, his was the right to try his hand. And for whatever success came from his resourcefulness, energy, and talent, individual reward for individual merit, to have and to hold—an incentive for the lowliest worker.

BUSINESS STATESMANSHIP

We were talking about the blindness of the businessman. Some see clearly the larger issues before the Nation; others see them with a sixth sense developed by intensive work in one field of endeavor. The businessman, almost without exception, is inarticulate. His forte has not been rhetoric or the platform manner. If, however, he had the silver tongue of the demagogue and could take time off his job of production and distribution, he would express his business statesmanship something like this:

"Fellow Americans, to all who are stockholders in these United States, young and old, men and women, native born, and the 14,000,000 who have joined us from overseas since 1900:

"Keep an eye on your premises. As a matter of logic, if they are faulty, your conclusions will be wrong. Consider what trade is, what motivates it, who stimulates it, who creates new enterprises, under what conditions do enterprisers best work and under what conditions have they the wherewithal to search out and develop new job-making activities. Consider whether the frontiers are gone; whether this capitalistic system is a thing of evil; whether the American way of life is bankrupt; whether our churches and schools have failed in their job of character building.

"Keep an eye on your premises; as a matter of substance, the things which contribute to your daily life and well-being are in danger. They did not just happen. They are the result of sacrificial thought and toil. They are the house you live in. At the lowest point of distress and depression your living standards in that house were higher than at any time in the history of the world and on any part of the globe.

"Set up a sign, 'Keep off the premises', warning those who would trespass with strange and alien plans lest American institutions be dispossessed and the American tradition be left homeless—a tradition without a country."

SILVER AND THE MONETARY QUESTION

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Salt Lake Tribune of May 29 entitled "The Assault on Silver."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Salt Lake Tribune of May 29, 1936]

THE ASSAULT ON SILVER

Once more the monetary question presents itself to the American public as a commanding issue in American politics. Former President Herbert Hoover iterates and reiterates a demand for a return to the gold standard, indifferent to the hopeless inadequacy of gold alone for existing credit needs. Senator WILLIAM E. BORAH challenges the philosophy of Mr. Hoover and other Republicans seeking to attack the Democratic administration in its strongest position—its partial recognition of the monetary serviceability of silver.

Eighty-two professors banded together, as the Economists' National Committee on Monetary Policy, settle the American monetary problem to their own satisfaction, in one bold statement, demanding repudiation of all that has been done in respect to silver legislation. Senator KEY PITTMAN, of Nevada, one of silver's able champions, immediately challenges the views, the reasoning, and the conclusions of these economists, who, in the credulous faith of little children who still believe in Santa Claus, think that the Government can declare itself free of inadequacy and, by declaration alone, return to economic days that are no more.

This particular group is satisfied with a general assumption that silver has failed, that a repeal of the silver legislation alone will put monetary conditions back where they were before the trouble started. They forget that whatever recognition has been accorded silver was precipitated by the failure of gold to meet credit and economic demands. They ignore the fact that gold today is less likely to carry the load, alone and unaided, than it was then.

Whether this is a forerunner of what might be seriously suggested to the platform committee of the Republican national convention cannot yet be determined. In the interest of the West and the ultimate solution of our monetary ills, it is to be hoped that no such silly notion will be entertained.

No more important issue can be presented to the national conventions than that which pertains to money. While the Democratic position on monetary policy is far from perfect, it at least is a gesture in the right direction, aside from its recognition of the needs of a basic western industry. Administration labors in behalf of silver have been measured, if not restrictive or reluctant. There is plenty of room for improvement. One thing is certain and that is that hope of any return to a stable standard of exchange in international trade must look to both silver and gold for fulfillment.

As Senator PITTMAN pertinently reminds this committee, the administration's silver policy is one activity which definitely shows a profit to the Government. He reminds the committee that silver transactions to date show a profit of $500,000,000. On the silver purchased the Government has issued $685,972,458.39 in new silver certificates, at a profit of 45 cents on each dollar issued. He asks if there could be a fairer, a more sensible inflation than that of this country under this policy.

Senator PITTMAN says he is afraid of fiat money and fears managed currency which is not managed on a metallic base. He challenges the professors to show a more stable measure of value than is to be found in silver and gold.

Nevertheless, the argument persists, will persist until after the elections. There can be no doubt but what many of our economic ills are rooted in monetary faults. There is no place where safe and sane remedies, intelligently applied, can do more good for the people, the Nation, and the world. Hence, the time is ripe for party leadership, both Republican and Democratic, to give measured thought and deliberation to the monetary problem.

A mere declaration that a policy, which has paid its own way to a point of recognition, is a failure will not suffice. Notwithstanding the fact that the current policies with respect to silver justify themselves, the service of the white metal still is restricted and controlled. Nationalization of the white metal defeats many of its ambitions in the public service. Until it becomes a convertible medium, available to the people, it will be handicapped. If ever a convertible medium of exchange is reestablished, it will be on the basis of silver and gold and not on either one alone. This should be a good thing for the leadership in both parties to remember. They will do well to scan the remarks of Senator PITTMAN in the Senate, as printed in the CONGRESSIONAL RECORD. The reading will provide expert and helpful counsel for all who are inclined to make light of the part silver is to take in the restabilization of world currencies. The Nevada solon has made an enlightening reply to silver critics, one that should be appreciated by his many friends in the West.

FEELERS FROM ABROAD—ARTICLE BY WALTER LIPPMANN

Mr. BORAH. Mr. President, I ask unanimous consent to have inserted in the RECORD an article from the New York Herald Tribune entitled "Feelers From Abroad", by Walter Lippmann.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune]

TODAY AND TOMORROW

By Walter Lippmann

FEELERS FROM ABROAD

Two ghosts from the past walked again last week. Mr. Baldwin, the British Prime Minister, raised the question whether by any changes of the Covenant the United States might be induced to join the League of Nations. M. Blum, the next Prime Minister of France, came forward to say that he was not satisfied with the French default on the war debt to America and that he hoped to make some settlement. Since most Americans had supposed that both of these questions were dead and buried, their resurrection at the moment is somewhat puzzling.

It is not easy to make out from Mr. Baldwin's speech what conceivable changes in the Covenant he has in mind. He knows, of course, that there is no possibility whatever that the United States will assume the obligation to judge the aggressor in Europe or in Africa or the obligation to use force of any kind. This is so plainly the overwhelming decision of the American people that no one can be misinformed about it.

It must be, then, that Mr. Baldwin is considering the complete abandonment by the League of any attempt to judge the aggressor or to impose sanctions. Fifteen years ago even the most irreconcilable opponents of the League would have been tempted. But much water has flowed over the dam and today there would be little point in making such a proposal to the American people. They would say that if the League gives up its attempt to prohibit war, what would be gained by the United States joining it? The time has gone by when we flatter ourselves with the thought that a determined aggressor will hold back because he may outrage American opinion and have inflicted upon him some disapproving speeches and newspaper editorials. The American people would, therefore, say to themselves that if the League is emasculated, it can mean only one thing, namely that the European powers are turning to old-fashioned military alliances as a substitute. And they would probably shrink even more from a League which had no substance, but had concealed behind it a series of military alliances, than they would from the Covenant itself. Certainly the risks of entanglement would be greater.

The feeling is very firmly fixed in America that if the European powers cannot keep peace in Europe no one can keep it for them. The argument that the League is not universal enough is singularly unimpressive. For in the Ethiopian affair, surely it was not the absence of America, Japan, and Germany but the cross-purposes and indecision of Britain and France which produced the fiasco. There is no reason to think that if we had joined in the ineffective sanctions that they would have been much more effective, and nothing we could possibly have contributed would have made it any safer for the British Navy to close the highways to the Italian conqueror.

No matter how universal the League becomes, the test will always be whether the powers nearest the aggressor are willing to fight him. If they are not, the distant nations can add nothing of substance to the League; if they are willing to fight him, there will be in that part of the world the substance of collective security.

The problem, therefore, is not whether the United States will come to Europe armed with oratory and resolutions but whether the pacific nations, particularly Britain and France, mean to hang together or eventually to be hanged separately. The problem of collective security in Europe is an Anglo-French problem, not a world problem, and all proposals which look elsewhere are a flight from the realities.

M. Blum's feeler about the war debts is presumably to be regarded not only as a handsome and honorable gesture but as a move in the difficult financial problem with which his Government must deal. In some form or other he must stop the French deflation and very probably he must readjust the international value of the franc.

Almost surely he has no appetite for a straight devaluation on the American or Belgian model, because on these matters French opinion is as full of prejudice as the most orthodox Republican here. Moreover, it is probable that France has no aptitude for a managed currency on the British or Scandinavian model, and would be too proud to join the sterling bloc. Therefore, what France needs is an international stabilization on gold by Britain, the United States, and herself.

The United States is willing. Britain is not. For the British think rather well of their managed currency and, moreover, they have it firmly fixed in their minds that they must not stabilize unless the war debts are settled and the American capital market is reopened for foreign lending. They may be right in thinking that if we refuse to lend abroad and continue to hold them in default, they might not be able to maintain their currency on gold. In any event, M. Blum no doubt understands that he would be able to deal more successfully with Mr. Neville Chamberlain if London saw the chance to settle the war debts honorably and practically.

It would be a tragic error to discourage the idea for it is to our interest, no less than to Europe's, to reach a settlement. But, of course, neither the French franc, nor the French people, nor M. Blum's government can afford to wait until the complicated business of settling the war debts is carried through. That cannot be done short of 8 months—that is, before the next Congress at the earliest. It will be done the more readily if before that time the French have solved their altogether unnecessary crisis.

ACCEPTANCE SPEECH OF PRESIDENT ROOSEVELT—ARTICLE FROM THE WASHINGTON EVENING STAR

Mr. HASTINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an article by John Jay Daly, appearing in the Washington Evening Star of June 4, entitled "Labor to Sell Rally Tickets to Raise Democratic Fund."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of June 4, 1936]

LABOR TO SELL RALLY TICKETS TO RAISE DEMOCRATIC FUND

By John Jay Daly

In one of the greatest political rallies ever staged in America, organized labor plans to mass wage earners in every stadium, baseball park, music hall, and auditorium available on the night of June 27 to hear over radio amplifiers the acceptance speech of President Roosevelt—at $1 admission fee.

Thus it is hoped to raise a huge campaign fund to help reelect the President and to fight "predatory interests" and all those opposed to social legislation as embodied in the New Deal.

Red, white, and blue tickets, split in two parts, one half to be used as admission to the stadia and the other to be held as a souvenir, are being sold throughout America, it was learned today.

George M. Harrison, chairman of the Railroad Labor Executives Association and national chairman of the labor finance division, Democratic National Committee, is staging Washington's end of the show, with Joseph Davies, general chairman, and John Locher, president of the Central Labor Union, acting as chairman for the Washington area.

"We are getting enthusiastic response to this appeal", Mr. Harrison said today.

Chester M. Wright, handling publicity for the Washington end, said that labor is not attempting to run a separate show in staging this mammoth get-together of wage earners, but is acting hand-in-hand with the Democratic National Committee.

At the same time it was learned that Carl Boyer is really father of the idea to gather millions of laboring men in outdoor enclosures on the night President Roosevelt broadcasts his speech to the Nation.

In labor circles today it was estimated that this one move alone will reap a harvest of at least $2,500,000. That money will come from the organized sale of tickets. Paid admissions at gates of meeting places may run the total over the $3,000,000 mark.

As explained by Wright, the raising of funds in this manner is based on the fundamental idea of the President's birthday balls—started in 1934.

COMMITTEES BEING ORGANIZED

For the past 2 weeks Boyer has been flying the length and breadth of the land organizing local committees—similar to the one in Washington. The committees, in turn, are selling tickets and arranging for the mass meetings, renting parks, and having installed radio equipment. One of the features will be the introduction of the President in each locality by the leading Democrat of that city or town—even hamlet. To do this requires the installation of telephone wires, quite a complicated engineering feat; but the leading radio engineers of the Nation have been called upon and are now working out details.

Aside from the President's address, it is planned to have music and entertainment, even old-fashioned torchlight processions.

At present the local site has not been selected, but it undoubtedly will be Griffith Stadium or one of the larger football fields—probably the stadium in Brookland, at Catholic University, with a seating capacity of 20,000 and standing room for 10,000 more.

While local groups are assembled all over the country, the mammoth demonstration will be at Franklin Field in Philadelphia, when the entire Democratic convention moves out to that stadium to hear the President in person.

HARRISON'S LETTER

First formal move to make this plan a success was broached in a letter sent out from Washington by Harrison. That letter was addressed to all leading labor men in the United States. It said, in part:

"DEAR SIR AND BROTHER: I have agreed to undertake a task in which I hope for the help of all wage earners. Our task is to raise campaign funds to reelect the President. We have no other task. The plan is simplicity itself. * * *

"It is the plan this year to have the entire national campaign fund raised by the time the Democratic national convention closes. After that the decks will be cleared for actual campaigning.

PLAN UNFOLDED

"Here is the plan, worked out by the Democratic National Committee, and in which we are helping:

"The President will accept the nomination on the night of June 27. On that night the Democratic national convention will be moved to Franklin Field. The entire stadium will be filled with guests—70,000 of them. In every stadium in the country and in thousands of halls and other meeting places similar gatherings will be held. The ceremonies in Franklin Field will be broadcast to all of the meetings throughout the country. Each person attending one of these meetings will pay $1 admission. Each person attending will receive a card certifying that he is a Roosevelt nominator, and this he may keep permanently. And through this simple but united effort the campaign fund will be raised."

SPECIAL TICKET FOR UNIONS

It is pointed out that organized labor will have a separate and distinctive ticket—and this ticket will be embossed. Some of them, already out, look like fine engraving. One of the features of this ticket is that it will be good for admission to any field, anywhere in the country. The Jim Farley tickets, so called, are good only for local fields where issued.

As Harrison explains it, "a special ticket is being issued for our use so that definite credit will come to every participant and so that there will be definite identification of labor's participation down to the last man."

That part of the admission ticket held out as a certificate will bear the name of the individual purchaser, inscribed by the local chairman. So labor girds its loins for the coming campaign; and in local labor circles today it was implied that the last decision of the Supreme Court, knocking out the New York minimum-wage scale, will be used as a spur to further sale of these tickets.

THE CALENDAR

The PRESIDENT pro tempore. Morning business is closed. Under the unanimous-consent agreement entered into yesterday, the Senate will proceed to the consideration of unobjected bills on the calendar.

Mr. ROBINSON. Mr. President, I ask the attention of the Senator from Oregon [Mr. MCNARY]. The first three pages of the calendar have been called perhaps 8 or 10 times and objections have been made to all the measures on those pages. I ask unanimous consent that the Senate proceed with the call of the calendar, commencing at the top of page 8. Of course, I do not wish to take time discussing the suggestion. If there is objection, we may proceed under the regular order.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arkansas?

Mr. MCNARY. Mr. President, the reason for the request is due to the fact that on each call of the calendar the measures referred to have been objected to repeatedly, and to expedite consideration of the call of the calendar the Senator submits the request without regard to the merits of the measures.

Mr. ROBINSON. Yes. I anticipate they would all be objected to again.

Mr. MCNARY. I have no objection.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Arkansas is granted. The clerk will state the first order of business on the calendar, beginning at the top of page 8.

BILLS AND JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 205) providing for disposition of certain cotton held by the United States was announced as first in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 3659) to promote the efficiency of the Judge Advocate General's Department of the Army was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3726) to provide suitable rank for the Deputy Chief of Staff, United States Army, was announced as next in order.

Mr. KING. At the request of the Senator from Tennessee [Mr. MCKELLAR], who is absent, I object.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3580) granting and confirming to the East Bay Municipal Utility District, a municipal utility district of the State of California and a body corporate and politic of said State and a political subdivision thereof, certain lands, and for other purposes, was announced as next in order.

Mr. JOHNSON. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 70) for the relief of agriculture, the producers of livestock, and the producers of raw materials generally, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 9074) granting pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows and dependents of such soldiers and sailors, was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3044) to amend the act of May 29, 1930 (46 Stat. 349), for the retirement of employees in the classified civil service and in certain positions in the legislative branch of the Government to include all other employees in the legislative branch, was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. MCNARY. Mr. President, the Senator from Wisconsin [Mr. LA FOLLETTE], who is absent, requested that when we began the call of the calendar I should suggest the absence of a quorum, which I do at this time.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Loftin	Robinson
Austin	Couzens	Lonergan	Russell
Bailey	Davis	Long	Schwellenbach
Barbour	Dieterich	McAdoo	Sheppard
Barkley	Donahey	McGill	Shipstead
Benson	Fletcher	McNary	Smith
Bilbo	George	Maloney	Steiwer
Black	Gerry	Moore	Thomas, Okla.
Bone	Glass	Murphy	Thomas, Utah
Borah	Hale	Murray	Townsend
Brown	Hastings	Neely	Truman
Bulkley	Hatch	Norris	Tydings
Bulow	Hayden	Nye	Vandenberg
Byrnes	Holt	O'Mahoney	Van Nuys
Capper	Johnson	Overton	Wagner
Carey	Keyes	Pittman	Walsh
Chavez	King	Pope	Wheeler
Connally	La Follette	Radcliffe	White
Coolidge	Lewis	Reynolds	

The PRESIDENT pro tempore. Seventy-five Senators having answered to their names, a quorum is present.

EMPLOYMENT OF LABOR UNDER GOVERNMENT CONTRACTS

Mr. HASTINGS. Mr. President, I desire to read into the RECORD a telegram sent a few days ago to a member of the Judiciary Committee of the House of Representatives. My understanding is that a like telegram was sent to all the members of the committee:

Chairman SUMNERS advises that a meeting of the House Judiciary Committee will be held tomorrow morning 10 o'clock for the purpose of taking action upon Healey-Walsh bill. Lack of a quorum at today's meeting prevented action upon this measure. Labor is tremendously interested in this bill and firmly expects it to be enacted into law before Congress adjourns. For this reason I respectfully urge you to be present at meeting of the Judiciary Committee tomorrow morning as herein stated. Your absence from this meeting will be construed as opposition to the measure and as being unfriendly to labor. Our representative will be present at tomorrow morning's meeting. Do not fail us. Be present.

(Signed) WILLIAM GREEN,
President, American Federation of Labor.

The meeting was held and Mr. Green's representatives were standing outside the committee door. I thought this telegram might interest the Lobby Committee, which is investigating activities of this sort.

Mr. ROBINSON. Mr. President, I doubt the propriety of the Senate questioning the proceedings of a committee of the body at the other end of the Capitol. That is all I have to say on the subject at this time.

BILLS PASSED OVER

The PRESIDENT pro tempore. The clerk will state the next bill in order on the calendar.

The bill (H. R. 4886) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. ROBINSON (and other Senators). Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

THE MERCHANT MARINE

The bill (S. 3500) to develop a strong American merchant marine to promote the commerce of the United States, to aid national defense, and for other purposes, was announced as next in order.

Mr. COPELAND. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. WALSH subsequently said: Mr. President, I ask the Senator from New York [Mr. COPELAND] what became of the merchant-marine bill.

Mr. ROBINSON. It was passed over.

Mr. WALSH. I ask unanimous consent to have printed in the RECORD, in connection with that bill, a letter from the ex-mayor of Boston.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOSTON PORT AUTHORITY,
Boston, Mass., May 29, 1936.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: I sincerely hope that Congress will not adjourn without the passage of the subsidy bill, reported in the Senate, or the House bill. As you know, I have been interested in the merchant marine since I went to Congress over 40 years ago, having written the minority report in 1899, and I was very much in touch with the situation during the World War, in which the position that we found ourselves, from a shipping standpoint, was lamentable. As far as I can judge the news from across the water, while the probabilities are that we will not have a conflict for a couple of years, the situation is most tense.

A merchant marine is the right arm of the Navy. Congress has just appropriated more than $500,000,000 for a navy, and without an adequate merchant marine it would be the height of futility for the United States to be called upon to go into a world conflict.

As you know, I am a member of the Boston Port Authority, and we are all very keen about this matter. At least the provisions for regular payments, which I think were contained in the House bill, ought to be passed by the Senate. I have spoken twice within the last few days over the radio on this subject and I am prepared to telegraph at once to the White House to make an appointment and urge the President not to think of letting Congress adjourn without at least meeting the obligations of the Government at the present time. I think the President owes it to us, who have been fighting for Democratic success in this State for half a century, to be able to say that a Democratic Congress and a Democratic President did not abandon its plain duty in the matter of righteous support of the present merchant marine.

Sincerely yours,

JOHN F. FITZGERALD.

Please wire me what Senator COPELAND has to say on the matter.

AMENDMENT OF CANAL ZONE CODE

The bill (H. R. 6719) to amend the Canal Zone Code was announced as next in order.

Mr. REYNOLDS. Let the bill go over.

Mr. ROBINSON. Mr. President, this bill has no relation to tolls. It merely makes minor changes in the Canal Zone Code, which was passed by the Congress in 1934; and the bill is confined in its application to the Canal Zone. It clarifies existing provisions of local law, and restores provisions which were inadvertently omitted from the code.

I do not believe there is any valid objection to the bill. Its enactment is urged by the Governor of the Canal Zone and is recommended by the Secretary of War.

Mr. REYNOLDS. Mr. President, I may state for the information of the Senator that on several occasions I have been in conference with representatives of labor in the Canal Zone, and they are objecting very strenuously to the passage of the bill; but in view of the fact that the Senator from Arkansas has made this explanation pertaining to the proposed legislation embodied in the bill, I shall be very happy indeed to confer with the representatives of labor who are here from the Canal Zone, and perhaps we shall be able to iron out the differences.

I see in the Chamber at this time my colleague from Oklahoma [Mr. THOMAS], who is thoroughly familiar with the provisions of the bill; and I suggest that we get together sometime during the coming week, if the Senator from Oklahoma thinks proper, and see what we can do.

Mr. THOMAS of Oklahoma. Mr. President, in the last Congress an act was passed giving labor in the Canal Zone some little benefits. It is held by labor in the Canal Zone that this bill will interfere with the law that now exists; and because of such interference they are very much opposed to the bill. If that objection could be eradicated, I am certain there would be no objection from that source; but, so far, the bill in its present form would be prejudicial to existing law which was passed in the last Congress.

The PRESIDENT pro tempore. Objection having been made, the bill will be passed over.

BILL PASSED OVER

The bill (S. 3075) for the relief of John L. Summers, former disbursing clerk, Treasury Department, and various former Treasurers of the United States, was announced as next in order.

Mr. KING. I should like an explanation of the bill. [A pause.] Let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

JAMES W. GRIST

The bill (S. 3879) for the relief of James W. Grist was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider, when filed, the claim of James W. Grist for disability alleged to have been incurred by him in the course of his employment at the Government Printing Office between September 1928 and June 1929 and to determine said claim upon its merits under the provisions of said act: *Provided*, That no benefits shall accrue prior to the approval of this act.

CAPT. JAMES W. DARR

The bill (S. 3405) for the relief of Capt. James W. Darr was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to appoint James W. Darr, formerly a captain, Infantry,

United States Army, a captain of Infantry, United States Army, and to place him upon the retired list of the Army as a captain, with the retired pay of that grade: *Provided*, That no back pay, allowance, or emoluments shall become due because of the passage of this act.

BILL PASSED OVER

The bill (H. R. 11690) relating to the admissibility in evidence of certain writings and records made in the regular course of business was announced as next in order.

Mr. McNARY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

MISSOURI RIVER BRIDGE, OMAHA, NEBR.

The bill (S. 4376) authorizing the State of Iowa, acting through its State highway commission, and the State of Nebraska, acting through its department of roads and irrigation, to construct, maintain, and operate a free or toll bridge across the Missouri River at or near Dodge Street in the city of Omaha, Nebr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes, the State of Iowa, acting through its State highway commission, and the State of Nebraska, acting through its department of roads and irrigation, are hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near the east end of Dodge Street in the city of Omaha, Nebr., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the said States all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said States are hereby authorized to operate such bridge free of tolls, or, at their discretion, to fix and charge tolls for transit over such bridge, and in case rates of toll are so fixed, such rates shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to liquidate, within a period of not to exceed 10 years from the date of completion of such bridge, all or any part of the bonds held by the United States and outstanding against the bridge constructed in accordance with section 4 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and completing the construction of other bridges over the navigable waters of the United States", approved June 10, 1930. The said States may enter into an agreement or agreements with the United States or other interested parties for the liquidation of all or any part of such bonds held by the United States and the tolls authorized to be charged by this act shall be used only for the purpose of carrying out the provisions of any such agreement or agreements. When a fund sufficient to meet the requirements of any such agreement or agreements shall have been provided, the bridge authorized to be constructed by this act shall thereafter be maintained and operated free of tolls. Said States may construct such bridge with the aid of any Federal funds appropriated and apportioned to said States for expenditure under the Federal Highway Act, as amended and supplemented, and the limitations of such act, as amended and supplemented, relating to the construction of toll bridges with Federal funds, and the use of tolls collected for transit over bridges so constructed and operated shall not be applicable to the tolls authorized to be charged under the provisions of this act. If tolls are charged, an accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

RECALCITRANCY OF WITNESSES BEFORE CONGRESSIONAL COMMITTEES

The Senate proceeded to consider the bill (H. R. 8875) to clarify section 104 of the Revised Statutes (U. S. C., title II, sec. 194), which was read.

Mr. FLETCHER. Mr. President, I desire to offer an amendment to this bill which is recommended by those who sponsor it and to which I think there will be no objection.

The PRESIDENT pro tempore. The amendment offered by the Senator from Florida will be stated.

The CHIEF CLERK. On page 1, between lines 2 and 3, it is proposed to insert the following:

That section 102 (U. S. C., title II, sec. 192) of the Revised Statutes is amended to read as follows:

"SEC. 102. Every person who (a) having been summoned as a witness by the authority of either House of Congress to give testimony upon any matter which is under inquiry by either House or by any committee or subcommittee of either House of Congress wilfully makes default or (b) having appeared refuses to answer any question pertinent to the matter under inquiry or (c) after service upon him of a subpena issued by authority of either House in connection with such inquiry (1) fails to permit examination as requested by such subpena by either House or by any committee or subcommittee of either House, or by a duly authorized agent of such House, committee, or subcommittee, of such books, records, papers, documents, or correspondence in his possession, custody, or control as such House, committee, or subcommittee has reason to believe may be pertinent to the inquiry, or (2) fails to produce and deliver to, or fails to permit to be copied by such House, committee, subcommittee, or agent any books, records, papers, documents, or correspondence in his possession, custody, or control which are pertinent to such inquiry, as required by such subpena, shall be deemed guilty of a misdemeanor punishable by a fine of not more than $1,000 nor less than $100 and imprisonment in a common jail for not less than 1 month nor more than 12 months."

On page 1, it is proposed to strike out the matter beginning with the word "Whenever" in line 5, through and including the word "Congress" in line 11, and to insert in lieu thereof the following:

Whenever any person fails to comply with the provisions of section 102 of the Revised Statutes.

It is also proposed to amend the title so as to read: "An act to clarify sections 102 and 104 of the Revised Statutes (U. S. C., title II, secs. 192 and 194)."

Mr. HATCH. Mr. President, will the Senator from Florida yield to me for a moment?

Mr. FLETCHER. I yield.

Mr. HATCH. At the last call of the calendar this bill was under consideration, and was passed by the Senate. I happened to be chairman of the subcommittee which considered the bill. After the bill had been passed I was called from the Chamber and informed that the chairman of the Judiciary Committee desired to offer an amendment to the bill. Therefore I asked that the votes by which it had been ordered to a third reading and passed be reconsidered, and the bill returned to the calendar. I think the Senator from Florida has now offered the amendment which it was desired at that time to have offered. Is that correct?

Mr. FLETCHER. That is precisely the case.

Mr. McNARY. Mr. President, with all the confusion attendant on the call of the calendar I was unable to hear what was said about this measure, and am now unadvised as to the purport of the amendment offered by the Senator from Florida. It seems to be an imposing document, and I doubt whether it is practicable at this call of the calendar to consider a bill with such an amendment as has been offered by the Senator, and for that reason I shall now object to the consideration of the bill.

Mr. FLETCHER. Mr. President, will the Senator permit me to make a brief statement?

Mr. McNARY. Certainly.

Mr. FLETCHER. This amendment is important because at the present time there is no law applying to recalcitrancy of witnesses at the first stage of a congressional hearing.

Section 102 of the Revised Statutes, as it now stands, provides penalties for persons who improperly delay or obstruct congressional investigations by being recalcitrant at the second stage of investigations, namely, in the course of committee hearings. There has recently developed considerable obstruction to the work of congressional investigating committees by delays and refusals in the first stage of committee work, namely, during the highly essential preliminary

inspection of files by investigating committees prior to hearings. The amendment now proposed makes the penalty provision of section 102, which is now applicable to persons who obstruct committee investigations in the second stage of an investigation, applicable also to persons who obstruct in the first stage. Without this, investigations can be seriously slowed up and defeated at least in part, and data essential for adoption of effective legislation are as a practical matter withheld from Congress. Further, the slowing up of investigations through such obstruction adds materially to the cost of conducting investigations by the respective Houses of Congress.

The necessity for this proposed legislation grows out of our experience in connection with stock exchange and bank investigations, where people were obstructing the hearings before the committee. Such conduct is covered by the section as it now exists. But where investigations are obstructed by persons who oppose the field operations, examiners' activities, and that sort of thing, in the preliminary stage of an investigation, no penalty is provided. This bill simply extends the penalty to that stage of the investigation.

For instance, we had occasion to summon a witness to produce his files. He did not desire to give access to them to the investigators and the accountants, and we subpenaed him to produce them. He produced them before the committee. The committee had not time or opportunity to investigate files and records itself. It must have people who do that kind of work, accountants, and other investigators. It is not sufficient that the records be produced before the committee. The thing is to make them available to the representatives and agents of the committee, the accountants who are making the investigation. This measure simply provides for penalties for obstructing investigations at the beginning.

Mr. McNARY. Mr. President, was the matter submitted to the Committee on the Judiciary of the Senate?

Mr. FLETCHER. Yes; and all members of the committee are in favor of it.

Mr. McNARY. Is the Senator offering it as a committee amendment?

Mr. FLETCHER. I am offering it with the consent of those who have reported the bill. The Senator from New Mexico is agreeable to the amendment, and there is no objection to it from any source so far as I know.

Mr. McNARY. It has not, in fact, been submitted to the Senate Committee on the Judiciary? The chairman of the subcommittee told the Senator that he favored it, but there has been no action of the committee?

Mr. FLETCHER. I do not know as to that, but I know this amendment was in contemplation when the Senator from New Mexico moved that the vote be reconsidered.

Mr. NORRIS. Mr. President, I think I can answer the question of the Senator from Oregon. It was not physically submitted to the committee after the report was made, but the chairman of the Committee on the Judiciary, the Senator from Arizona [Mr. ASHURST], if he had been present, would have offered this amendment.

Mr. HATCH. Mr. President, may we have order? I am trying to hear what is going on.

The PRESIDENT pro tempore. Senators will please cease conversation so that business may be transacted.

Mr. NORRIS. Mr. President, if we are to have orderly procedure, and give investigating committees authority properly to develop their cases, it seems to me this amendment of the law is absolutely necessary. I do not see any possible objection to it. Someone must decide whether files or letter or other documents are proper to be introduced before a committee as evidence. This measure will give the representatives of a committee authority to present such a matter to the committee and to sort the evidence.

Just as the Senator from Florida has said, a committee cannot do all the mechanical work. Someone must decide about such questions. But such a matter would come before the committee, and the committee would make a decision, instead of the person who has the evidence making it. If that person decides that something is immaterial, he merely says so, and the committee does not get anywhere. Work of committees has often been blocked, as those who have had any experience along those lines will be able to testify.

Mr. SMITH. Mr. President, will the Senator from Florida yield to me?

Mr. FLETCHER. I yield.

Mr. SMITH. This is a matter of such moment it has attracted national attention in some phases of our committee investigations, so I think the legislation proposed to be enacted should not be brought up at a time like this, when it involves a matter of so much importance. I therefore ask that the bill go over.

Mr. FLETCHER. The only importance of it is that in all hearings and investigations by committees there must be a starting point. The penalties now apply to obstructions before the committees themselves. This applies to obstructions to accountants and agents and other representatives of a committee in the field. It is very important to begin with. Without this, investigations cannot be made complete.

Mr. SMITH. If the Senator will allow me, I do not think very much harm could be done between now and the time when Congress will convene again, and I insist that this is a matter of such importance that the bill should go over.

The PRESIDENT pro tempore. Under objection, the bill will be passed over.

UMATILLA AND WHITMAN NATIONAL FORESTS

The bill (H. R. 9483) to extend the provisions of the Forest Exchange Act, as amended, to certain lands, so that they may become part of the Umatilla and Whitman National Forests was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of this bill.

Mr. McNARY. Mr. President, I have not read the bill which was reported by my colleague [Mr. STEIWER], but it carries out the general purpose of an exchange bill, which is designed to permit the Forest Service to exchange lands so that they can solidify and better control and administer the forests. I think it is merely one of the consolidation exchange bills. I do not know that it is different from any other such measure.

Mr. KING. Mr. President, will it involve any loss of land by the Government, or will it bring within the Forest Service lands which ought to be part of the public domain?

Mr. McNARY. As I tried to state, I could not answer that question; but nearly all exchange bills involve the blocking or the solidifying within the national forests of timber lands which are privately owned. I am willing, if there is any objection, that the bill may go over, so that I may look into it.

The PRESIDENT pro tempore. The bill will be passed over.

STRUCTURES ALONG RIVERS AND HARBORS

Mr. SHIPSTEAD. Mr. President, I desire, at this time, to file a motion to reconsider the vote by which the conference report on Senate bill 3071, providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors, was agreed to yesterday.

Mr. ROBINSON. What is the nature of the bill?

Mr. SHIPSTEAD. The bill relates to the Government paying for structures which have been erected on Government property below the high-water mark on rivers and harbors. An amendment was adopted which eliminated the rivers. When the time comes to make the motion, I expect to address the Senate, because I desire to give the Senate my views on the matter, and the Senate will be at liberty, of course, to take such action as it sees fit to take.

Mr. ROBINSON. It is a Senate bill, is it?

Mr. SHIPSTEAD. It is a Senate bill.

Mr. COPELAND. Mr. President, I did not understand the request of the Senator from Minnesota.

Mr. McNARY. Mr. President, may we not have order?

The PRESIDENT pro tempore. The Senate will be in order.

Mr. SHIPSTEAD. I filed a motion to reconsider the vote by which the conference report on Senate bill 3071 was agreed to yesterday.

Mr. COPELAND. Of course, that is perfectly proper, but I hope the Senator will sometime today or very soon give us an opportunity to make an explanation of the bill and the reasons for its enactment.

Mr. SHIPSTEAD. I shall be very glad to do so.

The PRESIDENT pro tempore. The Senator from Minnesota enters a motion that the vote by which the conference report on Senate bill 3071 was agreed to to be reconsidered.

Mr. McNARY. Mr. President, to what bill does the Senator make reference?

The PRESIDENT pro tempore. Perhaps the Senator from Minnesota will again state the nature of the bill.

Mr. SHIPSTEAD. Mr. President, the bill provides that where the Government has given a permit to a private individual to erect buildings or structures of any kind upon Government property below the high-water mark, when the Government shall use such property for navigation purposes, for the development of navigation, such structures, under the permit under which they are built, must be moved. The bill provides that the Government shall pay for the structures built under a revocable permit.

The PRESIDENT pro tempore. The motion will be entered, and the clerk will call the next bill on the calendar.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (H. R. 11688) providing for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of the admission of the State of Arkansas into the Union was announced as next in order.

Mr. ROBINSON. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 266) for the appointment of boards to study and report upon the Atlantic-Gulf Ship Canal project, Florida, and the Passamaquoddy tidal power project, Maine, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 4552) to extend the retirement privilege to the Director, Assistant Directors, inspectors, and special agents of the Federal Bureau of Investigation was announced as next in order.

Mr. KING. Mr. President, on the request of an absent Senator, the senior Senator from Tennessee [Mr. McKELLAR], I ask that this bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ADDITIONAL DISTRICT JUDGE FOR PENNSYLVANIA

The bill (S. 4664) authorizing the appointment of an additional district judge for the eastern district of Pennsylvania was announced as next in order.

Mr. ROBINSON. Mr. President, I suggest that the Senator from Pennsylvania ask unanimous consent to have the House bill substituted for the Senate bill.

Mr. DAVIS. Mr. President, I ask unanimous consent that House bill 11072, being Calendar No. 2415, be substituted for Senate bill 4664, Calendar No. 2216, and that the House bill be now considered.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 11072) authorizing the appointment of an additional district judge for the eastern district of Pennsylvania, which was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 4664 will be indefinitely postponed.

BILLS PASSED OVER

The bill (S. 4673) to authorize the Attorney General to provide instruction and information on the subject of crime control was announced as next in order.

Mr. VANDENBERG. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4370) to repeal a proviso relating to teaching or advocating communism in the public schools of the District of Columbia, and appearing in the District of Columbia Appropriation Act for the fiscal year ending June 30, 1936, was announced as next in order.

Mr. SHEPPARD and Mr. CONNALLY asked that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

FORT MARION NATIONAL MONUMENT, FLORIDA

The Senate proceeded to consider the bill (H. R. 12220) to authorize the adjustment of the boundary of the Fort Marion National Monument, Florida, in the vicinity of Fort Marion Circle, and for other purposes, which had been reported from the Committee on Public Lands and Surveys with an amendment to insert at the end of the bill two new paragraphs, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to adjust the boundary of the Fort Marion National Monument, Florida, in the vicinity of Fort Marion Circle, and for said purpose is authorized to convey to adjacent property owners, upon such terms and conditions as may be deemed satisfactory to him, title to such portions of monument land as he may determine to be no longer necessary for said monument, or he may accept in consideration therefor title to such portion of any adjacent property as he may deem desirable to satisfactorily adjust the boundary of said monument.

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land, interests in land or buildings, structures, and other property adjacent to and within a distance of 1,500 feet of the boundary of the Fort Marion National Monument in the vicinity of Fort Marion Circle and the Old City Gates, and donations of funds for the purchase and maintenance thereof, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire on behalf of the United States out of any donated funds, by purchase at prices deemed by him reasonable or by condemnation under the provisions of the act of August 1, 1888, such tracts of land adjacent to the boundary of the Fort Marion National Monument in the vicinity of Fort Marion Circle and the Old City Gates as may be deemed desirable by him for addition to the monument.

SEC. 3. That any lands acquired on behalf of the United States under the provisions of this act shall be, and the same are hereby, added to the Fort Marion National Monument and shall be subject to the laws, rules, and regulations applicable to said monument.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. COPELAND subsequently said: Mr. President, in connection with the bill relative to the Fort Marion National Monument, Florida, House bill 12220, I wish to say for the RECORD that I objected to the bill the last time the calendar was called; but after consultation with my colleague [Mr. WAGNER] I find that he has added an amendment which answers the criticism I had in mind. Mrs. ROGERS, of the House, also spoke to me about the bill. I am quite satisfied that all interests are duly protected. I have been approached by citizens of Florida in behalf of the bill.

CHIPPEWA INDIANS OF MINNESOTA

The Senate proceeded to consider the joint resolution (H. J. Res. 415) to carry out the intention of Congress with reference to the claims of the Chippewa Indians of Minnesota against the United States, which was read.

Mr. ROBINSON. Mr. President, I think the Senator from Oklahoma [Mr. THOMAS] should explain the bill.

Mr. THOMAS of Oklahoma. Mr. President, on a former occasion the Congress passed a jurisdictional bill with respect to the Chippewa Indians. Under that bill, claims were filed in the Court of Claims and the issue determined. After the Court of Claims had determined the matter, it developed that the provisions of the original bill were not broad enough to do what the Indians needed done for them. The present bill seeks to broaden the claims or the basis of the suit, and it provides for an appeal to the Supreme Court from the Court of Claims. The Bureau of the Budget, of course, is against all of these bills and makes an adverse report on this one.

Mr. KING. Mr. President, may I inquire of the Senator whether there is involved in the bill a matter which was brought to my attention; namely, that in an action brought in behalf of the Chippewa Indians some time ago the attorneys received a large fee; then, later on, another bill was passed giving them an additional or supplementary fee to the one they got in the beginning, so there was a double fee?

Mr. THOMAS of Oklahoma. I am not advised about that matter. The Secretary of the Interior approves all the fees, and as a rule in jurisdictional bills the fees are limited to 10 percent. In this particular case I cannot answer the question.

Mr. KING. Why was not the claim, when it was brought into the court in the beginning, broad enough to include all the questions at issue? The Senator, as a lawyer, knows that it is quite improper to divide a cause of action into two or three suits. All the controversies should be brought into court at one time.

Mr. THOMAS of Oklahoma. When these jurisdictional bills are passed, a request goes to the Comptroller General to make an audit of all claims which have been paid to the Indians from the beginning. Until that review and search is made, of course, attorneys are unable properly to prepare their cases. I suppose when this report was made, the attorneys inadvertently overlooked some of the other rights of the Indians. At any rate, the original bill was not broad enough to meet all the rights which the Indians asserted. The bill now before the Senate is for the purpose of correcting that defect.

The joint resolution was ordered to a third reading, read the third time, and passed.

CROW TRIBE OF INDIANS

The Senate proceeded to consider the joint resolution (S. J. Res. 207) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes" (44 Stat. L. 807), which had been reported from the Committee on Indian Affairs with an amendment at the end of the joint resolution to add two additional sections, so as to make the joint resolution read:

Resolved, etc., That section 1 of the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes" (44 Stat. L. 807), be, and the same is hereby, amended so as to read as follows:

"That jurisdiction be, and is hereby, conferred upon the Court of Claims, with right of appeal (not by writ of certiorari) to the Supreme Court of the United States by either party, notwithstanding lapse of time or statutes of limitations, to hear, adjudicate, and render judgment on the merits in any and all claims arising under or growing out of the treaty of Fort Laramie, dated September 17, 1851 (Fourth Kappler, p. 1065), between the United States and the Crow Indian Nation, and the treaty dated May 7, 1868 (15 Stat. 649), between the United States and the Crow Indians of Montana, or arising under or growing out of the Executive order dated July 2, 1873 (First Kappler, p. 855), or any subsequent Executive order; the act of Congress approved April 15, 1874 (18 Stat. 28), or any subsequent act of Congress or agreement with said Crow Indian Nation, including claims growing out of any cessions of land by said Indians to the United States for an inadequate consideration under mistake of fact, irrespective of any treaty stipulation entered into under such mistake of fact, which said Crow Indian Nation or any branch thereof may have against the United States, which claims have not heretofore been determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States. Jurisdiction also is hereby conferred upon the said courts to determine whether or not any provision in any such treaty, Executive order, or act of Congress above set forth has been violated or breached by any act or acts of Congress or by any treaty made by the United States with any other Indian tribe or nation, and, if so, to render judgment for the damages resulting therefrom."

SEC. 2. For complying with the terms of this joint resolution case no. H-248, in the Court of Claims, entitled "The Crow Nation or Tribe of Indians of Montana against the United States", decided on March 4, 1935, is hereby reinstated.

SEC. 3. Joint resolution of August 15, 1935 (49 Stat. 655), "to carry out the intention of Congress with reference to the claims of the Crow Tribe of Indians of Montana, and any band thereof, against the United States", is hereby repealed.

Mr. KING. Mr. President, may I inquire of the Senator from Montana [Mr. WHEELER] whether the Department of the Interior and the Commissioner of Indian Affairs have approved this bill?

Mr. WHEELER. They have approved the bill and asked that it be passed.

Mr. COPELAND. Mr. President, I objected to the bill the last time it was called on the calendar. I raised certain criticisms regarding it. However, since talking with the Senator from Montana [Mr. WHEELER], I feel there is no reason why it should not be passed at this time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 8940) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States" approved July 1, 1898, and acts amendatory thereof and supplementary thereto, was announced as next in order.

Mr. COUZENS. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

CABINET GORGE, CLARK FORK OF COLUMBIA RIVER

The Senate proceeded to consider the bill (S. 4062) to provide for the development of hydroelectric power at Cabinet Gorge on the Clark Fork of the Columbia River in the proximity of the Montana-Idaho State line, and for the rehabilitation of irrigation districts, and for other purposes, which had been reported from the Committee on Irrigation and Reclamation with an amendment to strike out all after the enacting clause and to insert the following:

That (a) in accordance with the provisions of the act of June 17, 1902 (32 Stat. L. 388), known as the reclamation law, and acts amendatory thereof or supplementary thereto, the Secretary of the Interior is hereby authorized and empowered to make surveys and investigations to (1) determine the power markets that might be served from a suitable hydroelectric power project at the Cabinet Gorge site on the Clark Fork of the Columbia River in the proximity of the Montana-Idaho State line; and (2), provided such markets can be developed, to make further investigations to determine the design and cost of a dam to be constructed at said site.

(b) The Secretary of the Interior shall submit to the President and Congress a report, together with his recommendations on the investigations herein authorized, not later than 8 months from the date of the enactment of this act.

SEC. 2. There is hereby authorized to be appropriated out of any moneys in the reclamation fund, not exceeding $25,000 for the purpose of carrying out the provisions of this act.

Mr. KING. Mr. President, I should like an explanation of this measure.

Mr. POPE. Mr. President, the title of the bill, in view of the amendment, does not now correctly reflect the contents of the bill. With the amendment suggested by the Secretary of the Interior, the bill merely provides that a survey may be made of the project with funds contained in the revolving fund of the Reclamation Bureau. Surveys are being made in many places and are paid for from that fund.

The matter involved in the bill is a very important one. The bill involves the interests of a considerable number of persons in my State. Certain preliminary surveys have been made, and the Secretary of the Interior and the Reclamation Bureau feel that the people in that section of my State are entitled to a survey. No appropriation is to be made under the bill, except that there is an authorization to the Reclamation Bureau to use certain funds in their perpetual fund or revolving fund for this purpose. I think it is an important matter and a desirable one.

Mr. KING. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. KING. The Senator knows that the reclamation fund was established for a given and specific purpose. Does the purpose of the bill transcend the purpose that was back of and is the basis of the reclamation appropriation fund?

Mr. POPE. I will say to the Senator that it does not. Portions of that fund are used for surveys and investigations. It is not limited strictly to construction purposes.

Mr. KING. Portions of the fund are used for reclamation purposes?

Mr. POPE. Reclamation and power, combined.

Mr. KING. For the reclamation of the land belonging to the Government?

Mr. POPE. Yes.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to his colleague?

Mr. POPE. I yield.

Mr. BORAH. I understand that this bill simply authorizes a survey and investigation, and then the matter is to be reported back for the action of the Congress.

Mr. POPE. The Senator is entirely correct. The bill provides purely for a survey.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for a survey of the Cabinet Gorge, on the Clark Fork of the Columbia River."

ADMISSIBILITY IN EVIDENCE OF CERTAIN WRITINGS AND RECORDS

Mr. AUSTIN. Mr. President, I ask unanimous consent to return to Calendar No. 2060, being House bill 11690, relating to the admissibility in evidence of certain writings and records made in the regular course of business.

Mr. McNARY. Mr. President, when the calendar was called I objected to the consideration of that bill. After further consideration and brief study, I am willing to withdraw my objection.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Vermont?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

Mr. AUSTIN. Mr. President, on behalf of the Senator from Nebraska [Mr. BURKE], who is necessarily absent, I offer the amendment proposed by him to the bill; and by way of brief explanation I should like to state that the bill relates only to the admissibility of evidence in criminal cases.

The original act permitted, upon certain proof, the admission of certain documents located in the United States with respect to the United States. The amendment of the Senator from Nebraska would extend a similar privilege to documents without the United States. The Department of Justice, the Treasury Department, and the State Department have approved the bill and the amendment offered by the Senator from Nebraska. The Senator from Nebraska has stated that he is advised that the bill and his amendment accord with the program of the President.

Mr. ROBINSON. I understand that the bill has been unanimously reported by the Committee on the Judiciary.

Mr. AUSTIN. It has. The amendment, however, has not. The amendment is now offered in the Senate.

The PRESIDENT pro tempore. The amendment offered by the Senator from Vermont on behalf of the Senator from Nebraska will be stated.

The CHIEF CLERK. On page 2, after line 7, it is proposed to insert:

SEC. 2. Any book, paper, statement, record, account, writing, or other document, or any portion thereof, of whatever character and in whatever form, as well as any copy thereof equally with the original, which is not in the United States (hereinafter referred to as a foreign document) shall, when duly certified as hereinafter provided, be admissible in evidence in any criminal action or proceeding in any court of the United States if the court shall find, from all the testimony taken with respect to such foreign document pursuant to a commission executed under the provisions of this act, that such document (or the original thereof in case such document is a copy) satisfies the requirements of section 1 of this act, unless in the event that the genuineness of such document is denied, any party to such criminal action or proceeding making such denial shall establish to the satisfaction of the court that such document is not genuine. Nothing contained herein shall be deemed to require authentication under the provisions of this act of any foreign documents which may otherwise be properly authenticated by law.

SEC. 3. (a) The testimony of any witness in a foreign country may be taken either on oral or written interrogatories, or on interrogatories partly oral and partly written, pursuant to a commission issued, as hereinafter provided, for the purpose of determining whether any foreign documents sought to be used in any criminal action or proceeding in any court of the United States are genuine, and whether the requirements of section 1 of this act are satisfied with respect to any such document (or the original thereof in case such document is a copy). Application for the issuance of a commission for such purpose may be made to the court in which such action or proceeding is pending by the United States or any other party thereto, after 5 days' notice in writing by the applicant party, or his attorney, to the opposite party, or his attorney of record, which notice shall state the names and addresses of witnesses whose testimony is to be taken and the time when it is desired to take such testimony. In granting such application the court shall issue a commission for the purpose of taking the testimony sought by the applicant, addressed to any consular officer of the United States conveniently located for the purpose. In cases of testimony taken on oral or partly oral interrogatories, the court shall make provisions in the commission for the selection as hereinafter provided of foreign counsel to represent each party (except the United States) to the criminal action or proceeding in which the foreign documents in question are to be used, unless such party has, prior to the issuance of the commission, notified the court that he does not desire the selection of foreign counsel to represent him at the time of taking of such testimony. In cases of testimony taken on written interrogatories, such provision shall be made only upon the request of any such party prior to the issuance of such commission. Selection of foreign counsel shall be made by the party whom such foreign counsel is to represent within 10 days prior to the taking of testimony or by the court from which the commission issued, upon the request of such party made within such time.

(b) Any consular officer to whom a commission is addressed to take testimony, who is interested in the outcome of the criminal action or proceeding in which the foreign documents in question are to be used or has participated in the prosecution of such action or proceeding, whether by investigations, preparation of evidence, or otherwise, may be disqualified on his own motion or on that of the United States or any other party to such criminal action or proceeding made to the court from which the commission issued at any time prior to the execution thereof. If, after notice and hearing, the court grants the motion, it shall instruct the consular officer thus disqualified to send the commission to any other consular officer of the United States named by the court, and such other officer shall execute the commission according to its terms and shall for all purposes be deemed the officer to whom the commission is addressed.

(c) The provisions of this act applicable to consular officers shall be applicable to diplomatic officers pursuant to such regulations as may be prescribed by the President.

SEC. 4. The consular officer to whom any commission authorized under this act is addressed shall take testimony in accordance with its terms. Every person whose testimony is taken shall be cautioned and sworn to testify the whole truth and carefully examined. His testimony shall be reduced to writing or typewriting by the consular officer taking the testimony, or by some person under his personal supervision, or by the witness himself, in the presence of the consular officer and by no other person, and shall, after it has been reduced to writing or typewriting, be subscribed by the witness. Every foreign document, with respect to which testimony is taken, shall be annexed to such testimony and subscribed by each witness who appears for the purpose of establishing the genuineness of such document. When counsel for all the parties attend the examination of any witness whose testimony is to be taken on written interrogatories, they may consent that oral interrogatories in addition to those accompanying the commission may be put to the witness. The consular officer taking any testimony shall require an interpreter to be present when his services are needed or are requested by any party or his attorney.

SEC. 5. If the consular officer executing any commission authorized under this act shall be satisfied, upon all the testimony taken, that a foreign document is genuine, he shall certify such document to be genuine under the seal of his office. Such certification shall include a statement that he is not subject to disqualification under the provisions of section 3 (b) of this act. He shall thereupon transmit, by mail, such foreign documents, together with the record of all testimony taken and the commission which has been executed, to the clerk of the court from which such commission issued, in the manner in which his official dispatches are transmitted to the Government. The clerk receiving any executed commission shall open it and shall make any foreign documents and record of testimony, transmitted with such commission, available for inspection by the parties to the criminal action or proceeding in which such documents are to be used, and said parties shall be furnished copies of such documents free of charge.

SEC. 6. A copy of any foreign document of record or on file in a public office of a foreign country, or political subdivision thereof, certified by the lawful custodian of such document, shall be admissible in evidence in any court of the United States when

authenticated by a certificate of a consular officer of the United States resident in such foreign country, under the seal of his office, certifying that the copy of such foreign document has been certified by the lawful custodian thereof. Nothing contained in this section shall be deemed to alter, amend, or repeal section 907 of the Revised Statutes, as amended (U. S. C., title 28, sec. 689).

SEC. 7. (a) The consular fees prescribed under section 1745 of the Revised Statutes, as amended (U. S. C., title 22, sec. 127), for official services in connection with the taking of testimony under this act, and the fees of any witness whose testimony is taken shall be paid by the party who applied for the commission pursuant to which such testimony was taken. Every witness under this act shall be entitled to receive, for each day's attendance, fees prescribed under section 8 of this act. Every foreign counsel selected pursuant to a commission issued on application of the United States, and every interpreter whose services are required by a consular officer under the provisions of this act, shall be paid by the United States, such compensation, together with such personal and incidental expense upon verified statements filed with the consular officer, as he may allow. Compensation and expenses of foreign counsel selected pursuant to a commission issued on application of any party other than the United States shall be paid by the party whom such counsel represents and shall be allowed in the same manner.

(b) Whenever any party makes affidavit, prior to the issuance of a commission for the purpose of taking testimony, that he is not possessed of sufficient means and is actually unable to pay any fees and costs incurred under this section, such fees and costs shall, upon order of the court, be paid in the same manner as fees and costs are paid which are chargeable to the United States.

(c) Any appropriation available for the payment of fees and costs in the case of witnesses subpenaed in behalf of the United States in criminal cases shall be available for any fees or costs which the United States is required to pay under this section.

SEC. 8. The President is authorized to prescribe regulations governing the manner of executing and returning commissions by consular officers under the provisions of this act and schedules of fees allowable to witnesses, foreign counsel, and interpreters under section 7 of this act.

Mr. ROBINSON. Mr. President, the amendment relates solely to the use of foreign documents as evidence in criminal proceedings?

Mr. AUSTIN. Yes.

Mr. ROBINSON. The amendment which the Senator from Vermont offers for the Senator from Nebraska has been considered and incorporated in the bill by the body at the other end of the Capitol?

Mr. AUSTIN. Yes.

Mr. KING. Mr. President, may I ask the Senator a question?

Mr. AUSTIN. Certainly.

Mr. KING. What opportunity is afforded the defendant to challenge the authenticity of the documents that may be adduced against him?

Mr. AUSTIN. In order to answer the question I shall have to consult the amendment.

Mr. KING. Manifestly it would be unfair to deny to a defendant the right and the opportunity to examine the documents which are introduced. If it is the intention to introduce foreign documents, he ought to be notified of that fact, so that he might have an opportunity if he desires to have an attorney present or to be present himself, in order to view the documents introduced against him, perhaps, of an incriminating character.

Mr. ROBINSON. Mr. President, I should like to ask the Senator a question, which has been suggested to me by the Senator from Iowa. The Senator from Vermont stated, in answer to a question asked by me, that this amendment has been incorporated by the other House.

Mr. AUSTIN. I was informed by the clerk of the Judiciary Committee of the Senate just now that this amendment had been adopted by the House.

Mr. ROBINSON. What I wish to inquire is why it is not in the bill; why it is necessary to incorporate it as a Senate amendment if the House has approved the amendment?

Mr. AUSTIN. I am informed now by the clerk of the committee that this amendment has been approved by the Judiciary Committee of the Senate, something of which I was unaware. I cannot explain the fact that the amendment is not incorporated in the bill, but this is the way I understand it from this statement which apparently is a statement prepared by the Senator from Nebraska. With the permission of the Senate, I will read the statement, which is as follows:

The amendments which I intend to propose are designed to extend the benefits which H. R. 11690 will accomplish. They deal specifically with public and business records located outside the United States.

The Government has been confronted with unnecessary, and yet serious, difficulties in proving ordinary business transactions, especially where documents located outside the United States are necessary for such proof. Under existing law, the Government is obliged to obtain the documents from abroad, and then to persuade residents of foreign countries to come here to testify at the trial that the documents are authentic. Even when the Government is successful in obtaining the assistance of such witnesses, the cost involved is beyond all reason. For example, the Government recently expended over $1,400 to obtain one foreign witness to appear in one case—and then the case ended in a disagreement.

These handicaps have had a serious effect upon proper enforcement of our criminal laws—particularly those involving frauds upon the revenue. The Government is placed at the mercy of foreign witnesses, and in all too many cases, prosecutions have been prevented completely, or have been dropped, because of the difficulty of obtaining sufficient evidence to make out a case. Importers who are so inclined have felt relatively safe in defrauding the Government of customs duties and in conspiring with foreign exporters to file false invoices.

The amendments about to be proposed will make the successful prosecution of criminal cases more certain and less expensive, where foreign documentary evidence is involved. A procedure is provided for making admissible copies of the foreign records when certified by American consular or diplomatic officers. In the case of certification of business records, certain necessary changes in procedure are provided, such as representation of the defendant by counsel before the consular officer, and making the consul's certificate prima facie evidence only. Every effort is made to safeguard the rights of a criminal defendant, and the simplicity and reasonableness of the procedure provided contrast sharply with the intricacy of existing law.

I will not read the remainder of the statement.

Mr. KING. Mr. President, I shall not object to the passage of the bill, but, after examining it during the day, I desire to reserve the right to offer a motion to reconsider. I think, while we are interested, of course, in the protection of the rights of the Government, we cannot be too tender of the rights of defendants who are charged with offenses.

Mr. AUSTIN. I agree with that idea, and I think that would be a satisfactory disposition of the matter, for, indeed, I act only as an accommodation to the Senator from Nebraska.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont on behalf of the Senator from Nebraska [Mr. BURKE].

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the amendments reported by the committee.

The amendments reported by the committee were, on page 1, line 3, after the word "that", to insert "in any court of the United States and any court established by act of Congress"; on line 7, after the word "admissible", to strike out "in evidence in proof" and insert "as evidence"; and at the end of the bill to add a new section, so as to make the bill read:

Be it enacted, etc., That in any court of the United States and any court established by act of Congress, any writing or record, whether in the form of an entry in a book or otherwise, made as a memorandum or record of any act, transaction, occurrence, or event, shall be admissible as evidence of said act, transaction, occurrence, or event, if it shall appear that it was made in the regular course of any business, and that it was the regular course of such business to make such memorandum or record at the time of such act, transaction, occurrence, or event or within a reasonable time thereafter. All other circumstances of the making of such writing or record, including lack of personal knowledge by the entrant or maker, may be shown to affect its weight, but they shall not affect its admissibility. The term "business" shall include business, profession, occupation, and calling of every kind.

SEC. 2. This act shall be prospective only and not retroactive.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PROPERTY DAMAGE BY WATERS IN BLACKFOOT RESERVOIR

The Senate proceeded to consider the bill (S. 4142) for the relief of owners of property damaged by high waters in the

Blackfoot Reservoir, which had been reported from the Committee on Irrigation and Reclamation with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Interior is hereby authorized to cause an investigation to be made promptly of all pending damage claims on the Fort Hall Indian irrigation project, Idaho, covering damages to crops, real estate, or any other legal or beneficial interest in real or personal property, with a view to determining the validity and proper amounts thereof: *Provided*, That upon completion of such investigation a report shall be submitted to Congress, together with recommendations.

SEC. 2. There is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $2,000 to effect the purpose of this act.

Mr. KING. Mr. President, may I ask why should not this appropriation be paid out of any appropriations that may be made for the Indians, because it is an Indian project, as I understand, although perhaps there may be some liability attaching to the Government? But as to that I am not certain.

Mr. POPE. Mr. President, I will say to the Senator that the Secretary of the Interior in a report submitted made a statement which I think will in part answer the question of the Senator from Utah. He says:

Estimates prepared within recent years providing for the completion of the Fort Hall project always included items covering lump-sum tentative estimates of the cost of settlement of the various damage claims.

Here I may say that those who have been damaged are a considerable number, but the amount of damage is small. However, their crops have been destroyed for several years, and to them it is a very important matter.

Proceeding with the letter of the Secretary—

In the pending Interior Department appropriation bill for the fiscal year 1937 provision is made for appropriating funds for a number of Indian irrigation projects to initiate a 5-year program for completion of existing or proposed projects with two exceptions which do not include Fort Hall.

Then at the conclusion of the Secretary's letter he says:

These amounts—

Contemplated in connection with the completion of this project—

These amounts include estimates of the cost required to settle the pending damage claims. In view of this and in the event Congress adopts this projected program it would seem unnecessary that special legislation such as is now contemplated need be enacted.

Then he concludes by suggesting that an investigation of the claims be made.

Mr. KING. Do these actions sound in tort or in contract, and, if in the former, is the Government liable or are the Indians liable? Is it an obligation of the Federal Government or is it an obligation of the Indians or of private persons?

Mr. POPE. I think it would be an obligation of the Federal Government, because it is a Federal Government project. The overflow of the waters by reason of the construction would be due to an act of the Government. The injury resulting has been recognized in all the cases of this kind; but it is not possible as yet to settle the claims. We are merely asking for an investigation as to whom the persons are and the amount of damages.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4900) to amend the naturalization laws in respect of residence requirements, and for other purposes, was announced as next in order.

Mr. REYNOLDS. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

LOW-COST HOUSING PROGRAM

The bill (S. 4424) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions; for the development of decent, safe, and sanitary dwellings for families of low income; and for the reduction of unemployment and the stimulation of business activity; to create a United States Housing Authority; and for other purposes, was announced as next in order.

Mr. KING. Mr. President, that is too important a bill to take up at this time. Let it go over.

Mr. WAGNER. Mr. President, I appreciate that this is, perhaps, too important a measure and involves too much to be considered now, but I will say that if the bill can be taken up for consideration I do not think that any Member of the Senate will oppose the objectives, both social and economic, of this proposed legislation. I regard it as the most important piece of legislation pending before the Congress this year. The purpose, from a social standpoint, is to aid a class of people who have been neglected too long already, and that is those who are classified as the low-income group. The bill represents an effort to provide decent quarters for them and to clear the slums. The committee reported the bill unanimously. The hearings before the committee were most impressive. People from all walks of life—employers and employees—came before the committee, urging the passage of this proposed legislation.

I ask unanimous consent that the report of the committee accompanying the bill, which I think is an excellent report, covering the whole subject, be printed in the RECORD; and I am going to urge upon the leadership of the Senate that this measure may be made the business of the Senate for consideration just as soon as the call of the calendar shall have been completed. I am sure the Senator from Utah will favor this proposed legislation.

The PRESIDENT pro tempore. At the request of the Senator from New York, and without objection, the report on the bill will be printed in the RECORD.

The report (No. 2160) is as follows:

The Committee on Education and Labor, to whom was referred the bill (S. 4424) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the development of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, after holding hearings and giving consideration to the bill, report the same with amendments and recommend the passage of the bill as amended.

During the past 3 years the Federal Government has been committed to the policy of encouraging the development of safe and sanitary homes for persons of low income. General agreement has been reached that this line of activity promotes the creation of useful employment opportunities for capital and labor and, at the same time, meliorates living conditions that are conducive to ill health, crime, and other social evils. But while these objectives have been agreed upon, the undertakings designed to effectuate them have thus far been confused with extraneous matters, such as the administration of unemployment relief and the extension of credit assistance to persons who normally can supply themselves with decent living quarters. This confusion has worked to the disadvantage of those sections of our population who are dependent upon more or less permanent public aid for the improvement of their living conditions; and it has also been unfair to private enterprise, which is entitled to preempt the field which it can serve well and to know the exact limitations of the field which the Government is directly touching upon.

The object of the present bill is to implement policies already agreed upon by giving them a firmer statutory base and by divorcing their execution from hampering allegiances with essentially different activities of the Government.

The bill represents a clarification and simplification of governmental procedure rather than an innovation.

ECONOMIC OBJECTIVES OF THE BILL

(1) Unemployment today: The first objective of the bill is to provide opportunities for reemployment in a preeminently useful type of enterprise. While the estimate of a competent research agency that there are over 12,500,000 people unemployed today may well be overly pessimistic, it is widely conceded that there are hardly less than 10,000,000 jobless people in the country, and that the inroads upon this paramount problem have not been commensurate with the gains achieved in other phases of industrial recovery.

This relative lag in employment is well illustrated by the following table, adapted from the Department of Commerce's survey of current business:

Table 1.—Indexes of industrial production and factory employment (1923–25=100)

First quarter average	Production	Employment
1934	82	77
1935	90	80
1936	96	83

This coincidence of industrial advance with persistent unemployment is doubly significant because it reveals a permanent trend, the explanation of which is to be found largely in technological factors that have increased the per-hour productivity of the average worker 90 percent between 1899 and 1929, and 73 percent between the end of 1929 and the end of 1934.

The committee does not believe that the solution of this national problem rests in the permanent assumption by the Government of a relief burden of almost $2,000,000,000 per year. On the other hand, it recognizes that relief cannot be put aside until employment opportunities are substituted, to the mutual benefit of the taxpayer, the worker, and the business community.

(2) Lag in residential construction: There are two reasons why the most fertile area for the cultivation of employment opportunities at the present time is in the field of construction, and above all residential construction. In the first place, this is the economic activity which has straggled the farthest behind in the recovery march. In 1929 there were somewhat less than 2,500,000 workers attached to the building industry. During 1935, with employment returning to 80 or 90 percent of normal in other lines, there remained 1,732,000 unemployed building-trades men, or about 74 percent of all those attached to the industry. When there is added to this the vastly larger number of men who are tied to allied occupations, the fact emerges that fully half of the total unemployment today is due to the lag in the durable goods industries.

The following table, adapted from the Department of Commerce's Survey of Current Business, shows the relatively depressed state of the construction industry.

TABLE 2.—*Contrast between industrial recovery and construction activity (1923–25=100)*

	Industrial activity	Construction activity	Residential building (millions of dollars)
March:			
1930	106	102	101
1931	89	77	100
1932	68	26	33
1933	60	14	16
1934	87	33	28
1935	91	26	32
1936	97	47	55

(3) Housing needs: In addition to the present lag in home construction, there is a second reason why building activity offers such enticing opportunities for the employment of both capital and labor. This reason is to be found in the genuine housing needs of the country during the next 10 years. Naturally, there are varying estimates as to what these requirements may be. The lowest figures presented to the committee by a reliable authority was about 7,500,000 family units. Other competent sources arrived at a total of 16,000,000 family units. The following table impresses the committee as a well-conceived prognosis:

TABLE 3.—*Additional dwellings needed, 1935–45*

[Estimate made by Catherine Bauer, executive secretary, Labor Housing Conference, and Coleman Woodbury, director, National Association of Housing Officials]

Purely quantitative needs:	
Estimated net increase in households, 1930–45	7,328,000
Extra dwellings, to allow 5-percent vacancies	386,000
Total dwelling units needed to house additional families, 1930–45	7,714,000
Surplus dwellings, 1930	650,000
Total additional dwelling units needed to house increase in families, 1930–45	7,064,000
New dwellings built, 1930–35	500,000
Dwellings demolished, 1930–35	200,000
Net increase in dwellings, 1930–35	300,000
Total additional dwelling units needed, 1935–45, to meet occupancy standards of 1930	6,764,000
To achieve and maintain minimum physical standards:	
Immediate replacement of unfit dwellings, at 10 percent of total dwellings, 1930	3,216,000
Annual replacement at 1 percent per annum of total dwellings, 1930, to allow for obsolescence	3,216,000
Total additional dwelling units needed to meet minimum physical standards and maintain family occupancy standards as of 1930	13,196,000

NOTES.—(1) A certain proportion of these additional dwelling units needed will doubtless be provided by the subdivision of existing larger dwellings. Certainly not more than 2,000,000 units, most of them unsatisfactory, could be provided in this way, however.

(2) On the other hand, there was a certain proportion of "doubling up" even in 1930, not recorded in the census. If we were to establish and maintain a real family occupancy standard (one decent dwelling for each distinct family unit), we would have to allow at least an additional million new dwellings.

(4) The Government's role in low-rent housing: The committee is convinced that a housing program of this magnitude cannot be undertaken by the Government. The task is predominantly one for private enterprise. However, the evidence is well-nigh overwhelming that a substantial and even-tempered building revival depends upon the inclusion in any new housing development of those vast segments of our population who have very low incomes, and that these groups will be overlooked if the Government does not play a reasonable part in their inclusion.

The reasons for this are twofold. First of all, while the man of low income can start feeding and clothing himself as soon as he regains his job, he cannot improve his housing conditions until his savings have been restored by a sustained period of prosperity. But every sign indicates that there can be no sustained period of prosperity without a concomitant revival of the building industry. This vicious cycle can be broken only with governmental assistance.

Secondly, and from the long-range point of view, some sustained public assistance is necessary to provide for those in the very low income groups. Taking the country as a whole, respectable living quarters cost about $7.50 per room per month, which means that a normal family of five, in order to obtain three and one-half rooms in which to live, must spend about $315 each year for rent. By and large, this is impossible with a family income of less than $1,500 per year.

The following table shows the very large percentage of families in the United States whose incomes are below this minimum health and decency level, and who therefore require some public assistance in order to obtain safe and sanitary dwellings:

TABLE 4.—*Estimated family incomes, 1933, 1934, 1935, urban owner and tenant families based on Federal survey of urban housing for 1933 and estimated changes in national income*

National income paid out	1933	1934	1935
Millions of dollars	44,431	49,440	53,395
Increase over 1933 (percent)		11.3	20.2

	Northeastern States	Southeastern States	Western States	All States
INCOME SEXTILES 1933 [1]				
First	$290	$181	$311	$264
Second	630	444	652	595
Median	983	745	1,027	953
Fourth	1,415	1,271	1,468	1,407
Fifth	2,028	1,988	2,072	2,018
INCOME SEXTILES 1934 [2]				
First	323	201	346	294
Second	701	494	726	652
Median	1,094	829	1,143	1,061
Fourth	1,575	1,415	1,634	1,566
Fifth	2,257	2,179	2,306	2,256
INCOME SEXTILES 1935 [3]				
First	340	218	374	317
Second	757	534	784	715
Median	1,182	895	1,234	1,146
Fourth	1,701	1,528	1,765	1,691
Fifth	2,438	2,354	2,491	2,426

[1] Northeastern States, percent under $1,500=69.9; Southeastern States, percent under $1,200=64.6; Western States, percent under $1,500=67.9.
[2] Northeastern States, percent under $1,500=64.1; Southeastern States, percent under $1,200=60.6; Western States, percent under $1,500=62.1.
[3] Northeastern States, percent under $1,500=60.4; Southeastern States, percent under $1,200=56.9; Western States, percent under $1,500=58.4.

(5) Effect upon private enterprise: The committee is aware that the very modest public assistance provided by the bill, if taken alone, would neither make a real dent upon slum conditions nor stimulate general construction. But a vast amount of testimony, including the measured judgment of men experienced in business and finance, has convinced the committee that the public action here contemplated will help to release the springs of private action.

Corroboration is supplied by the experience of the British Government, which has maintained a fairly level rate of employment and industrial activity, in the stormy period since 1929, by a rapid expansion of building activity to take up the slack that was developing as a result of depressive influences throughout the world.

The following table shows clearly what Great Britain has accomplished:

TABLE 5.—*Economic activity in Great Britain, 1928–34 (1928=100)*

	1929	1930	1931	1932	1933	1934
Industrial production	106	98	89	88	94	105
Production of steel	113	86	61	62	82	104
Total building activity	108	111	93	98	124	141
Building activity in housing only	110	117	101	117	155	173
Employment	102	98	94	94	97	100

Source: British Ministry of Labor.

The committee believes, in short, that the genuine development of living quarters for people of low income, with the Government supplying the necessary spark, will tend to ignite the building industry generally, will remove the most serious forces now operating against complete economic recovery, and will introduce into that economic recovery a truly stabilizing influence.

SOCIAL OBJECTIVES OF THE BILL

In addition to providing for the reemployment of capital and labor, the bill is designed to mitigate some of the deplorable housing conditions that affect so large a portion of our population.

(1) Widespread nature of bad housing: It is now a matter of general agreement that even before the depression commenced, over 10,000,000 families in America, or more than 40,000,000 people, were subjected to housing conditions that did not adequately protect their health and safety. These unfortunate circumstances have been neither exclusively urban or exclusively rural. The Department of Commerce Real Property Inventory of 1934, covering 2,400,000 family dwelling units in 64 representative cities, found that almost one-fifth of them were either definitely bad, though not beyond repair, or totally unfit for human occupation. In a governmental survey of rural housing made last year, it was discovered that in over half of the American States, four out of five of the rural homes had no running water and three out of four neither gas nor electricity.

As evidence that bad housing conditions are by no means confined to metropolitan or large-city areas, the committee was impressed by the testimony of Mr. Howard Johnson, social-service representative of the New Jersey Housing Authority. Mr. Johnson said:

"In order to determine housing conditions existing in New Jersey, we made a real-property inventory covering approximately 91 percent of the urban population of the State. This included the complete enumeration of 175 municipalities and a survey of the substandard areas in 44 additional towns. The territory included in the inventory varied from blighted areas to wealthy suburbs and from 6 cities of over 100,000 population to 73 communities of less than 5,000 persons. Consequently, this real-property inventory is an accurate gage of housing conditions in the nonfarm areas of the State. In it are enumerated the character and condition of 499,734 structures containing 872,852 dwelling units. We found that approximately 30,000 families in the State are housed in buildings which should be demolished. We have made a special study of dwelling units renting for less than $24 per month, which is the income group to be benefited by the Wagner bill. This study reveals the fact that approximately 52 percent of these accommodations are in very poor condition and that there is an alarming lack of sanitary facilities in these quarters."

(2) Effect of bad housing upon health: The committee does not believe it necessary to labor the universally accepted truth that substandard housing conditions aggravate disease, crime, and immorality. The following selected statements, made before the committee, are typical of testimony from all parts of the country:

Mr. Langon Post, chairman of the New York City Housing Authority, said:

"Death from tuberculosis in the old-law tenements is 220 percent higher than it is in the new; at the same time death from spinal meningitis is 247 percent higher in the old-law tenements than in the new; deaths from all causes are 87 percent higher in the old-law tenements than in the new. From these figures it can readily be seen that it is not just poverty which causes this, but it is the conditions in which the people live."

The Honorable Neville Miller, mayor of Louisville, Ky., said:

"In studying it (the slum problem) from the question of tuberculosis, there is in the city as a whole 1 case to every 463 people; in district no. 1 (one of the four slum districts) there is 1 case to every 226; and in the four (slum) districts as a whole there is 1 case to every 156 people as compared to 1 case for every 463 in the city as a whole."

Mr. John C. De Holl, chairman of the Housing Authority of Birmingham, Ala., said:

"Tuberculosis has spread over the entire city, but it is heavily congested in the 22 blighted areas. Typhoid fever, enteritis, and diphtheria exist throughout the city, but from our study we find these contagious diseases exist the heaviest in our blighted areas. The social diseases, regardless of race, class, or social status, are located in every section of the city, but are heaviest in our blighted areas."

(3) Effect of bad housing upon crime: Upon the relationship between bad housing and crime, Mr. Ernest J. Bohn, member of the Cleveland City Council, said:

"I think all of us recognize the great social loss, the great social cost of the maintenance of our slums; but let me point out these figures in this area (of Cleveland) where only 2½ percent of our people live, that that is where 21 percent of our murders are committed; 26 percent of our houses of prostitution are in this area; 6.8 percent of all boy delinquency arises in this area; 2½ percent of the people furnish 6.8 percent of the delinquency."

Mr. Post testified on this point:

"Juvenile delinquency is 100 percent higher in the slum areas than in the nonslum areas, and those figures would be much higher if we could confine them to the old-law tenements, but in those figures we only have the general area, and any area has a certain amount of good housing which would offset to some extent the figures in the old-law tenements."

If most of this testimony comes from the larger cities, it is only because they alone have the means to conduct formal investigations. Evidence is plentiful, however, that their experience is typical of experience everywhere.

(4) Public cost of bad housing: It is clear that disease and crime entail a cost to the Federal and local governments, infinitely more wasteful and infinitely more undesirable than would be a businesslike expenditure of funds to remedy these evil conditions at their source.

Mr. A. R. Clas, Director of the Housing Division of the Public Works Administration, testified as follows, upon the basis of his organization's experience throughout the country:

"During 1932, in a certain slum area in Cleveland, where 2.47 percent of the population of the city dwelt on 0.73 percent of the land area, the tax income was $225,035, whereas the total cost of maintaining the section was $1,972,437, or a net loss of $1,747,402. Likewise in Indianapolis, in those areas of greatest economic drain, it has been found that the taxpayers are spending every year for each person $27.29 as against $4 per person in other areas; 26 percent of the taxes spent for police, fire, health, and sanitary services are maintaining only 10 percent of the city's population. Thirty percent of the city hospital service in 1932 went into this area of 10 percent of the population. More than 33 percent of the public relief and 36 percent of the city expenditure for arrests, trials, and imprisonments were likewise absorbed by these 11 census tracts. Again during 1933, a study of a substandard area in South Boston of 769 families indicated an income of $27,093.23 and expenses of $275,113.74, or an excess of expenses over income of $248,020.51. Astounding as these figures may be, they are typical in a general way of every city of America where there are slums and this means practically every one."

Mr. Clas' testimony was amply confirmed by witnesses appearing from every section of the country.

The committee is convinced that in dealing with the housing of families of low income, systematic low-rent housing should be substituted for relief. This procedure will be cheaper for the Government, more beneficial to business, and infinitely more desirable to those of our citizens who are now living in slums and blighted areas, both in urban and rural parts of the country.

SHORTCOMINGS IN EXISTING FACILITIES

The shortcomings in the present approach of the Government toward low-rent housing may be summarized as follows:

(1) Agencies not shaped to serve this need: The Home Owners' Loan Corporation and the Federal Housing Administration were created to salvage existing values from the dangers of the depression. They have checked evictions; they have improved mortgage practices; and they have promoted credit liquidity. However, their assistance has been limited to people who had credit standing, or who were expected to acquire credit standing upon the return of normal times. They have not been attuned to the needs of families in the very low income group, who need public aid that is permanent rather than temporary, and that is substantive rather than merely procedural.

The best evidence that the organizations now concerned with problems of home ownership cannot deal with the specialized task of low-rent housing, was presented to the committee by the Chairman of the Federal Home Loan Bank Board, Mr. John H. Fahey. Mr. Fahey said:

"I am heartily in favor of this type of a public-housing program. * * * You will not begin to make progress on this program unless the Federal Government itself assumes the leadership and keeps at it persistently. * * * I have no reservation on the statement that we are so far behind the advanced countries of the old world that it simply is a disgrace to our institutions."

(2) Low-rent housing agencies inadequate: The Public Works Administration, which has been devoting itself more particularly than other agencies to the problem of low-rent housing, has also been held back by severe difficulties. One of these draw-backs has been that housing has been tested, at least in the public mind, in terms of emergency relief, thus impairing the expeditious accomplishment of either, and giving to low-cost housing an air of expediency that is fundamentally injurious to its successful operation. Housing is a long-range venture.

Another difficulty has been that the Public Works Administration has not had legal authority to extend aid of the type or scope that would bring its housing projects within the reach of families of very low income. As a result, with a few notable exceptions, the housing projects thus far completed with governmental aid have necessarily been rented to people of the middle income group. This has not only dragged the Government into a field where there is no legitimate excuse for the expenditure of public funds, but in addition it has been unfair to private industry by providing competition in an area that private industry can and should occupy. The highly desirable purposes of low-rent housing for those who really need it have thus become involved in misunderstandings that must be quickly cleared away if the good is not to be destroyed along with the bad.

(3) Excessive centralization: Due to the absence of legal mechanisms providing for cooperation between the Federal Government and the States upon this subject, there has been an excessive centralization of housing activities in Washington. Thus housing, which as much as anything else should spring from local initiative and the voluntary wishes of the people in their respective communities, has taken on a completely distorted aspect.

(4) Inadequate statutory framework: Since housing to date has received its nourishment only from omnibus relief statutes, housing policies have developed solely by administrative action without the guidance of law. It is not a healthy permanent policy for one of the most significant activities of the Federal Government to flow along without being kept within channels marked out by Congress itself.

ANALYSIS OF THE BILL

The present bill seeks to cure, in the light of experience, the revealed defects in Federal housing policy.

Section 1. Findings and declarations of policy: This section states the dual objective of Congress to provide safer and more sanitary dwellings for families in the very low income groups and to encourage the reemployment of capital and labor in a growing building program. It is clearly indicated that the activities of the Federal Government will be devoted for the most part to extending financial aid to States, municipalities, and other local authorities for the development by them of low-rent housing and slum clearance.

Section 2. Definitions: It will be sufficient to discuss the more important definitions.

The definitions of "low-rent housing" and of "families of low income" make it clear that whatever housing is assisted by this bill will compete only with the sordid conditions of urban and rural slums, and not with any private enterprise that is supplying decent, safe, and sanitary homes for families of moderate means. Housing projects under this bill will be "within the financial reach of, and available solely for" poor people who do not induce private enterprise to furnish safe and sanitary dwellings within their means, and whose aggregate incomes are not more than six times the rentals charged to them.

The definitions of "slum clearance" and of "development" make it clear that Federal aid will not be extended to local agencies merely for tearing down old buildings and clearing away areas. So restricted a type of slum clearance benefits only the owners of the old tenements and of adjacent property; or, if the land is used by the locality for public playgrounds, it means at best that the Federal Government is indulging in a worth-while but secondary purpose. Mere wrecking should be done by the localities alone. More important yet, merely tearing down the old either drives the inhabitants of the buildings into other slums, or it accentuates the housing shortage and forces all rentals upward.

The kind of slum clearance embraced in this bill does not include pure destruction. Slum clearance with Federal aid can occur merely as an adjunct to improving housing conditions. There may be the repair and renovation of existing buildings upon slum sites. There may be the clearing away of a slum site as part of a formulated plan to erect low-rent housing on the spot. There may be in some cases the construction of low-rent houses upon cheaper and economically more desirable land than present slum sites. But in all cases the incentive to Federal aid must be basically the stimulation of the building industry, the reemployment of labor, and the creation of safer and more sanitary homes for families of very low income.

However, the Federal Government itself, as distinguished from local agencies with Federal aid, is authorized to do pure slum clearance when necessary to effect the objectives of the bill. It is thought that in such cases there will be sufficient safeguards against deviation from the main objectives of the bill.

Section 3. United States Housing Authority: This section creates a corporation of perpetual duration, to be known as the United States Housing Authority, and to consist of a board of five directors, appointed by the President, by and with the advice and consent of the Senate. It further provides for the designation of one of the directors as an executive officer to act for the board in an administrative capacity.

Section 4. Salaries and employees: This section fixes the salaries of members of the board, and outlines the Authority's power to employ lawyers, technical experts, and skilled and unskilled labor. It also authorizes the President, in his discretion, to transfer to the Authority other agencies, projects, and funds of the Government relating to low-cost housing and slum clearance.

Section 5. Powers of the Authority: This section specifies the powers of the Authority, including the right to sue and be sued, to foreclose on property, to protect its interests by insurance, and to be free from local taxes of all kinds.

Section 6. Expenditures: This section provides for the manner of expenditure by the Authority, and also exacts conformance with the statutes requiring advertisements for bids and the purchase of American materials on all projects.

Section 7. Research: This section sanctions research and experimentation relative to housing problems.

Section 8. Rules and regulations: This section empowers the Authority to draw up and put into effect rules and regulations.

Section 9. Federal aid to local public agencies: This section prescribes the terms of Federal grants and loans to public-housing agencies for the development, acquisition, or administration of low-rent housing projects by such agencies.

The value of the grant for any low-rent housing project is fixed at not more than 45 percent of its development or acquisition cost. Any such grant may be paid in whole or in part in a lump sum, and any balance of the grant not so paid shall be spread equally over a fixed period (not exceeding 60 years) upon a yearly annuity basis. The requirement that all annuities shall be fixed and determined at the outset is imperative in order that the local authority may formulate its plans with certainty and precision, and in order that the Federal Authority may be saved from constant importunities.

In addition to these grants, the bill provides that loans may be made for low-rent housing projects, in an amount not greater than the development or acquisition cost of the project so assisted minus the value of the portion of grant that has been paid to it. Leaving to the discretion of the Authority the terms of interest and of repayment of such loans, while strictly in accord with general practice in recent housing legislation, is important enough to justify citation here. It will give the Authority an election to render financial assistance through low or nominal interest rates instead of by grants, where the former policy is the more desirable one. It will enable the Authority to use these two methods of assistance either alternatively or conjunctively, in order that housing projects shall be made available to persons of low income. Subsequently provisions of the bill, as will be pointed out later in this report, place a governor upon the discretion of the Authority that will keep its extension of financial assistance, in whatever forms it may take, strictly within the bounds of what is really necessary to make projects available for families of low income.

Section 10. Demonstration projects: This section provides in a very circumscribed way for low-rent housing and slum clearance demonstration projects by the Authority. The committee recognizes that such projects are carved out as exceptions to the general intent of the bill to promote action through local agencies. None the less, the committee has been led to believe that, under appropriate safeguards, an authorization for some demonstration projects should be written into the bill.

The considerations prompting this conclusion have been well expressed in a report of a subcommittee on low-rent housing and slum clearance of the National Emergency Council. This report states:

"Moreover, at this time local political entities are unable to cope with the problem because:

"1. State legislation is inadequate, and exists, untried, in only 20 States.

"2. A long period is necessary to establish effective local agencies, particularly because State legislatures meet only once every 2 years.

"3. Local housing authorities set up under existing legislation have not the power to issue general obligation bonds nor to offer other collateral.

"4. State and municipal bodies have neither the credit ranking nor the low-interest rates of the Federal Government.

"5. Even excluding housing, the municipalities have demonstrated their inability to take care of their ordinary relief problems.

"Local communities need further education and stimulation to obtain adequate powers. There must be no break in Federal activity if the experience and progress made in the last 3 years is to be crystallized and made available to them. The transfer of responsibility to local agencies must be progressive shifting and not a destructive broadside. It is unreasonable to assume that local bodies will be uniformly able to offer any subsidy beyond tax exemption for some years to come. A Federal agency must, therefore, continue to bear most of the burden until local agencies become strong enough to carry it."

With this "progressive shifting" to the localities in mind, the bill provides that no demonstration project shall be commenced without the advice and request of some responsible local agency; that as soon as practicable the Authority shall sell its demonstration projects to local agencies; that pending sale the Authority may lease such projects to public-housing agencies or public-housing societies or enter into contracts for the administration of any such projects in whole or in part by any such agency.

The other provisions of this section (10) cover the necessary powers that the Authority must have in connection with its undertakings, such as selling and exchanging property, acquiring property by purchase, eminent domain, gift, or otherwise, and dedicating lands for parks, playgrounds, and other recreational facilities.

Subsection (h) of this section (10) is noteworthy. It enables the Authority, whose properties, like other Federal holdings, are exempt from all local taxation, to pay, in its discretion, annual sums in lieu of taxes. This may be necessary at times to insure only an equitable tax burden upon other property owners in the vicinity of publicly owned projects. In other instances the Authority will be able to refrain from paying these sums in lieu of local taxes, thus in effect exacting from the local community a tax exemption as the price for benefiting by the project involved.

Section 11. Contracts and agreements: This section provides that the Authority may, by mutual agreement, consent to the modification of any contract or agreement to which it is a party. This provision merely enables the Authority to do what any business corporation is allowed to do; i. e., make necessary readjustments in view of changing circumstances.

SECTION 12. Appropriate limitations upon discretion of the Authority: This section sets up legislative canons to guide the Authority. In essence these are: That the Authority shall not invade the field of useful private enterprise, but rather shall act only where there is a shortage of decent, safe, and sanitary dwellings within the financial reach of families of very low income; that any action taken by the Authority shall always be influenced primarily by consideration for the well-being of low-income inhabitants of dwellings affected by the Authority's action; that any particular action of the Authority shall be, insofar as possible, in harmony with a coherent and consistent national program formulated by the Authority; that the amount of Federal financial assistance given to any project shall not be in excess of the amount desirable to bring safe and sanitary dwellings within the financial reach of families of very low income; and that there shall be neither excesses nor speculation in connection with land acquisition.

The committee wishes to emphasize that the bill vests the Authority with the exclusive duty and power to conform its activities to these standards; except insofar as such standards may be deemed by the courts to be necessary prerequisites to the valid delegation of power. Aside from this exception it is not intended that the factual determination of whether or not the Authority has so conformed shall be subject to judicial review or interruption by injunction. To have another agency determine whether or not the Authority observes these standards disperses responsibility without serving any useful purpose. If the Authority slights the instructions which Congress has given it remains within the power of Congress to change the law.

Section 13. Safeguards against competition with private enterprise: This section draws up such control over low-rent housing projects, assisted by Federal funds, as may be necessary to insure the dedication of such projects to families of low income. The committee regards this section as an adequate safeguard against competition with useful private industry, and against the expenditure of Federal funds for the benefit of people whose incomes should enable them to take care of themselves.

Section 14. Financial limitations: This section is designed to keep the financial aid extended by the Authority within the bounds of the specific provisions set forth by law, i. e., that no grant shall be more than 45 percent of the total development or acquisition cost of a project, and that no loan shall be more than the difference between such cost and the portion of it that is covered by a grant.

Section 15. Labor standards: This section fixes the labor standards applying to contracts in connection with low-rent housing and slum-clearance projects owned by the Authority, and to the purchasing of materials and labor for such projects. And every contract of the Authority with a housing agency must contain a provision that the wages prevailing in the locality, as determined by the Authority, will be paid to all laborers and mechanics employed. In addition, this section extends the provisions of the 8-hour law to contracts of the Authority for work upon its demonstration projects, and the kick-back law is made to apply to all projects financed in whole or in part by the Authority. The compensation act is extended to officers and employees of the Authority.

Section 16. Capital stock: This section provides that the Authority shall have a capital stock of $1,000,000, subscribed by the United States.

Section 17. Appropriations: This section authorizes the initial appropriation of $10,000,000 for the fiscal year ending June 30, 1937.

Section 18. Allocations: This section authorizes the President to allocate to the Authority any funds available under any act of Congress for low-rent housing or slum clearance.

Section 19. Bond issue: This section authorizes the sale of bonds by the Authority to raise money for the purposes of the act. Such bonds, guaranteed, as to principal and interest by the United States, are to be issued in an amount not more than $150,000,000 for the first year, and not more than $150,000,000 for each of the succeeding 2 years.

While neither the money available to the Authority through the sale of bonds nor the money available to the Authority through appropriations is earmarked for any specific purposes aside from the general purposes of the bill, it is contemplated that the general practice, in the absence of contingencies making it desirable for the Authority in its discretion to act otherwise, will be that the appropriations will be used for grants and that the money raised through the sale of bonds will be used for loans.

Section 20. Deposits: This section merely governs the safekeeping of idle funds of the Authority.

Sections 21–25. These sections prescribe the penalties for dealing illegally or criminally with the Authority.

Section 26. Separability: This section contains the customary separability provision.

Section 27. Title: This section sets forth the title of the bill.

BILL PASSED OVER

The bill (S. 2293) for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

LOANS TO SHIPOWNERS

The bill (S. 4187) to amend the Reconstruction Finance Corporation Act for the purpose of making loans to shipowners for increasing safety of life at sea on existing vessels was announced as next in order.

Mr. COUZENS. I ask that the bill go over.

Mr. FLETCHER. Mr. President, that bill escaped my attention. It seems to have been reported by "Mr. Thatcher." I am not acquainted with "Mr. Thatcher", and I could not identify the measure at first, but I see the bill has been reported from the Committee on Banking and Currency and introduced by the Senator from New York [Mr. COPELAND]. I remember the committee having the bill under consideration, and the committee decided it was well to authorize loans for ships in order that they might be made safe.

Mr. ROBINSON. May I suggest that probably it is a typographical error? Mr. Thatcher used to be a member of the House Committee on Banking and Currency.

Mr. COPELAND. Mr. President, let me say to whomever it was that objected that a subcommittee of the Commerce Committee, in conference with the Commerce Department, has determined upon certain changes which must be made in ships now upon the seas in order to make them safe. For instance, the accident involving the *Mohawk*, which it will be remembered was sunk at sea a year ago, was due to the fact that the watertight compartment ended a deck too low to afford safety, so when the ship listed the water came to the deck immediately above the watertight compartment and filled it, and the boat, of course, went down.

The regulations are mandatory. The owners of a sister ship of the *Mohawk*, for instance, are forced to conform to the regulations in order to operate the ship. On that particular vessel they must increase the height of the compartment another deck. Since the changes are mandatory we do not wish the owners to have the slightest excuse on the ground that they cannot get banking accommodations or cannot otherwise get funds with which to make the improvements. Therefore we made an appeal to the Banking and Currency Committee that the Reconstruction Finance Corporation Act might be amended in order that loans which the R. F. C. would approve might be made for the purpose of making ships safe. I hope the bill may be passed and become a law.

Mr. COUZENS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

FEDERAL CREDIT UNION

The bill (S. 4686) to amend the act known as the Federal Credit Union Act, approved June 26, 1934, was announced as next in order.

Mr. ROBINSON. Mr. President, no printed report apparently accompanies the bill. I am interested to know why that is and to have an explanation of the bill.

Mr. SHEPPARD. Mr. President, I appeared before the Banking and Currency Committee and exhibited a letter addressed to me from Governor Myers, of the Farm Credit Administration, stating that he favored the bill and would send to the committee a favorable letter. After the committee authorized the report, the letter came, and I now have it. The bill authorizes one credit union to lend surplus funds to another credit union on proper security and to an extent not above 25 percent of its paid-in resources.

Mr. KING. What has the Department of Agriculture to do with it? It seems to me to be a matter for the Banking and Currency Committee.

Mr. SHEPPARD. The Banking and Currency Committee reported it, and the Governor of the Farm Credit Administration has submitted a favorable report.

Mr. KING. Whence would the funds come which are to be loaned?

Mr. SHEPPARD. The surplus of any particular credit union may be loaned to another credit union desiring funds. It is a method by which a credit union may raise funds.

I ask that a letter from Governor Myers, of the Farm Credit Administration, to the Senator from Florida [Mr. FLETCHER] may be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FARM CREDIT ADMINISTRATION,
Washington, D. C., June 2, 1936.

Hon. DUNCAN U. FLETCHER,
United States Senate.

DEAR SENATOR: We have received the letter dated May 26, 1936, signed by Mr. R. H. Sparkman, requesting a report upon Senate bill 4686 to amend the Federal Credit Union Act approved June 26, 1934.

The bill S. 4686, amends paragraph (7) of section 7 of the Federal Credit Union Act by adding a subparagraph (c) to permit Federal credit unions to invest not exceeding 25 percent of their paid-in and unimpaired capital and surplus in loans to other credit unions.

In our letter to you dated May 7, 1936, which was a report on bills S. 4101, S. 4102, and S. 4103, it was stated as follows:

"It is our opinion that an amendment to the Federal Credit Union Act giving Federal credit unions the power to lend money to other credit unions would be desirable providing a limitation is placed upon the total amount that may be loaned in this manner by any Federal credit union to approximately 25 percent of its paid-in and unimpaired capital and surplus and that such loans shall be made in accordance with rules and regulations of the Governor. If the Federal Credit Union Act is amended so as to permit Federal credit unions to lend to other credit unions, it is believed that the borrowing needs of Federal credit unions can be met in this manner and through loans from commercial banks."

The bill S. 4686, if enacted into law, will provide for loans among credit unions within the limits previously suggested by us. Therefore, this bill is favorably recommended for your consideration.

Very truly yours,

W. I. MYERS, *Governor.*

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection the bill (S. 4686) to amend the act known as the Federal Credit Union Act, approved June 26, 1934, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act known as the Federal Credit Union Act, approved June 26, 1934, be, and the same is hereby, amended by inserting as subdivision (c) of paragraph (7) of section 7 the following:

"(c) and, in accordance with rules and regulations prescribed by the Governor, in loans to other credit unions in the total amount not exceeding 25 percent of its paid-in and unimpaired capital and surplus", so that paragraph (7) of section (7) will read as follows:

"To invest its funds (a) in loans exclusively to members; (b) in obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby; (c) and, in accordance with rules and regulations prescribed by the Governor, in loans to other credit unions in the total amount not exceeding 25 percent of its paid-in and unimpaired capital and surplus."

SALE OF TRACT, PUBLIC DOMAIN, OREGON

The Senate proceeded to consider the bill (S. 4241) to provide for sale of a certain isolated tract of the public domain in the State of Oregon, which had been reported from the Committee on Public Lands and Surveys with an amendment on page 1, line 4, after the word "order", to strike out "the Commissioner of the General Land Office is authorized and directed to order into market and sell at public auction for not less than their appraised value the following described lands, located in Clackamas County, Oreg.: Lot 5, section 21, township 2 south, range 3 east, Willamette meridian", and to insert in lieu thereof, "the Secretary of the Interior is authorized upon application filed within 6 months from the date of this act to order into the market and sell at public auction for not less than the appraised value lot 5, section 21, township 2 south, range 3 east, Willamette meridian, Oregon, subject to the provisions and reservations of section 24 of the Federal Power Act of June 10, 1920 (41 Stat. 1063), as amended by the Act of August 26, 1935 (49 Stat. 846): *Provided*, That any money paid in connection with such sale shall be deposited in the Oregon and California land-grant fund in the United States Treasury", so as to make the bill read:

Be it enacted, etc., That notwithstanding any other provision of law or any Executive order, the Secretary of the Interior is authorized upon application filed within 6 months from the date of this act to order into the market and sell at public auction for not less than the appraised value lot 5, section 21, township 2 south, range 3 east, Willamette meridian, Oregon, subject to the provisions and reservations of section 24 of the Federal Power Act of June 10, 1920 (41 Stat. 1063), as amended by the act of August 26, 1935 (49 Stat. 846): *Provided*, That any money paid in connection with such sale shall be deposited in the Oregon and California land-grant fund in the United States Treasury.

The amendment was agreed to.

Mr. KING. Mr. President, I should like to ask the Senator from New Mexico [Mr. HATCH] whether the public land so isolated might come within the Grazing Act?

Mr. HATCH. Mr. President, in this particular instance the Senator from Oregon [Mr. MCNARY] appeared before the committee and made a very satisfactory explanation.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANNIVERSARY OF TEXAS INDEPENDENCE—COINAGE OF 50-CENT PIECES

The Senate proceeded to consider the bill (H. R. 10317) providing for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of the independence of the State of Texas, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert in lieu thereof the following:

That for the purpose of carrying out the provisions of the act entitled "An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary in 1936 of the independence of Texas, and of the noble and heroic sacrifices of her pioneers, whose revered memory has been an inspiration to her sons and daughters during the past century", approved June 15, 1933, the Director of the Mint, with the approval of the Secretary of the Treasury, is authorized and directed to provide for the coinage of not to exceed 1,000,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be put to the expense of making the necessary dies and other preparations for this coinage. The coins herein authorized shall be issued only to the American Legion Texas Centennial Committee of Austin, Tex.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be coined at one of the mints of the United States to be designated by the Director of the Mint. Not less than 25,000 such coins shall be issued at any one time, and no such coins shall be coined or issued after the expiration of 1 year after the date of the enactment of this act. Such coins may be disposed of at par or at a premium by the organizations to which they are issued, and the net proceeds shall be used by them in defraying the expenses incidental and appropriate to the commemoration of such events.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material and for the transportation, distribution, and redemption of coins; for the prevention of debasement or counterfeiting; for the security of the coins; or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to authorize additional coinage in commemoration of the one hundredth anniversary of the independence of the State of Texas."

Mr. CONNALLY. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ADAMS, Mr. MALONEY, and Mr. TOWNSEND conferees on the part of the Senate.

ANNIVERSARY OF SIR WALTER RALEIGH'S COLONY—COINAGE OF 50-CENT PIECES

The Senate proceeded to consider the bill (H. R. 12799) to authorize the coinage of 50-cent pieces in commemoration of the three hundred and fiftieth anniversary of Sir Walter Raleigh's colony on Roanoke Island, N. C., known in history as the Lost Colony, and the birth of Virginia Dare, the first child of English parentage to be born on the American con-

tinent, and her baptism, which had been reported from the Committee on Banking and Currency with an amendment, on page 1, line 7, after the word "continent", to strike out the words "and her baptism", so as to make the bill read:

Be it enacted, etc., That in commemoration of the three hundred and fiftieth anniversary of Sir Walter Raleigh's colony on Roanoke Island, N. C., known in history as the Lost Colony, and the birth of Virginia Dare, the first child of English parentage to be born on the American continent, there shall be coined at a mint of the United States to be designated by the Director of the Mint not less than 25,000 silver 50-cent pieces of standard size, weight, and composition and of a specially prepared design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1937, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the Roanoke Colony Memorial Association of Manteo, N. C., upon payment by it of the par value of such coins, but not less than 25,000 such coins shall be issued to it at any one time, and no such coins shall be issued after July 1, 1937. Such coins may be disposed of at par or at a premium by the Roanoke Colony Memorial Association of Manteo, N. C., and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to authorize the coinage of 50-cent pieces in commemoration of the three hundred and fiftieth anniversary of Sir Walter Raleigh's colony on Roanoke Island, N. C., known in history as the Lost Colony, and the birth of Virginia Dare, the first child of English parentage to be born on the American continent."

INVESTIGATION OF CORPORATIONS MANUFACTURING AGRICULTURAL IMPLEMENTS

The joint resolution (S. J. Res. 277) to investigate corporations engaged in the manufacture, sale, or distribution of agricultural implements and machinery was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Federal Trade Commission be, and it is hereby, directed under the authority of and in pursuance of the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914, as amended, to investigate and report to the Congress the facts relating to—

(a) Whether any corporation engaged in the manufacture, sale, or distribution of agricultural implements and machinery, of whatever kind and description is, or within the past 3 years has been, violating any of the antitrust acts of the United States, and the nature, extent, and effects of any such violation;

(b) The existence and effect of any contract, agreement, combination, or conspiracy in unlawful restraint of trade and the existence of any unfair methods of trade or competition in connection with the manufacture, sale, and distribution of said agricultural implements and machinery;

(c) Whether and to what extent methods of price fixing, price maintenance, and price discrimination in violation of the antitrust acts exist in connection with the manufacture, sale, and distribution of said agricultural implements and machinery;

(d) Any developments and tendencies in the direction of monopoly and concentration of ownership or control of the means of the manufacture, sale, or distribution of said agricultural implements and machinery;

(e) The existence of any combination to restrict or control the manufacturer or supply of agricultural implements or machinery or to raise or control the price thereof, or to restrict credit in the sale thereof;

(f) Whether and to what extent the present price of agricultural implements and machinery are due to any violations of any of the antitrust laws;

(g) Whether and to what extent costs and profits of any corporation engaged in the manufacture, sale, or distribution of agricultural implements and machinery have been affected, enhanced, or maintained by unlawful combinations, agreements, or understandings, or any other violations of the antitrust laws, and whether and to what extent costs and profits of any such corporations have been misstated or misrepresented to conceal or promote violations of the antitrust laws;

(h) The extent of concentration of control of manufacture and distribution of such equipment in the hands of particular manufacturers and the basis thereof;

(i) The costs, prices, and profits of manufacturers and distributors of agricultural implements and machinery;

(j) The distribution methods and dealer price spreads of margins entering into prices paid by farmers for agricultural machinery and equipment;

(k) The facts regarding the relative price movements of farm machinery and farm products since 1914;

(l) The facts regarding the relative price movements of farm machinery and implements and some of the machinery and implements and somewhat comparable material and labor;

(m) Any other pertinent facts regarding the present prices of agricultural implements and machinery, and the cause thereof; and

(n) What measures, legislative or otherwise, in the opinion of the Commission are needed to correct conditions in the farm-implement industry adversely affecting the interest of farmers.

RELIEF OF INDIAN LANDS FROM TAXATION

The Senate proceeded to consider the bill (H. R. 7764) to relieve restricted Indians whose lands have been taxed or have been lost by failure to pay taxes, and for other purposes.

Mr. KING. Mr. President, I should like to have an explanation of the bill.

Mr. THOMAS of Oklahoma. Mr. President, this bill seeks to accomplish certain purposes, which I will explain. Formerly the Congress authorized the Secretary of the Interior to buy land for landless Indians. The Secretary proceeded to buy the lands and assigned the Indians to reside upon such lands. The recommendation or assertion was made to the Indians that the land would be theirs and they would have no taxes to pay. Some lands were taken from private ownership and assessing authorities proceeded to assess the land for taxes. The taxes were assessed and stand against the lands.

In some cases tax warrants have been issued and the Indians have been threatened with dispossession. The Department believes that, in order to keep faith with the Indians, the tax warrants and tax assessments should be paid and the title to the lands cleared. The bill authorizes the appropriation of money for that purpose.

Section 2 provides that the lands so secured shall hereafter be nontaxable.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $25,000, to be expended under such rules and regulations as the Secretary of the Interior may prescribe, for payment of taxes, including penalties and interest, assessed against individually owned Indian land the title to which is held subject to restrictions against alienation or encumbrance except with the consent or approval of the Secretary of the Interior, heretofore purchased out of trust or restricted funds of an Indian, where the Secretary finds that such land was purchased with the understanding and belief on the part of said Indian that after purchase it would be nontaxable, and for redemption or reacquisition of any such land heretofore or hereafter sold for nonpayment of taxes.

SEC. 2. All lands the title to which is now held by an Indian subject to restrictions against alienation or encumbrance except with the consent or approval of the Secretary of the Interior, heretofore purchased out of trust or restricted funds of said Indian, are hereby declared to be instrumentalities of the Federal Government and shall be nontaxable until otherwise directed by Congress.

ROBERT D. BALDWIN

The bill (H. R. 12408) for the relief of Robert D. Baldwin was considered, ordered to a third reading, read the third time, and passed.

SAC AND FOX INDIANS, OKLAHOMA

The Senate proceeded to consider the bill (S. 3930) authorizing an appropriation for payment to Sac and Fox

Tribe of Indians in the State of Oklahoma, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That there is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $40,000, or so much thereof as may be necessary, to reimburse the Sac and Fox Tribe of Indians in Oklahoma for the amount of tribal funds expended for general administrative purposes of the Indian Service. The amount finally to be appropriated, as certified to the Secretary of the Interior by the Comptroller General of the United States, shall be placed in the Treasury to the credit of the Sac and Fox Indians of Oklahoma as a trust fund to draw interest in accordance with existing law and shall be available for expenditure in such manner as Congress may direct.

Mr. KING. Mr. President, what is the purpose of the bill?

Mr. THOMAS of Oklahoma. Mr. President, the Sac and Fox Indian Tribe is a very small tribe in Oklahoma. Formerly they had an agency maintained for them. During that time, money was appropriated from their tribal funds to maintain the agency. Years ago the agency was abolished, but the Government continued to appropriate money from their tribal funds to maintain an agency which no longer existed. These few Indians have no supervision and have no benefits from the money. The Indians have contended always that the moneys were taken from them unjustly and therefore asked that the small sum appropriated from year to year from their tribal funds to maintain an agency which did not exist should be returned to the tribal funds for their benefit.

Mr. ROBINSON. Mr. President, how much is the total amount to be appropriated?

Mr. THOMAS of Oklahoma. It is less than $40,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC-SCHOOL BUILDINGS, UINTAH COUNTY, UTAH

The Senate proceeded to consider the bill (S. 4493) to provide for the construction, extension, and improvement of public-school buildings in Uintah County, Utah, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $150,000 for the purpose of cooperating with the Uintah County school district, Utah, for extension and improvement of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That plans and specifications for construction, enlargement, or improvement of structures shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs actual work shall proceed under the direction of such local or State officials. Payment for work in place shall be made monthly on vouchers properly certified by local officials of the Indian Service: *Provided further*, That any amount expended on any project hereunder shall be recouped by the United States within a period of 30 years, commencing with the date of occupancy of the project, through reducing the annual Federal tuition payments for the eduction of Indian pupils enrolled in public or high schools of the district involved, or by the acceptance of Indian pupils in such schools without cost to the United States, and in computing the amount of recoupment for each project interest at 3 percent per annum shall be included on unrecouped balances.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DR. HAROLD W. FOGHT

The bill (S. 4598) for the relief of Dr. Harold W. Foght was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of the bill?

Mr. THOMAS of Oklahoma. Mr. President, the bill provides for the payment of a claim to Dr. Foght, who was in the Indian Service and was ordered transferred. Under the rules and regulations, he should have had the freight on his household goods paid. The freight never was paid, and this is merely to cover the deficiency.

Mr. KING. I have no objection.

Mr. THOMAS of Oklahoma. Mr. President, there is an identical House bill, Calendar 2171. I ask that the House bill be substituted for the Senate bill and put upon its passage.

There being no objection, the bill (H. R. 12622) for the relief of Dr. Harold W. Foght was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit to Harold W. Foght, superintendent of the Cherokee Indian Agency, N. C., for the sum of $377.40, which amount was expended from appropriated funds for the transportation of the household effects of Dr. Foght to his new post of duty at Cherokee, N. C.

The PRESIDENT pro tempore. Without objection, Senate bill 4598 will be indefinitely postponed.

FUNDS HELD IN TRUST FOR INDIVIDUAL INDIANS

The Senate proceeded to consider the bill (H. R. 8316) to exempt the Indian Service from the requirements of section 4 of the Executive Order No. 6166, dated June 10, 1933, which had been reported from the Committee on Indian Affairs with an amendment, to strike out all after the enacting clause and to insert:

That section 20 of the Permanent Appropriation Repeal Act, approved June 26, 1934 (48 Stat. 1233), shall not be applicable to funds held in trust for individual Indians, associations, or individual Indians, or for Indian corporations chartered under the act of June 18, 1934 (48 Stat. 984).

Mr. KING. Mr. President, I should like an explanation of the reasons which would justify this exemption.

Mr. THOMAS of Oklahoma. Mr. President, 2 years ago, in 1934, the Congress passed an act relating to the disposition of trust funds. The Comptroller General held that the definition of trust funds in that act included the funds of individual Indians, and even included the funds in the Treasury that were provided by a subsequent act for the benefit of Indian corporations. The Bureau of Indian Affairs, of course, would be unable to handle such funds if that interpretation should be allowed to stand, so this bill is to exempt those individual funds and the funds belonging to Indian corporations from the trust-fund provision.

I suggest an amendment on page 2 to correct a typographical error. In line 1, I move that the first comma be stricken out and the first word "or" be changed to "of", making the line read: "associations of individual Indians, or for Indian corporations."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read "An act to modify section 20 of the Permanent Appropriation Repeal Act, 1934, with reference to the individual Indian money."

BLACKFEET INDIANS OF MONTANA

The bill (S. 4551) to authorize the addition of certain names to the final rolls of the Blackfeet Tribe of Indians in the State of Montana was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to place on the final roll of the Blackfeet Indians, approved January 20, 1920, under the act of June 30, 1919 (41 Stat. L. 16), the names of the following persons, entitled to enrollment under the act but who were omitted from the roll through inadvertence: Dick Aloysius Afterbuffalo, Joseph Redfox, Richard Ridesatthedoor, Jr., and Mary Yellowowl.

And the said Secretary is also authorized to place on the supplemental roll of the Blackfeet Tribe approved on September 9,

1932, under the act of March 3, 1931 (46 Stat. L. 1495), the names of the following persons omitted from said roll in like manner: Elizabeth M. Bouchie, Thomas Dogtakinggun, Jr., Ernest Dubray, Floyd Andrew Gervais, Dolores Marie Guardipee, Florence Hungry, Georgia Kipp, Charles Kipp, Freda Kipp, James Magee, Archie MacDonald, Vivian MacDonald, Diana Dolores Morgan, Loretta Ann Smith, James Johnson Vaile, Jr., Fannie Weaselhead, Thomas Weaselhead, Jr., Calvin Woodward, Forrest Richardson Morgan, Virginia Mae Jackson, Ronald Eugene Buchanan, and Audry Loraine Anderson.

CROW INDIANS OF MONTANA

The Senate proceeded to consider the bill (H. R. 11218) to provide for the disposition of tribal funds now on deposit, or later placed to the credit of the Crow Tribe of Indians, Montana, and for other purposes, which was read, as follows:

Be it enacted, etc., That tribal funds now on deposit or later placed to the credit of the Crow Tribe of Indians, Montana, may be used for per-capita payments, or such other purposes as may be designated by the tribal council and approved by the Secretary of the Interior, and section 11 of the act of June 4, 1920 (41 Stat. 751), is hereby modified accordingly.

Mr. KING. Mr. President, may I ask the Senator from Montana [Mr. WHEELER] the reason for the disposition of the funds at the present time? Are they not needed for the support of the Indians?

Mr. WHEELER. Mr. President, the bill provides only that tribal funds now on deposit, or later placed to the credit of the Crow Indians, may be used for per-capita payments. It is simply to provide that the Secretary of the Interior may make per-capita payments out of money that belongs to the tribe itself.

Mr. KING. Has the Commissioner of Indian Affairs approved the bill?

Mr. WHEELER. The Secretary of the Interior has approved it.

The bill was ordered to a third reading, read the third time, and passed.

PUEBLOS OF JEMEZ AND PECOS, NEW MEXICO

The Senate proceeded to consider the bill (H. R. 12074) to consolidate the Indian pueblos of Jemez and Pecos, New Mexico, which was read, as follows:

Be it enacted, etc., That the Pueblo Indian Tribes of New Mexico, commonly known and referred to as the pueblo de Jemez and pueblo de Pecos, be, and they are hereby, consolidated and merged into one tribe, hereafter to be known as the pueblo de Jemez.

SEC. 2. That all property, real or personal, rights, titles, interests, claims, or demands of whatsoever kind or nature, now held or claimed by either of said tribes, or communities shall be, and hereby are, vested in the consolidated tribe.

SEC. 3. That the unexpended balance of any funds heretofore awarded to, appropriated for, or hereafter to be appropriated by Congress for the use or benefit of either of said tribes or pueblos referred to shall be held for and applied to the use and benefit of said consolidated and merged tribe or pueblo, known as pueblo de Jemez, subject to all limitations or restrictions now applicable to said funds.

Mr. KING. Mr. President, I should like to ask the Senator from New Mexico [Mr. CHAVEZ] whether this bill involves any expense upon the Federal Government.

Mr. CHAVEZ. It does not. As a matter of fact, the Pecos Indians are now residents of the Jemez pueblo. There are only seven or eight of them, and the bill does not involve any expense to the Federal Government.

Mr. KING. And it will work no injustice to the smaller and feebler portions of the tribe?

Mr. CHAVEZ. No. What the bill does, in effect, is to put them officially in the condition in which they have actually been for the past 100 years.

Mr. KING. I have no objection.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 4028) for the relief of certain officers of the United States Navy and the United States Marine Corps was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

TRANSPORTATION OF BONDED MERCHANDISE

The Senate proceeded to consider the joint resolution (H. J. Res. 589) to authorize the Secretary of the Treasury to permit the transportation of bonded merchandise by other than common carriers under certain conditions, which was read, as follows:

Resolved, etc., That the Secretary of the Treasury be, and he is hereby, authorized, when it appears to him to be in the interest of commerce, and notwithstanding any provision of law or regulation requiring that the transportation of imported merchandise be by a bonded common carrier, to permit such merchandise which has been entered and examined for customs purposes to be transported by bonded cartmen or bonded lightermen between the ports of New York, Newark, and Perth Amboy, which are all included in customs collection district no. 10 (New York): *Provided*, That this resolution shall not be construed to deprive any of the ports affected of its rights and privileges as a port of entry.

Mr. MOORE. Mr. President, this joint resolution affects only the three ports of New York, Newark, and Perth Amboy. They are ports of entry; and under the law, imported merchandise such as oil and lumber can be transported in bond between the ports only in bonded common carriers, and there are none available. As I say, the joint resolution affects only those three ports. The three ports are willing to have the measure passed, and it will help out the condition very greatly.

The joint resolution was ordered to a third reading, read the third time, and passed.

MIDDLE RIO GRANDE CONSERVANCY DISTRICT, NEW MEXICO

The Senate proceeded to consider the bill (S. 3438) to provide for the establishment of an agricultural experiment station within the Middle Rio Grande Conservancy District in the State of New Mexico, which was read, as follows:

Be it enacted, etc., That the Secretary of Agriculture be, and he is hereby, authorized and directed to establish and maintain an experiment station at such place as he may select within the Middle Rio Grande Conservancy District in the State of New Mexico; to conduct experiments, investigations, and demonstrations relating to the production of agricultural commodities within such district; and to publish and make available to farmers the results of such experiments, investigations, and demonstrations.

SEC. 2. For such purpose the Secretary of Agriculture is authorized to acquire, by purchase, condemnation, or otherwise, such suitable lands as he deems necessary; to erect buildings; and to acquire equipment and apparatus at a total cost not in excess of $50,000; and to cooperate with any State, person, agency, or organization in such manner as he deems advisable.

SEC. 3. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act.

Mr. KING. Mr. President, upon examining the report, I find that there is no recommendation of the bill by the Department of Agriculture; and in view of the great liberality which has been exhibited by the Government toward the conservancy district and the Indians there, I inquire as to the justification for this appropriation.

Mr. CHAVEZ. Mr. President, I believe I can justify the bill satisfactorily to the Senator from Utah.

While it is true that the Department of Agriculture has made an adverse report on the bill, nevertheless my colleague [Mr. HATCH] and I have come to the conclusion, due to the local circumstances, that this measure is an insurance on behalf of the Government of the United States.

Some 2 years past, the local authorities in New Mexico organized the Middle Rio Grande Conservancy District, and spent some 12 or 14 million dollars in doing so. The district had for its purpose three phases—protecting the water for irrigation, draining the water from the lowlands, and flood protection. Since that time it became necessary for the district to borrow from Uncle Sam, through the Reconstruction Finance Corporation, some $6,500,000. We in New Mexico desire to pay every penny we borrow from Uncle Sam; and we feel that this expenditure of $50,000 in order to create an experimental station that will teach us how to get the kind of crops that will produce a revenue in order to enable us to meet our obligations to Uncle Sam is fully justifiable.

Mr. KING. Mr. President, in view of the fact that we are making such liberal and extravagant appropriations in other directions, I shall not oppose the passage of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The bill (S. 4702) to amend the Soil Conservation and Domestic Allotment Act was announced as next in order.

Mr. HATCH. Mr. President, this bill relates to the public domain. The Department of the Interior has a great responsibility for the public domain. A representative of the Department came to me yesterday and desired an opportunity to work out an amendment to the bill, which the Department believes will be helpful. I told the representative that I would personally see that the bill should go over until the Department of the Interior could have an opportunity to consult with the Department of Agriculture and try to work out the amendment. Therefore, I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. HATCH subsequently said: Mr. President, earlier in the day I made a statement with reference to Senate bill 4702, and said the Department of the Interior desired to suggest an amendment to the bill. I have just been informed as to the amendment desired by the Department. I ask that the amendment may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. HATCH. I ask that a letter from the Secretary of the Interior with reference to the measure may be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE INTERIOR,
Washington, June 6, 1936.

Hon. CARL A. HATCH,
United States Senate.

MY DEAR SENATOR HATCH: My attention has been called to an amendment which your bill, S. 4702, proposes to make to subsection (d) of section 2 of the Soil Conservation and Domestic Allotment Act. I am opposed to the passage of this amendment in its present form.

Under its broad language the amendment would authorize benefit payments, not only to livestock producers operating on regulated public lands, such as permittees and licensees of forest reserves and grazing districts, but also to livestock operators on many millions of acres of unregulated public domain, the use of which cannot be controlled in the absence of authorizing legislation. Benefit payments to this latter class, in my judgment, would not be in the public interest, as they would serve to entrench livestock operators who have appropriated a large part of these unregulated public lands as against small homesteaders and others who are entitled to a more equitable disposition of the public range than now exists. In other words, it would freeze the present situation which favors the larger interests and make it immeasurably more difficult to secure legislation which should provide for a distribution of range privileges on a basis that would permit small and large livestock operators to share in the use of the lands in fairer proportions. It does not appear that the Agricultural Adjustment Administration would have authority under any powers which they now possess to fix standards or make regulations which might remedy this situation.

In my judgment, the following amendments should be made to S. 4702 to prevent the condition which may result from the present wording of the amendment:

On page 2, line 23, strike out the words "owned, controlled, or supervised" and insert in lieu thereof the words "the use of which is subject to regulation."

On page 2, line 24, after the word "or" and before the word "by", insert the words "upon lands owned."

If the foregoing amendments are adopted, I would have no objection to the passage of this bill.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

BILLS PASSED OVER

The bill (H. R. 8521) for the relief of Elsie O'Brine was announced as next in order.

Mr. KING. I should like an explanation of the bill and to be informed whether there is any recommendation by the Department regarding it. [A pause.] Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6951) for the relief of Thomas J. English was announced as next in order.

Mr. KING. I inquire whether that bill has peen approved by any representative of the Government. [A pause.] Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8321) for the relief of Julia Long was announced as next in order.

Mr. WHEELER. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8322) for the relief of Merwin A. Kiel was announced as next in order.

Mr. WHEELER. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

EMMA M. PEARSON

The bill (H. R. 5754) for the relief of Emma M. Pearson was considered, ordered to a third reading, read the third time, and passed.

Mr. KING. Mr. President, I inquire whether the bill just passed has not been barred by the statute of limitations for many, many years. I ask to have the action on it reconsidered and to have the bill passed over.

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent that the votes by which the bill was ordered to a third reading and passed be reconsidered. Without objection, it is so ordered. The bill will be returned to the calendar.

BILL PASSED OVER

Mr. WALSH. Mr. President, I am informed by the clerks at the desk that House bill 8525, Calendar No. 2207, was not called. For some reason or other it was skipped over. I desire to know whether I have been correctly informed as to that.

The PRESIDENT pro tempore. The bill was passed over on objection.

Mr. WALSH. Very well; but I ask the Journal clerk to take notice of the fact that there is no record of it. That is what I wish to have done.

The PRESIDENT pro tempore. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (H. R. 8525) prescribing regulations for carrying on the business of lighter service from any of the ports of the United States to stationary ships or barges located offshore and for the purpose of promoting the safety of navigation.

Mr. WALSH. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

FLORENCE BYVANK

The bill (H. R. 3694) for the relief of Florence Byvank was considered, ordered to a third reading, read the third time, and passed.

JOHN COLLINS

The bill (H. R. 686) for the relief of John Collins was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 2155) for the relief of Francisco M. Acayan was announced as next in order.

Mr. KING. I should like an explanation of this bill.

The PRESIDENT pro tempore. The bill was reported by the Senator from Vermont [Mr. GIBSON], who is not present.

Mr. KING. Let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

JOSEPH E. MOORE

The Senate proceeded to consider the bill (H. R. 5900) for the relief of Joseph E. Moore, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph E. Moore the sum of $829.33 in full settlement of all claims against the United States for the difference between the pay and allowances of a first lieutenant, Quartermaster Corps, United States Army, on foreign service, and the pay and allowances of a second lieutenant, Quartermaster Corps, United States Army, on foreign service, for the period between February 20, 1919, and November 19, 1920: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. KING. Mr. President, let this bill go over.

Mr. SHEPPARD. Mr. President, may I explain the bill to the Senator?

Mr. KING. Certainly.

Mr. SHEPPARD. The bill proposes to pay an officer the difference between the salary of a first lieutenant and the salary of a second lieutenant for several months. The immediate commanding officers of the lieutenant would not permit him to accept the promotion given him on account of a misunderstanding of his conduct. Afterward the War Department insisted on the promotion and it went through.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EMMA HASTINGS

The bill (H. R. 10435) for the relief of Emma Hastings was considered, ordered to a third reading, read the third time, and passed.

S. JOHN HEGSTAD

The bill (H. R. 6668) for the relief of S. John Hegstad was announced as next in order.

Mr. KING. Mr. President, may I inquire whether the accident covered by this bill was the result of the negligence of the Government? Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

W. N. HOLBROOK

The bill (H. R. 7555) for the relief of W. N. Holbrook was considered, ordered to a third reading, read the third time, and passed.

ANNIE E. DANIELS

The bill (H. R. 6702) for the relief of Annie E. Daniels was considered, ordered to a third reading, read the third time, and passed.

ROBERT B. BARKER

The bill (H. R. 9926) for the relief of Robert B. Barker was considered, ordered to a third reading, read the third time, and passed.

W. D. LOVELL

The bill (H. R. 10225) for the relief of W. D. Lovell was considered, ordered to a third reading, read the third time, and passed.

CHARLES P. SHIPLEY SADDLERY & MERCANTILE CO.

The bill (H. R. 2213) for the relief of Charles P. Shipley Saddlery & Mercantile Co. was considered, ordered to a third reading, read the third time, and passed.

JULIA MILLER

The bill (H. R. 2387) for the relief of Julia Miller was considered, ordered to a third reading, read the third time, and passed.

JOSEPH WATKINS

The bill (H. R. 4085) for the relief of Joseph Watkins was considered, ordered to a third reading, read the third time, and passed.

LUCILE SMITH

The bill (H. R. 4565) for the relief of Lucile Smith was considered, ordered to a third reading, read the third time, and passed.

Mr. KING subsequently said: Mr. President, I ask that the vote by which House bill 4565 was ordered to a third reading and passed be reconsidered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the votes are reconsidered.

Mr. KING. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. KING subsequently said: Mr. President, I ask unanimous consent to recur to calendar 2312, the bill (H. R. 4565) for the relief of Lucile Smith, to which I objected a few moments ago. I withdraw my objection and ask that the bill may be considered.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 4565) for the relief of Lucile Smith was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized and instructed to receive and determine the claim of Lucile Smith, a former employee of the Veterans' Administration, who, it is alleged, because of her working conditions during the years 1922, 1923, and 1924 developed acute pleurisy, resulting in tuberculosis, without regard to the limitation of time within which such claims are to be filed under the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended: *Provided*, That no benefits shall accrue thereunder prior to the passage of this act.

Mr. FLETCHER. Mr. President, I notice that the Senate is passing a number of House bills. We see in the RECORD from time to time that the Senate passes bills which go to the House but which very seldom receive prompt consideration there, and sometimes no consideration. They may be reported by the committees of the House, but one objection will send a bill back to the committee, and that is the end of it. I merely mention this to call attention to the fact that we are very generous in treating our friends in the House, but they are not so generous with us.

Mr. KING. Mr. President, I agree with what has been stated by the Senator from Florida.

BILLS PASSED OVER

The bill (H. R. 7818) for the relief of Caroline M. Hyde was announced as next in order.

Mr. WHEELER. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4264) for the relief of Earl J. Thomas was announced as next in order.

Mr. KING. I ask that this bill go over. There is an adverse report by the Secretary of the Treasury.

The PRESIDENT pro tempore. The bill will be passed over.

HURRICANE PATROL, GULF OF MEXICO

The Senate proceeded to consider the bill (S. 4734) to provide for hurricane patrol in the Gulf of Mexico and environs during the hurricane season, which was read as follows:

Be it enacted, etc., That to the extent facilities of the Coast Guard will permit and within the limits of such appropriations as may be made for such purpose, which are hereby authorized, the Secretary of the Treasury when the Coast Guard is under the Treasury Department and the Secretary of the Navy when the Coast Guard is a part of the Navy are requested to patrol the Gulf of Mexico and environs for the purpose of cooperating with the Secretary of Agriculture in furnishing the Weather Bureau data to better enable such Bureau to forecast the size and course of tropical hurricanes.

Mr. KING. Mr. President, I ask for an explanation of this bill.

Mr. SHEPPARD. Mr. President, the bill authorizes the Coast Guard authorities, to the extent that subsequent appropriations may permit, to have Coast Guard vessels in the Gulf of Mexico during the stormy season, and to aid the Weather Bureau in its work of warning against coming storms.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 4627) to create a Division of Stream Pollution Control in the Bureau of the Public Health Service, and for other purposes, was announced as next in order.

Mr. McNARY. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

STUDIES OF THE FISHERY INDUSTRY

The bill (H. R. 8055) to provide for economic studies of the fishery industry, market-news service, and orderly marketing of fishery products, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

Mr. COPELAND. Mr. President, if the Senator will withhold his objection, I should like to make a statement regarding the bill. We will have to depend upon the waters of the earth more and more for protein food, and it has been impressed upon the Committee on Commerce that it is very essential that there should be an organization of the character provided for in the bill. It is a matter of no concern to me, but the measure was sent to us by the Department of Commerce. There were hearings in the House, and we had hearings before the Senate committee, and reached the conclusion that this was a proper bill and one that should be passed. Then, in making up its plans in the future relative to fishing and the preservation and culture of fish, the Department of Commerce may consider the questions involved.

Mr. WHITE. Mr. President, this bill is similar to if not identical with a Senate bill upon which the Senate committee has held hearings.

Mr. COPELAND. It is identical with that bill.

Mr. KING. Mr. President, the Department of Commerce has received annually very large appropriations, amounting to millions of dollars. We have established a Bureau of Fisheries; we have provided very large appropriations annually for that organization. We have made provision for the establishment of fish hatcheries in every State of the Union, and in some States a large number. The Department of Commerce, with the large appropriations which it receives, is competent to deal with this subject if it has energy enough to do so.

Mr. COPELAND. Mr. President, let me say that I am in fullest sympathy with what the Senator says about the past history of the Department of Commerce. I think it was overmagnified in the old days, when the "great engineer" was in charge; but an honest effort is now being made in the Department. They got rid of many surplus bureaus, and there is no question about this being a good measure. It has nothing to do with the sport of fishing, it has to do with the preservation of food fishes and their orderly marketing.

Mr. KING. Mr. President, the Senator will remember that upon the Pacific coast, away up into the waters of Alaska and in the sounds along the coast, millions of dollars have been expended. We have had ships engaged there, and every effort has been made to study the fishing conditions. The same thing is true in various parts of the Atlantic and Pacific Oceans.

I marvel that we are now asked for further appropriations, in view of the millions which have been appropriated which might have been used for these purposes.

Mr. COPELAND. Let me say to the Senator that after we have done all that, we have not put the fish on the table of the consumer, and the aim of this measure is to make it possible to market fish, to let the housewife know how she can get fish and where she can get them, and to help people to get more fish for consumption as food.

Pardon me for speaking technically, but protein food is the most necessary food and the most expensive food; and whenever we can find a way to make fish available to the people, we have done a great kindness to the home budget makers. I am sure the bill ought to receive our favorable attention.

Mr. WHITE. Mr. President, is it not true that, notwithstanding the studies and researches which have been made in the past, there has been a constantly diminishing supply of the important food fishes of America? Some species have become so depleted as to reach almost to the point of extinction, and with the passing of the years the problem has become increasingly acute. Is not that true?

Mr. COPELAND. That is true. It was brought out in the hearings.

Mr. FLETCHER. Mr. President, I may suggest to the Senators that the fish industry has been declining largely because those who catch the fish get hardly anything for them. People buy fish and consume fish to a sufficient extent, but those who catch the fish are not making a living. This bill would help to resolve the problem of distribution, assist in proper marketing and distribution, and that is a great factor in the fishing industry.

Mr. KING. Complaints have come to us in the last few years, particularly with respect to conditions in Alaskan waters, that instead of there being a shortage of fish, there was a surplus of fish; instead of there being a diminution of fish, there was an increase of fish. It seems to me that with the facilities of transportation so greatly improved as they are now, fish can be brought from the sea to the land and very rapidly transported to the markets, where they would be consumed.

Let the bill be passed over.

Mr. COPELAND. Mr. President, I beg the Senator to permit the passage of the bill. It is discouraging to those of us who go through the agony of long hearings and studies of problems of the kind involved in this bill, when we bring our conclusions to the Senate to have them slipped aside. We did not report this bill to the Senate just for fun. It was thoroughly discussed and considered by the committees of both Houses.

Mr. KING. The Department of Commerce proposed the bill.

Mr. COPELAND. They brought it to our attention in the first place, but they bring to our attention many things that go out of the window.

Mr. KING. As they ought to do.

Mr. COPELAND. As they ought to do, in many instances, but not in this one.

Mr. WHITE. Mr. President, the Senator from Utah has referred to the situation in Alaska. I think he has spoken with substantial accuracy, as he usually does; but the fact remains that the situation in Alaska became so acute that within very recent years we passed far-reaching legislation dealing with the salmon and other fisheries in Alaska, and I believe that by reason of the attention which Congress gave to that situation there has probably been preserved to future generations that great source of food supply in Alaska. The bill under discussion presents an instance, not of the precise remedies which have been proposed but of our continued interest in the fishermen of the United States.

Mr. KING. I shall waive my objection to the bill for the moment; but I shall look into it during the day, and if I fail to obtain satisfactory information I shall ask that the vote passing the bill be reconsidered. I have in mind the fact that the Department of Commerce has received appropriations of millions of dollars without any adequate showing for the expenditures which have been made.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

TRANSFER OF LIGHTSHIP TO VETERANS OF FOREIGN WARS

The bill (H. R. 12896) to provide for the transfer of the surplus decommissioned lightship *No. 82* to United States Ship Constitution Post, No. 3339, Veterans of Foreign Wars, was considered, ordered to a third reading, read the third time, and passed.

ANASTASIA ISLAND LIGHTHOUSE RESERVATION, FLA.

The bill (S. 4185) to amend the act entitled "An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes", approved August 27, 1935, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes", approved August 27, 1935, is amended (1) by inserting immediately after the words "holders of record title thereto" a comma and the following: "their heirs or assigns,"; and (2) by striking out "to Southern Real Estate Corporation, lots 4 to 7, block B, 3 to 7, block C, all of blocks D and E, Seaside Heights;".

SEC. 2. The Secretary of Commerce is authorized to convey by quitclaim deed to the city of St. Augustine, Fla., that property authorized to be conveyed by such act of August 27, 1935, to such Southern Real Estate Corporation.

AMENDMENT OF NAVIGATION LAWS

The bill (S. 4495) to amend certain of the navigation laws of the United States, to remove inconsistencies and inequalities therein, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That section 4 (b) of the act of June 9, 1910 (U. S. C., title 46, sec. 514), covering the equipment of small motor boats, is hereby amended by striking out the words "every motor boat of class 2 or 3 shall carry an efficient fog horn." That section 8 of the act of June 9, 1910 (U. S. C., title 46, sec. 518), is amended by striking out the words "except for failure to observe the provision of section 6 of this act."

SEC. 2. That from and after the passage of this act no foreign-built yacht, mechanically propelled or so designed so to be adaptable to mechanical propulsion, shall be admitted to documentation under the laws of the United States: *Provided*, That this section shall not apply to any foreign-built yacht documented under the laws of the United States at the time of the passage of this act: *Provided further*, That this section shall not apply to yachts under contract of construction or purchase for the account of a citizen of the United States at the time of the passage of this act.

SEC. 3. That section 4311 of the Revised Statutes (U. S. C., title 46, sec. 251) is hereby amended by adding at the end thereof the following: "Any vessel other than as defined above found engaged in the fisheries shall be subject to forfeiture: *Provided*, That this forfeiture shall not apply to vessels registered for the whale fishery as provided in section 4339 of the Revised Statutes (U. S. C., title 46, sec. 280)."

SEC. 4. That the act of May 28, 1906 (ch. 2566, sec. 1; 34 Stat. 204; 46 U. S. C., sec 292), is hereby amended to read as follows:

"And dredge other than a dredge built in the United States and owned by a citizen thereof found engaged in dredging in the United States shall be subject to forfeiture."

SEC. 5. That section 4370 of the Revised Statutes (U. S. C., title 46, sec. 316) is hereby amended to read:

"SEC. 4370. Any vessel propelled by machinery not being a vessel of the United States engaged or having been engaged in towing any ship, vessel, or raft from one port or place in the United States to another, except in case of distress, shall incur a penalty of $400 and such towing vessel may be detained by the collector of customs at any port or place to or in which such ship, vessel, or raft is towed until such penalty is paid."

SEC. 6. That the requirements in article 31 of the act of June 7, 1897 (U. S. C., title 33, sec. 157); section 3 of the act of February 8, 1895 (U. S. C., title 33, sec. 243); and section 4412 of the Revised Statutes (U. S. C., title 46, sec. 381) that two printed copies of the regulations to be observed by all vessels in passing each other shall be furnished to each vessel propelled by machinery and kept posted in a conspicuous place in such vessel shall not apply to vessels propelled in whole or in part by machinery 65 feet or less in length over all.

BILLS PASSED OVER

The bill (H. R. 1391) to authorize and direct the United States Commissioner of Fisheries to undertake fish culture and related activities in Puerto Rico, authorizing appropriations therefor, and for other purposes, was announced as next in order.

Mr. WHEELER. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. COPELAND subsequently said: Mr. President, I find the Senator from Montana in a yielding mood. I ask him to permit me to say a word about House bill 1391, to which he objected a few moments ago.

The bill has to do with the improvement of the food conditions in Puerto Rico, where the population is more dense than in any other place on earth. The necessity of finding some way to feed these people has been brought out by the Secretary of the Interior. We do not wish to have Puerto Rico spoken of as the poorhouse of our country. The particular bill in question was given serious study by the committee, and it is our belief that it should be enacted.

At the time the bill was called on the calendar I was interrupted for the moment, and I did not make a defense of the bill as I should have done. I hope the bill may be considered and passed.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. RUSSELL. I object.

Mr. KING. I, too, object.

Mr. COPELAND. Will the Senator be good enough to read the second page of the report on the bill? If he will do so, I think he will realize that the action proposed should be taken.

The PRESIDING OFFICER. On objection, the bill will be passed over.

JURISDICTION OF THE COAST GUARD

The Senate proceeded to consider the bill (H. R. 12305) to define the jurisdiction of the Coast Guard.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. COPELAND. I shall be glad to explain it.

Mr. KING. The Senator will have a hard task.

Mr. COPELAND. No, Mr. President; it will not be a hard task, because I have here a personal appeal from the Secretary of the Treasury asking that the bill be passed. The bill does not give any new powers at all to the Coast Guard. It has to do only with defining its jurisdiction. In view of the many decisions of the Supreme Court recently it has been found that the Coast Guard has been performing duties delegated to it by certain persons. The purpose of this bill is to make specific the duties which the Coast Guard heretofore has carried out.

Mr. WHEELER. Is the Senator discussing Calendar No. 2320, Senate bill 4495?

Mr. COPELAND. No, Mr. President; I was speaking about Calendar No. 2322, House bill 12305.

Mr. WHEELER. Senate bill 4495 covers an entirely different proposition.

Mr. COPELAND. That is a bill having to do with the equipment of motorboats, such as the fog horns which they are required to carry in the interest of safety.

Mr. President, I ask that there be placed in the RECORD, in connection with my remarks, the letter from the Treasury Department regarding the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

GENERAL COUNSEL,
TREASURY DEPARTMENT,
Washington, June 6, 1936.

Personal.
Hon. ROYAL S. COPELAND,
United States Senate.

MY DEAR SENATOR COPELAND: I apologize for bothering you, but I notice that the calendar is being called in the Senate today and that the bill recommended by the Secretary of the Treasury (H. R. 12305) "To define the jurisdiction of the Coast Guard", and reported out by your committee, will be called up for consideration. In view of this fact, and in an effort to be of assistance to you, I shall take the liberty of stating briefly the purpose and necessity for this legislation.

The bill does not enlarge the present authority of the Coast Guard but merely reaffirms the jurisdiction which it has been exercising for many years. Today it is enforcing all of the laws which this bill would authorize it to enforce. Its present authority is general, however, and this bill is necessary because of the Supreme Court decision holding that the Coast Guard must have specific authority to enforce the laws of the United States. The Coast Guard is our ocean and border water police and patrol force. If that service is not empowered to enforce the laws of the United States along our shores and in boundary waters, those laws are unenforcible, since there is no other agency of this Government equipped to enforce them. In enforcing any law pursuant to the authority conferred by this bill the officers of the Coast Guard would act as the agent of the executive department charged with administering the particular law and would be subject to all the rules and regulations promulgated by that law. For example, in enforcing the navigation laws the Coast Guard acts as agent of the Department of Commerce, and in enforcing criminal laws over the enforcement of which the Department of Justice has jurisdiction it acts as agent of the Department of Justice. It should be noted, however, that the Coast Guard is specifically authorized by statute to enforce many criminal laws over which the Department of Justice has no jurisdiction whatsoever.

The Department of Justice had some objection to this bill as it was originally drafted, since it was felt by that Department that the effect of the bill might be to infringe on the jurisdiction of the Federal Bureau of Investigation. At the suggestion of the Department of Justice, therefore, we drafted amendments which met their objections and were incorporated into the bill. The amendment which prevents any conflict between the jurisdiction of the Coast Guard and the Federal Bureau of Investigation is that commencing on page 1, line 9, and reading as follows:

"*Provided*, That nothing herein contained shall apply to the inland waters of the United States, its Territories and possessions, other than the Great Lakes and the connecting waters thereof."

As a result of these amendments the bill received the approval of the Attorney General and, as the House committee report (which is incorporated in the Senate report) shows, a representative of the Department of Justice appeared before the House Merchant Marine Committee and testified that the Department of Justice approved the bill. A representative of the Department of Commerce also appeared in favor of the bill.

I understand that within the past few days some subordinate of the Department of Justice has objected to the bill on the ground that it conflicts with the jurisdiction of the Federal Bureau of Investigation. Since then his attention has been directed to the fact that the bill was redrafted by the two Departments to meet any such possible conflict, and that the bill has the approval of the Attorney General. The subordinate, of course, was unaware of the facts in the case.

The bill is of real importance, because the Coast Guard is today enforcing laws it always thought it had general authority to enforce but which, under the Supreme Court decision, it would probably be held to be without authority to enforce. As stated above, when it enforces laws on the water which are administered by other departments it acts as agent of that department and must conform to such rules and regulations as may be promulgated by that department.

This bill passed the House unanimously.

Thank you so much for your interest in this matter.

Cordially yours,

C. M. HESTER,
Assistant General Counsel.

Mr. FLETCHER. Mr. President, the bill under consideration is a very important one. Its passage is necessary because of a Supreme Court decision holding that the Coast Guard must have specific authority to enforce the laws of the United States. The Coast Guard is our ocean and border water police and patrol force. No other agency of the Government is equipped to enforce the laws along our shores and boundary waters.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

REGULATIONS APPLYING TO SEAGOING MOTOR VESSELS

The Senate proceeded to consider the bill (H. R. 12419) to apply laws covering steam vessels to seagoing vessels of 300 gross tons and over propelled by internal-combustion engines.

Mr. COPELAND. Mr. President, this bill has to do merely with a technical matter. The present laws relate to steam-propelled vessels. Diesel engines also are now being used. The bill is merely to bring the Diesel engine under the same regulations by which steam engines are controlled.

Mr. KING. It does not attempt to exclude them?

Mr. COPELAND. Not at all.

The bill was ordered to a third reading, read the third time, and passed.

GEORGE B. MARX, INC.

The bill (H. R. 7727) to confer jurisdiction on the Court of Claims to hear and determine the claim of George B. Marx, Inc., was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of the bill?

Mr. RUSSELL. I ask that the bill be passed over.

Mr. COPELAND. Mr. President, I ask the Senator to withhold his objection for a moment. I happened to be in the committee at the time the bill was considered.

Mr. KING. The Marx claim was for $76,000?

Mr. COPELAND. Yes. It was fully considered by the committee. The Senator from Florida [Mr. LOFTIN] was asked to report the bill. He is here now, and can explain the bill.

Mr. LOFTIN. Mr. President, during the World War the claimant in this bill had a contract with the Government for furnishing carts. A large amount was due under the contract after the war. The claimant became involved on account of the cancelation of the contract and the delay resulting from the failure of the Government to pay the amount due under the contract. He was threatened with bankruptcy by his creditors, and he came down to Washington unrepresented by counsel. It was represented to him by officials of the Department that the amount he was paid was paid on account, and that the release he signed was not an absolute and unconditional release, but that he would have the right to claim the balance due him by the Government. The Government admits that there is justly due the claimant at least a certain amount; but, owing to the fact that he signed what appears on its face to be an unconditional and absolute release, he is not able to maintain his claim against the Government at the present time. The bill authorizes the waiver by the Government of this absolute release, so that the claimant may have his day in court in the Court of Claims.

The committee felt that the bill was meritorious and that the claimant should have the right to show that this amount is legally due him because of the misrepresentation of the Government officials who made the payments and secured the release.

Mr. KING. Mr. President, will the Senator yield?

Mr. LOFTIN. I yield.

Mr. KING. The Senator undoubtedly is aware of the fact that what is known as the Meade Act—I think that is the correct name of the act—was passed soon after the war for the purpose of adjudicating various claims of contractors having claims against the Government growing out of contracts entered into during the war. The Commission sat for a long time and investigated claims arising from contracts entered into during the war. Anyone having a claim was invited to present it. Millions of dollars of claims were passed upon and settlements made. Apparently Mr. Marx had full opportunity to present his claim. I find an adverse report on the bill.

Mr. WHEELER. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 9058) for the relief of the Baker-Whiteley Coal Co. was announced as next in order.

Mr. WHEELER. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

IMPROVEMENT AND PROTECTION OF SEA BEACHES

The bill (S. 3505) for the improvement and protection of the beaches along the shores of the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it is hereby declared to be the policy of the United States to assist in the construction, but not the maintenance, of works for the improvement and protection of the beaches along the shores of the United States, and to prevent erosion due to the action of waves, tides, and currents, with the purpose of preventing damage to property along the shores of the United States, and promoting and encouraging the healthful recreation of

the people. As used in this act, the word "beaches" includes all those situated on the coasts of the Atlantic and Pacific Oceans, the Gulf of Mexico, and the shores of the Great Lakes, and all estuaries and bays directly connected therewith.

SEC. 2. (a) It shall be the duty of the Secretary of War, through the Beach Erosion Board, organized under the provisions of section 2 of the Rivers and Harbors Act approved July 3, 1930, to make investigations with a view to determining the most suitable methods of beach protection and restoration of beaches in different localities; to advise the States, counties, municipalities, or individuals of the appropriate locations for recreational facilities; and to publish from time to time such useful data and information concerning the protection of beaches as the Board may deem to be of value to the people of the United States.

(b) All provisions of existing law relating to examinations and surveys and to works of improvement of rivers and harbors shall apply, insofar as practicable, to examinations and surveys and to works of improvement relating to shore protection; except that all projects having to do with shore protection shall be referred for consideration and recommendation to the Beach Erosion Board instead of to the Board of Engineers for Rivers and Harbors.

SEC. 3. The Beach Erosion Board, in making its report on any work or project relating to shore protection, shall, in addition to any other matters upon which it may be required to report, state its opinion as to (a) the advisability of adopting the project, (b) what Federal interest, if any, is involved in the proposed improvement, and (c) what share of the expense, if any, should be borne by the United States.

SAVANNAH RIVER BRIDGE, SYLVANIA, GA.

The bill (H. R. 12461) to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga., was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2511) to promote safety of employees and travelers on railroads by providing for the inspection and investigation of conditions prevailing in train-dispatching offices and for the promulgation of necessary rules and regulations governing the working conditions of train dispatchers was announced as next in order.

Mr. KING. I ask that that bill go over, at the request of another Senator.

Mr. WHEELER. I hope the Senator from Utah will let the bill be considered. I will be glad to explain it.

Mr. KING. In the absence of the Senator, who is attending the funeral of the late Speaker of the House of Representatives, and who asked me to object to the bill, I feel constrained to do so.

The PRESIDING OFFICER. On objection, the bill will be passed over.

DECEMBER 26, 1936, LEGAL HOLIDAY IN THE DISTRICT

The joint resolution (S. J. Res. 241) to declare December 26, 1936, a legal holiday in the District of Columbia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That December 26, 1936, is hereby declared to be a legal holiday in the District of Columbia for all purposes: *Provided,* That all employees of the United States Government in the District of Columbia and all employees of the District of Columbia shall be entitled to pay for such holiday the same as on other days.

PUBLIC PROTECTION DURING INAUGURAL CEREMONIES

The joint resolution (S. J. Res. 272) to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies in 1937, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That $25,000, or so much thereof as may be necessary, payable in like manner as other appropriations for the expenses of the District of Columbia, is hereby appropriated to enable the Commissioners of the District of Columbia to maintain public order and protect life and property in said District from January 15 to January 26, 1937, both inclusive, including the employment of personal services, payment of allowances, traveling expenses, hire of means of transportation, cost of removing and relocating streetcar loading platforms, for the construction, rent, maintenance, and expenses incident to the operation of temporary public-comfort stations, first-aid stations, and information booths, during the period aforesaid, and other incidental expenses in the discretion of the Commissioners. Said Commissioners are hereby authorized and directed to make all reasonable regulations necessary to secure such preservation of public order and protection of life and property, and to make special regulations respecting the standing, movements, and operating of vehicles of whatever character or kind during said period; and to grant, under such conditions as they may impose, special licenses to peddlers and vendors to sell goods, wares, and merchandise on the streets, avenues, and sidewalks in the District of Columbia, and to charge for such privilege such fees as they may deem proper.

SEC. 2. Such regulations and licenses shall be in force 1 week prior to said inauguration, during said inauguration, and 1 week subsequent thereto, and shall be published in one or more of the daily newspapers published in the District of Columbia and in such other manner as the Commissioners may deem best to acquaint the public with the same; and no penalty prescribed for the violation of any of such regulations shall be enforced until 5 days after such publication. Any person violating any of such regulations shall be liable for each such offense to a fine of not to exceed $100 in the police court of said District, and in default of payment thereof to imprisonment in the workhouse of said District for not longer than 60 days.

PERMITS ON OCCASION OF PRESIDENTIAL INAUGURATION

The joint resolution (S. J. Res. 273) authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1937, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of the Interior, and such other officers of the District of Columbia and the United States as control any public lands in the District of Columbia, are hereby authorized to grant permits, under such restrictions as they may deem necessary, to the Committee on Inaugural Ceremonies to be appointed with the approval of the President-elect for the use of any reservations or other public spaces in the city of Washington under their control on the occasion of the inauguration of the President-elect in January 1937: *Provided,* That in their opinion no serious or permanent injuries will be thereby inflicted upon such reservations or public spaces or statuary thereon; and the Commissioners of the District of Columbia may designate for such and other purposes on the occasion aforesaid such streets, avenues, and sidewalks in said city of Washington under their control as they may deem proper and necessary: *Provided, however,* That all stands or platforms that may be erected on the public space, as aforesaid, including such as may be erected in connection with the display of fireworks, shall be under the said supervision of the said inaugural committee, and no stand shall be built on the sidewalk, streets, parks, and public grounds of the District of Columbia, not including the area on the south side of Pennsylvania Avenue directly in front of the White House, except such as are approved by the inaugural committee and the building inspector of the District of Columbia, and no stands shall be built on the sidewalks or streets on the south side of Pennsylvania Avenue directly in front of the White House, except such as are approved by the inaugural committee, the building inspector of the District of Columbia, and the Secretary of the Interior: *And provided further,* That the reservations or public spaces occupied by the stands or other structures shall after the inauguration be promptly restored to their condition before such occupation, and that the inaugural committee shall indemnify the appropriate agency of the Government for any damages of any kind whatsoever upon such reservations or spaces by reason of such use.

SEC. 2. The Commissioners of the District of Columbia are hereby authorized to permit the committee on illumination, of the inaugural committee for said inaugural ceremonies, to stretch suitable overhead conductors, with sufficient supports wherever necessary, for the purpose of connecting with the present supply of light for the purpose of effecting the said illumination: *Provided,* That, if it shall be necessary to erect wires for illuminating or other purposes over any park or reservation in the District of Columbia, the work of erection and removal of said wires shall be under the supervision of the official in charge of said park or reservation: *Provided further,* That the said conductors shall not be used for conveying electrical currents after January 24, 1937, and shall, with their supports, be fully and entirely removed from the streets and avenues of the said city of Washington on or before January 31, 1937: *Provided further,* That the stretching and removing of the said wires shall be under the supervision of the Commissioners of the District of Columbia, or such other officials as may have jurisdiction in the premises, who shall see that the provisions of this resolution are enforced, that all needful precautions are taken for the protection of the public, and that the pavement of any street, avenue, or alley disturbed is replaced in as good condition as before entering upon the work herein authorized: *And provided further,* That no expense or damage on account of or due to the stretching, operation, or removal of the said temporary overhead conductors shall be incurred by the United States or the District of Columbia.

SEC. 3. The Secretary of War and the Secretary of the Navy be, and they are hereby, authorized to loan to the Committee on Inaugural Ceremonies such hospital tents, smaller tents, camp appliances, ensigns, flags, signal numbers, etc., belonging to the

Government of the United States (except battle flags), that are not now in use and may be suitable and proper for decoration, and which may, in their judgment, be spared without detriment to the public service, such flags to be used in connection with said ceremonies by said committee under such regulations and restrictions as may be prescribed by the said Secretaries, or either of them, in decorating the fronts of public buildings and other places on the line of march between the Capitol and the Executive Mansion, and the interior of the reception hall: *Provided*, That the loan of the said hospital tents, smaller tents, camp appliances, ensigns, flags, signal numbers, etc., to said committee shall not take place prior to the 11th of January, and they shall be returned by the 25th day of January 1937: *Provided further*, That the said committee shall indemnify the said departments, or either of them, for any loss or damage to such flags not necessarily incident to such use. That the Secretary of War is hereby authorized to loan to the inaugural committee for the purpose of caring for the sick, injured, and infirm on the occasion of said inauguration such hospital tents and camp appliances, and other necessaries, hospital furniture, and utensils of all descriptions, ambulances, horses, drivers, stretchers, and Red Cross flags and poles belonging to the Government of the United States as in his judgment may be spared and are not in use by the Government at the time of the inauguration: *And provided further*, That the inaugural committee shall indemnify the War Department for any loss or damage to such hospital tents and appliances, as aforesaid, not necessarily incident to such use.

SEC. 4. The Commissioners of the District of Columbia and the Secretary of the Interior be, and they are hereby, authorized to permit telegraph, telephone, and radio-broadcasting companies to extend overhead wires to such points along the line of parade as shall be deemed by the chief marshal convenient for use in connection with the parade and other inaugural purposes, the said wires to be taken down within 10 days after the conclusion of the ceremonies.

TAX EXEMPTION FOR ADMISSION TICKETS AT INAUGURAL CEREMONIES

The joint resolution (S. J. Res. 274) to exempt from the tax on admission amounts paid for admission tickets sold by authority of the committee on inaugural ceremonies on the occasion of the inauguration of the President-elect in January 1937 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That all amounts paid for admission tickets sold by authority of the Committee on Inaugural Ceremonies of the inauguration of the President-elect in January 1937, said committee to be appointed with the approval of the President-elect, shall be exempt from the tax on admissions imposed by section 500 of the Revenue Act of 1926, as amended, all the net proceeds from the sale of said tickets to be donated by the said committee to charity.

QUARTERING OF TROOPS IN DISTRICT DURING INAUGURAL CEREMONIES

The joint resolution (S. J. Res. 275) to provide for the quartering in certain public buildings in the District of Columbia of troops participating in the inaugural ceremonies was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of the Interior is authorized to allocate such space in any public building under his care and supervision as he deems necessary for the purposes of quartering troops participating in the inaugural ceremonies to be held on January 20, 1937, but such use shall not continue after January 22, 1937. Authority granted by this resolution may be exercised notwithstanding the provisions of the Legislative, Executive, and Judicial Appropriation Act for the fiscal year ending June 30, 1903, approved April 28, 1902, prohibiting the use of public buildings in connection with inaugural ceremonies.

ISAAC GANS

The Senate proceeded to consider joint resolution (S. J. Res. 280) to ratify and confirm the appointment of Isaac Gans as a member of the Alcoholic Beverage Control Board in the District of Columbia, which was read as follows:

Resolved, etc., That the appointment by the Commissioners of the District of Columbia of Isaac Gans as a member of the Alcoholic Beverage Control Board of the District of Columbia for a term of 4 years beginning February 4, 1936, is hereby ratified and confirmed.

Mr. ROBINSON. Mr. President, the joint resolution proposes to ratify and confirm the appointment of Isaac Gans as a member of the Alcoholic Beverage Board of the District of Columbia. It occurs to me, from the title of the joint resolution, that it is at least a very unusual measure.

Mr. KING. It is, Mr. President. It results from the rather peculiar provision of the law for the control of alcoholic beverages in the District of Columbia. I will call attention to a statement in the report.

Mr. ROBINSON. May I inquire if the only object of the joint resolution is to relieve the appointee from application of the age-limit provision of the law?

Mr. KING. That is correct.

Mr. ROBINSON. Very well; I have no objection.

Mr. KING. I may say that I was requested to introduce the joint resolution by the District Commissioners, and they are very much in favor of it.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

DR. RALPH CHARLES STUART

The Senate proceeded to consider the bill (S. 4195) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ralph Charles Stuart, which was read, as follows:

Be it enacted, etc., That notwithstanding any limitation relating to the time within which an application for a license must be filed, the Commission on Licensure to Practice the Healing Art in the District of Columbia is hereby authorized and directed to issue a license to practice the healing art in the District of Columbia to Dr. Ralph Charles Stuart, of Sangerville, Maine, in accordance with the provisions of the first paragraph of section 24 of the Healing Arts Practice Act, District of Columbia, 1928.

Mr. ROBINSON. Mr. President, why should there be special legislation to authorize the issuance to a particular doctor of a license to practice the healing art?

Mr. KING. Mr. President, we have had three or four cases of this nature, as the Senator from New York [Mr. COPELAND], who is a member of the committee, will remember. Two years ago Congress passed an act under the terms of which all practicing physicians in the District of Columbia had to obtain a license as of that date. A number of those who had been practicing here for years happened to be absent from the city within the prescribed limit—I have forgotten whether it was 3 months or 6 months—and did not return during that time to Washington. The Senate has passed on four or five measures in similar circumstances, relieving persons who did not happen to be here of the disability resulting therefrom. This is one of that class of cases.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PETROLEUM PIPE LINES IN THE DISTRICT

The bill (S. 4568) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and are hereby, authorized and empowered to grant permission to the Steuart Bros., Inc., a corporation organized in the State of Delaware, owner of that part of square 1024 bounded by L Street SE. on the north, Twelfth Street SE. on the west, Thirteenth Street SE. on the east, and the right-of-way of the Philadelphia, Baltimore & Washington Railroad on the south, in the city of Washington, in the District of Columbia, its successors and assigns, to lay down, construct, maintain, and use not more than five pipe lines for the carriage of petroleum and petroleum products from a point or points north of said railroad right-of-way within the square 1024, in and through Thirteenth Street SE. due south to the Anacostia River.

SEC. 2. That all the construction and use provided for herein shall be under such regulations and rentals as the Commissioners of the District of Columbia may make and establish in connection therewith and all plans and specifications for such construction shall be subject to their approval. The Commissioners of the District of Columbia shall have full authority to designate the location and to cause such repairs or relocation of said pipe lines as the public necessity may require, any such repairs or relocation to

be at the expense of the Steuart Bros., Inc., its successors or assigns.

SEC. 3. That no permission granted or enjoyed hereunder shall vest any title or interest in or to the land within Thirteenth Street SE.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

NATIONAL UNION INSURANCE CO., OF WASHINGTON

The bill (H. R. 11522) to amend the charter of the National Union Insurance Co., of Washington, in the District of Columbia, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the charter of the National Union Insurance Co., of Washington, granted by an act of Congress approved February 14, 1865, and amended by an act of Congress approved May 11, 1892, is hereby further amended to permit the said insurance company to insure and reinsure risks in all the various forms authorized by section 3 of an act of Congress approved March 4, 1922, entitled "An act to regulate marine insurance in the District of Columbia, and for other purposes."

BILLS PASSED OVER

The bill (S. 3958) to prevent the pollution of the navigable waters of the United States, and for other purposes, was announced as next in order.

Mr. KING and Mr. VANDENBERG. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3959) to amend section 13 of the act of March 3, 1899, relating to the deposit of refuse in the navigable waters of the United States, and section 3 of the Oil Pollution Act, 1924, was announced as next in order.

Mr. VANDENBERG. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 4342) to create a Division of Stream Pollution in the Bureau of the Public Health Service, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

Mr. WHITE. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3957) granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River was announced as next in order.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Let the bill go over.

Mr. WHEELER. Mr. President, I hope the present occupant of the chair will withhold his objection. Let me say to the Senator, if he is not already familiar with the fact, that the engineers of both the State of Wyoming and the State of Montana have conferred and both have written, as I understand, asking that this proposed legislation be enacted. I understand further that both States are in favor of it. An amendment has been offered to remove the controversial portions of the bill.

The PRESIDING OFFICER. The present occupant of the chair will ask that the bill go over until he may be on the floor.

IRRIGATION CHANNEL, CLEAR LAKE AND LOST RIVER, CALIF.

The bill (H. R. 6773) to deepen the irrigation channel between Clear Lake and Lost River, in the State of California, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed (1) to make a full and complete investigation with a view to determining whether any dams, waterworks, or other projects have been constructed in the Clear Lake Watershed, in the State of California, in violation of the water rights of the United States in such State, and (2) to report thereon to the Congress as soon as practicable.

SEC. 2. There is hereby authorized to be appropriated from the reclamation fund the sum of $5,000 or so much thereof as may be necessary to carry out the provisions of section 1 of this act, the amounts expended from such appropriations to be reimbursable under the reclamation law.

The title was amended so as to read: "An act to provide for an investigation to determine whether the water rights of the United States have been violated in the Clear Lake Watershed, Calif., and for other purposes."

DEVELOPMENT OF FARM FORESTRY

The Senate proceeded to consider the bill (S. 4723) to authorize cooperation in the development of farm forestry in the States and Territories, and for other purposes, which was read, as follows:

Be it enacted, etc., That, in order to aid agriculture, increase farm-forest income, conserve water resources, increase employment, and in other ways advance the general welfare and improve living conditions on farms through reforestation and afforestation in the various States and Territories, the Secretary of Agriculture is authorized, through the Forest Service, and in cooperation with appropriate Federal, State, and other agencies or directly, to produce, or procure, and distribute forest trees and shrub-planting stock; to make necessary investigations; to advise farmers regarding the establishment, protection, and care of farm forests and forest and shrub plantations and the harvesting, utilization, and marketing of the products thereof; and to enter into cooperative agreements for the establishment, protection, and care of farm or other rural trees and shrub plantings within such States and Territories; and, whenever suitable Government-owned lands are not available, to lease, purchase, or accept donations of land and develop nursery sites for the production of planting stock. No cooperative reforestation or afforestation shall be undertaken pursuant to this act unless the cooperator makes available without charge the land to be planted and the Government shall not contribute to the direct additional cost more than 50 percent of the estimated ultimate direct additional cost of establishing, protecting, and caring for any such tree or shrub plantation in accordance with the conditions and requirements of the Secretary of Agriculture. There is hereby authorized to be appropriated annually such amounts as may be necessary for carrying out the purposes of this act. This act shall be known as the Farm Forestry Act.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. NORRIS. Mr. President, this bill is short but of considerable importance. Its object is to give assistance to individual farmers in the growing of timber in a small way, to encourage the planting and growing of trees on farms, to give information as to the best kind of trees to plant, how they should be grown, and how they should be treated. Does that satisfy the Senator?

Mr. KING. Yes.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COOLIDGE DAM, SAN CARLOS PROJECT

The Senate proceeded to consider the bill (H. R. 11643) to amend certain provisions of the act of March 7, 1928 (45 Stat. L. 210–212), which was read, as follows:

Be it enacted, etc., That the act of Congress approved March 7, 1928 (45 Stat. L. 210–212), and acts amendatory thereof or supplementary thereto, are hereby amended so as to provide that the net revenues from the sale of surplus power developed at the Coolidge Dam and other generating plants of the San Carlos project and transmitted over existing transmission lines shall be devoted, first, to reimbursing the United States for the cost of developing such electrical power; second, to reimbursing the United States for the cost of the San Carlos irrigation project; third, to payment of operation and maintenance charges and the making of repairs and improvements on said projects: *Provided, however*, That all net power revenues from the sale of power transmitted over such additional transmission lines as may hereafter be constructed by the San Carlos Irrigation and Drainage District for the benefit of the San Carlos project shall first be devoted to the repayment of the construction costs of such additional transmission lines: *Provided further*, That the United States and the San Carlos Irrigation District shall enter into an appropriate contract in accordance with the terms of this act to be approved by the Secretary of the Interior, which contract shall provide that the additional transmission lines hereafter constructed by the district shall, upon completion of construction, be conveyed to the United States: *Provided further*, That after reimbursement to the district from such net power revenues of the cost of constructing additional transmission lines the net power revenues received from the sales of power transmitted over additional transmission lines hereafter constructed by the district shall be applied as herein provided for the application of net power revenues from the sale of power transmitted over existing transmission lines.

Mr. ROBINSON. Mr. President, what is the nature of this bill? There is nothing on the face of the record to show its object.

Mr. HAYDEN. Mr. President, the title of the House bill does not set forth clearly its object. The bill proposes to amend a special statute authorizing the construction of a power plant at Coolidge Dam. Under that statute, unless modified, it is impossible for the water users under the project to secure a loan from the Rural Electrification Commission. The matter was brought to the attention of the Secretary of the Interior, and he recommended this change. The act referred to is known as the San Carlos Act and relates merely to this one project.

Mr. ROBINSON. I have no objection.

Mr. BONE. Mr. President, I should like to make an inquiry of the Senator from Arizona. Because of his knowledge of the pending Bonneville project bill——

Mr. NORRIS. Mr. President, will not the Senator speak a little louder? It is impossible to hear him.

Mr. BONE. The Senator from Arizona is very familiar with the terms of the pending Bonneville bill, which I hope we will be able to have passed by the Senate today. My only interest in the bill now before the Senate arises from the fact that it has something to do with the disposition, apparently, as I hastily read it, of the net revenues from some Federal electric-generating plant; and I am wondering if, in the light of the Senator's knowledge of the terms of the Bonneville bill, he thinks this measure in anywise would impinge upon it.

Mr. HAYDEN. There is no relationship at all between the two.

Mr. BONE. Where is the Coolidge Dam?

Mr. HAYDEN. It is on the Gila River in Arizona.

Mr. BONE. I have no objection to this bill, the Senator will understand, but I was just wondering, because of its being a Federal project——

Mr. HAYDEN. It is my understanding that the bill to which the Senator from Washington refers, namely, the Bonneville Dam bill, is so drawn that it will not interfere with any Indian irrigation project in any manner; so that there is no conflict between the special statute relating to the one project and the general proposal which the Senator from Washington has in mind.

Mr. BONE. Does the Senator understand that the changed provision authorizes the Federal Power Commission to control the rates?

Mr. HAYDEN. It does.

Mr. NORRIS. Mr. President, I think we are entitled to hear the conversation on the other side. I have asked the Senator to speak louder. If we cannot be admitted into the council over there, the bill is not going to pass, because we will have to object to it in order to get anywhere.

Mr. HAYDEN. Mr. President, the present law authorizes the construction of a power plant for the generation of electricity at the Coolidge Dam in Arizona and provides that all the proceeds from the sale of power shall be used, first, to reimburse the United States for the cost of that plant.

In order to carry the power to the farmers on the project—it is an Indian reservation—it is essential for them to obtain a loan from the Rural Electrification Commission for the erection of certain transmission lines. The existing statute provides that all receipts shall go to pay for the power plant, and under that statute it is not possible to secure loans from the Rural Electrification Commission to repay the cost of the transmission lines. This bill, if enacted, would modify the present law so that there really could be two uses of the receipts—one to pay for the power plant and the other to repay the Rural Electrification Commission for money loaned on account of the transmission lines.

Mr. NORRIS. As I understand, the receipts coming in, instead of being used for paying the loan, are going to be partially used to pay something else?

Mr. HAYDEN. That is correct.

Mr. NORRIS. Has the Senator any assurance that the Rural Electrification Administration would loan money and permit the payment of receipts to somebody besides itself?

Mr. HAYDEN. This bill would allow the receipts to be split, a part to go to the Rural Electrification Commission to reimburse them for the transmission lines, and the other part to go to pay for the cost of the power plant itself.

Mr. NORRIS. Would it not follow, necessarily, a part of the security for the loan to build the plant or the line being used for some other purpose, that the loan from the Rural Electrification Administration probably could not be properly secured?

Mr. HAYDEN. The building of a transmission line would increase the receipts. The bill was drafted after consultation with the Secretary of the Interior and the Rural Electrification Administration, and is satisfactory to both.

Mr. NORRIS. Is it compulsory on the part of the Rural Electrification Administration to make the loan?

Mr. HAYDEN. Not at all. It is within their discretion.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

FEES OF ATTORNEYS UNDER CONTRACTS WITH INDIAN TRIBES

The Senate proceeded to consider the joint resolution (S. J. Res. 177) to define the term of certain contracts with Indian tribes, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and insert the following:

That any contracts or agreements heretofore approved by the Secretary of the Interior between the authorities of any tribe, band, or group of Indians and their attorneys for the prosecution of claims against the United States, which provide that such contracts or agreements shall run for a period of years therein specified, and as long thereafter as may be required to complete the business therein provided for, or words of like import, or which provide that compensation for services rendered shall be on a quantum-meruit basis not to exceed a specified percentage, shall be deemed a sufficient compliance with section 2103 of the Revised Statutes (or sec. 81, title 25, U. S. C.): *Provided, however,* That nothing herein contained shall limit the power of the Secretary of the Interior, after due notice and hearing and for proper cause shown, to cancel any such contract or agreement: *Provided further,* That the provisions of this act shall not be construed to revive any contract which has been terminated heretofore by lapse of time, operation of law, or by acts of the parties thereto.

Mr. ROBINSON. Mr. President, is the joint resolution recommended by the Department?

Mr. THOMAS of Oklahoma. Mr. President, the purpose of the measure is to enable the Secretary to adjust and provide fees for attorneys who represent Indians before the Court of Claims. The Congress has passed many Court of Claims bills, practically every one providing a different method of determining the fee. Because of the irregularity and multiplicity of the provisions, the Department thought it wise to provide a general clause giving the Secretary ample authority to adjust fees under any conditions. That is the purpose of the joint resolution.

Mr. ROBINSON. Has the amendment suggested by the Acting Secretary of the Interior been reported favorably by the committee?

Mr. THOMAS of Oklahoma. It has been.

Mr. ROBINSON. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEPOSIT AND INVESTMENT OF INDIAN FUNDS

The Senate proceeded to consider the bill (H. R. 8588) to authorize the deposit and investment of Indian funds, which had been reported from the Committee on Indian Affairs with amendments, on page 2, line 11, in section 1, after the words "Interior on", to strike out "active checking accounts" and insert the words "any deposit which is payable on demand", and, at the top of page 4, to insert new sections

nos. 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized in his discretion, and under such rules and regulations as he may prescribe, to withdraw from the United States Treasury and to deposit in banks to be selected by him the common or community funds of any Indian tribe which are, or may hereafter be, held in trust by the United States, and on which the United States is not obligated by law to pay interest at higher rates than can be procured from the banks. The said Secretary is also authorized, under such rules and regulations as he may prescribe, to deposit in banks to be selected by him the funds held in trust by the United States for the benefit of individual Indians: *Provided*, That no individual Indian money shall be deposited in any bank until the bank shall have agreed to pay interest thereon at a reasonable rate, except that the payment of interest may be waived in the discretion of the Secretary of the Interior on any deposit which is payable on demand: *Provided further*, That no tribal or individual Indian money shall be deposited in any bank until the bank shall have furnished an acceptable bond or pledged collateral security therefor in the form of any public-debt obligations of the United States and any bonds, notes, or other obligations which are unconditionally guaranteed as to both interest and principal by the United States, except that no such bond or collateral shall be required to be furnished by any such bank which is entitled to the benefits of section 12B of the Federal Reserve Act, with respect to any deposits of such tribal or individual funds to the extent that such deposits are insured under such section: *Provided, however*, That nothing contained in this act, or in section 12B of the Federal Reserve Act, shall operate to deprive any Indian having unrestricted funds on deposit in any such bank of the full protection afforded by section 12B of said Federal Reserve Act, irrespective of any interest such Indian may have in any restricted Indian funds on deposit in the same bank to the credit of a disbursing agent of the United States. For the purposes of said acts, said unrestricted funds shall constitute a separate and distinct basis for an insurance claim: *Provided further*, That the Secretary of the Interior, if he deems it advisable and for the best interest of the Indians, may invest the trust funds of any tribe or individual Indian in any public-debt obligations of the United States and in any bonds, notes, or other obligations which are unconditionally guaranteed as to both interest and principal by the United States: *And provided further*, That the foregoing shall apply to the funds of the Osage Tribe of Indians, and the individual members thereof, only with respect to the deposit of such funds in banks.

SEC. 2. Section 28 of the act of May 25, 1918, entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1919", and all other acts or parts of acts inconsistent herewith are hereby repealed.

SEC. 3. Nothing contained in this act shall be construed as affecting the provisions of the Federal Reserve Act or regulations issued thereunder relating to the payment of interest on deposits.

SEC. 4. The Secretary of the Interior is hereby authorized, in his discretion, to acquire in the State of Oklahoma, by purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights, or surface rights to lands, within or without existing Indian reservations, including trust or otherwise restricted lands now in Indian ownership: *Provided*, That such lands shall be agricultural and grazing lands of good character and quality in proportion to the respective needs of the particular Indian or Indians for whom such purchases are made. Title to all lands so acquired shall be taken in the name of the United States in trust for the tribe, band, group, or individual Indian for whose benefit such land is so acquired, and while the title thereto is held by the United States said lands shall be free from any and all taxes, save that the State of Oklahoma is authorized to levy and collect a gross-production tax, not in excess of the rate applied to production from lands in private ownership, upon all oil and gas produced from said lands, which said tax the Secretary of the Interior is hereby authorized and directed to cause to be paid as provided by law.

SEC. 5. Whenever any restricted Indian land or interest in land, other than sales or leases of oil, gas, or other minerals therein, are offered for sale, the Secretary of the Interior shall have a preference right, in his discretion, to purchase the same for or in behalf of any Indian or Indians of the same or any other tribe, at a fair valuation to be fixed by appraisement satisfactory to the Indian owner or owners, or if offered for sale at auction said Secretary shall have a preference right, in his discretion, to purchase the same for or in behalf of any Indian or Indians by meeting the highest bid offered therefor.

SEC. 6. That at any time prior to the expiration of the existing period of trust or other restrictions against alienation of any lands, funds, or other property belonging to any Indian or Indians in the State of Oklahoma, whether held under a trust, tribal, or other form of patent, deed, or any ther instrument containing restrictions against alienation, the President of the United States be, and he is hereby, authorized, in his discretion, to extend such trust or other restricted period for such further period or periods as he may deem best: *Provided, however*, That during such trust or restricted period, or any extension or extensions thereof, the restrictions may be removed as hereinafter provided:

(1) On application by any Indian owner or owners of such restricted property, the Secretary of the Interior is hereby authorized to remove the restrictions, in whole or in part, from any such lands, funds, or other property whenever said Secretary deems it to be to the best interest of the Indian owner or owners so to do.

(2) Whenever the Secretary of the Interior is satisfied that any adult Indian of less than one-half Indian blood, not under guardianship, is competent to manage his own affairs, said Secretary, in his discretion, without application from such Indian, after giving 60 days' notice in writing of his intention so to do, may remove the restrctions from all lands, funds, or other property belonging to such Indian: *Provided, however*, That in all cases where the restrictions are removed on the ground of competency without application of the Indian owner, such removal shall extend to all but not to a part only of the restricted property belonging to such competent Indian: *Provided further*, That during such 60-day period the Indian owner or owners of such property shall have the right of appeal to the Federal district court as to his or her competency in the same manner and to the same extent as provided in the next succeeding paragraph hereof, and the decision of the Federal court in such matters shall be final and binding on the Secretary of the Interior.

(3) In any case wherein a restricted Indian has applied to the Secretary of the Interior for the removal of his or her restrictions (on land, property, securities, or funds) and such application has been rejected, and in any case wherein the Secretary has acted to remove restrictions or issue a patent in fee without the consent of the Indian owner of the restricted property, if the application is for the removal of restrictions on land an appeal will lie to the Federal court under whose jurisdiction the land is located, and if the application is for the removal of restrictions on other property, securities, or funds only, then the appeal will lie to the Federal court having jurisdiction of the legal residence of the applicant. If the court shall find that the action of the Secretary of the Interior in denying such application was arbitrary and without due regard to the best interests of the Indian applicant, such court may, in its discretion, overrule the action of the Secretary of the Interior and the decision of the Federal court shall be final and binding. In all cases where appeals are authorized as provided herein, the applicant is entitled to have a certified copy of all papers, including the application and order of rejection, and such applicant shall pay all necessary expenses in connection with the preparation and certification of such transcript: *Provided*, That the compensation to be paid any attorney or attorneys for services rendered to Indians in connection with such cases shall be paid only in such sum or sums as may be fixed by the Federal court: *Provided further*, That in the event an appeal is denied by any Federal court, then the costs of such appeal shall be assessed and taxed against the applicant.

SEC. 7. Whenever any restricted Indian is a party to any suit or other proceedings involving his property or estate, either as plaintiff, defendant, or intervenor, in any court in the State of Oklahoma, the plaintiff therein shall within 10 days from the institution of such suit or other proceedings serve a certified copy of petition filed therein upon the superintendent or other official in charge of the agency having supervision over such Indian, and the filing of such notice and subsequent proceedings in such matters shall be in accordance with the provisions of section 3 of the act of April 12, 1926 (44 Stat. 239). The attorneys provided for by the act of May 27, 1908 (35 Stat. 312), and any other qualified legal representatives of the Secretary of the Interior may, and such officials are hereby given the right to, petition for the removal of such suit or proceeding to the Federal court at any time prior to the trial of such case by the State court. Whenever a transfer of the proceedings to the Federal court is had, the compensation to be paid any attorney or attorneys for services rendered to Indians in such case shall be paid only in such sum or sums as may be fixed by the Federal court, and such orders fixing attorneys' compensation shall be binding upon all parties in interest, including the Secretary of the Interior.

SEC. 8. That nothing contained herein, nor in the act of January 27, 1933 (47 Stat. L. 777), shall be construed as changing prior laws insofar as such prior laws pertain to the approval of conveyances of lands inherited by or devised to Indians of the Five Civilized Tribes in Oklahoma, except that no interest in restricted lands inherited by or devised to any Indian of one-half or more Indian blood, enrolled or unenrolled, shall be sold without the approval of the proper county court in accordance with the provisions of section 8 of the act of January 27, 1933 (47 Stat. L. 777): *Provided*, That no guardian appointed by the courts of the State of Oklahoma for any person of one-half or more Indian blood shall have any jurisdiction or control over any restricted property belonging to such Indian except with the approval of the Secretary of the Interior, nor shall the restricted lands belonging to any minor Indian be sold during minority without the approval of the Secretary of the Interior: *Provided further*, That the proceeds derived from the sale of any restricted land belonging to any Indian of one-half or more Indian blood, as herein provided,

shall be turned over to the Secretary of the Interior for supervision by him, as other individual Indian money, for the benefit of the Indian owner thereof.

SEC. 9. Exclusive jurisdiction is hereby conferred on the Secretary of the Interior to determine, after notice and hearing under such rules and regulations as he may prescribe, the heirs of any deceased Indian of the Five Civilized Tribes in Oklahoma, enrolled or unenrolled, and to administer and distribute the restricted estate of such Indian in all cases where the aggregate value of the restricted lands, funds, or other property belonging to such an Indian at the date of his death does not exceed $1,000, such value to be fixed and determined by the Secretary of the Interior in such manner as he may prescribe.

SEC. 10. Any recognized tribe or band of Indians residing in Oklahoma shall have the right to organize for its common welfare and to adopt a constitution and bylaws, under such rules and regulations as the Secretary of the Interior may prescribe. The Secretary of the Interior may issue to any such organized group a charter of incorporation, which shall become operative when ratified by a majority vote of the adult members of the organization voting: *Provided, however,* That such election shall be void unless the total vote cast be at least 40 percent of those entitled to vote. Such charter may convey to the incorporated group, in addition to any powers which may properly be vested in a body corporate under the laws of the State of Oklahoma, the right to participate in the revolving credit fund and to enjoy any other rights or privileges secured to an organized Indian tribe under the Act of June 18, 1934 (48 Stat. 984): *Provided,* That the corporate funds of any such chartered group may be deposited in any national bank within the State of Oklahoma or otherwise invested, utilized, or disbursed in accordance with the terms of the corporate charter.

SEC. 11. Any 10 or more Indians, as determined by the official tribal rolls, or Indian descendants of such enrolled members, or Indians as defined in the act of June 18, 1934 (48 Stat. 984), who reside within the State of Oklahoma in convenient proximity to each other may receive from the Secretary of the Interior a charter as a local cooperative association for any one or more of the following purposes: Credit administration, production, marketing, consumers' protection, or land management. The provisions of this act, the regulations of the Secretary of the Interior, and the charters of the cooperative associations issued pursuant thereto shall govern such cooperative associations: *Provided,* That in those matters not covered by said act, regulations, or charters, the laws of the State of Oklahoma, if applicable, shall govern. In any stock or nonstock cooperative association, no one member shall have more than one vote, and membership therein shall be open to all Indians residing within the prescribed district.

SEC. 12. The charters of any cooperative association organized pursuant to this act shall not be amended or revoked by the Secretary except after a majority vote of the membership. Such cooperative associations may sue and be sued in any court of the State of Oklahoma or of the United States having jurisdiction of the cause of action, but a certified copy of all papers filed in any action against a cooperative association in a court of Oklahoma shall be served upon the Secretary of the Interior or upon an employee duly authorized by him to receive such service. Within 30 days after such service or within such extended time as the trial court may permit, the Secretary of the Interior may intervene in such action or may remove such action to the United States district court to be held in the district where such petition is pending by filing in such action in the State court a petition for such removal together with the certified copy of the papers served upon the Secretary. It shall then be the duty of the State court to accept such petition and to proceed no further in such action. The said copy shall be entered in the said district court within 30 days after the filing of the petition for removal, and the said district court is hereby given jurisdiction to hear and determine said action.

SEC. 13. The Secretary is authorized to make loans to individual Indians and to associations or coporate groups organized pursuant to this act. For the making of such loans and for expenses of the cooperative association organized pursuant to this act, there shall be appropriated, out of the Treasury of the United States, the sum of $2,000,000.

SEC. 14. All funds appropriated under the several grants of authority contained in the act of June 18, 1934 (48 Stat. 984), are hereby made available for use under the provisions of this act, and Oklahoma Indians shall be accorded and allocated a fair and just share of any and all funds hereafter appropriated under the authorization herein set forth: *Provided,* That any royalties, bonuses, or other revenues derived from mineral deposits underlying lands purchased in Oklahoma under the authority granted by this act, or by the act of June 18, 1934, shall be deposited in the Treasury of the United States, and such revenues are hereby made available for expenditure by the Secretary of the Interior for the acquisition of lands for and for loans to Indians in Oklahoma as authorized by this act and by the act of June 18, 1934 (48 Stat. 984).

SEC. 15. This act, save section 16, shall not relate to or affect Osage County, Okla.

SEC. 16. There is hereby authorized to be appropriated the sum of $776,742.03, being the net amount received by the United States from the sale of land of the Osage Tribe of Indians in the State of Kansas under article 1 of the treaty of September 29, 1865 (14 Stat. L. 687), credited to the "Civilization fund" on the books of the Treasury of the United States and used for the benefit of Indian tribes other than the Osage, said Osage Tribe of Indians referred to herein now residing in the State of Oklahoma, as found by the Court of Claims in its opinion of May 28, 1928 (66 Ct. Cls. 64), in a case known as B–38, entitled "Osage Nation of Indians against United States of America", instituted under act of February 6, 1921 (41 Stat. L. 1097).

Said amount, when appropriated, shall be placed in the Treasury of the United States to the credit of the Osage Tribe of Indians and distributed in accordance with the rules and regulations governing payment of moneys accruing to members of the Osage Tribe of Indians.

Said appropriation shall be in full, complete, and final settlement of the claim of the Osage Tribe of Indians against the United States arising under the treaty of 1865, above cited.

The Secretary of the Interior is hereby authorized and directed to pay, out of said appropriation when made, the fees and expenses of the attorneys of record, in accordance with provisions and percentages in their contract as approved by the Secretary of the Interior May 5, 1931.

SEC. 17. The Secretary of the Interior is hereby authorized to prescribe such rules and regulations as may be necessary to carry out the provisions of this act.

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as the amendment is somewhat lengthy, I shall explain it briefly.

During the present session the Senate passed two Indian bills, one of which was an authorization for the payment to the Osage Indians of certain sums of money known as the civilization fund. Similar bills have passed the Senate on several occasions and have passed the House on different occasions, but the same bill has never passed both bodies at the same session.

The Senate has also at this session passed a bill known as the Oklahoma bill.

The two bills were sent to the House. The House committee reported the bills favorably, but, owing to parliamentary conditions in the House, it has not been possible to have the bills considered there. The Senate committee has added the two bills as amendments to the House bill now before us for consideration, and asks that the Senate attach the two Senate bills in order to send them to the House in such shape that action may be had on them.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to authorize the deposit and investment of Indian funds, to promote the general welfare of the Indians of the State of Oklahoma, and for other purposes."

PERISHABLE AGRICULTURAL COMMODITIES

The Senate proceeded to consider the bill (H. R. 8759) to amend the act known as the Perishable Agricultural Commodities Act 1930, approved June 10, 1930, as amended, which was read, as follows:

Be it enacted, etc., That paragraph 4 of section 2 of the Perishable Agricultural Commodities Act of 1930, as amended, is hereby amended to read as follows:

"(4) For any commission merchant, dealer, or broker to make, for a fraudulent purpose, any false or misleading statement in connection with any transaction involving any perishable agricultural commodity which is received in interstate or foreign commerce by such commission merchant, or bought or sold, or contracted to be bought, sold, or consigned, in such commerce by such dealer, or the purchase or sale of which in such commerce is negotiated by such broker; or to fail or refuse truly and correctly to account promptly in respect of any transaction in any such commodity to the person with whom such transaction is had;".

SEC. 2. That paragraph (b) of section 4 of the Perishable Agricultural Commodities Act of 1930, as amended, is hereby amended to read as follows:

"(b) The Secretary shall refuse to issue a license to an applicant (1) if he finds that the applicant has previously been responsible in whole or in part for any violation of the provisions of section 2 for which a license of the applicant, or the license of any partnership, association, or corporation in which the applicant held any office, or, in the case of a partnership, had any

share or interest, was revoked; or (2) if he finds after notice and hearing that at any time within 2 years said applicant was responsible in whole or in part for any flagrant or repeated violation of the provisions of section 2; or (3) if he finds, in case the applicant is a partnership, association, or corporation, that any individual holding office or, in the case of a partnership, having any interest or share in the applicant, has previously been responsible in whole or in part for any violation of the provisions of section 2 for which the license of such individual, or of any partnership, association, or corporation in which such person held any office, or, in the case of a partnership, had any share or interest, was revoked; or (4) if he finds, after notice and hearing in case the applicant is a partnership, association, or corporation, that any individual holding any office or, in the case of a partnership, having any interest or share in the applicant, had previously, at any time within 2 years, been responsible in whole or in part for any flagrant or repeated violation of the provisions of section 2; or (5) if he finds that the applicant, subject to his right of appeal under section 7 (b), has failed, except in case of bankruptcy, to pay within the time limit provided therein any reparation order which has been issued, within 2 years, against him as an individual, or against a partnership of which he was a member, or an association or corporation in which he held any office, or, in case the applicant is a partnership, association, or corporation, that any individual holding any office, or, in the case of a partnership, having any interest or share in the applicant, subject to his right of appeal under section 7 (b), has failed, except in the case of bankruptcy, to pay within the time limit provided therein any reparation order which has been issued, within 2 years, against him as an individual, or against a partnership of which he was a member, or an association or corporation in which he held any office. Notwithstanding the foregoing provisions, the Secretary, in the case of such applicant, may issue a license if the applicant furnishes a bond or other satisfactory assurance that his business will be conducted in accordance with the provisions of the act and that he will pay all reparation orders which may previously have been issued against him for violations, or which may be issued against him within 2 years following the date of the license, subject to his right of appeal under section 7 (b), but such license shall not be issued before the expiration of 1 year from the date of revocation of license or from the date of the Secretary's finding that the applicant has been responsible, in whole or in part, for any flagrant or repeated violation of section 2;".

SEC. 3. That paragraph (c) of section 7 of the Perishable Agricultural Commodities Act, 1930, as amended, is hereby amended to read as follows:

"(c) Either party adversely affected by the entry of a reparation order by the Secretary may, within 30 days from and after the date of such order, appeal therefrom to the District Court of the United States for the district in which said hearing was held: *Provided*, That in cases handled without a hearing in accordance with paragraphs (c) and (d) of section 6 or in which a hearing has been waived by agreement of the parties, appeal shall be to the district court of the United States for the district in which the party complained against is located. Such appeal shall be perfected by the filing of a notice thereof, together with a petition in duplicate, which shall recite prior proceedings before the Secretary, and shall state the grounds upon which petitioner relies to defeat the right of the adverse party to recover the damages claimed, with the clerk of said court with proof of service thereof upon the adverse party by registered mail. The clerk of court shall immediately forward a copy thereof to the Secretary of Agriculture, who shall forthwith prepare, certify, and file in said court a true copy of the Secretary's decision, findings of fact, conclusions, and order in said case, together with copies of the pleadings upon which the case was heard and submitted to the Secretary. Such suit in the District Court shall be a trial de novo and shall proceed in all respects like other civil suits for damages, except that the findings of fact and order or orders of tthe Secretary shall be prima-facie evidence of the facts therein stated. Appellee shall not be liable for costs in said court, and if appellee prevails he shall be allowed a reasonable attorney's fee to be taxed and collected as part of his costs. Such petition and pleadings certified by the Secretary upon which decision was made by him shall, upon filing in the district court, constitute the pleadings upon which said trial de novo shall proceed subject to any amendment allowed in that court;".

Mr. KING. Mr. President, I should like to have an explanation of the bill.

Mr. SCHWELLENBACH. Mr. President, the bill proposes to amend the Perishable Agricultural Commodities Act of 1930. The two amendments proposed to that act are simple, but really of great importance. At present if the Department cancels the license of an individual for some violation of the act, such individual can immediately form a corporation and evade the provisions of the act by doing business as a corporation. One amendment would take care of that situation.

The other amendment provides that where adjudication has been made by the Department without a hearing, an appeal may be taken to the district court of the district in which the individual or corporation resides. At the present time they have to come to the District of Columbia. It is entirely unfair to force them to do that.

The two amendments are proposed at the suggestion of the Department, one of them to strengthen the enforcement of the act and the other simply to afford justice to people who are being unjustly treated at the present time.

Mr. KING. Does the Senator believe there is any provision in the bill which would act as an impediment to or restraint upon farmers or those who produce perishable fruits in finding markets for their commodities?

Mr. SCHWELLENBACH. None whatsoever.

Mr. KING. It would not be injurious to the farmers or the fruit growers?

Mr. SCHWELLENBACH. I am satisfied it would not.

Mr. ROBINSON. Mr. President, as I understand, the bill is recommended favorably both by the Department and by the committee?

Mr. SCHWELLENBACH. That is correct.

The bill was ordered to a third reading, read the third time, and passed.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT PAYMENTS

The Senate proceeded to consider the bill (S. 4740) to provide a graduated scale of reduction of payments under section 8 of the Soil Conservation and Domestic Allotment Act, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 2, line 4, to strike out "$10,000" " and insert "$10,000", and at the end of the bill to add a new paragraph so as to make the bill read:

Be it enacted, etc., That section 8 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, is amended by adding a new subsection as follows:

"(d) Any payment that would otherwise be made to any producer pursuant to the terms of this section shall be reduced as follows:

"A total reduction equal to the sum of (a) 25 percent of that portion of the payment, that would otherwise be made, which is included within the interval of $2,000 to $10,000; (b) 50 percent of that portion of the payment, that would otherwise be made, which is in excess of $10,000.

"In computing any such reduction, payment shall be computed separately with respect to performance in any State, Territory, or possession for each year. In computing these reductions the determination of the Secretary of Agriculture as to the status of any producer shall be final; in any such determination, there shall be taken into account the status, if any, of any producer, or his predecessor in interest, as of January 1, 1936."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. DAVID C. STAFFORD

The bill (H. R. 7743) for the relief of Mrs. David C. Stafford was considered, ordered to a third reading, read the third time, and passed.

CORA FULGHUM AND BEN PETERSON

The bill (H. R. 10677) for the relief of Cora Fulghum and Ben Peterson was considered, ordered to a third reading, read the third time, and passed.

BROOKS-CALLAWAY CO.

The bill (H. R. 11262) for the relief of Brooks-Callaway Co. was considered, ordered to a third reading, read the third time, and passed.

P. L. ANDREWS CORPORATION

The bill (H. R. 12311) for the relief of the P. L. Andrews Corporation was considered, ordered to a third reading, read the third time, and passed.

IRENE MAGNUSON AND OSCAR L. MAGNUSON

The bill (H. R. 3160) for the relief of Irene Magnuson and Oscar L. Magnuson, her husband, was considered, ordered to a third reading, read the third time, and passed.

JOHN EDGAR WHITE

The Senate proceeded to consider the bill (S. 2976) for the relief of John Edgar White, a minor, which had been reported from the Committee on Claims with amendments on page 1, line 5, to strike out "$7,500" and insert "$1,000", and at the end of the bill to insert a proviso so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Thomas B. White, father, as natural guardian for John Edgar White, minor, for personal injuries to said minor's left leg by burning, and for medical charges incurred as a result of said injuries occasioned by the said minor stepping into soft dirt which covered a steam line in process of repair in the vicinity of ward 21, in the Walter Reed Hospital grounds, Washington, D. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 12522) for the relief of Grier-Lowrance Construction Co., Inc., was announced as next in order.

Mr. KING. Mr. President, a hasty reference to the report indicates that a similar bill was vetoed by the President of the United States. I wonder whether objections stated in the veto message, which I do not have before me, have been met in the bill which has just been stated?

In the absence of an explanation, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

K. S. SZYMANSKI

The bill (H. R. 5870) for the relief of K. S. Szymanski was considered, ordered to a third reading, read the third time, and passed.

F. P. BOLACK

The Senate proceeded to consider the bill (H. R. 300) for the relief of F. P. Bolack, which was read as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized and directed to receive the claim of F. P. Bolack, of Tarrant, Ala., for disability alleged to have been incurred during the month of October 1918 while an employee of H. Koppers Co., subcontractors of the Birmingham Coke & By-Products Co., agents of the Ordnance Department, War Department, engaged in the construction of a byproducts plant at Boyles, Ala., and to consider his claim under the remaining provisions of said act: *Provided*, That no benefits shall accrue prior to the approval of this act.

Mr. KING. Mr. President, may we have an explanation of the bill?

Mr. BLACK. Mr. President, I made the report on the bill. This is a case which at the present time is based on a claim under the Employees' Compensation Act, but is barred by the statute of limitations. The bill is intended to relieve Mr. Bolack from the operations of the statute of limitations. However, the bill is written in such manner that it does not give any benefits which may have accrued up to the time of the passage of the bill.

No objection has been filed by the War Department or by the United States Employees' Compensation Commission. I am sure the man was seriously and permanently injured. I am sure that at that time he would not have been in condition to make a report. I am certain the bill gives no authority except to investigate.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

ESTELLE M. GARDINER

The bill (H. R. 4699) for the relief of Estelle M. Gardiner was considered, ordered to a third reading, read the third time, and passed.

R. H. QUYNN

The bill (H. R. 8671) for the relief of R. H. Quynn, lieutenant, United States Navy, was considered, ordered to a third reading, read the third time, and passed.

CARL HARDIN AND OTHERS

The bill (H. R. 10916) for the relief of Carl Hardin, Orville Richardson, and W. E. Payne was considered, ordered to a third reading, read the third time, and passed.

CHARLES WHITE

The Senate proceeded to consider the bill (S. 4456) for the relief of the estate of Charles White, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "Treasury", to strike out the words "not otherwise appropriated" and insert the words "allocated by the President for the maintenance and operation of the Civilian Conservation Corps", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, the sum of $250 to the estate of Charles White, late of Gonzalez, Fla., in full satisfaction of all claims of such estate against the United States for damages for losses resulting from the destruction by members of the Seven Hundred and Fifty-seventh Civilian Conservation Corps Company of approximately 100 trees growing on property owned by the said Charles White and occupied by such company under a lease dated October 3, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM H. LOCKE

The bill (H. R. 2262) for the relief of William H. Locke was considered, ordered to a third reading, read the third time, and passed.

JOHN J. RYAN

The bill (H. R. 4219) for the relief of John J. Ryan was considered, ordered to a third reading, read the third time. and passed.

JENNIE BRENNER

The bill (H. R. 4955) for the relief of the estate of Jennie Brenner was considered, ordered to a third reading, read the third time, and passed.

GREAT NORTHERN RAILWAY CO.

The bill (H. R. 8028) for the relief of the Great Northern Railway Co. was considered, ordered to a third reading, read the third time, and passed.

JUANITA FILMORE

The bill (H. R. 8033) for the relief of Juanita Filmore, a minor, was considered, ordered to a third reading, read the third time, and passed.

SEAMEN OF THE STEAMSHIP "SANTA ANA"

The bill (H. R. 8200) for the relief of the seamen of the steamship *Santa Ana* was considered, ordered to a third reading, read the third time, and passed.

RUFUS C. LONG

The bill (S. 4362) for the relief of Rufus C. Long was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rufus C. Long, of Preston, Idaho, the sum of $40. The payment of such sum shall be in full settlement of all claims against the United States on account of the slaughter, because of Bang's disease, of two cattle owned by the said Rufus C. Long: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

B. W. WINWARD

The bill (S. 4363) for the relief of B. W. Winward was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to B. W. Winward, of Whitney, Idaho, the sum of $20. The payment of such sum shall be in full settlement of all claims against the United States on account of the slaughter, because of Bang's disease, of one cow owned by the said B. W. Winward: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

THOMAS BERCHEL BURKE

The bill (H. R. 2495) for the relief of Thomas Berchel Burke was considered, ordered to a third reading, read the third time, and passed.

THOMAS J. MORAN

The bill (H. R. 2496) for the relief of Thomas J. Moran was considered, ordered to a third reading, read the third time, and passed.

WILLIAM H. HILDEBRAND

The bill (H. R. 2497) for the relief of William H. Hildebrand was considered, ordered to a third reading, read the third time, and passed.

JESSIE D. BOWMAN

The bill (H. R. 3388) for the relief of Jessie D. Bowman was considered, ordered to a third reading, read the third time, and passed.

CLARA AND DOMENICK IMBESI

The bill (H. R. 7270) for the relief of Clara Imbesi and Domenick Imbesi was considered, ordered to a third reading, read the third time, and passed.

A. E. CLARK

The bill (H. R. 796) for the relief of A. E. Clark was considered, ordered to a third reading, read the third time, and passed.

ADDIE I. AND LORIN H. TRYON

The Senate proceeded to consider the bill (H. R. 2259) for the relief of Addie I. Tryon and Lorin H. Tryon.

Mr. KING. Mr. President, I should like an explanation of that bill. It seems to me it is lacking in merit. It remits the claim to the district court out in California. It seems to me, if the matter is worthy of going to court at all, it ought to go to the Court of Claims. If we are going to send claims, either growing out of tort or out of contract, to be tried in the various district courts within the various States, we might as well abolish the Court of Claims.

Mr. SCHWELLENBACH. Mr. President, I will say to the Senator that there have been 10 other cases involving precisely the same question which, by similar acts, have been submitted to the courts. The Government has lost in the lower courts in all of them, and they have not been appealed.

Mr. KING. Mr. President, I may say to the Senator that I concede that he has a number of precedents; but for years, and until very recently, the Government was not sued in the various district courts. We set up the Court of Claims, and we had a bill prepared under the terms of which a special commission was set up for the purpose of considering all these claims against the United States. The Senator will see that the United States will be placed at a very serious disadvantage if it is to be sued in all parts of the United States, in the various courts, State and Federal, for actions based upon contract or upon tort. The sovereign, as a rule, does not permit itself to be sued; and this is a claim, as I recall, going away back to 1916 or 1917.

Mr. SCHWELLENBACH. It is a war claim; yes.

Mr. KING. As I stated a few moments ago, the Meade Commission was set up for the purpose of passing upon all those claims; so full opportunity was given to the claimants to present their case at that time.

Mr. SCHWELLENBACH. The purpose of the bill, in addition to conferring jurisdiction upon the court to hear the case, is to waive the statute of limitations. The evidence discloses that the delay in presenting the claim has been entirely due to the request upon the part of the Government through the years that suit be delayed until the Supreme Court of the United States should decide one of these cases; yet one by one the cases have been tried, and the Government has lost them, and the Government has failed to take the cases to the Supreme Court.

The report upon which this matter is based is dated back in 1932; and at that time the Secretary of Agriculture asked that further action be delayed until the Kraus case could be taken to the Supreme Court of the United States; and yet when the Government lost the Kraus case it did not take it to the Supreme Court.

In view of the fact that there are, I believe, 11 different cases, it seems to me these particular persons—I do not know who they are, and I have no interest in them—should have the same rights that the others have been allowed.

Mr. KING. Mr. President, if the Senator will assent to this arrangement, I shall withdraw my objection. Let the bill be passed, but let the papers not be transmitted to the House for a couple of days, in order to give me an opportunity to confer with the departments. If I should receive such information as would justify me in moving to reconsider, I should ask the Senator to consent to that arrangement.

Mr. SCHWELLENBACH. Very well.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill was ordered to a third reading, read the third time, and passed.

BLANCHE KNIGHT

The bill (H. R. 2400) for the relief of Blanche Knight was considered, ordered to a third reading, read the third time, and passed.

ALBERT GONZALES

The bill (H. R. 4373) for the relief of Albert Gonzales was considered, ordered to a third reading, read the third time, and passed.

JOSEPH SALINGHI

The bill (H. R. 4619) for the relief of Joseph Salinghi was considered, ordered to a third reading, read the third time, and passed.

MAY WYNNE LAMB

The bill (H. R. 5752) for the relief of May Wynne Lamb was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 2619) for the relief of R. E. Sutton, Lula G. Sutton, Grace Sutton, and Mary Lou Drinkard was announced as next in order.

Mr. BLACK. Mr. President, that is a bill which affects persons in Alabama. I have a communication from the representatives of the injured persons stating that they do not feel justified in accepting the amount which the committee, under the evidence, has recommended. I therefore ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

HARRIS BROS. PLUMBING CO.

The bill (H. R. 10527) for the relief of Harris Bros. Plumbing Co. was considered, ordered to a third reading, read the third time, and passed.

EDWARD Y. AND AURELIA GARCIA

The Senate proceeded to consider the bill (S. 3484) for the relief of Edward Y. Garcia and Aurelia Garcia, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "Treasury", to strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps", and in line 8, after the words "sum of", to strike out "$5,000" and insert "$2,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Edward Y. Garcia and Aurelia Garcia, of Albuquerque, N. Mex., the sum of $2,000 in full satisfaction of their claim against the United States on account of the death of their minor son, Edward Lee Garcia, who was killed on John Street, Albuquerque, N. Mex., on June 1, 1935, when he was struck by a Civilian Conservation Corps truck driven by James O. House: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

F. M. LOEFFLER

The Senate proceeded to consider the bill (S. 4160) for the relief of F. M. Loeffler, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "Treasury", to strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to F. M. Loeffler, West Mineral, Kans., the sum of $3,838.75, which sum shall be in full satisfaction of all claims against the United States for personal injuries sustained by the said F. M. Loeffler as a result of an accident involving a Civilian Conservation Corps truck, at Camp Messenger, Company No. 1711, West Mineral, Kans., on March 15, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

Mr. KING. Mr. President, I inquire whether the Federal Government is assuming responsibility for all damages, torts, and accidents that occur in connection with the Civilian Conservation Corps camps. They have several thousand members.

Mr. SCHWELLENBACH. Mr. President, I will say to the Senator that the attitude of the Claims Committee on that point is that we permit the bills to go through, but uniformly provide that the money must come out of the appropriations made to the Civilian Conservation Corps organization, and not out of the ordinary Federal funds.

Mr. McGILL. And, Mr. President, that provision was made in the amendment to this bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARGARET GRACE AND ALICE SHRINER

The Senate proceeded to consider the bill (H. R. 1695) for the relief of Margaret Grace and Alice Shriner, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sums of", to strike out "$5,000 and $750" and insert "$3,500 and $500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to Margaret Grace and to Alice Shriner, both of Gardena, Calif., out of any money in the Treasury not otherwise appropriated, the sums of $3,500 and $500, respectively. Such sums shall be in full settlement of all claims against the United States on account of injuries sustained by them on or about the 10th day of October 1932 while aboard a boat provided by the Navy Department of the United States plying between Fifth Street Landing at San Pedro, Calif., and the United States ship *Relief*, lying in the harbor of San Pedro, at San Pedro, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MAYOR AND ALDERMEN OF JERSEY CITY, N. J.

The bill (H. R. 5635) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation, was considered, ordered to a third reading, read the third time, and passed.

ANDREW SMITH

The bill (H. R. 11203) for the relief of Andrew Smith was considered, ordered to a third reading, read the third time, and passed.

N. G. HARPER AND AMOS PHILLIPS

The bill (H. R. 11461) for the relief of the estates of N. G. Harper and Amos Phillips was considered, ordered to a third reading, read the third time, and passed.

WILLIAM W. BRUNSWICK

The joint resolution (H. J. Res. 522) for the relief of William W. Brunswick was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

HENRY C. ANDERSON

The Senate proceeded to consider the bill (S. 4724) for the relief of Henry C. Anderson, which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Henry C. Anderson

the sum of $1,000, out of any money in the Treasury not otherwise appropriated, in full settlement of all claims against the Government of the United States, and reimbursement for medical services, to said Henry C. Anderson, who was injured on the night of December 25, 1935, when struck by an unidentified automobile while returning for special duty at Camp SP–47, Salt Creek, of the State Park Division, Department of the Interior, located at Western Springs, Ill.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WINIFRED E. HESTER

The Senate proceeded to consider the bill (S. 4204) for the relief of Winifred E. Hester, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That notwithstanding the provisions of Public Law No. 78, Seventy-third Congress, the Administrator of Veterans' Affairs is hereby authorized and directed to allow and cause to be paid the burial and funeral expenses, in an amount not to exceed $54, of Harley H. Hester, XC–86507, who was killed in action in Russia on September 27, 1918, but whose body was not recovered until July 19, 1934. This payment shall be in full settlement of all claims for burial and funeral expenses against the United States Government in this case.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the payment of the burial and funeral expenses of Harley H. Hester, late corporal, Machine Gun Company, Three Hundred and Thirty-ninth Regiment, United States Infantry."

JOSEPH N. WENGER

The Senate proceeded to consider the bill (S. 4478) for the relief of Joseph N. Wenger, lieutenant, United States Navy, and for other purposes, which had been reported from the Committee on Claims with amendments, on page 1, line 7, after the words "sum of", to strike out "$617.36" and insert "$494.57", and on page 2, line 6, after the words "sum of", to strike out "$617.36" and insert "$494.57", so as to make the bill read.

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of Joseph N. Wenger, lieutenant, United States Navy, as provided in section 12 of the act of May 18, 1920 (41 Stat. 604; U. S. C., title 10, sec. 756), for $494.57 as reimbursement of the cost of commercial transportation of his wife from Washington, D. C., to Manila, P. I., pursuant to change-of-station orders dated April 19, 1932, there not being reasonably available Government transportation for his wife between said stations. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, a sum not exceeding $494.57 for payment of the claim.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHILDREN OF REES MORGAN

The Senate proceeded to consider the bill (S. 4591) for the relief of Rees Morgan, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "Treasury", to strike out the words "not otherwise appropriated" and to insert in lieu thereof the words "allocated by the President for the maintenance and operation of the Civilian Conservation Corps"; on page 1, line 7, after the words "sum of", to insert "$5,000", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, the sum of $5,000, to the children of Rees Morgan, late of Tacoma, Wash., in full satisfaction of their claims against the United States on account of the death of the said Rees Morgan, who was struck and killed near Tacoma, Wash., by a Civilian Conservation Corps truck operated by one Fred Krause, enrollee of Company 2941, Civilian Conservation Corps Camp A3, Fort Lewis, Wash.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FACILITIES FOR NAVIGATION ON COLUMBIA RIVER

The Senate proceeded to consider the bill (S. 4695) to authorize completion, maintenance, and operation of certain facilities for navigation on the Columbia River, and for other purposes, which had been reported from the Committee on Commerce with amendments.

The first amendment was, in section 10, on page 8, line 21, after the word "receipts" and the period, to strike out the words "Annually when gross operating revenues shall exceed the amount the Federal Power Commission may deem proper and adequate to cover interest charges and amortization of the cost of the Bonneville project properly chargeable to power development, and also operations and maintenance charges, and to cover replacements of the power facilities referred to and described in section 1, and when such gross revenues shall in addition thereto exceed the amount necessary to cover interest, operation, maintenance, and amortization of the cost of the transmission lines, substations, and other property used and useful in connection with the transmission and sale of electrical energy from the Booneville project which are referred to and described in section 6 herein, the Secretary of the Treasury is authorized and directed to pay to the State of Oregon 18¾ percent of such excess and to the State of Washington 18¾ percent of such excess revenues", so as to make the section read:

SEC. 10. All receipts from sales of electrical energy or from sales or leases of transmission lines, substations, and property used in connection therewith shall be covered into the Treasury of the United States to the credit of miscellaneous receipts.

The amendment was agreed to.

The next amendment of the committee was, in section 13, on page 11, line 13, after the word "consumers" and the semicolon, to strike out the word "and", and after the word "welfare" to insert a semicolon and the words "and (5) the interests of irrigation in connection with projects being developed by Federal agencies", so as to make the section read:

SEC. 13. The power conferred upon the Federal Power Commission by the terms of this act shall be exercised without regard to the provisions of statutes heretofore enacted but with due regard to (1) the cost of construction, operation, maintenance, and replacement of power facilities properly chargeable to development, transmission and sale of power; (2) available markets; (3) the interest of the ultimate consumers; (4) the general public welfare; and (5) the interests of irrigation in connection with projects being developed by Federal agencies.

The amendments were agreed to.

The next amendment of the committee was, in section 14, on page 11, line 21, before the word "Federal", to strike out the word "authorized", so as to make the section read;

SEC. 14. In the absence of statutory designation, the President shall have authority to designate a Federal agency to construct, maintain, and operate such facilities as may be required for the development and sale of electrical energy from the water power created incidental to the construction of any Federal project and to authorize such agency to enter into contracts for the sale of the water power created or surplus electrical energy generated at such project.

The amendment was agreed to.

The next amendment of the committee was, in section 15, on page 12, line 5, before the word "water", to strike out the word "the", and after the word "users" to insert the words "during the period of such operations"; and on line 8, to add a proviso as follows: "*Provided*, That the exemption provided for in this section shall apply only during the period when the electric energy is being actually handled by the water users", so as to make the section read:

SEC. 15. The provisions of this act shall not apply to any Indian irrigation project or to any Federal reclamation project where the operation and maintenance thereof have been or shall hereafter be taken over by or on behalf of water users, during the period of such operations, or modify any rights conferred upon such water users by the Reclamation Act and acts amendatory and supplementary thereto: *Provided*, That the exemption provided for in this section shall apply only during the period when the electric energy is being actually handled by the water users.

The amendments were agreed to.

Mr. McNARY. Mr. President, this bill simply creates a legislative structure for the operation and administration of the Bonneville Dam, now in the course of construction between the States of Oregon and Washington on the Columbia River. This great enterprise will reach its completion next summer, and it is thought best by the President of the United States, the Board of Army Engineers, and the Federal Power Commission that legislation be enacted along this line at the present session of the Congress.

Some delays have occurred due to the consideration by various agencies of proposed uniform legislation on the subject. It is true that I reported the bill but yesterday, and I must say that great credit is due to the Senator from Washington [Mr. BONE] for the time he gave to the consideration of the various bills. Several have been introduced, but the one now before the Senate, which I reported from the Committee on Commerce, embodies the latest proposal. It has met with the unanimous approval of the Committee on Commerce of the Senate, of the President of the United States, who urges its immediate enactment, of the Board of Army Engineers, and of the Federal Power Commission. It does not carry any appropriation. It merely directs the Board of Engineers to complete the construction of the dam, which includes the fishways and the navigation canal.

The Federal Power Commission are authorized to prescribe rates, determine the costs upon which they are based, and to conduct all matters with regard to the transmission and distribution of electrical energy.

This is a simple measure designed to meet a present situation, and I hope that no Senator will object to the consideration of the bill.

Mr. ROBINSON. Mr. President, this is a very important bill. I do not desire to object to its consideration, but I doubt whether the opportunity will be afforded for action on it by the body at the other end of the Capitol.

Mr. O'MAHONEY. Mr. President, I desire to call up the amendments which I offered yesterday, and which are on the table. I ask that they be inserted in their proper places.

The PRESIDING OFFICER (Mr. HATCH in the chair). The first amendment of the Senator from Wyoming will be stated.

The CHIEF CLERK. It is proposed, on page 10, line 19, after the word "Dam", to strike out the words "no rights of the States of Arizona and Nevada under existing contracts shall be impaired, and such adjustments shall be made in the payments to the United States so as to leave unaffected the rights of said States under section 4 (b) of the Boulder Canyon Project Act" and to insert in lieu thereof "the rights of the States of Arizona and Nevada to the percentages of the profits as stated in section 4 (b) of the Boulder Canyon Act shall not be impaired thereby."

Mr. HAYDEN. Mr. President, I should like to have the Senator from Wyoming state the effect of the amendment.

Mr. O'MAHONEY. Mr. President, the Boulder Canyon Act provides that the State of Arizona and the State of Nevada shall be entitled to share to the extent of 18¾ percent each in the excess profits derived from the operation of the power plants. The pending bill proposes that certain contracts which have been entered into by those States may be modified by the Federal Power Commission, thereby reducing the profits to be derived from the operation of the project.

The Boulder Canyon Act also provides that the excess profits shall go into a separate fund for the development of the Colorado River Basin. Every one of the States in the basin is materially and vitally interested in the separate fund to be so created.

The language of the bill might be so construed as to increase the percentage allotted to the States of Nevada and Arizona, and the purpose of my amendment is merely to provide that in the event rates are changed the rights of the States of Arizona and Nevada shall be preserved to the exact percentages which they now have in the excess revenue.

Mr. HAYDEN. Mr. President, frankly I am not so much concerned about the amount of revenue the State of Arizona or the State of Nevada may obtain as I am that the rate at which power shall be sold in the two States shall be as low as possible. As the bill now reads, it provides that "no rights of the States of Arizona and Nevada under existing contracts shall be impaired", thereby preserving the status. As I heard the amendment read, that language is stricken out. Does the Senator's amendment strike out the words "no rights of the States of Arizona and Nevada under existing contracts shall be impaired"?

Mr. O'MAHONEY. The amendment I have presented proposes to insert the words "the rights of the States of Arizona and Nevada to the percentages of the profits as stated in section 4 (b) of the Boulder Canyon Act shall not be impaired thereby."

Mr. WHITE. Mr. President, I voted in the committee against reporting this bill because no opportunity had been afforded to study its provisions and to familiarize ourselves with it. The amendment just offered still further confuses the measure, and I object to its consideration.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

SAWTOOTH NATIONAL FOREST

The bill (S. 4392) to add certain lands to the Sawtooth National Forest was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following-described areas be, and the same are hereby, included in and made a part of the Sawtooth National Forest, subject to all prior adverse rights, and that said lands shall hereafter be subject to all laws affecting national forests: Sections 4, 5, 6, 7, 8, 9, 16, 17, and 18, township 1 north, range 15 east, Boise meridian.

GAME-MANAGEMENT SUPPLY DEPOT AND LABORATORY, IDAHO

The joint resolution (S. J. Res. 171) providing for establishment of a game-management supply depot and laboratory, and for other purposes, was announced as next in order.

Mr. KING. Let the joint resolution go over.

Mr. POPE. Mr. President——

Mr. KING. I have been requested by a Senator who is absent to have this bill go over.

Mr. POPE. Mr. President, will the Senator withhold his objection until I can explain the bill, so that the RECORD may show the situation, which might remove the objection of the absent Senator?

Mr. KING. The bill could not be considered and passed today.

Mr. POPE. No; but I should like to make a statement. There is now such a supply depot at Pocatello, and the Government is renting the building and paying $2,240 a year. The purpose is to construct a building of its own and thus save this expense. The amount saved would soon pay for the cost of construction.

Mr. KING. I doubt whether the bill could pass the House of Representatives, but I am sure that before we adjourn, when the absent Senator to whom I have referred returns, I can talk with him, and we may have an opportunity to consider the measure.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

PORT NEWARK ARMY BASE

The Senate proceeded to consider the bill (S. 4737) for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes, which was read, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to sell to the city of Newark, N. J., on terms and conditions deemed advisable by him, the right, title, and interest of the United States in the Port Newark Army Base, N. J., including such equipment pertaining thereto as he determines is not required for military purposes, for the sum of $2,000,000, of which $100,000 shall be paid in cash and the balance in annual installments, on or before August 1 of each succeeding year, of $100,000 per year for the first 5 years and $200,000 per year thereafter, with permission to the city of Newark to anticipate payment of the deferred installments at any time: *Provided*, That said initial payment of $100,000 of the purchase price shall be made by the city of Newark to the Secretary of War not later than August 1, 1936, and possession delivered by the United States as of September 1, 1936, or as soon thereafter as practicable: *Provided further*, That title to the property shall pass to the city of Newark and a quitclaim deed delivered by the Secretary of War after receipt by him of the final payment: *And provided further*, That such conveyance shall be made upon the condition that the United States, in the event of war or of any national emergency declared by Congress to exist, shall have the right to take over said property and shall pay to the city of Newark as liquidated damages a sum equal to 3 percent per annum on the amount theretofore paid on the purchase price of the said property by the said city during each year or part thereof that the said property is occupied under such taking by the United States, the said property to be returned to the city of Newark upon the expiration of such war or national emergency.

SEC. 2. In the event the city of Newark shall not elect to acquire said property as provided in section 1 of this act, then the Secretary of War is authorized to offer said property at public sale to the highest responsible bidder on terms and conditions to be prescribed by him, which terms and conditions shall not be less favorable to the United States than those prescribed in section 1 of this act: *Provided*, That if the highest responsible bidder shall fail to enter into and consummate a contract of sale, the Secretary of War may award the contract to the next highest responsible bidder or, in his discretion, readvertise said property for sale in like manner.

SEC. 3. Any contract of sale shall be subject to the conditions that if the purchaser shall fail to pay any installment of the purchase price and interest, if any, as and when the same are due, or shall fail to comply with the other terms and conditions of the sale, then the Secretary of War may, at his election, declare such purchaser in default and reenter and repossess said property in the name of the United States and he may thereafter cause said property to be readvertised and resold at public sale in accordance with the provisions of this act.

SEC. 4. During any interval of time that the property may be in the custody of the Secretary of War, he may, in a manner that will best conserve the interests of the United States, lease said property, or, if unable to lease the same on satisfactory terms, may maintain and operate the same, or, in the discretion of the President, the property may be transferred by Executive order to the Department of Commerce for administration under the provisions of the Merchant Marine Act of June 5, 1920, as amended.

SEC. 5. All sums received as a result of the sale of said property, after deducing therefrom any costs of appraisal and other necessary expenses incident to sale, shall be deposited in the Treasury of the United States as miscellaneous receipts.

Mr. KING. Mr. President, is this bill approved by the various departments of the Government?

Mr. BARBOUR. Mr. President, the bill has been approved by all the departments concerned.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FINANCIAL AND ECONOMIC CONDITION OF AGRICULTURAL PRODUCERS

The joint resolution (H. J. Res. 444) to amend the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally", approved August 27, 1935, was considered, ordered to a third reading, read the third time, and passed.

Mr. KING subsequently said: Mr. President, I move to reconsider the vote by which House Joint Resolution 444 was passed.

Mr. LA FOLLETTE. Mr. President, is the Senator opposed to the measure?

Mr. KING. If I understand it, I am.

Mr. LA FOLLETTE. The Senator from California has been called from the Chamber. He is very much interested in the joint resolution. It authorizes the continuance of an investigation which has already been undertaken by the Federal Trade Commission under Public Resolution No. 61 of the Seventy-fourth Congress. The title of that measure was:

Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally.

The investigation has not as yet been completed; and, as I understand, the pending joint resolution includes a few other commodities to be investigated and extends to October 1, 1936, the time for filing the report. It makes unexpended balances available until October 1, 1936.

Mr. KING. Mr. President, will there be a deficit?

Mr. LA FOLLETTE. The Senator interrupted me. The joint resolution also increases the original authorization. Apparently, from a study of the House report, which is what the Senator from California left with me, the investigation has been only partially completed; and unless it is permitted to continue the money which has already been spent upon it will to some extent have been wasted.

I sincerely hope the Senator from Utah will be persuaded to permit the joint resolution to pass and to give it further consideration; and if later he desires reconsideration I feel certain that no one will interpose an objection.

Mr. KING. Will the Senator from Wisconsin consent to strike out, in line 19, page 4, the figures "$300,000" and insert in lieu thereof "$200,000"? That will give the Commission $50,000 additional. It now has $150,000.

Mr. LA FOLLETTE. Mr. President, I am a little embarrassed by that suggestion, because I have not had any opportunity to consult with the Senator from California.

Mr. McNARY. Mr. President, may I interrupt at this point?

It is provided that there shall be made available any unexpended balance of the appropriation of $150,000. That sum is very considerably less than the amount of $150,000, although I have not the figures before me. Page 5 of the joint resolution makes clear just what the provision is.

Mr. KING. What is the additional appropriation which is desired?

Mr. McNARY. Sufficient to carry on the work.

Mr. KING. How much?

Mr. McNARY. The unexpended balance of $150,000.

Mr. KING. I understood the Senator from Wisconsin to say that an additional appropriation is required. If no additional appropriation is required, I have no objection. If one is required, I object.

The PRESIDING OFFICER (Mr. HATCH in the chair). The bill has been passed. Does the Senator ask that that action be reconsidered?

Mr. McNARY. I think this language on page 5, line 9, covers the matter:

It is hereby further provided that any unexpended balance of the appropriation of $150,000 made in the Independent Offices Appropriation Act for the fiscal year 1936 in accordance with the authority contained in Public Resolution No. 61, Seventy-fourth Congress, first session, is hereby made available for like purpose to and including October 1, 1936.

Mr. KING. I assume the Senator, then, is taking the position that no additional appropriation is required.

Mr. McNARY. That is my understanding.

Mr. KING. If no additional appropriation is required, I have no ojection. If an additional appropriation is required, I shall move to reconsider.

FRANK A. BOYLE

The bill (H. R. 993) for the relief of Frank A. Boyle was considered, ordered to a third reading, read the third time, and passed.

JAMES L. PARK

The bill (H. R. 3907) for the relief of James L. Park was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF TRAFFIC CONDITIONS

The bill (H. R. 10591) to authorize the Secretary of Agriculture to investigate and report on traffic conditions with recommendations for corrective legislation was announced as next in order.

Mr. COUZENS. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HAYDEN. Mr. President, I should like to know who asked that the bill be passed over.

Mr. COUZENS. I asked that it go over, because I find no statement in the report as to how the Secretary of Agriculture shall proceed to investigate traffic conditions all over the world. In addition to that, Mr. President, communities and States are duplicating the work of investigation of traffic conditions, and the amount carried by the bill is such that it will be necessary later to provide a further appropriation, because under no circumstances can the investigation be concluded with the amount proposed by the bill.

Mr. HAYDEN. Mr. President, will the Senator withhold his objection for a moment, so that I may make a brief statement? The bill appropriates no additional amount of money out of the Treasury. It allows $75,000 of the administrative fund now available to the Bureau of Public Roads to be used for the investigation, which in reality is a coordination of the efforts that are being made throughout the Nation. Because of its intimate connection with the State highway departments throughout the country, the Bureau of Public Roads, as the Senator well knows, is one of the best-qualified and best-informed agencies of the Government to do the work. The Senator will observe that the bill was recommended by the Secretary of Agriculture in twice the amount carried by it. The House reduced the amount to $75,000.

By reason of the appalling loss of human life, traffic conditions throughout the country naturally have become a subject of deep concern and interest, as the Senator has indicated, in every State and every city. The measure in question is for the purpose of coordinating the information gathered throughout the country, in an effort to establish uniformity of traffic regulations.

Mr. COUZENS. Mr. President, may I ask whether any hearings were held on the bill with regard to how the investigation is to be carried on?

Mr. HAYDEN. I do not happen to have a copy of the House hearings.

Mr. COUZENS. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

EMANUEL BRATSES

The Senate proceeded to consider the bill (H. R. 3866) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Emanuel Bratses, which had been reported from the Committee on Claims with an amendment to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of Emanuel Bratses for injuries and damages sustained in an accident in which he lost his leg at the Brooklyn Navy Yard, Brooklyn, N. Y., on May 27, 1933: *Provided*, That proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which said court has jurisdiction under section 145 of the Judicial Code, as amended: *Provided further*, That the judgment, if any, shall not exceed the the sum of $5,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MISSOURI RIVER BRIDGE, ARROW ROCK, MO.

The bill (H. R. 11819) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo., was considered, ordered to a third reading, read the third time, and passed.

HELEN MAHAR JOHNSON

The bill (H. R. 8220) for the relief of Helen Mahar Johnson was considered, ordered to a third reading, read the third time, and passed.

TRANSFER OF LAND TO TERRITORY OF HAWAII

The bill (H. R. 10712) to authorize the transfer of land from the War Department to the Territory of Hawaii was considered, ordered to a third reading, read the third time, and passed.

TRANSFER OF LAND TO KENTUCKY

The bill (H. R. 11916) to authorize the transfer of a certain piece of land in Muhlenberg County, Ky., to the State of Kentucky was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 7293) to amend the act approved June 16, 1934, entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes", was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

PROTECTION TO WORKMEN ON UNITED STATES PROPERTY

The Senate proceeded to consider the bill (H. R. 12599) to provide more adequate protection to workmen and laborers on projects, buildings, constructions, improvements, and property wherever situated, belonging to the United States of America, by granting to the several States jurisdiction and authority to enter upon and enforce their State workmen's compensation, safety, and insurance laws on all property and premises belonging to the United States of America, which had been reported from the Committee on Education and Labor with amendments, in section 1, page 1, line 5, after the word "compensation", to strike out the comma and "safety, and insurance"; on page 2, line 2, after the words "authority to", to strike out "enter onto and upon" and insert "apply such laws to"; on the same page, line 6, after the word "State", to strike out "wherever required or necessary, to enforce and require obedience to the State workmen's compensation, safety, and insurance laws, and to enforce and require obedience to the orders, decisions, and awards of the constituted authorities of the State, on" and insert "and to"; on the same page, line 16, after the words "may be", to strike out the semicolon and the words "and the civil and criminal laws of the several States within whose exterior boundaries such place may be pertaining to and embracing the State workmen's compensation, safety, and insurance laws and pertaining to and embracing the orders, decisions, and awards of the constituted authority of the several States are hereby extended to and cover, for such jurisdictional purposes, the territory above described for criminal as well as for civil infractions thereof and liabilities incurred thereunder", so as to make the section read:

Be it enacted, etc., That whatsoever constituted authority of each of the several States is charged with the enforcement of and requiring compliances with the State workmen's compensation laws

of said States and with the enforcement of and requiring compliance with the orders, decisions, and awards of said constituted authority of said States hereafter shall have the power and authority to apply such laws to all lands and premises owned or held by the United States of America by deed or act of cession, by purchase or otherwise, which is within the exterior boundaries of any State, and to all projects, buildings, constructions, improvements, and property belonging to the United States of America, which is within the exterior boundaries of any State, in the same way and to the same extent as if said premises were under the exclusive jurisdiction of the State within whose exterior boundaries such place may be.

The amendment was agreed to.

The next amendment was, in section 2, page 3, line 5, after the word "compensation", to strike out the comma and the words "safety, and insurance"; on the same page, line 12, after the word "compensation", to strike out the comma and the words "safety, and insurance"; and to insert at the end of the section a proviso, so as to make the section read:

SEC. 2. For the purposes set out in section 1 of this act, the United States of America hereby vests in the several States within whose exterior boundaries such place may be, insofar as the enforcement of State workmen's compensation laws are affected, the right, power, and authority aforesaid: *Provided, however,* That by the passage of this act the United States of America in nowise relinquishes its jurisdiction for any purpose over the property named, with the exception of extending to the several States within whose exterior boundaries such place may be only the powers above enumerated relating to the enforcement of their State workmen's compensation laws as herein designated: *Provided further,* That nothing in this act shall be construed to modify or amend the United States Employees' Compensation Act as amended from time to time (act of Sept. 7, 1916, 39 Stat. 742, U. S. C., title 5 and supplement, sec. 751 et seq.).

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide more adequate protection to workmen and laborers on projects, buildings, constructions, improvements, and property wherever situated, belonging to the United States of America, by granting to the several States jurisdiction and authority to apply their State workmen's compensation laws on all property and premises belonging to the United States of America."

Mr. WALSH. Mr. President, I ask that the report of the committee be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report (No. 2294) submitted by Mr. WALSH on June 5, 1936, is as follows:

The Committee on Education and Labor, to whom was referred the bill (H. R. 12599) to provide more adequate protection to workmen and laborers on projects, buildings, constructions, improvements, and property wherever situated, belonging to the United States of America, by granting to the several States jurisdiction and authority to enter upon and enforce their State workmen's compensation, safety, and insurance laws on all property and premises belonging to the United States of America, having considered the same, recommend that the bill do pass with amendments.

The purpose of the amended bill is to fill a conspicuous gap in the workmen's compensation field by furnishing protection against death or disability to laborers and mechanics employed by contractors or other persons on Federal property. The United States Employees' Compensation Act covers only persons directly employed by the Federal Government.

There is no general Federal statute applying the workmen's compensation principle to laborers and mechanics on Federal projects, and although the right of workmen to recover under State compensation laws for death or disability sustained on Federal property has been recognized by some of the courts, a recent decision of the United States Supreme Court (see *Murray* v. *Gerrick*, 291 U. S. 315) has thrown some doubts upon the validity of these decisions by holding that a Federal statute giving a right of recovery under State law to persons injured or killed on Federal property refers merely to actions at law. Hence it was held that this statute (act of Feb. 1, 1928, 45 Stat. 54, U. S. C., title 16, sec. 457) did not extend State workmen's compensation acts to places exclusively within the jurisdiction of the Federal Government. The Senate has recognized the desirability of correcting this situation by enacting two bills this session dealing with the problem, S. 3238 and S. 4671. Thus far the House has not acted on either of these bills, but passage of this bill in its amended form would accomplish in part the objectives sought to be attained by these other bills.

The committee have amended this bill in the form passed by the House by striking out all provisions subjecting Federal property to State safety and insurance regulations and also eliminating provisions authorizing State officers to enter upon Federal premises. These provisions were objected to by the procurement agencies of the Government inasmuch as such provisions would not only produce conflicts of authority between State and Federal officers but would also mark a wide departure from the well-established principles that Federal officers should have complete charge of any regulations pertaining to Federal property. It was the conclusion of the committee that the principal reform which this bill sought to achieve could be attained without the inclusion of these clauses.

The report (H. Rept. No. 2656) of the House Committee on Labor on H. R. 12599 is submitted herewith.

"[H. Rept. No. 2656, 74th Cong., 2d sess.]

"The Committee on Labor, to whom was referred the bill (H. R. 12599) to provide more adequate protection to workmen and laborers on projects, buildings, constructions, improvements, and property wherever situated, belonging to the United States of America, by granting to the several States jurisdiction and authority to enter upon and enforce their State workmen's compensation, safety, and insurance laws on all property and premises belonging to the United States of America, having had the bill under consideration, report it back to the House with a recommendation that it do pass.

"This bill is absolutely necessary so that protection can be given to men employed on projects as set out in the foregoing paragraph.

"As a specific example, the Golden Gate Bridge, now under construction at San Francisco, which is being financed by a district consisting of several counties of the State of California, the men are almost constantly working on property belonging to the Federal Government either on the Presidio Military Reservation on the San Francisco side of the Golden Gate, or the Fort Baker Military Reservation on the Marin County side of the Golden Gate.

"A number of injuries have occurred on this project and private insurance companies with whom compensation insurance has been placed by the contractors have recently discovered two decisions—one by the Supreme Court of the United States and one by the Supreme Court of California—which seem to hold that the State compensation insurance acts do not apply, leaving the workers wholly unprotected, except for their common-law right of action for personal injuries which would necessitate action being brought in the Federal courts. In many cases objection to the jurisdiction of the industrial accident commission has been raised over 1 year after the injury occurred and after the statute of limitations has run against a cause of action for personal injuries. This status of the law has made it possible for the compensation insurance companies to negotiate settlement with the workers on a basis far below what they would ordinarily be entitled. The situation existing in this locality is merely an example of the condition that exists through the United States wherever work is being performed on Federal property."

PRELIMINARY EXAMINATION OF LACKAWANNA RIVER

The bill (H. R. 12002) to authorize a preliminary examination of the Lackawanna River with a view to the control of its floods was announced as next in order.

Mr. KING. Mr. President, as I find a number of authorizations are sought for surveys, I desire to inquire of the chairman of the Committee on Commerce why provision was not made in the bill which we passed a few days ago with respect thereto. Scores if not several hundred authorizations were contained in that bill. It seems to me we should not begin again to provide for the investigation of streams for which we have already authorized investigation. I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

DIVISION OF WATERS OF YELLOWSTONE RIVER

Mr. WHEELER. Mr. President, I ask that the Senate recur to Calendar No. 2342, being Senate bill 3957, granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee

on Irrigation and Reclamation with an amendment at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That consent of Congress is hereby given to the States of Montana and Wyoming to negotiate and enter into a compact, or agreement, not later than June 1, 1939, providing for an equitable division and apportionment between the States of the water supply of the Yellowstone River and of the streams tributary thereto, upon condition that one suitable person, who shall be appointed by the President of the United States, shall participate in said negotiations as the representative of the United States and shall make report to Congress of proceedings and of any compact or agreement entered into: *Provided*, That such compact or agreement shall not be binding or obligatory upon either of the parties thereto unless and until the same shall have been approved by the legislatures of each of said States and by the Congress of the United States: *Provided further*, That nothing in this act shall apply to any waters within the Yellowstone National Park or shall establish any right or interest in or to any lands within the boundaries thereof.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DIVISION OF STREAM POLLUTION CONTROL

Mr. BARKLEY. Mr. President, I ask unanimous consent to recur to Calendar No. 2316, being Senate bill 4627. The objection which was made at the time the bill was reached on the calendar has been withdrawn.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

There being no objection, the bill (S. 4627) to create a Division of Stream Pollution Control in the Bureau of the Public Health Service, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby established in the Bureau of the Public Health Service a Division of Stream Pollution Control. This division shall be in charge of a director, who shall be a commissioned engineer officer of the United States Public Health Service detailed by the Surgeon General of the Public Health Service. Said engineer officer while serving as director shall have the rank of an Assistant Surgeon General of the Public Health Service, subject to the provisions of law applicable to Assistant Surgeons General in charge of administrative divisions in the District of Columbia of the Bureau of the Public Health Service.

SEC. 2. (a) For the administration of this act the Secretary of the Treasury may, upon recommendation of the Surgeon General, appoint such engineers, attorneys, experts, research assistants, examiners, and consultants as may be necessary and fix their compensation in the manner provided by law for appointment and compensation of such personnel of the Public Health Service; and the Surgeon General is authorized to transfer, assign, or detail to the division from any other division of the Public Health Service such professional and scientific personnel as may be available.

(b) Such clerical, stenographic, and other assistants as may be necessary to discharge the duties of said division shall be appointed by the Secretary of the Treasury in accordance with the civil-service laws and the Classification Act of 1923, as amended, and he shall prescribe rules and regulations with respect to their duties as he may find necessary.

(c) The Secretary of the Treasury, with the consent of the Secretary of any other department of the Federal Government, may utilize such officers and employees of said department to assist in carrying out the purposes of this act. The appropriation from which they are paid shall be reimbursed from the appropriations made pursuant to section 9 of this act to the extent of their salaries and allowances for service performed while so engaged.

SEC. 3. The Division of Stream Pollution Control shall, in cooperation with the agencies of the several States authorized or designated by law to deal with water pollution, prepare a comprehensive plan for eliminating or reducing the pollution and improving the sanitary condition of the waters of the United States. In the development of such comprehensive plan due regard shall be given to the improvements which are necessary to conserve such waters and promote their use for public water supplies, propagation of fish and aquatic life, recreational purposes, agricultural, and other legitimate uses, and for this purpose the Division of Stream Pollution Control is authorized to make joint investigations with the aforesaid agencies of any State or States of the condition of any waters either navigable or otherwise and the discharges of any sewage, industrial wastes, or deleterious substances which may adversely affect such waters. Such comprehensive plan shall also be developed in cooperation with and shall be consistent with any general, national, or regional plan of water conservation recommended by the National Resources Committee or any duly empowered Federal agency, and with statutory regulation and provision of the States affected.

The Division of Stream Pollution Control shall encourage cooperative activities by the several States for the prevention and abatement of pollution; encourage the enactment of uniform State laws relating to water pollution; encourage compacts between the several States for the prevention and abatement of water pollution; collect and disseminate information; make available to State agencies the results of surveys, studies, and experiments conducted by it and other agencies, public and private; assign experts in its employ or, with the approval of the head of the department or agency concerned, in the employ of any other department or agency of the Government; and to furnish such assistance to State agencies as may be authorized by law.

SEC. 4. The Division of Stream Pollution Control, upon request of any State health authority or authorities, and subject to the approval of the Surgeon General, shall conduct investigations and make surveys of any specific problem of stream pollution confronting any State, drainage-basin authority, community, or municipality, with a view to effecting a solution of such problem or problems, and shall make definite recommendations for the correction or elimination of the conditions found to exist.

SEC. 5. The Public Health Service shall prepare and publish from time to time, reports of such studies, investigations, and surveys as shall be made under the authority of this act, together with appropriate recommendations with regard to the control of pollution of the waters of the United States.

SEC. 6. Any State, municipality, or other public body which is discharging untreated or inadequately treated sewage or waste into waters of any area is hereby declared to be eligible to Federal aid in the form of grants-in-aid and/or loans for the construction of necessary remedial treatment works, in accordance with plans approved by the respective State board or department of health and by the Surgeon General of the Public Health Service. Such loans and grants-in-aid shall be made upon such terms and conditions as the President may prescribe, subject to the following limitations: (1) Loans or grants-in-aid shall be made only upon the recommendation of the State board or department of health having jurisdiction and with the approval of the Surgeon General of the Public Health Service; (2) no grant-in-aid shall be made in respect to any project of an amount in excess of — percent of the cost of the labor and materials employed upon such project including the cost of preparation of plans and the carrying of same into execution.

SEC. 7. Any private corporation discharging untreated or inadequately treated sewage or waste deleterious to the waters within any area is hereby declared to be eligible to Federal aid in the form of loans for the construction of necessary remedial treatment works in accordance with plans approved by the respective State board or department of health and with the approval of the Surgeon General of the Public Health Service. Such loans shall be made upon such terms and conditions as the President may prescribe, subject to the following limitation: (1) Loans shall be made only upon the recommendation of the State board or department of health having jurisdiction and upon approval of the Surgeon General of the Public Health Service.

SEC. 8. The Surgeon General shall make estimates of the amount of moneys required each year for the extension of Federal aid in the form of grants-in-aid or loans to any States, municipalities, or other public bodies or in the form of loans to private corporations within any area. The Surgeon General shall transmit such estimates through the Secretary of the Treasury to the President, who shall transmit the same to the Congress, together with any recommendations he may deem advisable. The Congress thereupon may appropriate moneys to the Treasury Department to be allotted to such States, municipalities, or other public bodies or loaned to such private corporations under supervision of the Surgeon General in accordance with rules and regulations prescribed by the Secretary of the Treasury, for the construction of remedial sewage or waste treatment works, in accordance with an approved comprehensive plan.

SEC. 9. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year commencing July 1, 1936, and for each year thereafter, the sum of $300,000 to defray the expenses of the establishment and maintenance of the Division of Stream Pollution Control in the Bureau of the Public Health Service and to be used for the hereinabove specified purposes of field investigations.

SEC. 10. There is hereby authorized to be appropriated the sum of $700,000 annually for 10 fiscal years beginning with the fiscal year commencing July 1, 1936, to be paid to the States for expenditures by or under the direction of their respective State boards or departments of health in the promotion, investigations, surveys, and studies necessary in the prevention and control of stream pollution; this sum to be allotted, under the supervision of the Surgeon General of the Public Health Service, to the States in accordance with the rules and regulations prescribed by the Secretary of the Treasury.

SEC. 11. If any provision of this act is held invalid, the remainder of the act shall not be affected thereby.

SEC. 12. This act may be cited as the Stream Pollution Act.

MISSOURI RIVER BRIDGE, MIAMI, MO.

The bill (H. R. 11820) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo., was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION, KENNEBEC RIVER, MAINE

The bill (H. R. 12006) to authorize a preliminary examination of the Kennebec River, Maine, and its tributaries, with a view to the control of their floods, was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 12007) to authorize a preliminary examination of the Penobscot River, Maine, and its tributaries, with a view to the control of their floods, was announced as next in order.

Mr. KING. I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The bill (H. R. 12008) to authorize the preliminary examination of the Androscoggin River, in Maine and New Hampshire, and its tributaries, with a view to the control of their floods, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The bill will be passed over.

SAFETY OF EMPLOYEES AND TRAVELERS ON RAILROADS

The bill (S. 1288) to promote the safety of employees and travelers on railroads by requiring common carriers engaged in interstate commerce to install, inspect, test, repair, and maintain block-signal systems, interlocking highway grade-crossing protective devices, automatic train stop, train control, cab-signal devices, and other appliances, methods, and systems intended to promote the safety of railroad operation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 26, chapter 1, title 49, of the Code of Laws of the United States of America is hereby repealed and that the following is hereby added to chapter 1, title 45:

"SEC. 47. (a) The term 'carrier' as used in this section and subject to the provisions of this section includes any carrier by railroad subject to the Interstate Commerce Act (including any terminal or station company), and any receiver or any other individual or body judicial or otherwise, when in the possession of the business of a carrier subject to this section: *Provided*, That the term 'carrier' shall not include any street, interurban, or suburban electric railroad unless such railroad is operated as a part of a general railroad system of transportation.

"(b) The term 'Commission' as used in this section means the Interstate Commerce Commission.

"(c) That the Commission may, after investigation, order any carrier by railroad subject to this section, within a time specified in the order, to install the block-signal system, interlocking, highway grade crossing protective devices, automatic train stop, train control, and/or cab signal devices, and/or other appliances, methods, and systems intended to promote the safety of railroad operation, which comply with specifications and requirements prescribed by the Commission, upon the whole or any part of its railroad, such order to be issued and published at least 2 years before the date specified for its fulfillment: *Provided*, That block-signal systems, interlocking, highway grade crossing protective devices, automatic train stop, train control, and cab signal devices in use on the date of the approval of this section or such systems or devices hereinafter installed may not be discontinued or materially modified by carriers without the approval of the Commission: *Provided further*, That a carrier shall not be held to be negligent because of its failure to install such systems or devices upon a portion of its railroad not included in the order, and any action arising because of an accident occurring upon such portion of its railroad shall be determined without consideration of the use of such systems or devices upon another portion of its railroad.

"(d) Each common carrier by railroad subject to this section shall file with the Commisison its rules, standards, and instructions for the installation, inspection, maintenance, and repair of the devices and systems covered by this section within 3 months after the approval of this section, and, after approval by the Commission, such rules, standards, and instructions with such modifications as the Commission may require shall become obligatory upon the carrier: *Provided, however*, That if any such carrier shall fail to file its rules, standards, and instructions, the commission shall prepare rules, standards, and instructions for the installation, inspection, maintenance, and repair of such devices and systems to be observed by such carrier, which rules, standards, and instructions, a copy thereof having been served on the president, chief operating officer, trustee, or receiver of such carrier, shall be obligatory and a violation thereof punished as hereinafter provided: *Provided further*, That such carrier may from time to time change the rules, standards, and instructions herein provided for, but such change shall not take effect and the new rules, standards, and instructions be enforced until they shall have been filed with and approved by the Commission.

"(e) The Commission is authorized to inspect and test any devices and systems referred to in this section used by any such carrier and to determine whether such devices and systems are in proper condition to operate and provide adequate safety. For these purposes the Commission is authorized to employ persons familiar with the subject and may also make use of its regular employees for such purposes: *Provided*, That no person interested either directly or indirectly in any patented article required to be used on or in connection with any of such devices and systems or who has any financial interest in any carrier or in any concern dealing in railway supplies shall be used for such purpose.

"(f) It shall be unlawful for any carrier to use or permit to be used on its line any device or system covered by this section unless such apparatus, with its controlling and operating appurtenances, is in proper condition and safe to operate in the service to which it is put, so that the same may be used without unnecessary peril to life and limb, and unless such apparatus, with its controlling and operating appurtenances, has been inspected from time to time in accordance with the provisions of this section and is able to meet such test or tests as may be prescribed in the rules and regulations hereinbefore provided.

"(g) Each carrier shall report to the Commission, in such manner and to such extent as may be required by the Commission, failures of such devices and systems to indicate or function as intended; and in case of accident resulting from failure of any such devices or systems to indicate or function as intended, and resulting in injury to person or property which is reportable under the rules of the Commission, a statement forthwith must be made in writing of the fact of such accident by the carrier owning or maintaining such device or system to the Commission; whereupon the facts concerning such accident shall be subject to investigation as provided in sections 40, 41, and 42 of this chapter.

"(h) It shall be the duty of the Commission to see that the requirements of this section and the orders, rules, regulations, and instructions promulgated hereunder are observed by carriers subject hereto, and all powers heretofore granted to the Commission are hereby extended to it in the execution of this section.

"(i) Any carrier violating this section or refusing or neglecting to comply with any order, rule, or regulation made under its provisions shall be liable to a penalty of $100 for each such violation and $100 for each and every day such violation, refusal, or neglect continues, to be recovered in a suit or suits to be brought by the United States attorney in the district court of the United States having jurisdiction in the locality where such violations shall have been committed. It shall be the duty of such attorneys to bring such suits upon duly verified information being lodged with them of such violations having occurred; and it shall be the duty of the Interstate Commerce Commission to lodge with the proper United States attorneys information of any violations of this section coming to its knowledge."

BILL PASSED OVER

The bill (H. R. 12056) authorizing the State of Iowa, acting through its State highway commission, and the State of Nebraska, acting through its department of roads and irrigation, to construct, maintain, and operate a free or toll bridge across the Missouri River at or near Dodge Street in the city of Omaha, Nebr., was announced as next in order.

Mr. KING. Let the bill go over.

Mr. COPELAND. Mr. President, this is a bridge bill. May I ask the Senator if he will withhold the objection for a moment?

Mr. KING. An absent Senator requested me to interpose objection.

Mr. COPELAND. Very well.

The PRESIDING OFFICER. The bill will be passed over.

PRELIMINARY EXAMINATION OF SIX MILE CREEK, ARK.

The Senate proceeded to consider the bill (H. R. 12202) to provide for a preliminary examination of Six Mile Creek in Logan County, Ark., with a view to flood control and to determine the cost of such improvement.

Mr. KING. Mr. President, I think this is part of a measure which has already been passed, but I have no objection to its consideration.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EXAMINATION OF ALLEGHENY AND SUSQUEHANNA RIVERS, PA.

The bill (H. R. 12240) to authorize a preliminary examination of the tributaries, sources, and headwaters of the Allegheny and Susquehanna Rivers in the State of Pennsylvania, where no examination and survey has heretofore been made, with a view to the control of their floods and

the regulation and conservation of their waters, was considered, ordered to a third reading, read the third time, and passed.

CHESAPEAKE BAY BRIDGE, KENT COUNTY, MD.

The bill (H. R. 12514) authorizing the Chesapeake Bay Authority to construct, maintain, and operate a toll bridge across the Chesapeake Bay, from a point in Baltimore County, Md., over Hart Island and Miller's Island to a point near Tolchester, Kent County, Md., was considered, ordered to a third reading, read the third time, and passed.

WACCAMAW RIVER BRIDGE, RED BLUFF, S. C.

The bill (H. R. 12685) granting the consent of Congress to the county of Horry, S. C., to construct, maintain, and operate a free highway bridge across the Waccamaw River, at or near Red Bluff, S. C., was considered, ordered to a third reading, read the third time, and passed.

ROWESVILLE OIL CO.

The Senate proceeded to consider the bill (H. R. 237) for the relief of the Rowesville Oil Co., which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Rowesville Oil Co., of Rowesville, S. C., out of any money in the Treasury not otherwise appropriated, the sum of $4,991.74, in full settlement of all claims against the Government for the balance due and unpaid on 300 bales of linters purchased under contract by the United States Government through its agents on or about September 28, 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

FARMERS' STORAGE & FERTILIZER CO.

The Senate proceeded to consider the bill (H. R. 254) for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C., which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Farmers' Storage & Fertilizer Co., of Aiken, S. C., out of any money in the Treasury not otherwise appropriated, the sum of $3,725.98, in full settlement of all claims against the Government for the balance due and unpaid on 123 bales of linters purchased under contract by the United States Government through its agents on December 31, 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ESTATE OF JOHN GELLATLY AND CHARLYNE GELLATLY, INDIVIDUALLY

The bill (H. R. 8824) for the relief of the estate of John Gellatly, deceased, and/or for Charlyne Gellatly, individually, was announced as next in order.

Mr. ROBINSON. Mr. President, that bill will go over, but I wish to make a brief statement concerning it.

On May 7 of this year a similar bill was reported adversely, the report being of such a nature as to show that the claim has no foundation in fact or in law. I shall ask that the adverse report referred to be incorporated in the RECORD as a part of my remarks. I do not know why the bill was withdrawn from the Senate after it had been adversely reported and then subsequently a favorable report submitted to the effect that the committee had no recommendation to make regarding the merits of the claim. I shall insist that the bill go over.

Mr. COPELAND. Mr. President, will the Senator yield to me for just a moment?

Mr. ROBINSON. Certainly; I yield.

Mr. COPELAND. It is true, exactly as stated by the Senator from Arkansas, that the committee made an adverse report on this claim the second time it appeared before the committee. The first time the matter was presented the committee favorably reported it; the second time they made an adverse report, probably because I appeared as the attorney for the claimant and made such a poor presentation that naturally it fell by the wayside. Upon my request, however, the matter was presented again to the Committee on Claims, and Mrs. Gellatly was represented by her attorney, who knew all about the case as I did not. I have no interest in the matter beyond the fact that the surrogate judge of my city, Judge Foley, a very highly respected citizen of my community, urged me to present this matter to the Senate because a great injustice was being done which would not be permitted if his jurisdiction were sufficient to prevent it.

Mr. President, at the time I presented the matter there was put into the RECORD a letter which seemed to indicate this lady entered into an engagement with Mr. Gellatly after the transfer had been completed. The Senator from Arkansas called attention to the fact that Mr. Justice Hughes had reviewed the testimony and took the same view that is now held by the Senator from Arkansas. It became quite apparent, however, in the hearing that what Mr. Justice Hughes saw was the enormous record of a court proceeding somewhere or other; I do not know where.

Two affidavits were presented which indicated that this woman was engaged to the man in the case 2 years before the transfer of the property to the Smithsonian Institution. Under the laws of New York State that could not happen; a man entering into a contract of marriage with a lady in my State cannot divest himself of his possessions after the engagement.

The Committee on Claims, after hearing all the testimony, which I could not present, took the position that this is a meritorious case, at least, to the extent of permitting this woman to have her day in court, and I am very clearly of the opinion that she is entitled to that consideration.

This bill, if passed, would not confer any money upon her; it would simply give her an opportunity in a court of law to have her day in court, in order that she may present there all the facts and have a determination made.

Mr. ROBINSON. Mr. President——

Mr. WHITE. Will the Senator permit me to say a very brief word about the case?

Mr. ROBINSON. Certainly.

Mr. WHITE. As a member of the committee who voted the last time to favorably report the bill, I should like to give my understanding very briefly of this measure. I do not know what occurred during the previous consideration of the bill by the committee, but just before the last favorable report there was a hearing before the committee. As I understand, the claimant in this case was engaged to marry Mr. Gellatly, and during that engagement, before the marriage, the man, unknown to his fiancée, turned over to the United States a most valuable property, practically his entire estate.

Mr. COPELAND. An estate worth four or five million dollars.

Mr. WHITE. Yes; an estate worth four or five million dollars, which the United States now has. All this proposed legislation seeks to do is to permit this woman to go into the United States District Court of the State of New York, there to test the question of whether, in view of the relationship which existed under the contract of marriage, Mr. Gellatly had the legal right to divest himself of practically his entire estate and to deprive her of the rights which as

a wife she has under the laws of New York. I felt that the Government of the United States ought not to interpose objection to a legal inquiry and a legal determination of her rights, and for that reason I voted to report the bill favorably.

Mr. ROBINSON. Mr. President, I will not claim the time of the Senate to discuss the merits of this case, for the bill must go over, but I will state that the facts as represented by the Senator from New York and the Senator from Maine are erroneous. The Chief Justice, who is Chancelor of the Smithsonian Institution; Mr. R. Walton Moore, whom every Senator knows; and I were appointed a committee of three, representing the Board of Regents of the Smithsonian Institution, to investigate this case. We heard evidence, we looked into it, and we reached the conclusion that there was no foundation in fact or in law for the claim.

I could discuss the case at great length. The only time a hearing was held of which I had any notice, the Secretary of the Smithsonian Institution, Mr. Abbot, appeared, and the committee unanimously reported the bill adversely. The report was to the effect that the offer of marriage to the claimant was not made until sometime after the transfer of the property had been made to the Smithsonian Institution. The record, of course, is voluminous, but the Chief Justice and I went into it fully; we examined it for many days, and we reached the conclusion that the claim was invalid to the extent that it almost might be called fraudulent. I ask that the bill go over, and I request that the report to which I have referred be printed in the RECORD in connection with my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Claims, to whom was referred the bill (H. R. 8824) for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually, having considered the same, report adversely thereon with the recommendation that the bill be indefinitely postponed.

By the terms of this bill jurisdiction would be conferred upon the United States District Court for the Southern District of New York to hear, determine, and render judgment on the claims of the estate of John Gellatly, deceased, and/or Charlyne Gellatly with respect to an art collection presented by the said John Gellatly to the Smithsonian Institution for exhibition in the National Gallery of Art for the benefit of the public.

From the investigations of your committee it appears that—

John Gellatly and his former wife, since deceased, had brought together a valuable collection of art objects. After the death of the former Mrs. Gellatly, the said John Gellatly, then a man of about 78 years of age, endeavored to place this collection where it could be shown for the benefit of the public, and offered it to Columbia University in New York City. It was not accepted by the university owing to certain conditions stipulated.

In 1929 the collection was offered to the Nation through the Smithsonian Institution for exhibition in the National Gallery of Art. This offer was accepted by the Institution in principle, pending the authorization of appropriation by Congress of approximately $20,000 a year for the maintenance of the collection in the Heckscher Building in New York City until the expiration of Mr. Gellatly's lease on the rooms in which it was installed. (The lease expired in 1933, when the collection was brought to Washington.) The appropriation of these funds having been granted by Congress the ownership of the collection was conveyed to the Smithsonian Institution by the said John Gellatly by deed of gift in June 1929. This disposition of the collection was highly gratifying to Mr. Gellatly and he later presented a number of other objects to the Institution under the same conditions as the original gift, which objects were offered to and accepted by the Institution in August 1930.

On September 2, 1930, an offer of marriage was made by the said John Gellatly to the claimant, to whom he was married on September 24, 1930. Since October 1930 Mrs. Gellatly has made repeated claims for the collection, both personally and by counsel. It appears that these claims have been carefully considered by the Board of Regents of the Smithsonian Institution (of which Chief Justice Charles E. Hughes is the Chancellor and Senator Joseph T. Robinson and Judge R. Walton Moore, Assistant Secretary of State, also eminent lawyers, are members), and these claims have been refused by the Regents on the grounds that Mrs. Gellatly has neither legal nor moral right to the collection in question.

The photostat copy of Mr. Gellatly's offer of marriage, dated September 2, 1930, submitted by the claimant herself, shows that Mrs. Gellatly not only was not married to the said John Gellatly, but was not even engaged to be married to him until after the ownership of the collection had been passed by Mr. Gellatly to and accepted by the Institution. It is the opinion of your committee, therefore, that she has no valid claim either legally or morally to the said collection. To require the Government to defend a suit for the possession of its property, to which it is apparent Mrs. Gellatly has no just claim, is entirely unwarranted.

Your committee, therefore, reports adversely on this measure and recommends that it be indefinitely postponed.

Mr. COPELAND. Mr. President, the Senator from Arkansas is entirely within his rights, of course, in taking the position he does. He believes he is on firm ground, or he would not take that position. I am satisfied, after listening to the testimony and having examined the facts, that the Senator from Arkansas is mistaken. But whether the Senator from Arkansas is right or whether I am wrong, or whether the committee is right, does not make any difference. This woman has been divested of property worth four or five million dollars, in violation of law, in violation of decency, and she has a right to go into a court of law and find out whether she has any rights. Then, if the court decides that the property belongs to the Smithsonian Institution, very well and good; but I contend that it is proper that an American citizen should have the right to go into court and test the facts. I believe if that were done this woman's rights would be sustained, and in that event, in my opinion, the Smithsonian Institution would not have $4,000,000 or $5,000,000 worth of property which, in my judgment, it ought not to have.

The PRESIDING OFFICER. On objection, the bill will be passed over.

TOURIST CABINS ON AMERICAN ISLAND, S. DAK.

The bill (S. 4182) to authorize the city of Chamberlain, S. Dak., to construct, equip, and maintain tourist cabins on American Island, S. Dak., to operate and maintain a tourist camp and certain amusement and recreational facilities on such islands, to make charges in connection therewith, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 21, as amended, of the act entitled "An act to divide a portion of the reservation of the Sioux Nation of Indians in Dakota into separate reservations, and to secure the relinquishment of the Indian title to the remainder, and for other purposes", approved March 2, 1889, the city of Chamberlain, S. Dak., is authorized, for the purpose of maintaining, developing, and policing American Island, S. Dak., to construct, equip, and maintain a tourist camp and tourist cabins on such island and to charge for the use thereof; to operate and maintain amusement, recreational, and athletic facilities on such island, to charge for admission thereto, and to collect reasonable fees for any concessions granted in connection with amusement, recreational, and athletic entertainments; to lease to Girl Scout and Boy Scout organizations such grounds and quarters on such island as may be necessary for their encampments; and to maintain improvements placed on such island by or in cooperation with the National Park Service: *Provided*, That all enterprises operated on American Island shall be owned and operated by the city of Chamberlain and all profit derived therefrom shall be maintained by such city in a separate fund, which shall be used exclusively for the maintenance, development, and policing of such island.

PUBLIC LANDS IN CALIFORNIA

The bill (H. R. 12033) authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Calif., certain public lands in California; and granting rights-of-way over public lands and reserve lands to the city of Los Angeles in Mono County in the State of California was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby granted to the city of Los Angeles a municipal corporation of the State of California, all lands belonging to the United States situated in Mono County, Calif., which may be necessary, as found by the Secretary of the Interior, for any or all of the following purposes:

Rights-of-way; buildings and structures; construction and maintenance camps; dumping grounds; flowage, diverting, or storage dams; pumping plants; power plants, canals, ditches, pipes, and pipe lines; flumes, tunnels, and conduits for conveying water for domestic, irrigation, power, and other useful purposes; poles, towers, and lines for the conveyance and distribution of electrical energy; poles and lines for telephone and telegraph purposes; roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, or communication; for obtaining stone, earth, gravel, and other materials, of like character; or any other necessary purposes of said city, together with the right to take for

its own use, free of cost, from any public lands, within such limits as the Secretary of the Interior may determine, stone, earth, gravel, sand, and other materials of like character necessary or useful in the construction, operation, and maintenance of aqueducts, reservoirs, dams, pumping plants, electric plants, and transmission, telephone, and telegraph lines, roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, and communication, or any other necessary purposes of the city of Los Angeles.

That there is hereby excepted and reserved unto the United States, from said grant, minerals, other than sand, stone, earth, gravel, and other materials of like character: *Provided, however,* That such minerals so excepted and reserved shall be prospected for, mined, and removed only in accordance with regulations to be prescribed by the Secretary of the Interior.

This grant shall be effective upon (1) the filing by said grantee at any time after the passage of this act, with the register of the United States local land office in the district where said lands are situated, of a map or maps showing the boundaries, locations, and extent of said lands and of said rights-of-way for the purposes hereinabove set forth; (2) the approval of such map or maps by the Secretary of the Interior, with such reservations or modifications as he may deem appropriate; (3) the payment of $1.25 per acre for all Government lands conveyed under this act other than for the right-of-way for the Mono Basin aqueduct: *Provided,* That said lands for rights-of-way shall be along such location and of such width, not to exceed 250 feet, as in the judgment of the Secretary of the Interior may be required for the purposes of this act: *And provided further,* That said lands for any of said purposes other than rights-of-way for the Mono Basin aqueduct may be of such width or extent as may be determined by the Secretary of the Interior as necessary for such purposes.

SEC. 2. That where any of the lands, to which the city of Los Angeles seeks to acquire title under section 1 of this act, are in a national forest, the said map or maps shall be subject to the approval of the Secretary of Agriculture so far as national-forest lands are affected; and upon such approval and the subsequent approval by the Secretary of the Interior, title to said lands shall vest in the grantee upon the date of such subsequent approval.

SEC. 3. Said grants are to be made subject to rights-of-way, easements, and permits heretofore granted or allowed to any person or corporation in accordance with any act or acts of Congress and subject to the rights of all claimants or persons who shall have filed or made valid claims, locations, or entries on or to said lands, or any part thereof prior to the effective date of any conflicting grant hereunder, unless prior to such effective date proper relinquishment or quitclaims have been procured and caused to be filed in the proper land office.

SEC. 4. That whenever the land granted herein shall cease to be used for the purposes for which it is granted, the estate of the grantee or of its assigns shall terminate and revest in the United States. That any grants made hereunder shall not be assigned to any private individual, association of such individuals, or a private corporation.

MARGARET MURPHY

The Senate proceeded to consider the bill (S. 1790) for the relief of Margaret Murphy, which had been reported from the Committee on Claims with an amendment, on page 1, line 8, after the word "per", to strike out "month, which shall be in lieu of the compensation she is now receiving, for injuries sustained November 28, 1928, while employed in the Treasury Department, Washington, D. C." and to insert in lieu thereof "month for injuries sustained November 28, 1928, while employed in the Treasury Department, Washington, D. C., which compensation shall be in lieu of compensation and salary she is now receiving while there employed", so as to make the bill read:

Be it enacted, etc., That in the administration of the act entitled "An act to provide compensation for employees of the United States suffering injuries in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, Margaret Murphy shall, after the date of the approval of this act, be paid compensation at the rate of $80 per month for injuries sustained November 28, 1928, while employed in the Treasury Department, Washington, D. C., which compensation shall be in lieu of compensation and salary she is now receiving while there employed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FINANCING OF INTERSTATE RAILROADS

The Senate proceeded to consider the resolution (S. Res. 227), submitted by Mr. WHEELER on February 4, 1936, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate, with an amendment, on page 1, line 7, after the word "Seventy-fifth", to strike out the words "and succeeding Congresses until the final report is submitted to the Senate" and insert in lieu thereof the words "Congress, and there is hereby authorized to be expended from the contingent fund of the Senate $75,000 in addition to the amount heretofore authorized for said purposes", so as to make the resolution read:

Resolved, That Senate Resolution 71, Seventy-fourth Congress, first session, authorizing an investigation of interstate railroads and affiliates with respect to financing, reorganizations, mergers, and certain other matters, agreed to May 20, 1935, is hereby continued in full force and effect during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fifth Congress, and there is hereby authorized to be expended from the contingent fund of the Senate $75,000 in addition to the amount heretofore authorized for said purposes.

The amendment was agreed to.

The resolution as amended was agreed to.

INVESTIGATION OF VIOLATIONS OF FREE SPEECH AND ASSEMBLY

The resolution (S. Res. 266) submitted by Mr. LA FOLLETTE on March 23, 1936, was read, considered, and agreed to, as follows:

Resolved, That the Committee on Education and Labor is authorized and directed to make an investigation of violations of the rights of free speech and assembly and undue interference with the right of labor to organize and bargain collectively. The committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendation for the enactment of any remedial legislation it may deem necessary.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ and to call upon the executive departments for clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

ATALA N. LAMAR

The resolution (S. Res. 280) submitted by Mr. HARRISON on April 15, 1936, was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1935, to Atala N. Lamar, widow of Lucius Quintus Cincinnatus Lamar, late an employee of the Senate under supervision of the Sergeant at Arms, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

INVESTIGATION OF RECEIVERSHIP AND BANKRUPTCY PROCEEDINGS

The Senate proceeded to consider the resolution (S. Res. 282), submitted by Mr. MCADOO on April 17, 1936, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment, on page 1, line 8, to strike out "$10,000" and insert "$5,000", so as to make the resolution read:

Resolved, That the special committee authorized by S. Res. 78, Seventy-third Congress, to investigate the administration of receivership and bankruptcy proceedings in the courts of the United States, and other matters pertaining thereto, and continued in full force and effect by S. Res. 72, Seventy-fourth Congress, hereby is authorized to expend from the contingent fund of the Senate the sum of $5,000 in addition to the amount heretofore authorized for said purpose.

The amendment was agreed to.

The resolution as amended was agreed to.

EMPLOYMENT OF CRAMPTON HARRIS

The resolution (S. Res. 286) submitted by Mr. BLACK on April 21, 1936, was read, considered, and agreed to, as follows:

Resolved, That the Senate ratifies and confirms the action of the special Senate committee in the employment of Crampton Harris as attorney to represent the Senate in the suit filed by William Randolph Hearst in the Supreme Court of the District of Columbia against the special Senate committee acting under Senate Resolutions 165 and 184 of the Seventy-fourth Congress; be it further

Resolved, That the Senate Committee to Audit and Control the Contingent Expenses of the Senate is hereby authorized to fix the amount of the fee to be paid the said Crampton Harris for representing the Senate in the said Supreme Court of the District of

Columbia and any other courts to which said case may be taken by appeal or otherwise; and be it further

Resolved, That the said Senate Committee to Audit and Control the Contingent Expenses of the Senate is authorized to provide for payment of the expenses necessarily incurred in connection with such litigation, the payments of fee and necessary expenses provided under this resolution to be made out of the appropriation for miscellaneous items of the contingent fund of the Senate.

FUNERAL EXPENSES, THE LATE SENATOR TRAMMELL

The resolution (S. Res. 297), submitted by Mr. FLETCHER on May 18, 1936, was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Park Trammell, late a Senator from the State of Florida, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

SAFETY OF EMPLOYEES AND TRAVELERS ON RAILROADS

Mr. WHEELER. Mr. President, I ask unanimous consent to recur to Calendar No. 2329, being Senate bill 2511.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2511) to promote the safety of employees and travelers on railroads by providing for the inspection and investigation of conditions prevailing in train-dispatching offices and for the promulgation of necessary rules and regulations governing the working conditions of train dispatchers which had been reported from the Committee on Interstate Commerce with amendments.

The first amendment was, on page 2, line 3, in section 1, before the word "act", to strike out the word "this" and insert the word "said"; and after line 19, to insert a new paragraph (e), so as to make the section read:

Be it enacted, etc., That when used in this act and for the purposes of this act—

(a) The term "Commission" means the Interstate Commerce Commission.

(b) The term "carrier" means any carrier by railroad subject to the Interstate Commerce Act (including any terminal or station company) and any receiver or any other individual or body, judicial or otherwise, when in the possession of the business of a carrier subject to said act: *Provided*, That the term carrier shall not include any street, interurban, or suburban electric railroad unless such railroad is operated as a part of a general railroad system of transportation.

(c) The term "train dispatcher" means any subordinate official, employee, or person who is primarily responsible for directing the movement of trains, on an assigned section of track, by train orders or otherwise, and who transmits such train orders or directions verbally or by means of the telegraph or telephone or any other device and/or keeps necessary records incident thereto or performs related work.

(d) The term "train-dispatching office" means any office, tower, place, or station at which a train dispatcher, as defined in this act, is employed or in which he performs his duties.

(e) The term "train-dispatching service" includes the work of controlling the movement of trains or motive power of any character, on an assigned section of track, by train orders or otherwise, which movement is made under the direction of a train dispatcher, or is directed from a train-dispatching office, or for which a train dispatcher is customarily responsible; and also includes the work of keeping the records necessary and incident to such control of such movement.

The amendment was agreed to.

The next amendment was, in section 2, on page 3, line 5, before the word "investigator", to strike out the word "impartial", and in line 7, after the word "office", to insert the words "or train-dispatching service", so as to make the section read:

SEC. 2. That upon complaint or upon its own motion the Commission or any investigator thereunto authorized by said Commission is hereby empowered to inspect and investigate any train-dispatching office or train-dispatching service of any carrier subject to this act with respect to all conditions under which train dispatchers work which in any way involve or affect the safety of the operation of trains.

The amendment was agreed to.

The next amendment was, in section 3, on page 3, line 12, before the words "train dispatching", to strike out the word "any" and insert the word "the", and in line 13, after the word "office", to insert the words "or train-dispatching service of any carrier", so as to make the section read:

SEC. 3. The Commission may, after investigation, upon finding in the train-dispatching office or train-dispatching service of any carrier any unsafe condition, method, rule, regulation, or practice, order such carrier to remove, discontinue, or modify such condition, method, rule, regulation, or practice within a time specified in the order.

The amendment was agreed to.

The next amendment was, in section 4, on page 3, line 22, after the words "train dispatching", to strike out the word "officer" and insert the words "office or train-dispatching service", so as to make the section read:

SEC. 4. The Commission is authorized after hearing to prescribe and enforce by appropriate order such conditions, methods, rules, and regulations as it deems necessary in the interest of safe operation under which any train dispatcher works and/or under which any train-dispatching office or train-dispatching service of any carrier subject to this act shall be conducted, and the Commission is further authorized to amend, modify, or change by order such conditions, methods, rules, and regulations as said Commission may from time to time find necessary more fully to carry out the purpose of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SPECIAL COMMITTEE ON CONSERVATION OF WILDLIFE RESOURCES

The Senate proceeded to consider the resolution (S. Res. 299) reported by Mr. PITTMAN (for himself, Mr. MCNARY, Mr. NORBECK, Mr. CLARK, Mr. BAILEY, Mr. BYRD, and Mr. WHITE), from the Special Committee on Conservation of Wildlife Resources, and also reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment in line 5, before the words "in addition" to strike out "$9,500" and insert "$5,000", so as to make the resolution read:

Resolved, That the special committee authorized and directed by the Senate resolution No. 246, agreed to April 17, 1930, to investigate the conservation of wild animal life, hereby is authorized to expend from the contingent fund of the Senate, in furtherance of such purposes, $5,000 in addition to the amounts heretofore authorized for such purposes; and the said committee hereby is directed to file with the Senate not later than February 1, 1937, its final report and recommendations.

The amendment was agreed to.

The resolution as amended was agreed to.

FEDERAL EXPENDITURES FOR COTTON COOPERATIVES

The Senate proceeded to consider the resolution (S. Res. 313) submitted by Mr. MCKELLAR on June 1, 1936, and reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment to add at the end of the resolution a proviso, so as to make the resolution read:

Resolved, That the authority conferred by S. Res. 185, concerning expenditures by the Federal Government for cotton cooperatives, etc., agreed to August 24, 1935, be, and the same is hereby, extended and continued in force until the expiration of the Seventy-fifth Congress: *Provided further*, That said committee is authorized to investigate the action of the American Cotton Cooperative Association and the Commodity Credit Corporation in the concentration and sale of cotton held for the account of cotton growers.

Mr. SHEPPARD and Mr. CONNALLY. Let it go over.

The PRESIDING OFFICER. The resolution will be passed over.

INVESTIGATION OF WOOL PRODUCTION, TRANSPORTATION, AND MARKETING

The resolution (S. Res. 315) increasing the limit of expenditures for the investigation of the production, transportation, and marketing of wool, submitted by Mr. ADAMS on June 3, 1936, was read, considered, and agreed to, as follows:

Resolved, That S. Res. 160, agreed to July 10, 1935, authorizing a special committee to investigate the production, transportation, and marketing of wool, hereby is continued in full force and effect during the Seventy-fifth Congress; and the said committee hereby is authorized to expend from the contingent fund of the Senate

$3,500 in addition to the amount heretofore authorized for such purpose.

ORDER OF BUSINESS

Mr. WAGNER obtained the floor.

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Austin	Couzens	McGill	Sheppard
Barkley	Fletcher	McNary	Vandenberg
Bilbo	George	Maloney	Wagner
Black	Hatch	O'Mahoney	Walsh
Bone	Hayden	Overton	White
Capper	King	Pittman	
Connally	Lewis	Robinson	
Copeland	Lonergan	Schwellenbach	

The PRESIDING OFFICER (Mr. McGILL in the chair). Twenty-nine Senators have answered to their names. There is not a quorum present. The clerk will call the names of absent Senators.

The Chief Clerk called the names of the absent Senators, and Mr. BULKLEY, Mr. CHAVEZ, Mr. LA FOLLETTE, Mr. SMITH, and Mr. THOMAS of Utah answered to their names when called.

Mr. LEWIS. I rise to reannounce the absence of Senators, and the reasons therefor, as given by me on the previous roll call.

The PRESIDING OFFICER. Thirty-four Senators have answered to their names. There is not a quorum present.

Mr. ROBINSON. Mr. President, unless there is objection, it is my intention to move an adjournment until 12 o'clock Monday. There are only 34 Senators present, and I do not think it will be practicable to proceed with the consideration of new legislation under the existing circumstances. There is not a quorum present.

I could, of course, move to direct the Sergeant at Arms to request the attendance of absent Senators; but it has been pretty well understood that no effort would be made to proceed with legislation after the conclusion of the order under which the Senate was proceeding. We have done a considerable day's work; and unless there are suggestions to the contrary I shall move that the Senate adjourn.

Mr. WAGNER. Mr. President, I did not understand that the request I was about to make would break any unanimous-consent agreement.

Mr. ROBINSON. No; there has been no unanimous-consent agreement, and I did not say there was. I said there was a kind of tentative understanding that nothing further would be done after the conclusion of the call of the calendar.

Mr. WAGNER. I was neither consulted about nor did I know of any such understanding. I am very anxious to have the housing bill passed.

Mr. KING. I call for the regular order.

Mr. McNARY. Mr. President——

Mr. ROBINSON. The Senator from New York understands that we cannot pass a bill with only 34 Senators present. If it is the wish of the Senate, I will move that the Sergeant at Arms be directed to request the attendance of absent Senators.

Mr. WAGNER. I was about to say to the Senator that I should not insist upon any such motion, nor should I myself make such a motion. I wish to make every parliamentary effort to secure the passage of the housing bill; and I think it would be a memorial to our neglect if we should permit the present session of Congress to adjourn without doing something to deal with the important subject of providing decent housing for the low-income group of our country.

Mr. ROBINSON. Debate is not in order.

Mr. KING. I call for the regular order.

The PRESIDING OFFICER. The regular order is demanded, and debate is out of order.

ADJOURNMENT

Mr. ROBINSON. I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 3 o'clock and 30 minutes p. m.) the Senate adjourned until Monday, June 8, 1936, at 12 o'clock meridian.